GLWA
Great Lakes Water Authority

FY 2026 and FY 2027 Biennial Budget & Five-Year Financial Plan FY 2026 through FY 2030



Water Resource Recovery Facility

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

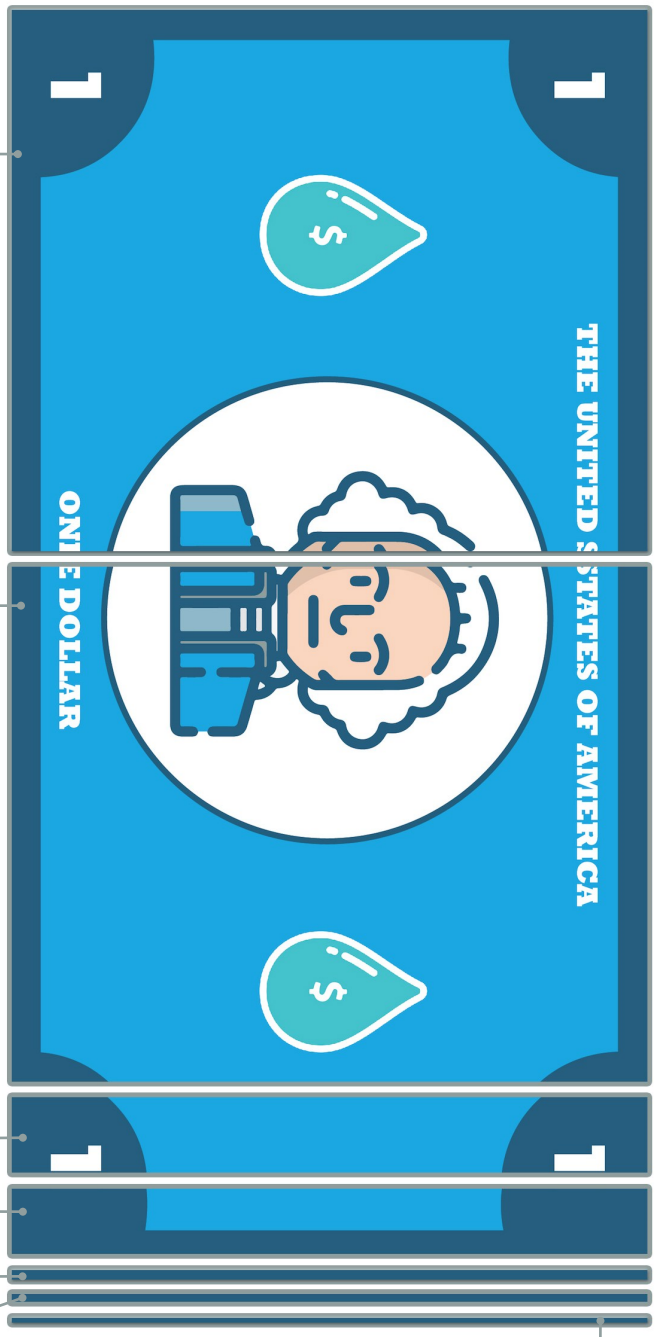
Dedicated to efficiently delivering the nation's best water and sewer services in partnership with our member partners across southeast Michigan

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MAKING SENSE OF YOUR DOLLARS

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

FY 2026 Water System Budget Infographic



44.6% OPERATIONS AND MAINTENANCE

44.6¢ 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.

43.8% DEBT SERVICE

43.8¢ ON THE DOLLAR

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

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 water system. DWSD uses those funds for improvements to the local system and to pay debt related to capital improvements.

4.7% REVENUE FINANCED CAPITAL

4.7¢ 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.

0.7% CLOSED PENSION

0.7¢ 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.

0.2% TRUST FUND WORKING CAPITAL & OTHER

0.2¢ ON THE DOLLAR

The amount required to maintain sufficient liquidity in the Master Bond Ordinance Trust Receiving and other funds, and the Extraordinary Repair & Replacement Reserve Fund.

Source: Adopted FY 2026 Budget as of February 26, 2025

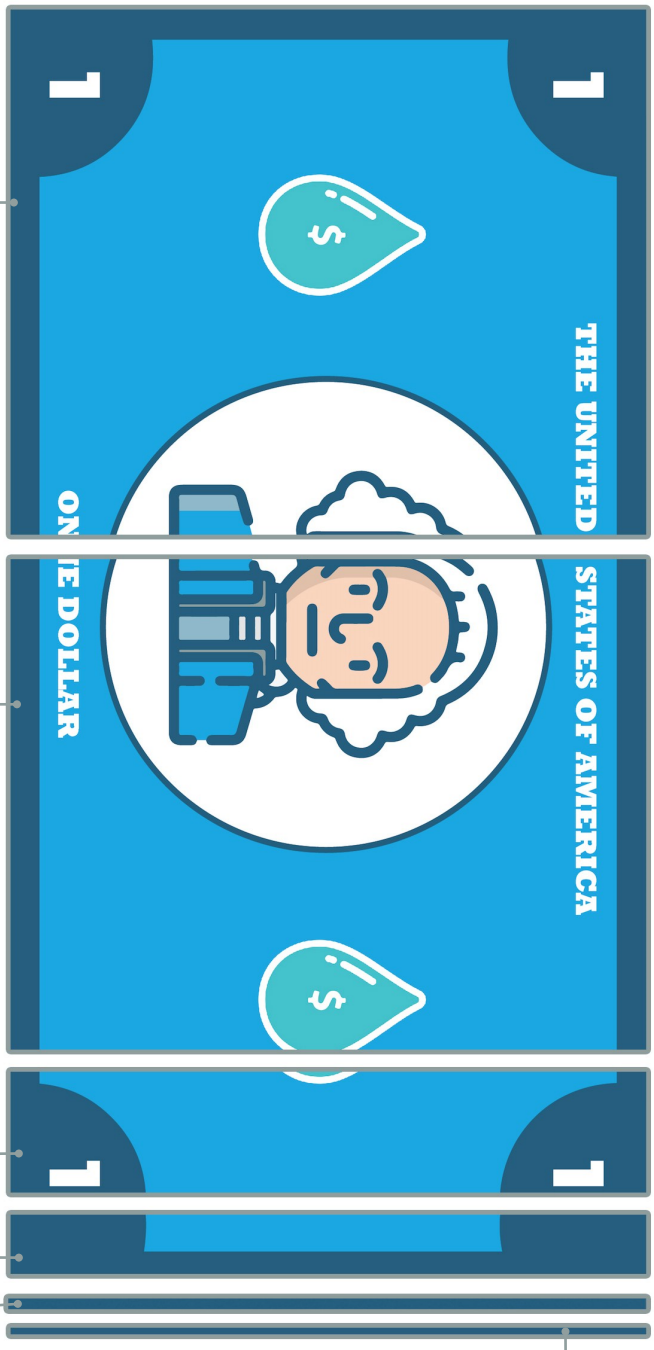
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MAKING SENSE OF YOUR DOLLARS

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

FY 2026 Wastewater System Budget Infographic



43.3% OPERATIONS AND MAINTENANCE

43.3¢ 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.

40.5% DEBT SERVICE

40.5¢ ON THE DOLLAR

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

9.6% REVENUE FINANCED CAPITAL

9.6¢ 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.

5.1% REGIONAL SYSTEM LEASE

5.1¢ 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.

1.0% CLOSED PENSION

1.0¢ 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.

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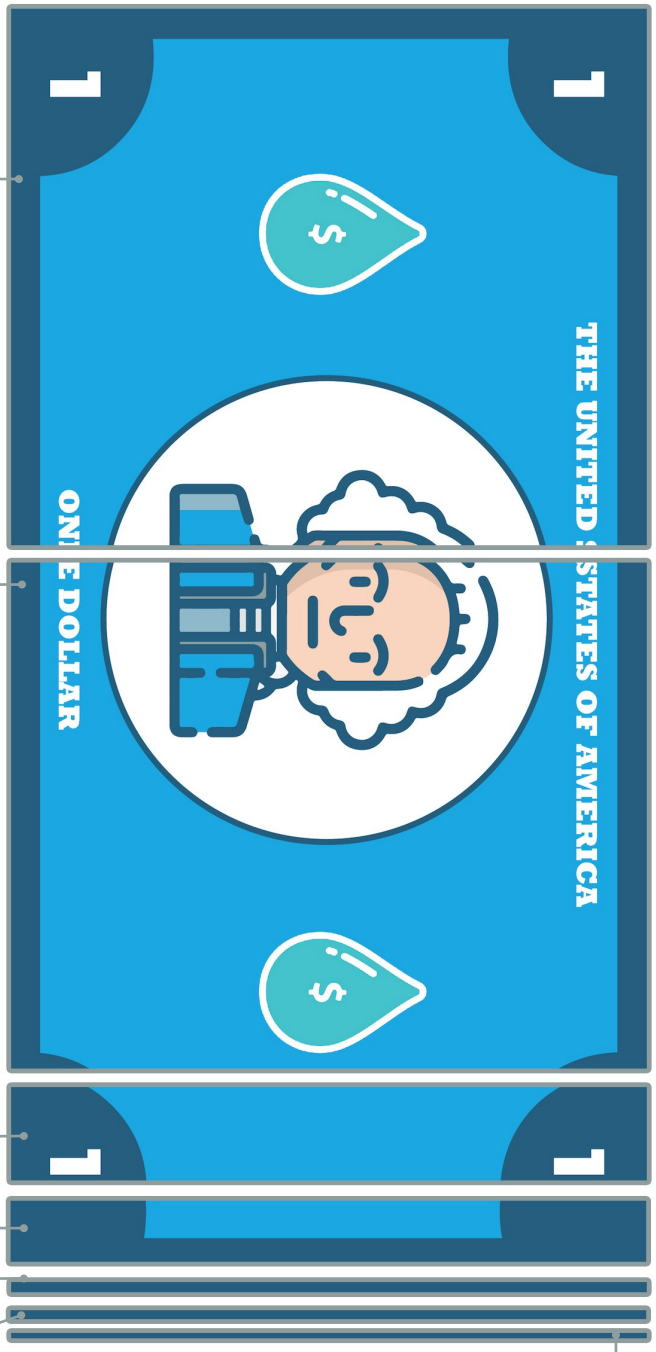
Source: Adopted FY 2026 Budget as of February 26, 2025

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MAKING SENSE OF YOUR DOLLARS

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

FY 2026 Water and Wastewater Combined Budget Infographic



43.9% OPERATIONS AND MAINTENANCE

43.9¢ 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.

41.9% DEBT SERVICE

41.9¢ ON THE DOLLAR

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

7.5% REVENUE FINANCED CAPITAL

7.5¢ 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.

5.2% REGIONAL SYSTEM LEASE

5.2¢ 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.

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 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.

0.1% TRUST FUND WORKING CAPITAL & OTHER

0.1¢ ON THE DOLLAR

The amount required to maintain sufficient liquidity in the Master Bond Ordinance Trust Receiving and other funds, and the Extraordinary Repair & Replacement Reserve Fund.

Source: Adopted FY 2026 Budget as of February 26, 2025

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Table of Contents

Executive Budget Summary 9
One Pager Series – FY 2026 Revenue Requirement 16
One Pager Series - FY 2026 Operations & Maintenance Budget Analysis 17
One Pager Series - FY 2026 Water & Sewer Service Charges 18
Trends - Revenues and Revenue Requirements 19
Distinguished Budget Presentation Award 21

Section 1 – Overview 23
GLWA Profile 25
Community Profile 34
Budget Process 42
Financial Policies 60
Financial Plan 63
Financial Plan Objectives 63
Organization Strategic Goals 66
Long-Range Financial Projection 75
Strategic Capital Management 90

Section 2 - Core Financial Plan Schedules 93
Schedule 1 - Revenue Requirement 95
Schedule 2 - Operations & Maintenance Expense Budget 102
Schedule 3 - Sources of Revenues and Uses of Revenue Requirement – Flow of Funds Basis Consistent with the Master Bond Ordinance 112
Schedule 4 - Debt Service Coverage Calculations Consistent with the Master Bond Ordinance 114
Schedule 5 - Improvement & Extension Funds and Construction Funds 115

Section 3 - Capital Program and Debt 121
Capital Program Overview 123
Capital Outlay 125
Capital Improvement Plan 132
Debt Management 147

Section 4 – Revenues 159
Revenues Overview 161
Water System Charges 165
Sewer System Charges 173

Section 5 - Operating Financial Plans 181
Operating Financial Plans by Service Area 183
Departmental Introduction 193

Section 5A - Water System Operations 195
Water System Operations Overview 197
Water Operations 200
Water Pump Stations 220

Table of Contents *(continued)*

Section 5B - Wastewater (Sewer) System Operations 231
Wastewater (Sewer) System Operations Overview 233
Wastewater Operations 236
Wastewater Pump Stations 259

Section 5C - Centralized Services 271
Centralized Services Overview 273
System Resiliency 278
Planning Services 286
Systems Control 305
Facility Operations 316
Fleet Operations 324
Field Service Operations 332
Energy, Research & Innovation 341
Transformation 350
Information Technology 358
Security & Integrity 372

Section 5D - Administrative Services 383
Administrative Services Overview 385
Board of Directors 389
Chief Executive Officer 394
Chief Administrative & Compliance Officer 402
General Counsel 409
Public Affairs 416
Organizational Development 424
Financial Services 433

Section 6 - Supplemental Analysis 445
Overview of Supplemental Schedules 447
Operations & Maintenance Historical Analysis 448
Personnel Costs 457
Utilities 469
Bulk Chemicals 474
Shared Services 479
Centralized & Administrative Services 484
Water Residential Assistance Program 486
Legacy Commitments 491

Section 7 - Authorizing Resolutions 495
Authorizing Resolution Overview 497
Authorizing Resolution Biennial Budget 498
Authorizing Resolution Service Charges 511
Authorizing Resolution Capital Improvement Plan 525

Section 8 - Acronyms & Glossary 531
Acronyms 533
Glossary 536

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 treatment services 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 10th 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.

GLWA's commitment to affordability is strong. Our roadmap to balancing capital, operating, and affordability is our 10-year financial projection. No decision is made today without understanding how it impacts the future, the environment, and those we serve. Our bottom line is a future focused on wholistic resiliency.

FY 2026 Budget Highlights

The FY 2026 Budget delivers on accomplishing our financial plan objectives in order to achieve our organizational strategic goals. There are five key themes that shape our budget decisions while striving to achieve our strategic goals:

1. *Revenue Stability for the System*: managing the overall budget to meet the needs of the system balanced with affordability in the short- and long-term horizon;
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 GLWA's strategic goals, which are:

- Maintaining and strengthening our AA category credit ratings; and
- Achieving positive key performance indicators (KPI's) based on the 10 attributes of the effective utility management (EUM) framework for GLWA.

Water System – The approved water system budget and schedule of charges translate the above outlined goals into actions – which allowed us to control the average increase in water charges for wholesale member partners to 5.5 percent and the charge to the local system to 6.1 percent, for a system-wide adjustment of 5.9 percent. Those goals and related actions include:

1. *Revenue Stability for the System:* The water system revenue requirement (budget) increased

6.1 percent from the prior year. The average overall charges increase to all member partners is 5.9 percent. The difference in the percentages is mainly due to an increase in the budget investment earnings which was slightly offset by a decrease in projected sales volume;
2. *Long-Term Financial Sustainability*: Budgeted debt service coverage of 1.80 on Senior Lien Bonds and 1.24 on all bonds, and a $19.1 million deposit to the Improvement & Extension fund to lower the pressure for future borrowing needs;
3. *Operations & Maintenance (O&M):* Water O&M increase of 7.6 percent when compared to FY 2025 adopted budget with contracted services and the centralized services allocation being the largest.
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 water charge calculations embrace the FY 2025 simplified methodology changes of 10% commodity / 50% max day / 40% peak hour (collectively referred to as the 10/50/40 cost pools) and a water delivery factor that replaces distance and elevation.

Sewer System – Similarly, the sewer system budget and schedule of charges translate the above outlined goals into actions – which allowed us to control the average increase in sewer charges for wholesale member partners to 4.5 percent and the charge to the local system increase to 4.4 percent, for a system-wide increase of 4.5 percent. Those goals and related actions include:

1. *Revenue Stability for the System:* The sewer system revenue requirement (budget) increased 4.7 percent from the prior year. The average overall charges increase to all member partners is 4.5 percent. The difference in the percentages is mainly due to an increase in the budget investment earnings);
2. *Long-Term Financial Sustainability:* Budgeted debt service coverage of 2.19 on Senior Lien Bonds and 1.37 on all bonds, and a $52 million deposit to the Improvement & Extension fund to lower the pressure for future borrowing needs;
3. *Operations & Maintenance (O&M):* Sewer O&M increase of 3.1 percent when compared to FY 2025 adopted budget;
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:* There were no changes to the sewer SHAREs (last update was FY 2025) with subsequent application of minor adjustments to reflect contractual requirements.

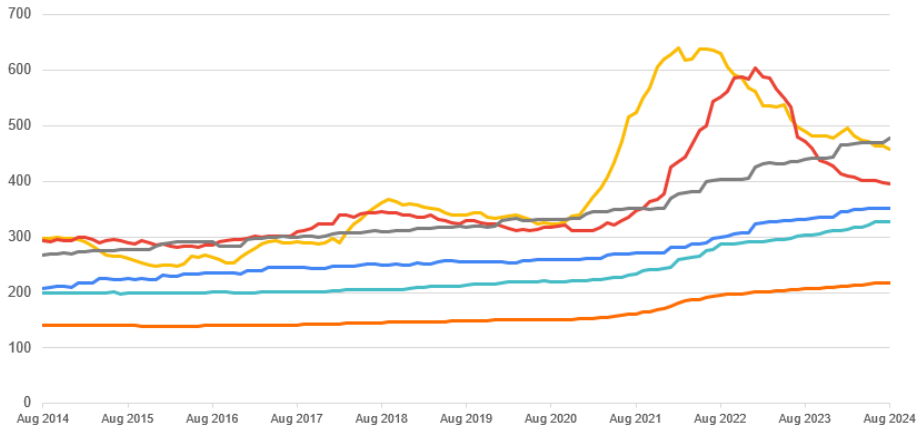
Meeting Increased Operating Needs Today and Demands of Aging Infrastructure

By far, the biggest challenge in preparing this year's budget is continuing to absorb cost increases over many years that exceeded revenue increases – for both capital and operating costs. In July 2021, we began structured conversations with vendors, economists, 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.

The taskforce provides quarterly reporting to the Audit Committee. In October 2024, the Board of Directors held a workshop where we laid the groundwork for this budget season. The chart below, from that meeting, depicts material cost increases with a key takeaway: the rapid and ongoing increase since January 2021 has set a new baseline for most of the supply categories that GLWA utilizes for its operating and capital budgets.

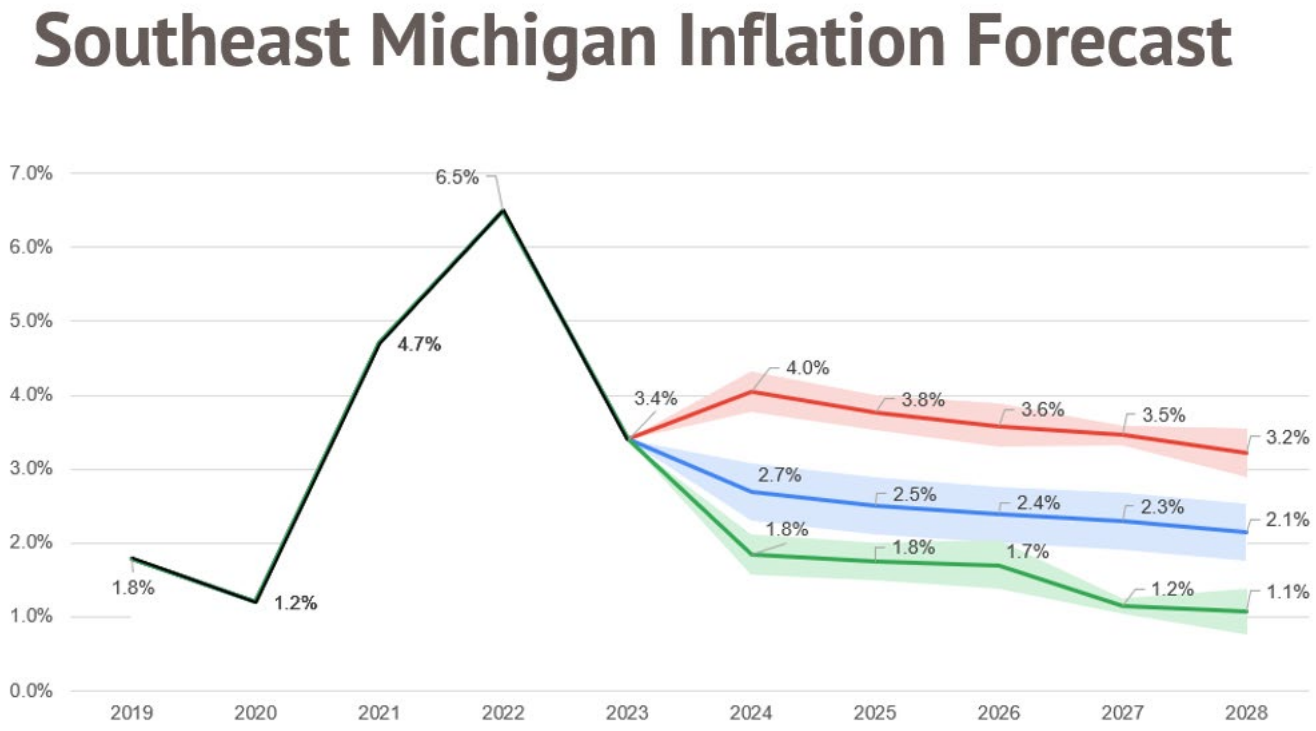
Priority Materials: Producer Prices



Percent Change	10YR	5YR	1YR
Iron and Steel Pipes and Tubes	53%	34%	-7%
Chlorine	35%	20%	-16%
Aggregates	78%	50%	9%
Cement	69%	37%	6%
Electrical Switch Gear/Board	65%	55%	8%
Elect Equipment	54%	46%	5%

Source: Bureau of Labor Statistics, Producer Price Index

The taskforce also provides an inflation forecast which is shown in the table below with the red line being pessimistic, green being optimistic and blue representing the assumption utilized in our budget process. This information has helped us to manage risk in the budget process.



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 to foster transparency by sharing large volumes of information, we also recognize that documents that are succinct often have a more effective and far-reaching impact to further enhance transparency. Following this budget message are documents from the GLWA One-Pager series. These are designed for our member partners and other stakeholders to share with their constituents. Budget infographics on the inside cover of this document also provide further transparency and improved communication.

Water Residential Assistance Program

GLWA's foundational documents established the Water Residential Assistance Program (WRAP) which is a unique program in our service sector. Since 2016, GLWA provides for 0.5 percent of annual revenues to fund WRAP. More information about WRAP can be found in Section 6 – Supplemental Analysis.

Investment in Technology

As we enter FY 2026, we will begin to fully realize the benefits of major system implementations that

were being launched at the time this budget was being prepared. The Workday financial system was successfully launched on July 1, 2024 after the successful launch of the Workday human resources and payroll modules in January 2024. We are currently working on implementing Workday Adaptive Insights which will facilitate financial reporting, budgeting and planning. Adaptive Insights leverages the Workday data and will also allow us to utilize Microsoft Office Connect for more efficient reporting and analysis.

In November 2024, NexGen, an asset management system, was launched. This asset management system takes data from the office into the field with increased support of front-line team members, via 600+ tablets that were deployed. Work orders can now be entered in the field and assigned to the correct assets via use of an asset specific QR code. In addition, the tablet interface allows maintenance history, expanded engagement with other team members, inventory parts requisitions, and related training videos to be accessible anywhere 24/7. FY 2026 will be the first full year of utilizing this system with a focus on real-time in the field decision-making while informing longer-term decisions around asset management.

In late FY 2025, we launched the initial system implementation kickoff of Kahua, which will be GLWA's first capital project management information system (PMIS). This effort has been a several year effort to align the organization's people, process, and technology around project management. First – Process: a comprehensive project management manual was launched in phases over the past two years. Second – People: concurrently, the project management job design was modernized and in-house talent was recruited and hired. Third – Technology: as evidenced by the launch of Kahua which will span two phases during FY 2026 and FY 2027 and includes all operating areas as well as integrations with Workday.

Resiliency

The Office of Resiliency was established in FY 2023. Several major, regional initiatives launched in FY 2025 will continue into FY 2026 and beyond. First is the partnership with GLWA and the United States Army Corps of Engineers (USACE) to conduct a flood mitigation study that is designed to reduce flood risk. Second, was the recent Water Utility Resilience Summit at the University of Michigan that brought together stakeholders focusing on power resiliency, interdependency of the water utilities, and areas of shared concern as well as planning for the future.

Recruitment & Retention

None of these successful, forward-thinking initiatives happen without a great team. Supporting our team members for success as well as recruitment and retention of the next generation of water utility experts are areas of focus. Following this message is a page that highlights the many ways that we do this.

Looking Ahead: FY 2026 through FY 2030 Financial Plan

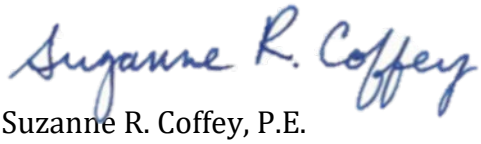
In order to achieve our goals and validate our assumptions, a biennial budget combined with a five-year plan is developed at the operating unit level to provide a roadmap for the future and allow us to lessen risk of events beyond our control. Supplemental schedules and analysis in this document are

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 balance revenue requirement needs with affordability concerns;
- ✓ 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

2025 Class of Apprentices Graduation Ceremony

The Great Lakes Water Authority (GLWA), in partnership with the Michigan Department of Labor and Economic Opportunity (LEO) and Focus: HOPE, hosted a graduation ceremony for the 2025 Class of Apprentices. The ceremony brought together state leaders, regional training directors, community members and apprentices' families to recognize a new generation of skilled trades professionals ready to contribute to Michigan's infrastructure and economy.



GLWA launched TAP IN 2.0 Innovative Recruiting Campaign

The mission of Tap In is to create an eye-catching recruitment campaign that attracts energetic and diverse GLWA candidates through modern and action-oriented visuals by featuring existing team members that fall beyond the traditional idea of water sector workers.



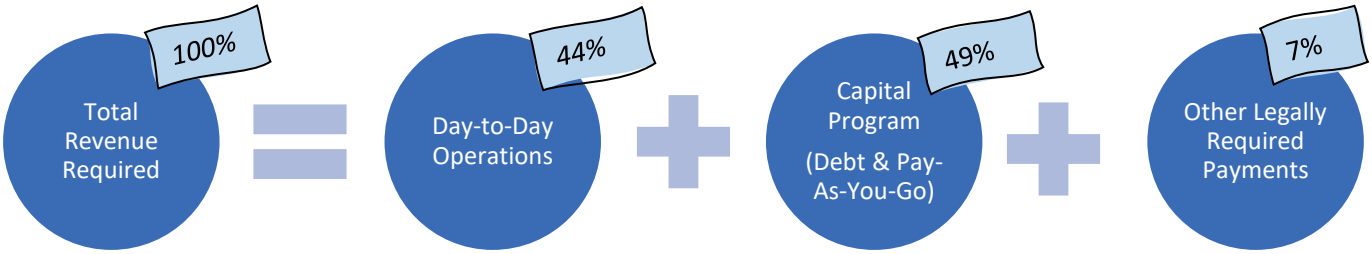


GLWA Named Veteran Friendly Employer

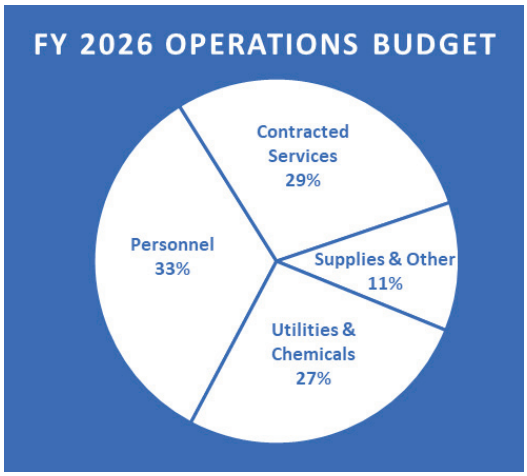
As a part of GLWA's efforts to be an employer of choice for those who have served our country, the Authority met the criteria to be publicly recognized by the Michigan Veterans Affairs Agency with the bronze level status as a Veteran Friendly Employer.

Pictured: Lontina Franklin, GLWA Team Leader, Water Services; US Navy Veteran

The total budget for a water utility, like the Great Lakes Water Authority (GLWA), is referred to as the "*revenue requirement.*" It tells us *how much revenue / cash is required* to operate and maintain the systems for a given year. The total revenue requirement increased by $47.9 million or 5.3 percent for FY 2026. Three major categories makeup the total revenue requirement of $954 million.



Day-to-Day Operations includes the personnel, specialty contractual services, utilities, chemicals, and supplies to operate five water treatment plants, the largest single-site water resource recovery facility in North America and all of the systems, processes, and controls to manage the vast regional network. The total FY 2026 Operations & Maintenance Budget is $418.6 million, up $20 million over the previous year. This increase is driven by the economic impact/cost pressure on utilities, chemicals, contractual provisions, as well as filling many vacant positions.



Capital Program costs include making payments on bonded debt, balanced with cash funding, to prevent the utility from maxing out its borrowing capability for future generations. Because many of our assets are underground, it is hard to envision the scope of all capital needs. For perspective, consider that there are 797 miles of transmission main that move treated drinking water from five water treatment plants to the local systems' distribution network and there are also 207 miles of trunk sewers and interceptors that return wastewater to the water resource recovery facility. The combined total of 1,004 miles equals the driving distance from Detroit to Jacksonville, Florida. The FY 2026 Capital Program related revenue requirement is $471 million, an increase of $34 million.

Other Legally Required costs of $63.9 million include a $50 million lease payment to the City of Detroit Water & Sewerage Department (DWSD) (restricted for DWSD for capital program needs), legacy pension commitments to the City of Detroit's General Retirement System, a half of one percent of revenues for the Water Residential Assistant Program (WRAP), and a working capital reserve. The total net decrease of $6 million is due to a decrease in the amount of working capital addition needed.

Revenue Required from charges increased 4.9 percent. The system-wide charge increase to member partners of 5.9 percent for water and 4.5 percent for sewer is achieved with offsetting resources such as investment income.

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

The GLWA operations and maintenance budget accounts for 43.9% of the total revenue requirement budget of $954 million for establishing the annual charges for services. Given the magnitude of this charge component, additional information may be of interest to stakeholders.

The remaining 56.1% of the FY 2026 budget represents financing and legal commitments: debt payments (41.9%), lease payments (5.2%), capital program funding (7.5%), legacy pension liabilities (0.9%), working capital and other (0.1%) and Water Residential Assistance Program (WRAP) (0.5%).

Operations & Maintenance (O&M) expenses are $418.6 million of the total budget for FY 2026. Compared to FY 2025, this is an increase of almost $20 million (5%).

Staffing & Personnel The staffing plan increased by 35 and is at 1,391. This is largely due to an increase of 25 apprentice and intern positions. The full-time equivalent count is at 1,210 which is an increase of 6.5.

Water Operations – increase of $6.8 million Driven by an increase in Contractual Services ($4.1 million) primarily due to sludge removal and hauling ($2.1M) and the Lake Shore Support Services contract ($2M) which is related to the transfer of the staff augmentation project from Field Services. Chemicals increase ($2.2M) primarily due to an increase in orthophosphate usage due to the new lead and copper rules. Personnel increased ($1.3 million) due to merit and market adjustments. There was a decrease in FTE of 4.25. Utilities increased ($0.8 million) mainly in electrical costs; Supplies & Other increased ($0.8 million); Unallocated reserves decreased ($3.0 million) other categories increased ($0.6 million).

Wastewater Operations – increase of $9.3 million An increase in supplies & other ($3.0 million) for equipment reliability maintenance. An increase in personnel costs ($1.8 million) due to merit, market and change in classification. There was a decrease in FTE of 10.75. Contractual services increase ($1.5 million) for an assessment of sewer infrastructure; utility costs ($1.6 million); chemicals ($1.3 million) due to forecast increased volume of chemicals used to control phosphorus; unallocated reserve decreased ($1.1 million); and an increase in other items ($1.2 million).

Centralized Services[1]–increase $0.4 million Personnel costs ($3.7 million) increased due to an increase in FTE of 18 as well as merit, classification and market adjustments. The increase in FTE is mostly related to an increase of 10.5 intern positions. Decrease in Supplies & Other ($2.4 million) and Contractual Services ($1.2 million) due to the wind down of implementation costs for the new ERP systems (NexGen and Workday). Increase in other categories ($0.3 million).

Administrative Services[2] – increase of $3.4 million Personnel cost ($1.7 million) increased due to an increase in FTE of 3.5 as well as merit and market adjustments. Contractual services ($1.4 million) due to an increase in insurance premiums and government relations initiatives. Other categories ($0.3 million) round out the increase for the area.

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

Go to TOC

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

Overview: The Water and Sewer Service Charges for FY 2026 were approved by the GLWA Board of Directors on February 26, 2025.

FY 2026 Approved Charges Increases:
The average water system charge increased 5.9% and sewer system charge increased 4.5% to overcome several years of cost increases. Despite this increase, *GLWA's average cumulative charge increase continues to be well below 4% with water at 2.7% and sewer at 1.6%.*

Methodology: No methodology changes or shares updates this year. Changes in charges are driven by economic reality.

Across-the-Board Adjustments: Since there was no methodology change this year, nearly every Member Partner received the same charge adjustment of 5.69% for the water system and 4.3% for the sewer system.

Adopted Budget Supports New Initiatives of Wide Scale Benefit to the Region

Corrosion Control: While there is no lead in GLWA's water and no lead pipes in GLWA's transmission system, GLWA recently launched a corrosion control strategy to provide added protection to Member Partners' local system (estimated cost $6 million).

Resiliency: The newly formed GLWA Resiliency Group successfully launched a multi-year flood mitigation study in partnership with the U.S. Army Corps of Engineers. Southeast Michigan has experienced repeated widespread flooding, and five flooding-related FEMA Federal Disaster Declarations since 2000. This has resulted in economic burden and social hardship across our region. The project is funded 50% U.S. Army Corps of Engineers (USACE)/50% GLWA.

Legal Constraints Deferred Needed Charge Increases: Well-intended 4% Promise budget limitation could not have foreseen the depth of the economic impact of a pandemic on GLWA.

Looking for more information?
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High Double Digit Cost Increases Since 2020: N*on-discretionary* chemicals, utilities, and services increased nearly 55% since 2020.

Infrastructure Improvements are Largely Funded by Debt and Cash Reserves: This means that 42 cents of every dollar is required for mandatory debt payments.

Addressing Deferred Maintenance was a Key Objective in Establishing the Regional Authority: Unfortunately, budget constraints have slowed the pace of maintenance. The cost of that equipment and services becomes more costly each year.

Solid Financial Footing Translates to Lower Cost of Borrowing – and Lower Charge Increases in the Future: GLWA is now an AA rated utility (remember the bonds sunk to non-investment grade during the City's Chapter 9).

- Nearly $900 million in cash flow savings has been achieved by restructuring debt.
- The proposed FY 2026 charge increase is an important signal to bond rating agencies and investors to maintain financial stability – especially with potential refunding opportunities this year.

Leveraging Technology and Talent:

- The proposed budget supports the linear system integrity program, new asset management technology, and a smart ball technology to best manage limited resources.
- Expanding apprenticeship and intern programs address hard-to-fill positions.

Average System Charge Adjustment

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%
2025	3.25%	3.0%
2026 Final Proposed	5.9%	4.5%
9-Year Average	2.7%	1.6%

Go to TOC

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 2022	Actual 2023	Actual 2024	Estimated 2025	Adopted 2026	Adopted 2027
Revenues (Budget Basis)						
Revenue from Charges						
Wholesale Charges	$ 323,026,213	$ 340,593,806	$ 337,511,167	$ 354,409,800	$ 372,093,400	$ 393,594,265
Charge credits (Flint-KWA) [1]	(6,496,428)	(6,452,573)	(5,990,831)	(6,651,800)	(6,447,300)	(6,569,865)
Local System Charges	21,697,300	22,834,300	25,537,200	27,094,800	30,028,800	33,032,500
Bad Debt Recovery Credit	-	-	(5,152,500)	-	-	-
Total Revenue from Charges	338,227,085	356,975,533	351,905,036	374,852,800	395,674,900	420,056,900
Investment Earnings [2]						
Unrestricted	1,667,440	5,501,592	13,343,940	10,181,800	9,523,600	9,541,800
Restricted for Debt Service	278,173	3,660,022	4,992,455	3,289,100	3,260,100	3,378,200
Total Investment Earnings	1,945,613	9,161,614	18,336,395	13,470,900	12,783,700	12,920,000
Other Revenue [3]	775,537	1,378,706	901,919	400,000	302,800	300,000
Total Revenues	$ 340,948,235	$ 367,515,853	$ 371,143,350	$ 388,723,700	$ 408,761,400	$ 433,276,900
Revenue Requirements						
Operations & Maintenance Expense [4]	$ 136,436,567	$ 154,327,770	$ 161,037,183	$ 174,625,000	$ 182,456,000	$ 196,859,600
General Retirement Legacy Pension	6,048,000	6,048,000	-	-	-	-
Debt Service	136,039,760	150,055,300	160,622,417	163,163,400	179,082,200	193,207,100
General Retirement System Pension	6,268,300	6,268,300	1,505,500	1,653,300	2,730,800	2,559,000
Water Residential Assistance Program Contribution	1,705,500	1,770,500	1,851,600	1,876,500	1,970,000	2,091,300
Extraordinary Repair & Replacement Deposit	-	2,200,000	2,836,000	906,400	320,000	1,892,200
Regional System Lease	22,500,000	22,500,000	22,500,000	22,500,000	22,500,000	22,500,000
Receiving Fund Working Capital Requirement	-	-	-	12,700,000	600,000	1,800,000
Improvement & Extension Fund Transfer Pending	23,739,800	23,766,000	15,767,900	11,299,100	19,102,400	12,367,700
Total Revenue Requirements	$ 332,737,927	$ 366,935,870	$ 366,120,600	$ 388,723,700	$ 408,761,400	$ 433,276,900
Revenue Requirement Variance [5]	$ 8,210,308	$ 579,983	$ 5,022,750	$ -	$ -	$ -

[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] 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. Restricted investment earnings are from the debt service and bond reserve accounts that can only be used for debt service.

[3] 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.

[4] Includes the Operations Fund operating expenses on a budget basis as reported in the Supplementary Information of the Annual Comprehensive Financial Report.

[5] Revenue Requirement Variance represents the difference between revenues and expenses on a budget basis. To the extent that there is a positive variance, a post year end closing analysis is performed. Depending on cash flow requirements, some or all of this variance may be transfered to the Improvement & Extension funds in the subsequent year. This schedule 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 2022	Actual 2023	Actual 2024	Estimated 2025	Adopted 2026	Adopted 2027
Revenues (Budget Basis)						
Revenue from Charges						
Wholesale Charges	$ 268,813,369	$ 275,917,502	$ 282,767,090	$ 287,517,600	$ 300,316,800	$ 314,897,300
Local System Charges	188,662,200	191,042,200	196,569,600	205,924,800	215,324,400	226,454,600
Industrial Waste Control Charges	8,300,278	8,393,103	8,617,495	8,719,300	9,150,300	9,606,500
Pollutant Surcharges	5,181,816	4,894,567	4,088,519	5,434,400	5,112,700	5,367,600
Bad Debt Recovery Credit	-	-	(15,556,900)	-	-	-
Total Revenue from Charges	470,957,663	480,247,372	476,485,804	507,596,100	529,904,200	556,326,000
Investment Earnings [1]						
Unrestricted	1,293,623	8,395,898	16,344,105	10,807,600	10,538,800	11,128,400
Restricted for Debt Service	548,852	4,102,394	6,824,701	4,249,500	4,076,400	4,300,500
Total Investment Earnings	1,842,475	12,498,292	23,168,806	15,057,100	14,615,200	15,428,900
Other Revenue [2]	817,448	4,901,316	(827,846)	700,000	442,600	450,000
Total Revenues	$ 473,617,586	$ 497,646,980	$ 498,826,764	$ 523,353,200	$ 544,962,000	$ 572,204,900
Revenue Requirements						
Operations & Maintenance Expense [3]	$ 182,862,055	$ 207,330,215	$ 222,673,733	$ 231,434,000	$ 236,098,700	$ 246,387,900
General Retirement Legacy Pension	10,824,000	10,824,000	-	-	-	-
Debt Service	206,490,151	212,669,100	229,316,502	218,750,700	220,884,500	241,502,900
General Retirement System Pension	11,620,700	11,620,700	3,096,800	3,718,800	5,632,800	5,246,300
Water Residential Assistance Program Contribution	2,358,300	2,394,200	2,503,104	2,541,500	2,638,500	2,770,000
Extraordinary Repair & Replacement Deposit	-	-	-	-	-	-
Regional System Lease	27,500,000	27,500,000	27,500,004	27,500,000	27,500,000	27,500,000
Receiving Fund Working Capital Requirement	-	-	-	-	-	2,700,000
Improvement & Extension Fund Transfer Pending	23,424,000	26,236,800	13,399,600	39,408,200	52,207,500	46,097,800
Total Revenue Requirements	$ 465,079,206	$ 498,575,015	$ 498,489,743	$ 523,353,200	$ 544,962,000	$ 572,204,900
Revenue Requirement Variance [4]	$ 8,538,380	$ (928,035)	$ 337,021	$ -	$ -	$ -

[1] 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. Restricted investment earnings are from the debt service and bond reserve accounts that can only be used for debt service.

[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] Includes the Operations Fund operating expenses on a budget basis as reported in the Supplementary Information of the Annual Comprehensive Financial Report.

[4] Revenue Requirement Variance represents the difference between revenues and expenses on a budget basis. To the extent that there is a positive variance, a post year end closing analysis is performed. Depending on cash flow requirements, some or all of this variance may be transfered to the Improvement & Extension funds in the subsequent year. This schedule 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 Biennium Beginning

July 01, 2024

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, 2024. 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 6th year of receiving the award.

Go to TOC

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Go to TOC



Section 1

Overview

Go to TOC

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Go to TOC

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 Sewage 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 for the DWSD. GLWA also funds a Water Residential Assistance Program (WRAP) to assist low-income residential households in enrolled member partner communities.

Board of Directors

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

Executive Leadership Team

Suzanne R. Coffey, PE ..... Chief Executive Officer
William M. Wolfson ..... Deputy Chief Executive Officer
Nicolette N. Bateson, CPA ..... Chief Financial Officer/Treasurer
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
Michelle A. Zdrodowski ..... Chief Public Affairs Officer
Todd King, PE ..... Chief Resiliency Officer
David W. Jones ..... General Counsel



Go to TOC

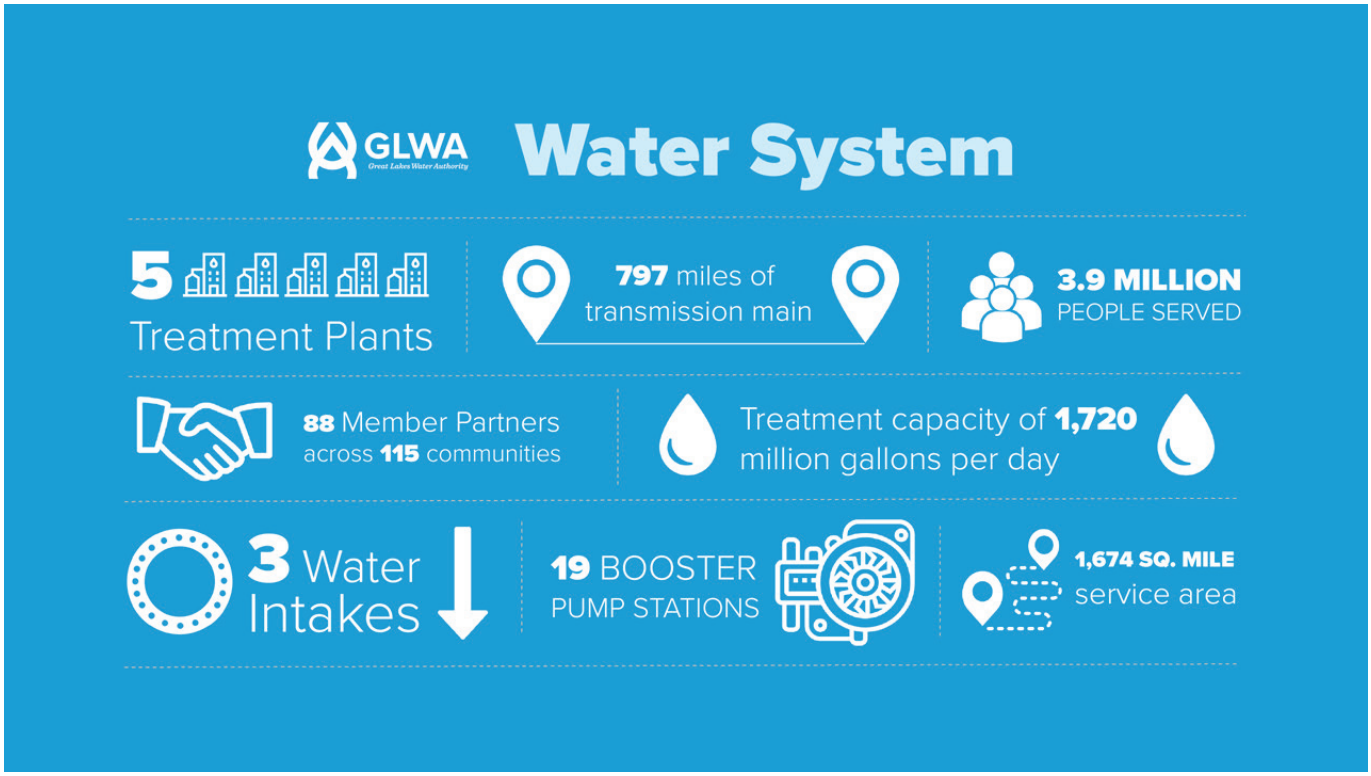
Organization

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.



Go to TOC

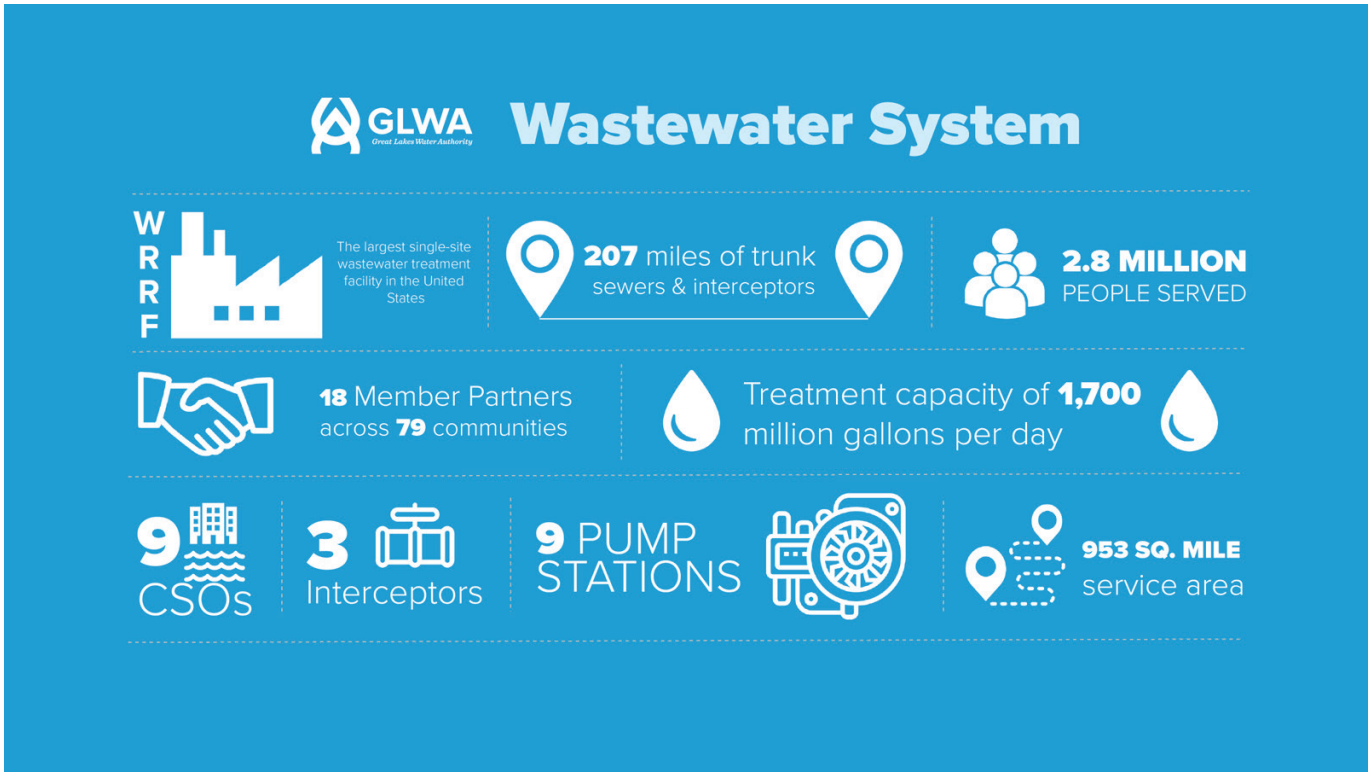
Our Water System



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 1,674 square miles located in eight Michigan counties and an estimated population approaching 3.9 million or approximately 38% of Michigan's population. 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 797 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 953 square miles located in three Michigan counties and an estimated population of approximately 2.8 million or approximately 28% of Michigan's population. Wholesale 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, nine Combined Sewer Overflow (CSO) Control Facilities, including six retention treatment basins and three flow-through type facilities, and a conveyance system with 207 miles of trunk sewers and interceptors.

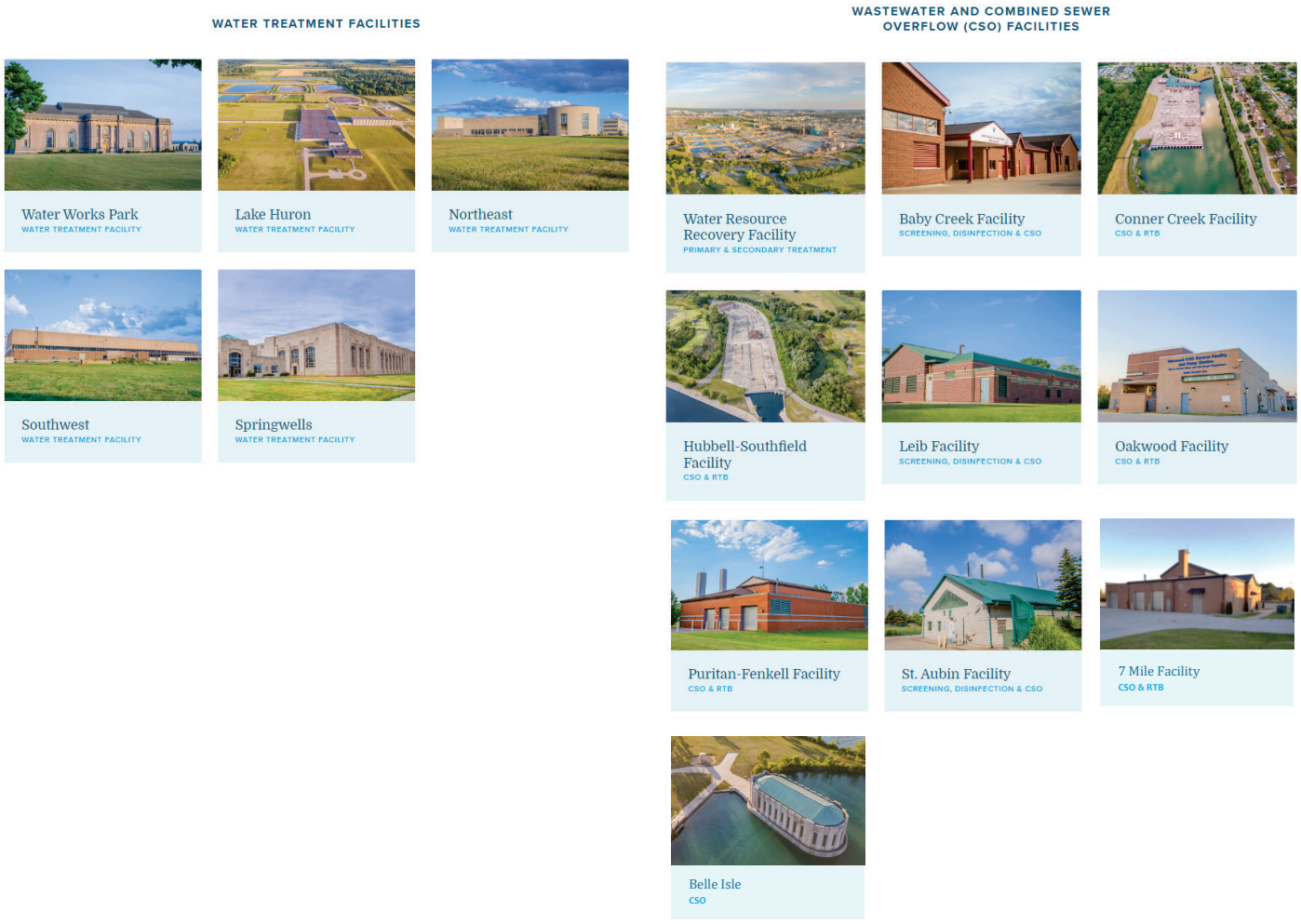
GLWA operates on behalf of DWSD, pursuant to contractual agreements, 1 CSO facility, and 4 pump stations (that are included in the nine pump stations count in the previous paragraph). Costs related to these facilities are reimbursed by DWSD.

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 (BDF) 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

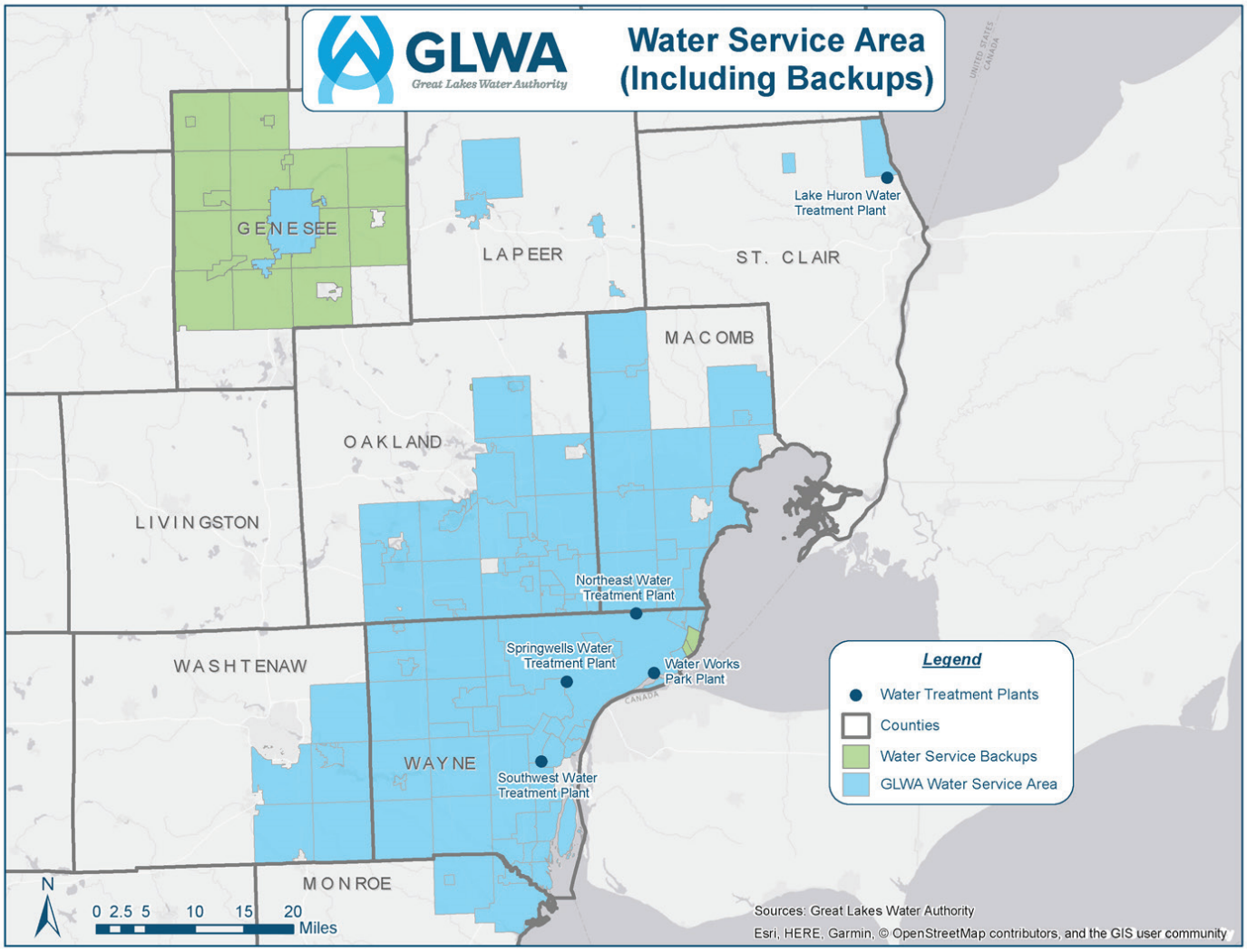
We are continually updating our facilities to optimize water and wastewater treatment for the benefit of our member partners and the environment. To improve and optimize system efficiency, we invest significant time into maintaining and improving our facilities. This includes, but is not limited to,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



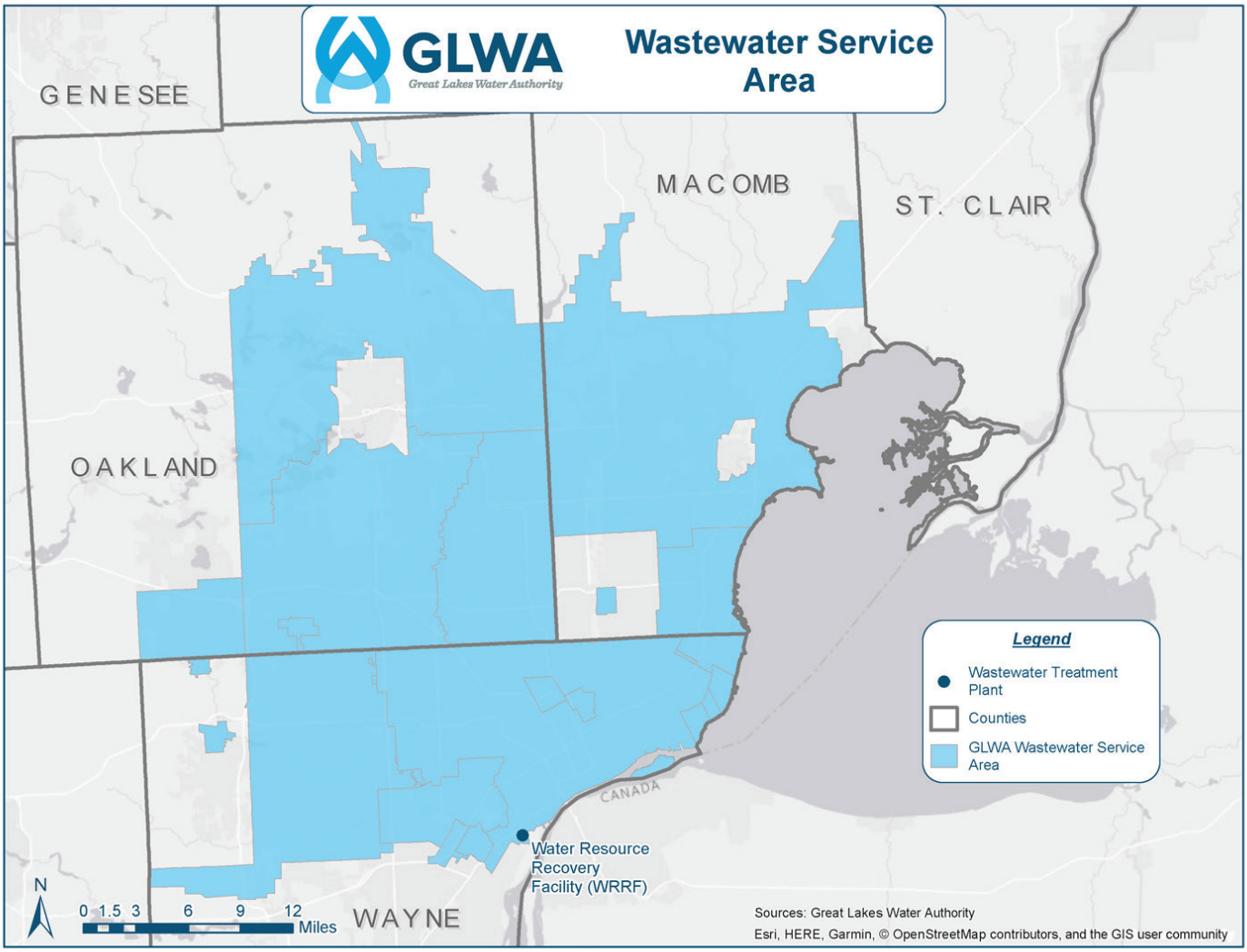
Go to TOC

Service Area Maps

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



Go to TOC


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

Go to TOC

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 Regional Water System provides full time wholesale water service to 115 communities served through 87 wholesale water service contracts with municipal and other public entity customers. In addition, the System provides stand by water service via a Reciprocal Backup Water Service Contract with the Genesee County Drain Commissioner ("GCDC") and a Stand-By Water Supply Service Contract with the City of Grosse Pointe Farms. The City of Detroit is served via the terms of the Water and Sewer Services Agreement, as further described herein. Model contracts are in effect for 85 of the 87 current wholesale customers. The remaining wholesale customers are served under the former contract structure.

The customers of the Regional Sewer System include 79 communities served through 18 wholesale sewer service contracts with municipal and other public entity customers, as well as the City, which is served by the Authority pursuant to the Water and Sewer Services Agreement. The Regional Sewer System receives wastewater from its wholesale customers at its interceptor sewer system, generally delivered at the boundaries of the City. The quantity of wastewater discharged by the wholesale customers into the Regional Sewer System is measured with a sewage meter or estimated on the basis of water consumption and other factors. In all cases, direct contract wholesale customers (first-tier) and their contracted lower-tiered customers are responsible for the construction and maintenance of their own internal sewerage systems for collecting the wastewater and delivering it to the Regional Sewer System.

Employment

The Detroit MSA's economy is continuing to experience a diversification of Michigan's employment base. Professional and business services and education and health services comprise over one-third of all employment.

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 consistently maintained a greater percentage of persons employed in the manufacturing sector than the nation as a whole, reflecting the area's long history as a center of the automotive industry.

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

	Detroit-Warren-Dearborn MSA			
	June 2023		June 2024	
Mining, logging and construction	88.9	4.3%	96.6	4.6%
Manufacturing	257.7	12.4%	256.1	12.3%
Trade, transportation & utilities	386.9	18.6%	392.2	18.8%
Information	30.7	1.5%	29.9	1.4%
Financial activities	126.6	6.1%	124.9	6.0%
Professional and business services	404.2	19.5%	394.2	18.9%
Education and health services	317.7	15.3%	324.1	15.6%
Leisure & hospitality	198.1	9.5%	196.6	9.4%
Other services	76.9	3.7%	76.4	3.7%
Government	187.4	9.0%	191.4	9.2%
Total	2,075.1	100.0%	2,082.4	100.0%

	U.S.			
	June 2023		June 2024	
Mining & logging	647	0.4%	638	0.4%
Construction	8,195	5.2%	8,427	5.3%
Manufacturing	13,018	8.3%	13,020	8.2%
Trade, transportation & utilities	28,802	18.4%	29,018	18.2%
Information	3,063	2.0%	3,033	1.9%
Financial activities	9,246	5.9%	9,277	5.8%
Professional and business services	22,962	14.6%	23,028	14.4%
Education and health services	25,079	16.0%	26,130	16.4%
Leisure & hospitality	17,320	11.0%	17,623	11.1%
Other services	5,901	3.8%	5,996	3.8%
Government	22,609	14.4%	23,202	14.6%
Total	156,842	100.0%	159,392	100.0%

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

Largest Employers

Employer	Type of Business	Fiscal Year 2024 Full-time Employees (a)	Rank	Percent of Total Employment (b)
Ford Motor Co.	Automobile Manufacturer	47,750	1	2.25%
Stellantis NV (Formerly FCA US LLC)	Automobile Manufacturer	39,468	2	1.86%
University of Michigan	Public University and Health System	36,778	3	1.73%
General Motors Co.	Automobile Manufacturer	35,793	4	1.69%
Corewell Health (formerly Beaumont Health)	Health Care System	21,733	5	1.02%
U.S. Government	Federal Government	20,538	6	0.97%
Henry Ford Health System	Health Care System	17,649	7	0.83%
Trinity Health Michigan	Health Care System	16,686	8	0.79%
U.S. Postal Service	Postal Service	11,508	9	0.54%
Ascension Michigan	Health Care System	11,383	10	0.54%
Illitch Companies	Food, Sports, and Entertainment	n/a	n/a	n/a
Rock Ventures	Umbrella managing a portfolio of companies, investments and real estate	n/a	n/a	n/a
		259,286		12.21%

(a) July 2023 Employment data from Largest Southeast Michigan Employers - Ranked by full-time employees in the December 18, 2023 Crain's Detroit Business (most recent available)

(b) Percentage base on U.S. Bureau of Labor Statistics from July 2023 of 2,124,109 for the Detroit-Warren-Dearborn, MI Metropolitan Statistical Area

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 (5)	Debt Per Capita	Debt Service as a Percentage of Income
Water fund							
2024		3,800,000	4.3%	$63,794 (4)	$205,677,204	$54.13	0.08%
2023		3,800,000	3.6%	$60,837 (4)	$192,800,887	$50.74	0.08%
2022		3,800,000	3.8%	$61,322	$176,589,315	$46.47	0.08%
2021		3,800,000	6.2%	$60,488	$179,214,379	$47.16	0.08%
2020		3,800,000	11.5%	$56,901	$172,869,073	$45.49	0.08%
2019		3,800,000	4.3%	$52,855	$167,966,454	$44.20	0.08%
2018		3,800,000	4.3%	$51,429	$172,549,891	$45.41	0.09%
2017		3,800,000	4.6%	$49,309	$175,010,011	$46.06	0.09%
2016	*	3,800,000	5.3%	$48,092	$171,138,525	$45.04	0.09%
2015	*	3,800,000	5.9%	$47,063	$178,923,900	$47.09	0.10%
Sewage disposal fund							
2024		2,800,000	4.3%	$63,794 (4)	$261,129,322	$93.26	0.15%
2023		2,800,000	3.6%	$60,837 (4)	$242,858,798	$86.74	0.14%
2022		2,800,000	3.8%	$61,322	$235,847,946	$84.23	0.14%
2021		2,800,000	6.2%	$60,488	$230,162,876	$82.20	0.14%
2020		2,800,000	11.5%	$56,901	$245,783,258	$87.78	0.15%
2019		2,800,000	4.3%	$52,855	$239,172,263	$85.42	0.16%
2018		2,800,000	4.3%	$51,429	$232,280,832	$82.96	0.16%
2017		2,800,000	4.6%	$49,309	$234,554,814	$83.77	0.17%
2016	*	2,800,000	5.3%	$48,092	$228,570,571	$81.63	0.17%
2015	*	2,807,000	5.9%	$47,063	$232,612,800	$82.87	0.18%

(1) Source: Estimated based on data from Southeast Michigan Council of Goverments (SEMCOG).
(2) Source: Bureau of Labor Statistics Detroit-Warren-Dearborn MSA Annual Average (For 2024 the average rate through September 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 (Prior year amounts have been updated to match current information from FRED)
(4) Source: Michigan State University Center for Economic Analysis (Prior year amounts have been updated to match current information from MSU)
(5) Debt service is based on set aside debt service requirements for the fiscal year which includes the subsequent year July 1st debt payment.

*GLWA assumed operations on January 1, 2016. The information in this table for 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.

Source: Great Lakes Water Authority Financial Services Area

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/Largest Water Customers

	2024	2023	2022
Operating Revenues			
Suburban wholesale charges [1]	$ 337,511,167	$ 340,593,806	$ 323,026,213
Local system charges	25,537,200	22,834,300	21,697,300
Bad debt recovery (credit)	(5,152,500)	-	-
Other revenue	654,989	350,991	234,462
Total Operating Revenues	$ 358,550,856	$ 363,779,097	$ 344,957,975
Suburban wholesale charges % of total operating revenue	94.13%	93.63%	93.64%
Local system charges % of total operating revenue	7.12%	6.28%	6.29%
Ten Largest Suburban Wholesale Member Partners			
Southeast Oakland County Water Authority	$ 25,731,006	$ 25,534,464	$ 24,035,255
North Oakland County Water Authority	24,349,266	24,485,805	22,798,372
Sterling Heights	16,267,123	16,661,863	16,235,356
Troy	14,999,893	16,043,316	14,885,135
Macomb Township	13,745,227	14,538,261	13,811,983
Livonia	12,755,400	14,279,105	13,065,395
Shelby	12,064,807	12,383,989	11,860,410
West Bloomfield Township (C-O)	11,697,907	11,802,563	-
Canton Township	11,591,745	11,824,605	11,229,363
YCUA	11,492,791	11,464,455	11,059,703
Warren	-	-	10,940,909
Total Revenue Ten Largest Suburban Wholesale Member Partners	$ 154,695,165	$ 159,018,426	$ 149,921,881
Ten largest suburban wholesale member partners % of total operating revenues	43.14%	43.71%	43.46%

[1] Net of bad debt expense.

Go to TOC

Sewage Disposal Fund Operating Revenues/Largest Sewer Customers

	2024	2023	2022
Operating Revenues			
Suburban wholesale charges [1]	$ 282,767,090	$ 275,917,502	$ 268,813,369
Local system charges	196,569,600	191,042,200	188,662,200
Industrial waste and surcharges	12,706,014	13,287,670	13,482,094
Bad debt recovery (credit)	(15,556,900)	-	-
Other revenue	494,425	1,660,020	429,491
Total Operating Revenues	$ 476,980,229	$ 481,907,392	$ 471,387,154
Suburban wholesale charges % of total operating revenue	59.28%	57.26%	57.03%
Local system charges % of total operating revenue	41.21%	39.64%	40.02%
Ten Largest Suburban Wholesale Member Partners			
Oakland Macomb Interceptor Drainage District	$ 69,631,257	$ 71,614,874	$ 70,683,993
Wayne County - Rouge Valley	54,168,200	55,930,800	55,267,200
Oakland County-George W Kuhn Drainage District	44,764,100	46,377,600	45,828,000
Evergreen Farmington	35,207,600	36,195,600	35,766,000
Southeast Macomb Sanitary District	24,215,100	25,070,400	24,772,800
Dearborn	19,625,600	20,299,200	20,058,000
Highland Park	5,382,785	5,420,400	5,356,800
Hamtramck	3,878,900	4,041,600	3,993,600
Grosse Pointe Farms	2,659,700	2,748,000	2,715,600
Grosse Pointe Park	1,849,800	1,904,400	1,882,800
Total Revenue Ten Largest Suburban Wholesale Member Partners	$ 261,383,042	$ 269,602,874	$ 266,324,793
Ten largest suburban wholesale member partners % of total operating revenues	54.80%	55.94%	56.50%

[1] Net of bad debt expense.

Go to TOC

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 2024 Statistics

	Detroit MSA	State of Michigan	United States
Homeownership Rates	75.5%	76.4%	65.7%
Rental Vacancy	7.8%	6.5%	6.9%
Homeownership Vacancy	1.4%	1.3%	1.1%

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. For more than 35 years, the DWCPA has worked to bolster the community by being the connection between the maritime industry and the Great Lakes region, raising awareness of the importance of the Port of Detroit and how the cargo and vessel activity generates economic impact for the State of Michigan. 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

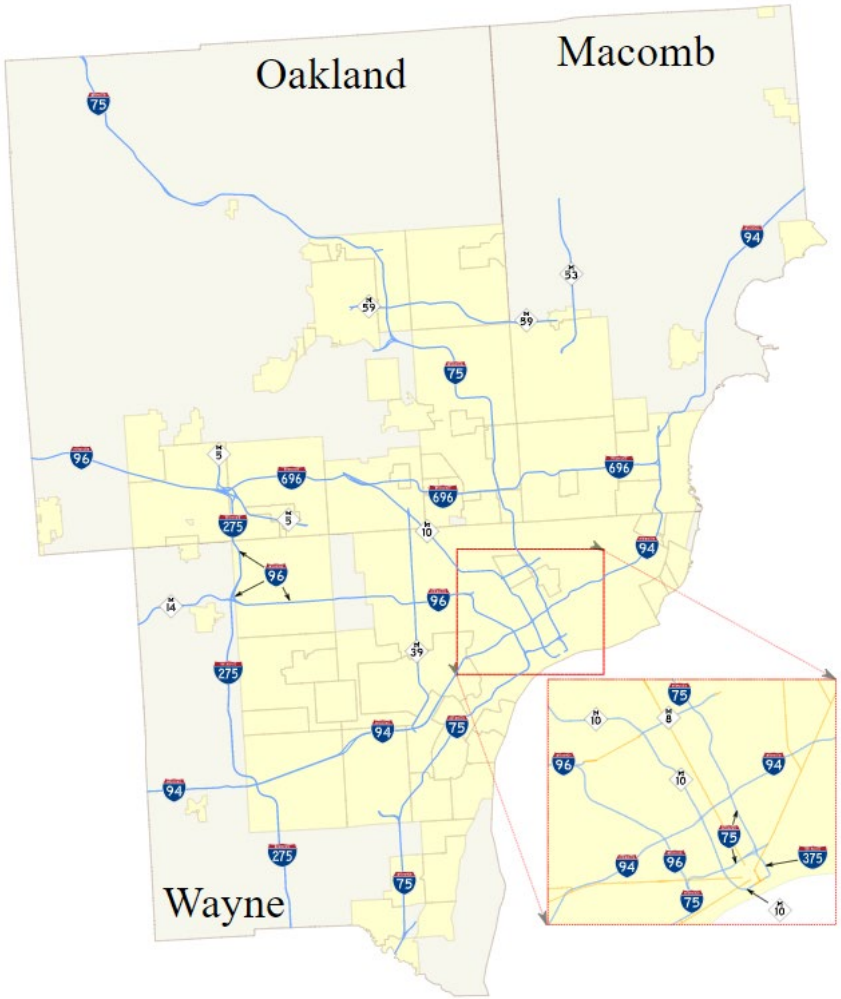
Major rail lines providing direct service to the Detroit area include railroad companies Conrail, Norfolk Southern, CN and CSX Transportation. Major cargo handled by the rail lines in the Detroit area include transportation equipment, chemicals and agriculture.

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. 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 2E of Section 2 - 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 in Section 2 - Core Financial Plan Schedules. The budgeted activity of the Water I&E Fund is provided in Schedule 5A in Section 2 - 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 in Section 2 - 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 2G of Section 2 - Core Financial Plan Schedules.

- *Sewer Improvement & Extension Fund (I&E)* - Includes amounts from sewage disposal charges revenue that is 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 1C of Section 2 - Core Financial Plan Schedules. The budgeted activity of the Sewer I&E Fund is provided in Schedule 5B in Section 2 - 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 wastewater system capital improvements in accordance with the debt obligations. The budgeted activity of the Sewer Construction Fund is provided in Schedule 5D in Section 2 - 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 are projected on an accrual basis as reported in the Annual Comprehensive Financial Report plus payments for the right to use assets recorded under GASB 87 and contracts recorded under GASB 96. See the Budget Process - Biennial Budget and Five-Year Financial Plan discussed later in this section.
- General Retirement System Pension requirements are based on a cash basis. See the Legacy Commitments in Section 6 – Supplemental Analysis for an explanation of these costs and the projected amounts used in the budget.
- Debt Service requirements are 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. See item 4 of the Financial Plan Objectives in Section 1 - Financial Plan.
- Regional System Lease payments based on a cash basis. See item 5 of the Financial Plan Objectives in Section 1 - Financial Plan.
- 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 (Transfer Pending) on a cash basis. As discussed earlier in this section under Budgetary Funds, the I&E funds carryover amounts set aside to fund the capital program and reduce reliance on debt financing. Transfers are made to the I&E Fund during the year based on an analysis that considers the budgeted amount and cash flow. The final transfer related to a given year is determined after the close of the fiscal year.

- Working Capital Requirement – As costs rise additional funds are needed in order to maintain benchmarks for cash balances to maintain for working capital in the operations and maintenance and receiving fund bank accounts.

Once the revenue requirement 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 sewage 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:

- General Retirement System 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.
- WRAP funds are expensed for budget purposes when they are set aside. For financial reporting purposes they are expensed when the service delivery partners provide statements of expenditures.
- 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 Deposit 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 provide 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 parameters, 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/Treasurer. By mid-November, 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. 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): Scheduled for October, 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: Preliminary units of service is presented during this meeting in November. Units of service are 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, although the protocol allows for appeals for interim adjustments should demographic changes or other circumstances merit.

Charges Rollout #3 – Proposed Charges: This meeting is held in early January with the primary focus of 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 October through February. On October 9, 2024, a Board workshop was held for a "Budget and Charges Briefing" that provided a discussion forum of key considerations and analysis for the upcoming budget and charges season which encompasses the ten year financial plan updates. A budget discussion draft for the FY 2026 and FY 2027 Biennial Budget and Five-Year Plan, and proposed FY 2026 charges were presented to the Audit Committee on January 6, 2025. That discussion draft aligned with the long-term financial plan that was provided to the Audit Committee as part of the feasibility report for bonds issued in June 2024. This included proposed revenue requirement increases of 7.5% for the water system and 5.5 % increase for the sewer system. The draft focused on the overall strategy of key budget elements including system-wide service charges.

The FY 2026 & FY 2027 Biennial Budget and Five-Year Plan and FY 2026 Charges were presented to the Board of Directors on January 22, 2025. The Board received and referred to the Audit Committee agenda of February 17, 2025. A revised budget was presented at the February 17, 2025 Audit Committee meeting with the proposed revenue requirement increase for the water system at 6.75% and the sewer system of 4.63%. The committee received, filed and referred to the Board of Directors for deliberation.

Additional information was received on the actuarial valuation after the audit committee meeting and a revised budget was prepared for the February 26, 2025 Public Hearing. The revised budget included a 6.7% revenue increase for the water system resulting in an average member partner charge adjustment of 6.5%. The sewer system had a 4.7% budget increase resulting in an average member partner charge adjustment of 4.5%. After much public input during the Public Hearing on February 26, 2025, management provided a revision for the water budget which included a 6.1% increase in the revenue requirement resulting in an average member partner charge increase of 5.9%. The revised water budget and proposed sewer budget 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, 2025.

The final approved budget when compared to the FY 2025 adopted budget resulted in the following:

Final Approved FY 2026 Water Budget reflected:

- Budgeted Revenue Requirement increase of $23.6 million (6.1%)
- Revenues from charges increased $20.8 million (5.6%)
- Operations and maintenance increase of $12.8 million mainly due to contractual services ($4.1 million), followed by chemicals ($2.2 million), personnel ($1.3 million)

due to merit and market adjustments; an increase in centralized and administrative services ($6.0 million) and a decrease in the unallocated reserve ($3.0 million)

Final Approved FY 2026 Wastewater (Sewer) Budget reflected:

- Budgeted Revenue Requirement increase of $24.3 million (4.7%)
- Revenues from charges increased $22.3 million (4.4%)
- Operations and maintenance increase of $7.2 million with supplies and other representing the largest increase ($3.0 million) due to equipment reliability maintenance, followed by increases in personnel ($1.8 million) due to merit and market adjustments; utilities ($1.6 million); contractual services ($1.5 million); chemicals ($1.3 million), and a decrease in centralized and administrative services ($2.2 million)

Budget Process - Capital Improvement Plan

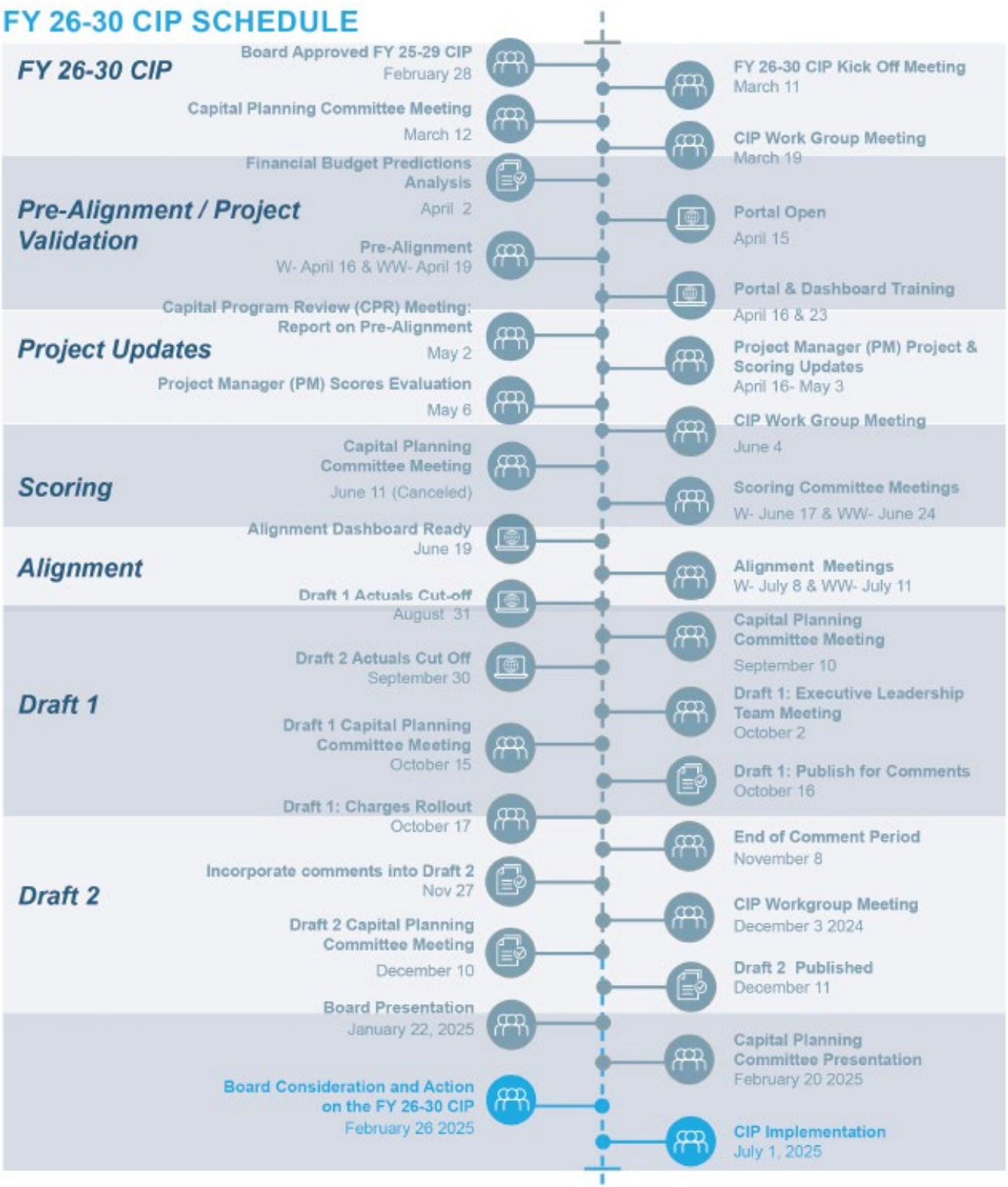
The FY 2026 - 2030 Capital Improvement Plan (CIP) development and approval process began in March 2024. An authority-wide request for new and updated Business Case Evaluation (BCE) documents were made for projects and programs within all business areas. BCE's were received from project managers in June 2024. In July 2024, 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 2024.

With projects vetted internally, Draft No. 1 CIP was created and presented to the GLWA Capital Improvement Planning Committee on October 15, 2024 and to the Member Partner communities in the Charges Rollout #1 on October 17, 2024. Comments from member partners were requested by no later than November 8, 2024.

Draft 2 was presented to the Capital Improvement Planning Committee on December 10, 2024 with a list of the CIP changes since Draft No. 1. No questions were received from member partners on Draft 1 during the comment period. Draft No. 2 was released via the GLWA website and via a mass email communication to community partners on December 11, 2024, after refinement based on continually updated information.

No major changes were made to the CIP budgets for FY 2026-2030 since the publication of Draft No 2. The CIP was presented to the Board of Directors on January 22, 2025. The Board received, filed and referred to the Capital Planning Committee agenda of February 20, 2025.

On February 26, 2025, the CIP was presented to the Board of Directors and received full approval from the Board. Once approved, the Capital Improvement Planning group distributed and published the final CIP plan which is effective July 1, 2025.


FY 26-30 CIP SCHEDULE
FY 26-30 CIP
Board Approved FY 25-29 CIP
February 28
Capital Planning Committee Meeting
March 12
FY 26-30 CIP Kick Off Meeting
March 11
CIP Work Group Meeting
March 19
Pre-Alignment / Project Validation
Financial Budget Predictions Analysis
April 2
Pre-Alignment
W- April 16 & WW- April 19
Portal Open
April 15
Portal & Dashboard Training
April 16 & 23
Project Updates
Capital Program Review (CPR) Meeting: Report on Pre-Alignment
May 2
Project Manager (PM) Scores Evaluation
May 6
Project Manager (PM) Project & Scoring Updates
April 16- May 3
CIP Work Group Meeting
June 4
Scoring
Capital Planning Committee Meeting
June 11 (Canceled)
Scoring Committee Meetings
W- June 17 & WW- June 24
Alignment
Alignment Dashboard Ready
June 19
Alignment Meetings
W- July 8 & WW- July 11
Draft 1
Draft 1 Actuals Cut-off
August 31
Draft 2 Actuals Cut Off
September 30
Capital Planning Committee Meeting
September 10
Draft 1: Executive Leadership Team Meeting
October 2
Draft 1 Capital Planning Committee Meeting
October 15
Draft 1: Publish for Comments
October 16
Draft 1: Charges Rollout
October 17
End of Comment Period
November 8
Draft 2
Incorporate comments into Draft 2
Nov 27
CIP Workgroup Meeting
December 3 2024
Draft 2 Capital Planning Committee Meeting
December 10
Draft 2 Published
December 11
Board Presentation
January 22, 2025
Capital Planning Committee Presentation
February 20 2025
Board Consideration and Action on the FY 26-30 CIP
February 26 2025
CIP Implementation
July 1, 2025

Budget Calendar

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

1. FY 2026 and 2027 Biennial Budget
2. FY 2026 through FY 2030 Five-Year Financial Plan
3. FY 2026 through FY 2030 Five-Year Capital Improvement Plan
4. FY 2026 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 2024	Budget objectives determined based on long-term financial plan
July 2024	Budget managers provided guidance of maintaining no more than 2% increase
Monday, September 30, 2024	Internal – Deadline for Cost Center Budget Request
Tuesday, October 15, 2024	Capital Planning Committee – Review of CIP Version 1.0
Wednesday, October 16, 2024	Release CIP Version 1.0 to Member Partners for Review
Thursday, October 17, 2024 (9:00 AM – 11:30 AM)	Charges Rollout Meeting #1 – Water & Sewer Capital Improvement Plan Version 1.0
Tuesday, October 29, 2024 9:00 AM – 11:00 AM	Analytical Work Group – Note: process is that GLWA sends notice of exceedances to communities by October 1st, meets by November 1st and closes open items by AWG by December 1st
Friday, November 1, 2024	DWSD – Proposed CIP to be provided (Water and Sewer Services Agreement 5.3d(i))
Tuesday, November 12, 2024 (9:00 AM – 11:30 AM)	Charges Rollout Meeting #2 – Units of Service Update
Sunday, December 1, 2024	GLWA and DWSD (City) - Exchange shared services to be provided and related costs (Shared Services Agreement 5.4)
Tuesday, December 10, 2024	Capital Planning Committee – Review of CIP Version 2.0

Date	Activity
Friday, December 20, 2024 (*rescheduled to January 6, 2025)*	GLWA Audit Committee Meeting – Proposed Revenue Requirement & Charges and Review Proposed FY 2026 and 2027 Biennial Budget (Revenue Requirement) and Five-Year Financial Plan & Proposed FY 2026 Charges
Wednesday, January 1, 2025	DWSD – Preliminary two-year budget forecast Including key assumptions and impact statement due to GLWA (Water and Sewer Services Agreement 5.3a)
Wednesday, January 8, 2025 *Canceled*	GLWA Regular Board Workshop
Thursday, January 9, 2025 8:30 AM – 12:00 PM	Charges Rollout Meeting #3 – Proposed FY 2026 Revenue Requirement and Charges
Monday, January 13, 2025 - Wednesday, January 15, 2025	Member Partner one-on-one meetings
Thursday, January 16, 2025 (9:00 AM – 11:30 AM)	Charges Rollout Meeting #4 – Feedback on Service Charges and Review of Proposed FY 2026 Revenue Requirements
Wednesday, January 22, 2025	**GLWA Board Meeting – Presentation: Proposed FY 2026 and 2027 Biennial Budget (Revenue Requirement) and Five-Year Financial Plan & Proposed FY 2026 Charges**
Friday, January 24, 2025 ***(Note: 30 days before is Monday, January 27, 2025)***	Mail Notice to Member Partners of Public Hearing to be held on February 26, 2025 (minimum 30 days prior to Act 279 Public Hearing) **(D)**
Friday, January 24, 2025 *Canceled- Special Meeting Scheduled February 17, 2025*	GLWA Audit Committee Meeting – Regular Meeting
Friday, January 31, 2025 (Tentative date to meet six days before hearing)	Publish notice of the hearing by publication in a newspaper of general circulation **(B)** Actual notice published February 12, 2025
Saturday, February 1, 2025	DWSD – Current capital improvement plan due to GLWA (Water and Sewer Services Agreement 5.3d(i))

Date	Activity
Wednesday, February 26, 2025 (Meets 120-day requirement)	**GLWA Board Meeting – Public Hearing FY 2026 & FY 2027 Biennial Budget (A, D) and Possible Adoption of FY 2026 & FY 2027 Biennial Budget**
Wednesday, February 26, 2025	**GLWA Board Meeting – Public Hearing FY 2026 Schedule of Revenues and Charges (Act 279, minimum 120 days before effective date) (C) and Possible Adoption of FY 2026 Schedule of Revenues and Charges**
Wednesday, February 26, 2025	GLWA Board Meeting – Proposed Approval of the FY 2026 & FY 2027 Biennial Budget (A)
Wednesday, February 26, 2025	GLWA Board Meeting – Proposed Approval of FY 2026–2030 Capital Improvement Plan
Wednesday, February 26, 2025	GLWA Board Meeting – Public Hearing & Proposed Approval of FY 2026 Schedule of Revenues and Charges (Act 279, minimum 120 days before effective date) (C)
Wednesday, March 5, 2025	Mail Notice to Member Partners of Approved Charges
Sunday, March 23, 2025	*DWSD* – Local system adopted biennial budget due to GLWA (Water and Sewer Services Agreement 5.3b)
Thursday, May 1, 2025	*DWSD* – Local system provides direction to GLWA on how to apply lease payment (Water and Sewer Services Agreement 4.3)
Tuesday, July 1, 2025	GLWA – Effective date of FY 2026 and 2027 Biennial Budget, FY 2026 Schedule of Charges, and FY 2026-2030 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 reporting on a budget basis 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 26, 2025, for the fiscal years 2026 and 2027. See Board Resolution 2025-019 in Section 7. 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 are referred to as appropriation categories) and the budget shall not be increased or decreased without prior Board authorization. Detail schedules are provided to the Board which support the totals in the resolution. The CFO may exercise discretion to modify any of 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, 2027 (FY 2026 and FY 2027)

Notice is hereby given that the Great Lakes Water Authority Board of Directors will hold a Public Hearing on the proposed FY 2026 and FY 2027 biennial budget.

DATE: **Wednesday, February 26, 2025**

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

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

In Person
Board Room, 5th Floor
735 Randolph Street
Detroit, Michigan 48226

Join Zoom Meeting
https://glwater.zoom.us/j/86471667249?pwd=6oalQhVws8U1bvaTyjO8UWUcPGrB83.1
Meeting ID: 864 7166 7249
Passcode: 297061

Join Zoom Telephonic
Public Call-In Number: 877 853 5247 US Toll-Free
or 888 788 0099 US Toll-Free
Meeting ID: 864 7166 7249
Passcode: 297061

The proposed biennial budget is scheduled to take effect on July 1, 2025.

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 or participate via the Zoom as indicated in this notice.

Notice of Public Hearing Proposed Biennial Budget (continued)

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 three minute time limit will be observed.

The Public Hearing on the FY 2026 and FY 2027 biennial budget proposed by the Great Lakes Water Authority scheduled for February 26, 2025 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:

In Person: 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 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/86471667249?pwd=6oalQhVws8U1bvaTyjO8UWUcPGrB83.1
During the portions of the hearing designated for public participation may "raise their hand" by using that feature within the software program.

By Telephone via Zoom: 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 25, 2025 and should reference "February 26, 2025 Public Hearing on proposed FY 2026 and FY 2027 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 26, 2025 Public Hearing on proposed FY 2026 and FY 2027 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

GREAT LAKES WATER AUTHORITY
NOTICE OF PUBLIC HEARING
PROPOSED FY 2026 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 2026.

DATE: **Wednesday, February 26, 2025**

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

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

In Person
Board Room, 5th Floor
735 Randolph Street
Detroit, Michigan 48226

Join Zoom Meeting
https://glwater.zoom.us/j/86471667249?pwd=6oalQhVws8U1bvaTyjO8UWUcPGrB83.1
Meeting ID: 864 7166 7249
Passcode: 297061

Join Zoom Telephonic
Public Call-In Number: 877 853 5247 US Toll-Free
or 888 788 0099 US Toll-Free
Meeting ID: 864 7166 7249
Passcode: 297061

The proposed service charges are scheduled to take effect on July 1, 2025.

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 or 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 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 three minute time limit will be observed.

The Public Hearing on the FY 2026 Water and Sewerage service charges proposed by the Great Lakes Water Authority scheduled for February 26, 2025 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:

In Person: 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 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/86471667249?pwd=6oalQhVws8U1bvaTyjO8UWUcPGrB83.1
During the portions of the hearing designated for public participation may "raise their hand" by using that feature within the software program.

By Telephone via Zoom: 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 25, 2025 and should reference "February 26, 2025 Public Hearing on service charges proposed for Fiscal Year 2026" 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 26, 2025 Public Hearing on service charges proposed for Fiscal Year 2026" 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 compliant 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 semi-annual 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 which 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.
- Water Residential Assistance Policy – The objectives, desired outcomes, funding parameters and management and board oversight roles are defined.

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 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

❖ 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 basis Debt Service Coverage shall not be less than 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 also to assure 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 Organizational Strategic Goals and the Long-Range Financial Plan in the Financial Plan section.
- 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 management and quarterly 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.

In addition, GLWA is embarking on an organization-wide initiative to develop an Environmental, Social and Governance (ESG) framework. Since many aspects of GLWA inherently support the tenants of ESG, it is of benefit for us to implement a process for informing, documenting, measuring, and reporting on the ways in which we approach these aspects of our work. While the framework has significance across the organization, the ESG Framework report, which is scheduled to be published in calendar year 2026, is expected to provide increased demand for GLWA bonds which may lower interest rates on debt issuances in the future as well as strengthening credit ratings.

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

1. Revenue Stability for the System – For the first ten years of operations GLWA was under a 4% revenue increase commitment that was a part of the MOU that established the regional authority. FY 2026 is the first year beyond that commitment. Due to cost escalations during the COVID years and the current economic environment the financial projections show that GLWA will not be able to maintain that commitment beyond the ten years. However, because the 4% Promise was overcommitted in the first ten years, the average revenue increase for all years is under 4%. While the revenue requirement budget can be managed, revenues based on actual 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 member partner 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 2016-2024.
- Using a wholesale sewer rate simplification methodology, costs are allocated based on each member partner'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 the achievement of wholesale revenues at 100% of budget.

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

- A new, simplified charge methodology approach was reflected in the FY 2025 Cost of Service Study, reduces the number of cost pools and includes a "delivery factor" to represent the impact of the current distance and elevation units of service. As a community's geographic location doesn't change, it makes sense that the measure that accounts for its distance and elevation remains static. The "delivery factor" represents current differential costs associated with distance and elevation. The simplified methodology collapsed nine hybrid cost pools into three that measure Member Partner use of the system: commodity (10%), max day (50%), and peak hour (40%).

- 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. The FY 2025 Sewer SHAREs were updated for the first time in three years (since FY 2022) and the resulting changes in individual Member Partner Charge adjustments (generally) reflect moderate variances from the system-wide adjustment of 3%.

3. 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 to the Authority for repayment of outstanding revenue bonds. DWSD is an 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.

4. 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, within its retail rates, cannot be less than 0.5% and not greater than 1.0%. It is expected that the local system will fund WRAP at 1.0% for FY 2025. The WRAP provides assistance to indigent residential consumers 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 member partners within the defined 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.

5. Closed Loop Lease Payments - 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.

6. 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 $45.4 million annual payments to the City of Detroit General Retirement System (GRS) 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 most recent actuarial valuation of the plan for the year ended June 30, 2024 was issued in February 2025 and projects an unfunded actuarial accrued liability as of June 30, 2025 of $37.6 million. This equates to a combined DWSD and GLWA actuarily determined payment of approximately $4.4 million for FY 2026.

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:

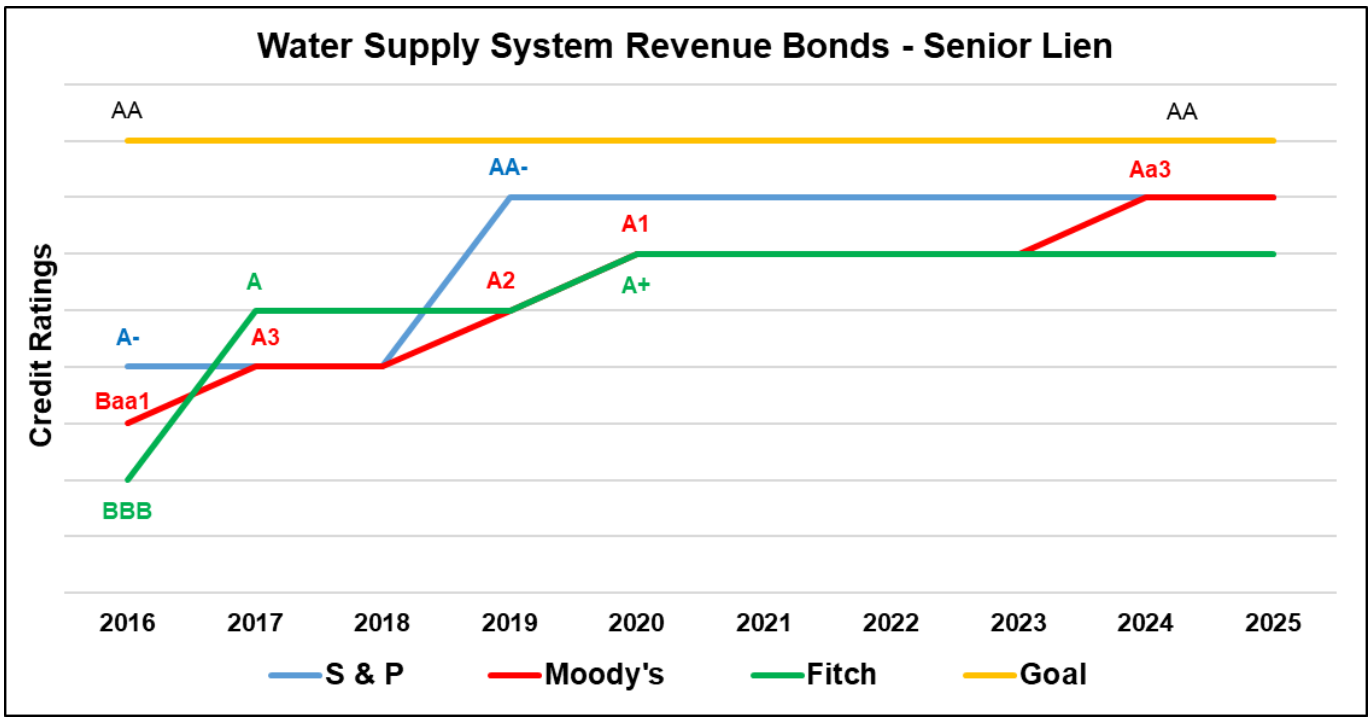
- Achieve and maintain an AA category credit ratings by meeting or exceeding rating agency criteria in order to reduce the cost of capital and
- Achieve positive key performance indicators (KPI's) which are based on the ten attributes of the effective utility management (EUM) framework for GLWA as a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

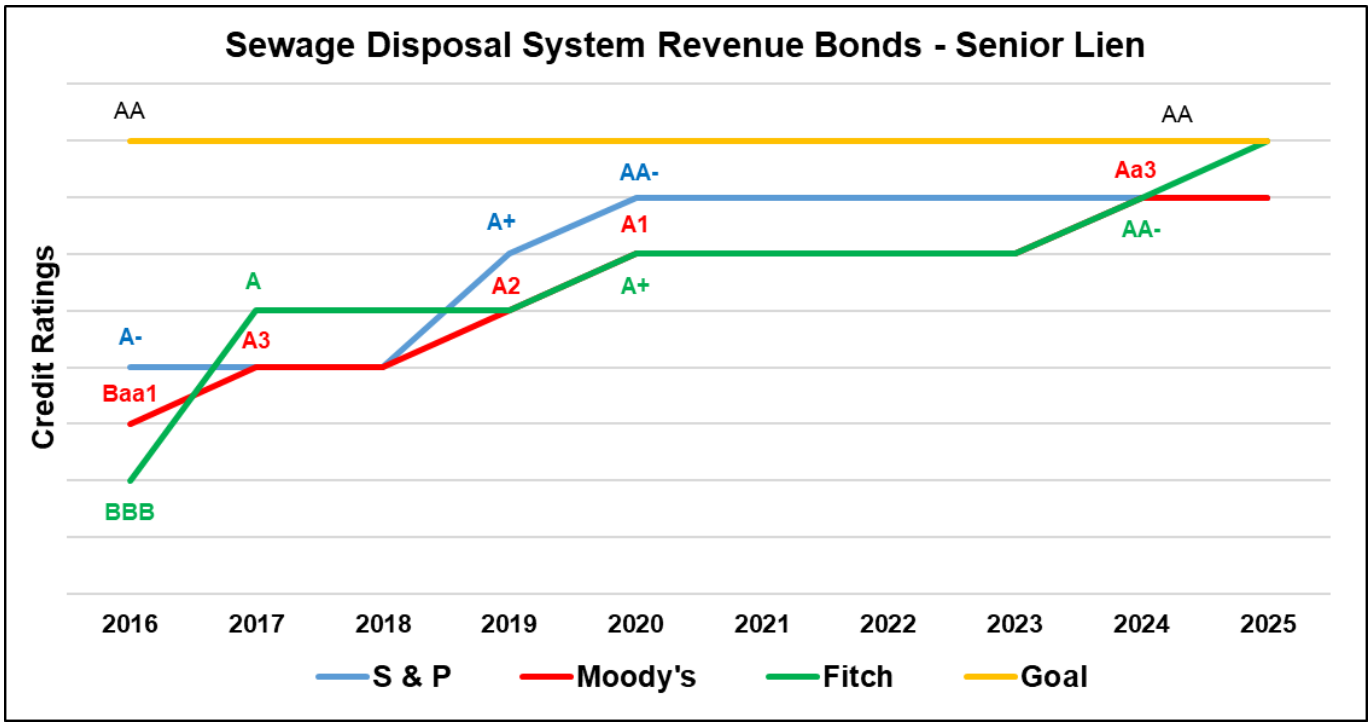
Each goal is discussed in further detail below. Each O&M department in Section 5 of this budget document includes a table showing how each department's initiatives contribute towards achieving the organizational goals.

<u>Bond Credit Rating of AA</u>

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.

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





The path to becoming a solid AA credit with the rating agencies was and continues to be 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

Go to TOC

service, the following types of metrics which are used by rating agencies will reflect characteristics of a strong credit.

- ✓ Operating Margin
- ✓ Debt Service Coverage Ratio
- ✓ Debt to Operating Revenue Ratio
- ✓ Days Cash
- ✓ Net Position

Key factors in improving the Authority's financial position and credit metrics were the focus on continuing to optimize its operations, focus on financial planning with a biennial budget, annual update of the five-year capital and financial projection, annual updates of the ten-year financial projections and applying core principles in asset management. The long-range financial projection, presented later in this section, provides a summary of the projected financial metrics to move the Authority forward in reaching the goal of a AA credit rating from all three rating agencies.

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, $3.5 billion of refunding bonds have been issued resulting in debt reserve releases of $139.9 million, which achieve future cash flow savings of $766.1 million for a net present value savings of $546.3 million. See Section 3 – Debt Management for detailed schedules of these savings.

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] GLWA's EUM based KPI attributes are reviewed annually 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. Note that EUM references "customers"; for GLWA, this encompasses "member partners".

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

[1] AWWA.org "Effective Utility Management"

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 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. The KPI report is updated monthly and provided to the CEO who is responsible for GLWA's day-to-day operation. The CEO will take appropriate action if needed. Items of significance are included in the monthly CEO report to the Board. The KPI report is also shared with GLWA's Board of Directors three times per year in January, July, and December.

The following table 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 report issued in June 2024, expected measurement for June 2025 (based on the April 2025 report), 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 2024	June 2025	June 2026	June 2027
Financial Viability	Financial Services	Water system wholesale monthly billed revenues will meet or exceed budgeted amount	Method for establishing revenue projections are reliable	W 98.2% S 100%	W 100% S 100%	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 7% surplus S 3% surplus	W 8% surplus S 2% surplus	Positive	Positive
		Reliability of Detroit Local Water and Sewer Revenue Projections	Method for establishing revenue projections are reliable	W billed 104.8% W usage 104.5% S billed 98.4% S usage 101.2%	W billed 99% W usage 98% S billed 97% S usage 96%	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 8% surplus S 6% surplus	W 6% surplus S 3% surplus	Positive	Positive
		Optimizing cash balances	Maximize future investment earnings while meeting the objectives of safety and liquidity (does not include unrealized market loss)	$43.3 million	$37 million	$27.4 million	$28.3 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	30	<30 days	<30 days

(continued on next page)

Go to TOC

(continued from previous page)

Key Performance Indicators and Effective Utility Management Metrics							
				Report Date			
				Actual	Estimated	Goals	
EUM Attribute	Operating Area Reporting	Measure	Objective	June 2024	June 2025	June 2026	June 2027
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%	Expect to be below permit levels- occasionally may not reach the goal of below 20% of permit limit. Changes in chemical usage at the water plants due to new lead and copper rules may result in marginal increase in effluent phosphorus concentration, as used water returns to the wastewater treatment plant.	< 20%	< 20%
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	90%	87%	80%	80%
		Water - Preventative maintenance projects completed as a percentage of total projects (monthly)	Reduced risk of unplanned downtime or inefficiencies	84%	84%	80%	80%
	Wastewater Operations & Field Services	Wastewater - Preventative maintenance projects completed as planned (monthly)	Timely preventative maintenance extends asset useful life and minimizes unplanned downtime	91%	83%	80%	80%
		Wastewater - Preventative maintenance projects completed as a percentage of total projects (monthly)	Reduced risk of unplanned downtime or inefficiencies	83%	84%	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	goal not set-metric in development- Chemical $78.29 per MG Electric $141.73 per MG	goal not set-metric in development- Chemical $87.29 per MG Electric $117.87 per MG	metric in development to include tracking of total costs per MG	metric in development to include tracking of total costs per MG

(continued on next page)

Go to TOC

(continued from previous page)

Key Performance Indicators and Effective Utility Management Metrics							
				Report Date			
				Actual	Estimated	Goals	
EUM Attribute	Operating Area Reporting	Measure	Objective	June 2024	June 2025	June 2026	June 2027
Enterprise Resiliency	Security & Integrity	GLWA security patrols	Risk prevention	4,468	3,743	2,350	2,350
		GLWA security reports/patrol ratio	Risk prevention	2.0%	2.0%	1.9% to 2.7%	1.9% to 2.7%
		GLWA security reports	Risk prevention	91	75	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.	4	5	< 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	84.7%	83.3%	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	82.7%	84.1%	78%	78%
		All GLWA sites (42 monitored) network connections will have 100% availability excluding schedule down time for maintenance.	Network Connectivity promotes Employee Productivity	99.99%	100%	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	99%	99%	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%	96%	90%	90%
	Financial Services	Total CIP Spend to adopted capital spend ratio (YTD)	Method for establishing spending is aligned with budgeted revenue	W 68% S 62%	W 73% S 99%	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	Requirement met	Requirement met	Requirement met

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Key Performance Indicators and Effective Utility Management Metrics							
				Report Date			
				Actual	Estimated	Goals	
EUM Attribute	Operating Area Reporting	Measure	Objective	June 2024	June 2025	June 2026	June 2027
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-42,007 Twitter-4,775 LinkedIn: Impressions-34,687	Facebook-45,300 X-3,448 LinkedIn: Impressions-23,900	Facebook-21,000 X-10,500 LinkedIn: Impressions-30,000	Facebook-21,000 X-10,500 LinkedIn: Impressions-30,000
		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	85%	97%	75%	75%
Employee and Leadership Development	Organizational Development	Retention rate (quarterly)	Retention leads to decreased training costs, increased productivity, and cross training and development	97.4%	97.7%	>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

Go to TOC

Long-Range Financial Projection

The organization uses a long-term financial projection recognizing that decisions made decades ago impact the present, and the decisions we make today will impact the region decades from now. With modest assumptions, the long-term financial projection 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 projection presentation to the Board and Audit Committee provides meaningful context for 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 and maintaining 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

The core budget schedules in this document reflect the long-range projection for the initial 5-year period at the time of the budget approval. The water CIP places more financing pressure on the projection than does the sewer CIP. As a result, the water system projection contains significant debt financing, while mostly "pay go" capital financing is projected 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 continues to anticipate maintaining working capital balances that ensure adequate amounts are on hand for subsequent monthly transfers for the MBO requirements.
- Increases in the annual revenue requirements are designed to be consistent over the ten-year period based on feedback from our Member Partners. The forecast includes the following assumed revenue requirement increases:
    - 6.14% for FY 2026 for the Water System and 6.0% for all remaining years of the forecast period
    - 4.67% for FY 2026 for the Sewer System and 5.0% for FY 2027 through FY 2030 and 4.5% for the remainder years of the forecast period
- The investment earnings assumption used interest rates ranging between 3.2 and 3.8 percent for FY 2025 through FY 2029. The investment earnings rate used for the ER&R funds ranged from 2 percent to 3.5 percent during this same time period due to the longer-term nature of the investments. An investment yield of 2.5 percent was used for 2030 and 2.0 percent for 2031 through 2035 for all funds.
- The water O&M increase for FY 2026 is 7.6% and the sewer increase is 3.1% which reflect the ongoing diligent review and incorporation of specific increases in utility, commodity, and related prices to support individual budget programs. The projected O&M increases for FY

2026 through FY 2030 were included in the detail review by staff. Future O&M growth beyond FY 2030 is projected at 2% on average for the overall System.

- CIP expenditure level reflects a Spend Rate Assumption (SRA) for the water system of 100% for FY 2026 through FY 2028 and FY 2033 through FY 2035. The SRA is 95% for FY 2029 through FY 2023. The sewer system SRA varies throughout the forecast period from 80% to 100%.
- Debt Service is a function of the payment requirements of the revenue bonds and SRF loans. All the major CIP expenditures are from the Construction Fund which source of funding is bond proceeds, SRF loans, grants, contributions, transfers from I&E, and investment earning on bond proceeds. The forecast assumes new bond financing in June for most years.
- CIP funding source priority:
    - Apply "confirmed" SRF resources to specific projects; then
    - Grants and contributions, then
    - Strategically identify mix of debt and I&E financing of the CIP which (together with assumed top line revenue growth) results in moderate Construction Fund carryover balances and days cash ratios of 500 days

The following schedules present the Water System, Sewer System, and Water and Sewer Systems Combined ten-year projections. The schedules may not foot due to rounding.

Water System - Projected Revenue Requirement

	GLWA Water System											
		Projected *($ millions)*										
	Adopted 2025	2025	Adopted 2026	Adopted 2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenues												
Revenue from Charges												
Wholesale Charges	$ 347.8	$ 347.8	$ 365.6	$ 387.0	$ 408.7	$ 431.1	$ 460.5	$ 488.9	$ 517.1	$ 547.3	$ 579.7	$ 613.6
Charges to Local System	27.1	27.1	30.0	33.0	36.2	39.5	43.8	48.0	52.1	56.5	61.3	66.3
Total Revenue from Charges	374.9	374.9	395.7	420.1	444.9	470.6	504.3	536.9	569.2	603.9	641.0	679.8
Investment Earnings												
Unrestricted	6.7	10.2	9.5	9.5	10.1	11.2	7.9	6.9	7.3	7.2	6.9	7.0
Restricted	3.2	3.3	3.3	3.4	4.0	4.7	3.5	3.0	3.1	3.2	3.4	3.6
Total Investment Earnings	9.9	13.5	12.8	12.9	14.0	15.8	11.4	9.8	10.4	10.5	10.3	10.5
Other Operating Revenue	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Total Revenues	$ 385.1	$ 388.7	$ 408.8	$ 433.3	$ 459.3	$ 486.8	$ 516.0	$ 547.0	$ 579.8	$ 614.7	$ 651.6	$ 690.7
Revenue Requirements												
Operations & Maintenance Expense	$ 169.6	$ 174.6	$ 182.5	$ 196.9	$ 202.0	$ 203.6	$ 208.0	$ 212.1	$ 216.4	$ 220.7	$ 225.1	$ 229.6
Debt Service - Regional System	175.3	163.2	179.1	193.2	211.4	225.8	238.7	246.9	254.3	264.1	276.8	283.4
General Retirement System Pension	2.3	1.7	2.7	2.6	2.4	2.4	2.4	2.3	2.3	2.3	2.2	2.4
Water Residential Assistance Program Contribution	1.9	1.9	2.0	2.1	2.2	2.3	2.5	2.7	2.8	3.0	3.2	3.4
Extraordinary Repair & Replacement Deposit	-	0.9	0.3	1.9	-	-	-	-	-	-	-	-
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	22.5
Working Capital Requirement	6.2	12.7	0.6	1.8	1.9	5.5	4.7	3.4	3.4	3.8	4.4	3.4
Improvement & Extension Fund Transfer Pending	7.3	11.3	19.1	12.4	16.8	24.6	37.3	57.0	78.2	98.3	117.3	146.1
Total Revenue Requirements	$ 385.1	$ 388.7	$ 408.8	$ 433.3	$ 459.3	$ 486.8	$ 516.0	$ 547.0	$ 579.8	$ 614.7	$ 651.6	$ 690.7

Go to TOC

Sewage Disposal System - Projected Revenue Requirement

	GLWA Sewer System											
		Projected *($ millions)*										
	Adopted 2025	Forecast 2025	Adopted 2026	Adopted 2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenues												
Revenue from charges												
Wholesale Charges	$ 287.5	$ 287.5	$ 300.3	$ 314.9	$ 330.1	$ 346.3	$ 366.6	$ 384.2	$ 401.0	$ 418.6	$ 437.0	$ 456.4
Charges to Local System	205.9	205.9	215.3	226.5	237.9	250.0	265.2	278.4	291.0	304.2	318.0	332.6
Industrial Waste Charges	8.7	8.7	9.2	9.6	10.1	10.6	11.2	11.8	12.3	12.8	13.4	14.0
Pollutant Surcharges	5.4	5.4	5.1	5.4	5.6	5.9	6.3	6.6	6.9	7.2	7.5	7.8
Total Revenue from Sewer Charges	507.6	507.6	529.9	556.3	583.7	612.8	649.2	680.9	711.1	742.8	775.9	810.8
Investment Earnings												
Unrestricted	10.5	10.8	10.5	11.1	11.9	12.2	8.8	7.6	8.4	9.3	10.0	10.6
Restricted	1.9	4.2	4.1	4.3	4.8	5.4	4.0	3.3	3.4	3.6	3.7	3.8
Total Investment Earnings	12.4	15.1	14.6	15.4	16.7	17.6	12.7	10.9	11.8	12.8	13.8	14.4
Other Operating Revenue	0.7	0.7	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Total Revenues	$ 520.7	$ 523.4	$ 545.0	$ 572.2	$ 600.8	$ 630.8	$ 662.4	$ 692.2	$ 723.4	$ 756.0	$ 790.1	$ 825.6
Revenue Requirements												
Operations & Maintenance Expense	$ 228.9	$ 231.4	$ 236.1	$ 246.4	$ 256.9	$ 262.1	$ 267.8	$ 273.1	$ 278.6	$ 284.2	$ 289.9	$ 295.7
Debt Service - Regional System	226.3	218.8	220.9	241.5	251.6	259.3	265.6	270.2	273.7	275.7	281.7	282.4
General Retirement System Pension	4.8	3.7	5.6	5.2	4.9	4.9	4.8	4.7	4.6	4.6	4.5	4.8
Water Residential Assistance Program Contribution	2.7	2.5	2.6	2.8	2.9	3.1	3.2	3.4	3.5	3.7	3.9	4.0
Extraordinary Repair & Replacement Deposit	-	-	-	-	0.3	-	-	-	-	-	0.7	-
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	27.5
Working Capital Requirement	2.3	-	-	2.7	6.2	5.9	4.4	3.5	3.6	3.2	4.1	3.2
Improvement & Extension Fund Transfer Pending	28.1	39.4	52.2	46.1	50.5	68.2	89.1	109.8	131.9	157.1	177.9	208.1
Total Revenue Requirements	$ 520.7	$ 523.4	$ 545.0	$ 572.2	$ 600.8	$ 630.8	$ 662.4	$ 692.2	$ 723.4	$ 756.0	$ 790.1	$ 825.6

Water and Sewage Disposal System Combined - Projected Revenue Requirement

	GLWA Water and Sewer Systems Combined											
		Projected *($ millions)*										
	Adopted 2025	Forecast 2025	Adopted 2026	Adopted 2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenues												
Revenue from charges												
Wholesale Charges	$ 635.3	$ 635.3	$ 666.0	$ 701.9	$ 738.8	$ 777.4	$ 827.0	$ 873.1	$ 918.1	$ 965.9	$ 1,016.7	$ 1,070.0
Charges to Local System	233.0	233.0	245.4	259.5	274.1	289.5	309.0	326.4	343.1	360.7	379.3	398.8
Industrial Waste Charges	8.7	8.7	9.2	9.6	10.1	10.6	11.2	11.8	12.3	12.8	13.4	14.0
Pollutant Surcharges	5.4	5.4	5.1	5.4	5.6	5.9	6.3	6.6	6.9	7.2	7.5	7.8
Total Revenue from Sewer Charges	882.4	882.4	925.6	976.4	1,028.6	1,083.4	1,153.5	1,217.8	1,280.3	1,346.6	1,416.8	1,490.7
Investment Earnings												
Unrestricted	17.2	21.0	20.1	20.7	21.9	23.4	16.7	14.4	15.7	16.5	16.9	17.5
Restricted	5.0	7.5	7.3	7.7	8.8	10.1	7.5	6.3	6.5	6.8	7.1	7.4
Total Investment Earnings	22.2	28.5	27.4	28.3	30.7	33.4	24.2	20.7	22.2	23.3	24.0	24.9
Other Operating Revenue	1.1	1.1	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Total Revenues	$ 905.8	$ 912.1	$ 953.7	$ 1,005.5	$ 1,060.1	$ 1,117.6	$ 1,178.4	$ 1,239.2	$ 1,303.3	$ 1,370.7	$ 1,441.6	$ 1,516.3
Revenue Requirements												
Operations & Maintenance Expense	$ 398.6	$ 406.1	$ 418.6	$ 443.2	$ 458.9	$ 465.7	$ 475.8	$ 485.3	$ 495.0	$ 504.9	$ 515.0	$ 525.3
Debt Service - Regional System	401.6	381.9	400.0	434.7	463.0	485.1	504.3	517.1	527.9	539.8	558.5	565.7
General Retirement System Pension	7.1	5.4	8.4	7.8	7.3	7.2	7.1	7.0	6.9	6.8	6.7	7.1
Water Residential Assistance Program Contribution	4.6	4.4	4.6	4.9	5.1	5.4	5.7	6.1	6.4	6.7	7.1	7.4
Extraordinary Repair & Replacement Deposit	-	0.9	0.3	1.9	0.3	-	-	-	-	-	0.7	-
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	50.0
Working Capital Requirement	8.5	12.7	0.6	4.5	8.1	11.4	9.1	6.9	7.0	7.0	8.5	6.6
Improvement & Extension Fund Transfer Pending	35.4	50.7	71.3	58.5	67.3	92.8	126.4	166.8	210.0	255.4	295.1	354.1
Total Revenue Requirements	$ 905.8	$ 912.1	$ 953.7	$ 1,005.5	$ 1,060.1	$ 1,117.6	$ 1,178.4	$ 1,239.2	$ 1,303.3	$ 1,370.7	$ 1,441.6	$ 1,516.3

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 assets 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 the water system and FY 2026 for the sewer system.

The projected net position through FY 2035 is presented in the following schedules for the Water Fund, Sewage Disposal Fund, and combined. The schedules may not foot due to rounding.

Water System – Projected Statement of Revenues, Expenses and Changes in Net Position

GLWA Water Fund Net Position	Projected ($ millions)										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Operating Revenues	$ 381.2	$ 402.4	$ 426.9	$ 451.8	$ 477.5	$ 511.1	$ 543.7	$ 576.0	$ 610.8	$ 647.8	$ 686.7
Operating Expenses											
Operating Expenses before Depreciation	173.9	182.0	196.3	201.5	203.3	208.0	212.1	216.4	220.7	225.1	229.6
Depreciation Expense	98.7	100.7	102.4	107.6	110.6	112.2	117.2	125.9	137.0	146.7	157.8
Amortization of Intangible Assets	4.9	5.1	5.1	5.1	4.7	4.3	3.6	3.6	3.6	3.6	3.6
Total Operating Expenses	277.5	287.7	303.8	314.1	318.6	324.5	332.9	345.9	361.3	375.4	391.0
Operating Income	103.7	114.7	123.2	137.7	158.9	186.6	210.8	230.1	249.5	272.4	295.8
Nonoperating Revenues (Expenses)											
Earnings on Investments	16.7	18.3	19.4	22.0	23.0	15.6	13.0	13.6	14.2	15.2	15.4
Interest Income on Other Receivables	24.0	23.1	22.3	21.8	23.3	22.4	21.2	20.0	18.6	17.2	15.8
Interest Expense	(134.9)	(141.4)	(148.0)	(157.5)	(164.2)	(164.9)	(164.1)	(162.5)	(163.1)	(165.9)	(164.4)
Amortization of Debt Related Items	20.1	19.2	17.8	17.3	17.2	15.7	14.6	13.0	12.0	11.0	7.1
Legacy Pension Expense	(1.3)	1.2	(3.8)	0.1	0.6	0.1	0.1	0.2	0.3	(1.1)	(1.0)
WRAP	(1.9)	(2.0)	(2.1)	(2.2)	(2.3)	(2.5)	(2.7)	(2.8)	(3.0)	(3.2)	(3.4)
Other	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Total Nonoperating Expenses	(77.0)	(81.4)	(94.3)	(98.3)	(102.4)	(113.6)	(117.6)	(118.4)	(120.8)	(126.5)	(130.3)
Income Before Capital Contributions	26.7	33.3	28.9	39.4	56.5	73.1	93.3	111.8	128.7	145.9	165.5
Capital Contributions	2.1	2.3	2.0	-	-	-	-	-	-	-	-
Change in Net Position	28.8	35.6	30.9	39.4	56.5	73.1	93.3	111.8	128.7	145.9	165.5
Net Position (Deficit), Beginning of Year	(111.1)	(82.3)	(46.7)	(15.8)	23.6	80.1	153.1	246.4	358.2	486.9	632.7
Net Position (Deficit), End of Year	$ (82.3)	$ (46.7)	$ (15.8)	$ 23.6	$ 80.1	$ 153.1	$ 246.4	$ 358.2	$ 486.9	$ 632.7	$ 798.2

Sewage Disposal System – Projected Statement of Revenues, Expenses and Changes in Net Position

GLWA Sewage Disposal Fund	Projected ($ millions)										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Operating Revenues	$ 508.3	$ 530.3	$ 556.8	$ 584.1	$ 613.2	$ 649.7	$ 681.3	$ 711.6	$ 743.2	$ 776.3	$ 811.3
Operating Expenses											
Operating Expenses before Depreciation	230.2	235.1	245.3	255.8	261.1	267.2	272.6	278.6	284.2	289.9	295.7
Depreciation Expense	151.8	150.1	145.7	147.3	154.4	153.9	152.3	155.9	164.9	170.2	174.9
Amortization of Intangible Assets	1.8	1.9	1.9	1.9	1.6	1.2	0.4	0.0	-	-	-
Total Operating Expenses	383.8	387.1	392.9	405.0	417.2	422.2	425.3	434.6	449.1	460.1	470.6
Operating Income	124.5	143.3	163.9	179.1	196.1	227.4	256.0	277.0	294.1	316.2	340.7
Nonoperating Revenues (Expenses)											
Earnings on Investments	20.2	18.6	19.8	21.9	23.1	16.2	13.5	14.4	15.2	16.2	16.9
Interest Income on Other Receivables	15.5	14.9	14.3	14.0	15.8	15.3	14.5	13.6	12.5	11.4	10.2
Interest Expense	(141.9)	(138.7)	(139.5)	(141.1)	(143.9)	(142.3)	(138.4)	(133.2)	(126.2)	(118.1)	(109.5)
Amortization of Debt Related Items	9.7	8.2	8.3	8.2	8.5	8.4	9.4	10.4	10.5	9.8	6.2
Legacy Pension Expense	(2.3)	2.1	(6.9)	0.3	1.0	0.1	0.2	0.4	0.5	(2.0)	(1.8)
WRAP	(2.5)	(2.6)	(2.8)	(2.9)	(3.1)	(3.2)	(3.4)	(3.5)	(3.7)	(3.9)	(4.0)
Other	19.4	5.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Total Nonoperating Expenses	(82.0)	(92.3)	(106.4)	(99.3)	(98.2)	(105.3)	(103.9)	(97.7)	(91.0)	(86.2)	(81.7)
Income Before Capital Contributions	42.5	51.0	57.5	79.8	97.9	122.1	152.2	179.3	203.1	230.0	259.0
Capital Contributions	1.8	18.2	-	-	-	-	-	-	-	-	-
Change in Net Position	44.3	69.2	57.5	79.8	97.9	122.1	152.2	179.3	203.1	230.0	259.0
Net Position (Deficit), Beginning of Year	(79.3)	(35.0)	34.2	91.7	171.4	269.3	391.4	543.6	722.9	926.0	1,156.0
Net Position (Deficit), End of Year	$ (35.0)	$ 34.2	$ 91.7	$ 171.4	$ 269.3	$ 391.4	$ 543.6	$ 722.9	$ 926.0	$ 1,156.0	$ 1,415.0

Water and Sewage Disposal System Combined – Projected Statement of Revenues, Expenses and Changes in Net Position

GLWA Water and Sewer Fund Combined	Projected *($ millions)*										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Operating Revenues	$ 889.5	$ 932.8	$ 983.7	$ 1,035.9	$ 1,090.8	$ 1,160.8	$ 1,225.1	$ 1,287.6	$ 1,354.0	$ 1,424.1	$ 1,498.0
Operating Expenses											
Operating Expenses before Depreciation	404.2	417.0	441.7	457.3	464.4	475.2	484.7	495.0	504.9	515.0	525.3
Depreciation Expense	250.5	250.8	248.0	254.9	265.0	266.1	269.5	281.8	301.9	317.0	332.7
Amortization of Intangible Assets	6.6	7.0	7.0	7.0	6.4	5.5	4.0	3.6	3.6	3.6	3.6
Total Operating Expenses	661.3	674.8	696.7	719.1	735.8	746.8	758.2	780.4	810.4	835.5	861.6
Operating Income	228.2	258.0	287.0	316.8	355.0	414.1	466.9	507.2	543.6	588.6	636.4
Nonoperating Revenues (Expenses)											
Earnings on Investments	36.9	36.9	39.2	43.9	46.0	31.8	26.5	28.0	29.4	31.5	32.4
Interest Income on Other Receivables	39.5	38.0	36.6	35.9	39.1	37.6	35.7	33.5	31.1	28.6	26.0
Interest Expense	(276.8)	(280.1)	(287.6)	(298.7)	(308.1)	(307.2)	(302.4)	(295.7)	(289.3)	(284.0)	(273.8)
Amortization of Debt Related Items	29.8	27.4	26.1	25.6	25.6	24.1	24.0	23.4	22.5	20.8	13.3
Legacy Pension Expense	(3.5)	3.3	(10.7)	0.4	1.6	0.2	0.4	0.6	0.8	(3.0)	(2.8)
WRAP	(4.4)	(4.6)	(4.9)	(5.1)	(5.4)	(5.7)	(6.1)	(6.4)	(6.7)	(7.1)	(7.4)
Other	19.5	5.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Total Nonoperating Expenses	(159.0)	(173.7)	(200.7)	(197.6)	(200.7)	(218.9)	(221.5)	(216.1)	(211.8)	(212.7)	(212.0)
Income Before Capital Contributions	69.2	84.3	86.3	119.2	154.3	195.2	245.4	291.1	331.8	375.9	424.4
Capital Contributions	3.9	20.5	2.0	-	-	-	-	-	-	-	-
Change in Net Position	73.2	104.8	88.3	119.2	154.3	195.2	245.4	291.1	331.8	375.9	424.4
Net Position (Deficit), Beginning of Year	(190.4)	(117.3)	(12.5)	75.8	195.0	349.4	544.6	790.0	1,081.1	1,412.9	1,788.8
Net Position (Deficit), End of Year	$ (117.3)	$ (12.5)	$ 75.8	$ 195.0	$ 349.4	$ 544.6	$ 790.0	$ 1,081.1	$ 1,412.9	$ 1,788.8	$ 2,213.2

The following tables used the information from the projections to calculate the financial metrics. These metrics depict moving from red, to yellow, to green, with green being the Authority's goal.

Water System – Long-Range Forecast - Depiction of Improving Metrics

GLWA Projection Executive Summary
Regional Water System - *$ millions*

				Projected *($ millions)*										
Metric	**Metric Target Range**			**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
			Goal											
Operating Margin														
Depreciation & Amortization Expense				$ 103.6	$ 105.8	$ 107.4	$ 112.6	$ 115.3	$ 116.5	$ 120.8	$ 129.5	$ 140.6	$ 150.3	$ 161.3
Total Operating Expenses				$ 277.5	$ 287.7	$ 303.8	$ 314.1	$ 318.6	$ 324.5	$ 332.9	$ 345.9	$ 361.3	$ 375.4	$ 391.0
Operating Margin				$ 103.7	$ 114.7	$ 123.2	$ 137.7	$ 158.9	$ 186.6	$ 210.8	$ 230.1	$ 249.5	$ 272.4	$ 295.8
Operating Margin %	***<25%***	***25%***	***40%***	**27.2%**	**28.5%**	**28.9%**	**30.5%**	**33.3%**	**36.5%**	**38.8%**	**40.0%**	**40.8%**	**42.0%**	**43.1%**
Regional Revenue Allocation														
O&M				44.9%	44.6%	45.4%	44.0%	41.8%	40.3%	38.8%	37.3%	35.9%	34.6%	33.2%
Debt Service	***>40%***	***40%***	***33%***	**42.0%**	**43.8%**	**44.6%**	**46.0%**	**46.4%**	**46.3%**	**45.1%**	**43.9%**	**43.0%**	**42.5%**	**41.0%**
Non-Operating Expense				6.7%	6.7%	6.3%	5.9%	5.6%	5.3%	5.0%	4.8%	4.5%	4.3%	4.1%
Capital Financing				6.4%	4.9%	3.7%	4.1%	6.2%	8.1%	11.0%	14.1%	16.6%	18.7%	21.6%
Total				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Other Metrics														
Days Cash	***<400***	***400***	***500***	**585**	**558**	**510**	**513**	**528**	**563**	**587**	**569**	**530**	**529**	**588**
Net Position	***<150***	***150***	***250***	**$ (82.3)**	**$ (46.7)**	**$ (15.8)**	**$ 23.9**	**$ 80.4**	**$ 153.5**	**$ 246.7**	**$ 358.5**	**$ 487.2**	**$ 633.1**	**$ 798.5**
Net Fixed Asset/Depreciation	***<12***	***12***	***25***	**21**	**21**	**22**	**23**	**23**	**23**	**23**	**22**	**21**	**21**	**20**

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Sewage Disposal System – Long-Range Forecast - Depiction of Improving Metrics

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

				Projected *($ millions)*										
Metric	**Metric Target Range**			**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
			Goal											
Operating Margin														
Depreciation & Amortization Expense				$ 153.5	$ 152.0	$ 147.6	$ 149.2	$ 156.0	$ 155.0	$ 152.7	$ 155.9	$ 164.9	$ 170.2	$ 174.9
Total Operating Expenses				$ 383.8	$ 387.1	$ 392.9	$ 405.0	$ 417.2	$ 422.2	$ 425.3	$ 434.6	$ 449.1	$ 460.1	$ 470.6
Operating Margin				$ 124.5	$ 143.3	$ 163.9	$ 179.1	$ 196.1	$ 227.4	$ 256.0	$ 277.0	$ 294.1	$ 316.2	$ 340.7
Operating Margin %	*<25%*	*25%*	*40%*	**24.5%**	**27.0%**	**29.4%**	**30.7%**	**32.0%**	**35.0%**	**37.6%**	**38.9%**	**39.6%**	**40.7%**	**42.0%**
Regional Revenue Allocation														
O&M				44.2%	43.3%	43.1%	42.8%	41.5%	40.4%	39.5%	38.5%	37.6%	36.7%	35.8%
Debt Service	*>40%*	*40%*	*33%*	**41.8%**	**40.5%**	**42.2%**	**41.9%**	**41.1%**	**40.1%**	**39.0%**	**37.8%**	**36.5%**	**35.7%**	**34.2%**
Non-Operating Expense				6.5%	6.6%	6.2%	5.9%	5.6%	5.4%	5.1%	4.9%	4.7%	4.5%	4.4%
Capital Financing				7.5%	9.6%	8.5%	9.5%	11.7%	14.1%	16.4%	18.7%	21.2%	23.1%	25.6%
Total				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Other Metrics														
Days Cash	*<400*	*400*	*500*	**532**	**544**	**520**	**477**	**488**	**516**	**561**	**606**	**645**	**664**	**668**
Net Position	*<150*	*150*	*250*	**$ (35.0)**	**$ 34.2**	**$ 91.7**	**$ 171.8**	**$ 269.7**	**$ 391.8**	**$ 544.0**	**$ 723.3**	**$ 926.4**	**$1,156.4**	**$1,415.3**
Net Fixed Asset/Depreciation	*<12*	*12*	*25*	**16**	**16**	**17**	**18**	**18**	**19**	**19**	**18**	**17**	**17**	**17**

Combined Regional and Local Systems Long-Range Projection

As discussed in Section 3 Debt Management under the terms of the lease, GLWA issues debt on behalf of the local system and all local system receipts are pledged for debt payments on the bonds. Therefore, GLWA must also prepare combined financial projections for the regional and local systems. This combined financial data is what the rating agencies review when determining GLWA's credit ratings. The DWSD local system data included has been developed in coordination with the DWSD finance team. DWSD adopts their budget in March 2025. Once the budgets are adopted by GLWA in February and DWSD in March, the financial projection is updated and posted on the GLWA website

The following schedules are based on the Annual Post Budget Adoption Update to the Ten Year Financial Projection. They present the combined GLWA regional system and DWSD local system long-range projections for the Water Supply Systems and Sewage Disposal Systems. The schedules may not foot due to rounding.

Combined Regional and Local Water Supply Systems -
Projected Sources of Revenue, Revenue Requirements and Debt Service Coverage

	Projected *($ millions)*											
	Adopted 2025	2025	Adopted 2026	Adopted 2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenue												
GLWA Regional System Revenues												
Wholesale Charges	$ 347.8	$ 347.8	$ 365.6	$ 387.0	$ 408.7	$ 431.1	$ 460.5	$ 488.9	$ 517.1	$ 547.3	$ 579.7	$ 613.6
Charges to Local System	27.1	27.1	30.0	33.0	36.2	39.5	43.8	48.0	52.1	56.5	61.3	66.3
Investment Earnings	9.9	13.5	12.8	12.9	14.0	15.8	11.4	9.8	10.4	10.5	10.3	10.5
Other Operating Revenue	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Total GLWA Revenues	385.1	388.7	408.8	433.3	459.3	486.8	516.0	547.0	579.8	614.7	651.6	690.7
DWSD Local System Revenues												
Local System Retail	92.1	92.1	94.1	98.0	103.6	108.0	111.9	116.3	121.2	126.3	131.6	137.2
Other Operating Revenue	3.7	3.7	5.1	5.3	5.5	5.8	6.0	6.2	6.5	6.7	7.0	7.3
Total Local System Revenues	95.8	95.8	99.3	103.3	109.2	113.8	117.9	122.5	127.7	133.0	138.6	144.5
Total Revenues	$ 480.9	$ 484.5	$ 508.0	$ 536.6	$ 568.4	$ 600.6	$ 633.9	$ 669.5	$ 707.5	$ 747.7	$ 790.2	$ 835.2
Revenue Requirements												
Operations & Maintenance Expense	$ 216.1	$ 221.1	$ 232.1	$ 248.6	$ 255.8	$ 259.6	$ 266.3	$ 273.4	$ 280.8	$ 288.4	$ 296.3	$ 304.4
Debt Service												
Senior Lien Bonds	150.3	139.7	153.7	168.6	186.6	203.2	213.8	222.1	229.9	229.1	246.4	279.1
Second Lien Bonds	51.9	50.7	50.7	50.7	51.5	51.5	54.4	54.4	54.4	65.1	60.5	34.4
SRF Junior Lien Bonds	18.4	17.9	19.8	19.3	19.7	22.8	25.6	26.4	26.9	27.3	27.9	28.4
Total Debt Service	220.6	208.3	224.3	238.6	257.8	277.4	293.8	302.9	311.1	321.5	334.8	341.9
General Retirement System Pension	3.9	2.8	4.7	4.4	4.1	4.1	4.0	4.0	3.9	3.9	3.8	4.0
Water Residential Assistance Program Contribution	2.8	2.8	2.9	3.1	3.3	3.4	3.7	3.9	4.1	4.3	4.6	4.9
Extraordinary Repair & Replacement Deposit	-	0.9	0.3	1.9	-	-	-	-	-	-	-	-
Lease Payment	22.5	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	6.2	12.7	0.6	1.8	1.9	5.5	4.7	3.4	3.4	3.8	4.4	3.4
Available for Revenue Financed Capital	8.8	13.4	20.6	15.8	23.0	28.0	38.9	59.4	81.7	103.3	123.8	154.2
Total Revenue Requirements	$ 480.9	$ 484.5	$ 508.0	$ 536.6	$ 568.4	$ 600.6	$ 633.9	$ 669.5	$ 707.5	$ 747.7	$ 790.2	$ 835.2
Pledged Revenue (Line 9 - Line 10)	$ 264.8	$ 263.4	$ 275.9	$ 288.0	$ 312.6	$ 341.0	$ 367.6	$ 396.1	$ 426.7	$ 459.3	$ 493.9	$ 530.8
Debt Service Coverage - Rate Covenant Basis												
Senior Lien Bonds	1.76	1.89	1.79	1.71	1.68	1.68	1.72	1.78	1.86	2.00	2.00	1.90
Senior and Second Lien Bonds	1.31	1.38	1.35	1.31	1.31	1.34	1.37	1.43	1.50	1.56	1.61	1.69
All Bonds, including SRF Junior Lien	1.20	1.26	1.23	1.21	1.21	1.23	1.25	1.31	1.37	1.43	1.48	1.55

Go to TOC

Combined Regional and Local Sewage Disposal Systems –
Projected Sources of Revenue, Revenue Requirements and Debt Service Coverage

		Projected *($ millions)*										
	Adopted 2025	2025	Adopted 2026	Adopted 2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenue												
GLWA Regional System Revenues												
Wholesale Charges	$ 287.5	$ 287.5	$ 300.3	$ 314.9	$ 330.1	$ 346.3	$ 366.6	$ 384.2	$ 401.0	$ 418.6	$ 437.0	$ 456.4
Charges to Local System	205.9	205.9	215.3	226.5	237.9	250.0	265.2	278.4	291.0	304.2	318.0	332.6
Industrial Waste Charges	8.7	8.7	9.2	9.6	10.1	10.6	11.2	11.8	12.3	12.8	13.4	14.0
Pollutant Surcharges	5.4	5.4	5.1	5.4	5.6	5.9	6.3	6.6	6.9	7.2	7.5	7.8
Investment Earnings	12.4	15.1	14.6	15.4	16.7	17.6	12.7	10.9	11.8	12.8	13.8	14.4
Other Operating Revenue	0.7	0.7	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Total GLWA Revenues	520.7	523.4	545.0	572.2	600.8	630.8	662.4	692.2	723.4	756.0	790.1	825.6
DWSD Local System Revenues												
Local System Retail	85.7	85.7	88.1	91.6	96.3	100.9	105.0	112.2	119.1	126.4	134.2	142.2
Other Operating Revenue	8.0	8.0	8.3	8.7	9.0	9.4	9.7	10.1	10.5	10.9	11.4	11.8
Total Local System Revenues	93.7	93.7	96.4	100.2	105.3	110.2	114.7	122.3	129.6	137.4	145.5	154.0
Total Revenues	$ 614.3	$ 617.0	$ 641.3	$ 672.4	$ 706.1	$ 741.0	$ 777.1	$ 814.5	$ 853.0	$ 893.4	$ 935.6	$ 979.7
Revenue Requirements												
Operations & Maintenance Expense	$ 286.3	$ 288.8	$ 296.2	$ 308.9	$ 322.0	$ 329.8	$ 338.3	$ 347.3	$ 356.5	$ 366.0	$ 375.9	$ 386.1
Debt Service												
Senior Lien Bonds	157.3	152.8	158.6	171.9	177.1	187.5	184.3	191.2	208.7	207.3	131.0	88.1
Second Lien Bonds	53.8	53.3	56.4	60.1	59.9	51.7	63.4	63.4	49.3	52.6	135.0	179.2
SRF Junior Lien Bonds	47.4	44.8	38.1	41.9	47.5	57.4	58.2	57.3	58.7	58.7	58.7	58.1
Total Debt Service	258.5	250.9	253.1	273.9	284.5	296.6	305.9	311.8	316.7	318.7	324.7	325.4
General Retirement System Pension	6.1	4.7	7.1	6.6	6.2	6.1	6.0	6.0	5.9	5.8	5.7	6.0
Water Residential Assistance Program Contribution	4.0	3.9	4.1	4.3	4.5	4.7	4.9	5.2	5.5	5.7	6.0	6.3
Extraordinary Repair & Replacement Deposit	-	-	-	-	0.3	-	-	-	-	-	0.7	-
Lease Payment	27.5	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	2.3	-	-	2.7	6.2	5.9	4.4	3.5	3.6	3.2	4.1	3.2
Available for Revenue Financed Capital	29.5	41.2	53.3	48.5	54.9	70.4	90.0	113.2	137.4	166.4	191.0	225.2
Total Revenue Requirements	$ 614.3	$ 617.0	$ 641.3	$ 672.4	$ 706.1	$ 741.0	$ 777.1	$ 814.5	$ 853.0	$ 893.4	$ 935.6	$ 979.7
Pledged Revenue (Line 11 - Line 12)	$ 328.0	$ 328.2	$ 345.1	$ 363.5	$ 384.1	$ 411.2	$ 438.8	$ 467.2	$ 496.5	$ 527.3	$ 559.7	$ 593.6
Debt Service Coverage Rate Covenant Basis												
Senior Lien Bonds	2.09	2.15	2.18	2.11	2.17	2.19	2.38	2.44	2.38	2.54	4.27	6.74
Senior and Second Lien Bonds	1.55	1.59	1.61	1.57	1.62	1.72	1.77	1.84	1.92	2.03	2.10	2.22
All Bonds, including SRF	1.27	1.31	1.36	1.33	1.35	1.39	1.43	1.50	1.57	1.65	1.72	1.82

Go to TOC

The following tables used the information from the updated projections based on the final adopted budgets to calculate the financial metrics. These metrics for the combined GLWA regional and DWSD local system depict moving from red, to yellow, to green, with green being the Authority's goal.

Combined GLWA Regional and DWSD Local Systems Projection Executive Summary
Water Supply System - *$ millions*

				Projected *($ millions)*										
Metric	**Metric Target Range**			**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**
			Goal											
Debt Service Coverage *														
Net Revenue - Regional System				$ 214.1	$ 226.3	$ 236.4	$ 257.2	$ 283.2	$ 308.0	$ 334.9	$ 363.5	$ 393.9	$ 426.4	$ 461.1
Net Revenue - Local System				49.3	49.6	51.6	55.4	57.8	59.6	61.2	63.3	65.3	67.5	69.8
Total Net Revenues				$ 263.4	$ 275.9	$ 288.0	$ 312.6	$ 341.0	$ 367.6	$ 396.1	$ 426.7	$ 459.3	$ 493.9	$ 530.8
Debt Service Coverage	*<1.25*	*1.25*	*1.70*	1.26	1.23	1.21	1.21	1.23	1.25	1.31	1.37	1.43	1.48	1.55
Sr. Lien Debt Service Coverage	*<1.50*	*1.50*	*2.00*	1.89	1.79	1.71	1.68	1.68	1.72	1.78	1.86	2.00	2.00	1.90
Debt to Operating Revenue *														
Operating Revenue				$ 484.5	$ 508.0	$ 536.6	$ 568.4	$ 600.6	$ 633.9	$ 669.5	$ 707.5	$ 747.7	$ 790.2	$ 835.2
Debt Balance without additions				$2,547.4	$2,732.2	$2,837.3	$3,052.7	$3,216.7	$3,210.5	$3,182.1	$3,129.7	$3,120.1	$3,095.7	$3,049.5
Debt Additions				304.4	231.4	350.0	310.0	154.0	140.0	124.0	175.0	169.0	154.0	154.0
Outstanding Debt **				$2,851.8	$2,963.5	$3,187.3	$3,362.7	$3,370.7	$3,350.5	$3,306.1	$3,304.7	$3,289.1	$3,249.7	$3,203.5
Debt to Operating Revenue	*>7.00*	*7.00*	*4.00*	5.89	5.83	5.94	5.92	5.61	5.29	4.94	4.67	4.40	4.11	3.84

* *Includes DWSD local system data in calculation*

** *Outstanding debt balance is net of July 1st payments made after the fiscal year end of June 30th, as funds have already been setaside for the July 1st payments during the previous fiscal year.*

Combined GLWA Regional and DWSD Local Systems Projection Executive Summary
Sewage Disposal System - *$ millions*

Metric	Metric Target Range			Projected *($ millions)*										
				2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
			Goal											
Debt Service Coverage *														
Net Revenue - Regional System				$ 291.9	$ 308.9	$ 325.8	$ 343.9	$ 368.8	$ 394.6	$ 419.1	$ 444.8	$ 471.8	$ 500.2	$ 530.0
Net Revenue - Local System				36.3	36.3	37.7	40.2	42.4	44.2	48.1	51.7	55.5	59.5	63.7
Total Net Revenues				$ 328.2	$ 345.1	$ 363.5	$ 384.1	$ 411.2	$ 438.8	$ 467.2	$ 496.5	$ 527.3	$ 559.7	$ 593.6
Debt Service Coverage	*<1.25*	*1.25*	*1.70*	1.31	1.36	1.33	1.35	1.39	1.43	1.50	1.57	1.65	1.72	1.82
Sr. Lien Debt Service Coverage	*<1.50*	*1.50*	*2.00*	2.15	2.18	2.11	2.17	2.19	2.38	2.44	2.38	2.54	4.27	6.74
Debt to Operating Revenue *														
Operating Revenue				$ 617.0	$ 641.3	$ 672.4	$ 706.1	$ 741.0	$ 777.1	$ 814.5	$ 853.0	$ 893.4	$ 935.6	$ 979.7
Debt Balance without additions				$2,708.0	$2,686.3	$2,685.5	$2,776.7	$2,903.6	$2,915.5	$2,850.5	$2,735.1	$2,544.0	$2,330.2	$2,112.6
Debt Additions				121.2	161.9	262.7	306.9	202.4	135.7	95.7	28.0	17.0	21.0	21.0
Outstanding Debt **				$2,829.2	$2,848.2	$2,948.1	$3,083.6	$3,105.9	$3,051.2	$2,946.1	$2,763.1	$2,561.0	$2,351.2	$2,133.6
Debt to Operating Revenue	*>7.00*	*7.00*	*4.00*	4.59	4.44	4.38	4.37	4.19	3.93	3.62	3.24	2.87	2.51	2.18

* *Includes DWSD local system data in calculation*

** *Outstanding debt balance is net of July 1st payments made after the fiscal year end of June 30th, as funds have already been setaside for the July 1st payments during the previous fiscal year.*

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 into FY 2026, these tactical plans are increasingly defining the prioritization and scope of 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 program spend ratio assumption (SRA) which allows the realities of capital program delivery to align with the financial plan. The Board has adopted a capital spend ratio for the Water Construction Fund for both FY 2026 and FY 2027 of 100 percent. The Board has adopted a capital spend ratio for the Sewer Construction Fund for FY 2026 and FY 2027 of 90 percent and 80 percent, respectively. 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 to fund all of its major capital improvements. Efforts to achieve that goal included solely using I&E funds and lower cost State Revolving Fund (SRF) Loans to fund CIP expenditures starting January 1, 2021 through September 2022, when the Authority issued new revenue bonds. Efforts towards this goal continue, as the Authority seeks to balance the use of revenue bonds, SRF loans, and I&E funds to finance the CIP and reduce the leverage in the Systems.

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Go to TOC



Section 2

Core Financial Plan Schedules

Go to TOC

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Go to TOC

Core Financial Plan Schedules

The Great Lakes Water Authority budget is presented for the two major funds, water supply and sewage disposal, utilizing five key schedules to depict the Core Financial Plan. The schedules present the Biennial Budget for FY 2026 and FY 2027 within the context of a five-year financial plan for FY 2026 through FY 2030. Through FY 2025, GLWA's budget parameters were governed by what was 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. FY 2026 represents the first year past the 4% promise requirement.

The following schedules are included in this section:

Schedule 1 – Revenue Requirement
Schedule 2 – Operations & Maintenance Expense Budget
Schedule 3 – Sources of Revenues and Use of Revenue Requirement – Flow of Funds Basis Consistent with the Master Bond Ordinance
Schedule 4 – Debt Service Coverage Calculations Consistent with the Master Bond Ordinance
Schedule 5 – Improvement & Extension Funds and Construction Funds

Variance columns in this Section 2 are based on a comparison to the original Adopted FY 2025 budget. The original adopted budget is what is used to compute charges for the fiscal year. Therefore, the variance shown is based on changes since the 2025 charges were calculated. Variance columns in Section 5, which is the detail of the operations and maintenance costs, are based on comparison to the Amended FY 2025 budget. This is to provide a comparison of what the proposed budget is compared to where costs are anticipated to be for the current year.

Schedule 1 – Revenue Requirement

These schedules summarize all of the cost the Authority incurs to operate the water and wastewater systems. It includes 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 the revenue requirement and customer charges.

Schedule 1A – Water System Revenue Requirement Biennial Budget

Water System Revenue Requirement	FY 2024 Actual	FY 2025 Adopted Budget	FY 2025 Projected	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance
Revenues									
Revenues from Charges									
Wholesale Customers	$ 331,520,336	$ 347,758,000	$ 347,758,000	**$ 365,646,100**	**$ 17,888,100**	**5.1%**	$ 387,024,400	$ 21,378,300	5.8%
Charges to Local System	25,537,200	27,094,800	27,094,800	**30,028,800**	**2,934,000**	**10.8%**	33,032,500	3,003,700	10.0%
Bad Debt Recovery Credit	(5,152,500)	-	-	**-**	**-**	**0.0%**	-	-	0.0%
Total Revenue from Charges	351,905,036	374,852,800	374,852,800	**395,674,900**	**20,822,100**	**5.6%**	420,056,900	24,382,000	6.2%
Investment Earnings									
Unrestricted	13,343,940	6,692,200	10,181,800	**9,523,600**	**2,831,400**	**42.3%**	9,541,800	18,200	0.2%
Restricted for Debt Service	4,992,455	3,182,100	3,289,100	**3,260,100**	**78,000**	**2.5%**	3,378,200	118,100	3.6%
Total Investment Earnings	18,336,395	9,874,300	13,470,900	**12,783,700**	**2,909,400**	**29.5%**	12,920,000	136,300	1.1%
Other Operating Revenue	901,919	400,000	400,000	**302,800**	**(97,200)**	**-24.3%**	300,000	(2,800)	-0.9%
Total Revenues	**$ 371,143,350**	**$ 385,127,100**	**$ 388,723,700**	**$ 408,761,400**	**$ 23,634,300**	**6.1%**	**$ 433,276,900**	**$ 24,515,500**	**6.0%**
Revenue Requirements									
Operations & Maintenance Expense	$ 161,037,183	$ 169,625,000	$ 174,625,000	**$ 182,456,000**	**$ 12,831,000**	**7.6%**	$ 196,859,600	$ 14,403,600	7.9%
Debt Service	160,622,417	175,300,800	163,163,400	**179,082,200**	**3,781,400**	**2.2%**	193,207,100	14,124,900	7.9%
General Retirement System Pension	1,505,500	2,283,300	1,653,300	**2,730,800**	**447,500**	**19.6%**	2,559,000	(171,800)	-6.3%
Water Residential Assistance Program Contribution	1,851,600	1,947,800	1,876,500	**1,970,000**	**22,200**	**1.1%**	2,091,300	121,300	6.2%
Extraordinary Repair & Replacement Deposit	2,836,000	-	906,400	**320,000**	**320,000**	**100.0%**	1,892,200	1,572,200	491.3%
Regional System Lease	22,500,000	22,500,000	22,500,000	**22,500,000**	**-**	**0.0%**	22,500,000	-	0.0%
Working Capital Requirement	-	6,200,000	12,700,000	**600,000**	**(5,600,000)**	**-90.3%**	1,800,000	1,200,000	200.0%
Improvement & Extension Fund Transfer Pending	15,767,900	7,270,200	11,299,100	**19,102,400**	**11,832,200**	**162.7%**	12,367,700	(6,734,700)	-35.3%
Total Water System Revenue Requirements	**$ 366,120,600**	**$ 385,127,100**	**$ 388,723,700**	**$ 408,761,400**	**$ 23,634,300**	**6.1%**	**$ 433,276,900**	**$ 24,515,500**	**6.0%**

The proposed FY 2026 water revenue requirements of $408.8 million represents a budget (annual revenue requirement) increase of 6.1% from the prior year. Although the budget increase is 6.1%, due to an increase in investment earnings, the system-wide charge revenue increase is 5.9%.

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

Water System Revenue Requirement	Actual FY 2024	Adopted Budget FY 2025	Projected FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Revenues								
Revenues from Charges								
Wholesale Customers	$ 331,520,336	$ 347,758,000	$ 347,758,000	**$ 365,646,100**	$ 387,024,400	$ 408,701,100	$ 431,145,100	$ 460,473,100
Charges to Local System	25,537,200	27,094,800	27,094,800	**30,028,800**	33,032,500	36,212,000	39,504,100	43,805,900
Bad Debt Recovery Credit	(5,152,500)	-	-	**-**	-	-	-	-
Total Revenue from Charges	351,905,036	374,852,800	374,852,800	**395,674,900**	420,056,900	444,913,100	470,649,200	504,279,000
Investment Earnings								
Unrestricted	13,343,940	6,692,200	10,181,800	**9,523,600**	9,541,800	10,063,900	11,156,000	7,932,000
Restricted for Debt Service	4,992,455	3,182,100	3,289,100	**3,260,100**	3,378,200	3,984,000	4,693,400	3,503,200
Total Investment Earnings	18,336,395	9,874,300	13,470,900	**12,783,700**	12,920,000	14,047,900	15,849,400	11,435,200
Other Operating Revenue	901,919	400,000	400,000	**302,800**	300,000	300,000	300,000	300,000
Total Revenues	**$ 371,143,350**	**$ 385,127,100**	**$ 388,723,700**	**$ 408,761,400**	**$ 433,276,900**	**$ 459,261,000**	**$ 486,798,600**	**$ 516,014,200**
Revenue Requirements								
Operations & Maintenance Expense	$ 161,037,183	$ 169,625,000	$ 174,625,000	**$ 182,456,000**	$ 196,859,600	$ 202,024,500	$ 203,633,700	$ 207,982,700
Debt Service	160,622,417	175,300,800	163,163,400	**179,082,200**	193,207,100	211,409,400	225,814,600	238,691,200
General Retirement System Pension	1,505,500	2,283,300	1,653,300	**2,730,800**	2,559,000	2,415,300	2,384,200	2,353,100
Water Residential Assistance Program Contribution	1,851,600	1,947,800	1,876,500	**1,970,000**	2,091,300	2,215,000	2,343,000	2,510,300
Extraordinary Repair & Replacement Deposit	2,836,000	-	906,400	**320,000**	1,892,200	-	-	-
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
Working Capital Requirement	-	6,200,000	12,700,000	**600,000**	1,800,000	1,900,000	5,500,000	4,700,000
Improvement & Extension Fund Transfer Pending	15,767,900	7,270,200	11,299,100	**19,102,400**	12,367,700	16,796,800	24,623,100	37,276,900
Total Water System Revenue Requirements	**$ 366,120,600**	**$ 385,127,100**	**$ 388,723,700**	**$ 408,761,400**	**$ 433,276,900**	**$ 459,261,000**	**$ 486,798,600**	**$ 516,014,200**
Change in Annual Revenue Requirement				*6.14%*	*6.0%*	*6.0%*	*6.0%*	*6.0%*

The water system five-year plan (Schedule 1B) provides for an annual 6.0% increase in the revenue requirement after FY 2026.

Go to TOC

Schedule 1C – Sewer System Revenue Requirement Biennial Budget

Sewer System Revenue Requirement	FY 2024 Actual	FY 2025 Adopted Budget	FY 2025 Projected	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance
Revenues									
Revenues from Charges									
Wholesale Customers	$ 282,767,090	$ 287,517,600	$ 287,517,600	**$ 300,316,800**	**$ 12,799,200**	**4.5%**	$ 314,897,300	$ 14,580,500	4.9%
Charges to Local System	196,569,600	205,924,800	205,924,800	**215,324,400**	**9,399,600**	**4.6%**	226,454,600	11,130,200	5.2%
Industrial Waste Control Charges	8,617,495	8,719,300	8,719,300	**9,150,300**	**431,000**	**4.9%**	9,606,500	456,200	5.0%
Pollutant Surcharges	4,088,519	5,434,400	5,434,400	**5,112,700**	**(321,700)**	**-5.9%**	5,367,600	254,900	5.0%
Bad Debt Recovery Credit	(15,556,900)	-	-	**-**	**-**	**0.0%**	-	-	0.0%
Total Revenue from Charges	476,485,804	507,596,100	507,596,100	**529,904,200**	**22,308,100**	**4.4%**	556,326,000	26,421,800	5.0%
Investment Earnings									
Unrestricted	16,344,105	10,494,500	10,807,600	**10,538,800**	**44,300**	**0.4%**	11,128,400	589,600	5.6%
Restricted for Debt Service	6,824,701	1,861,500	4,249,500	**4,076,400**	**2,214,900**	**119.0%**	4,300,500	224,100	5.5%
Total Investment Earnings	23,168,806	12,356,000	15,057,100	**14,615,200**	**2,259,200**	**18.3%**	15,428,900	813,700	5.6%
Other Operating Revenue	(827,846)	700,000	700,000	**442,600**	**(257,400)**	**-36.8%**	450,000	7,400	1.7%
Total Revenues	**$ 498,826,764**	**$ 520,652,100**	**$ 523,353,200**	**$ 544,962,000**	**$ 24,309,900**	**4.7%**	**$ 572,204,900**	**$ 27,242,900**	**5.0%**
Revenue Requirements									
Operations & Maintenance Expense	$ 222,673,733	$ 228,934,000	$ 231,434,000	**$ 236,098,700**	**$ 7,164,700**	**3.1%**	$ 246,387,900	$ 10,289,200	4.4%
Debt Service	229,316,502	226,279,400	218,750,700	**220,884,500**	**(5,394,900)**	**-2.4%**	241,502,900	20,618,400	9.3%
General Retirement System Pension	3,096,800	4,846,300	3,718,800	**5,632,800**	**786,500**	**16.2%**	5,246,300	(386,500)	-6.9%
Water Residential Assistance Program Contribution	2,503,104	2,651,700	2,541,500	**2,638,500**	**(13,200)**	**-0.5%**	2,770,000	131,500	5.0%
Extraordinary Repair & Replacement Deposit	-	-	-	**-**	**-**	**100.0%**	-	-	NA
Regional System Lease	27,500,004	27,500,000	27,500,000	**27,500,000**	**-**	**0.0%**	27,500,000	-	0.0%
Working Capital Requirement	-	2,300,000	-	**-**	**(2,300,000)**	**-100.0%**	2,700,000	2,700,000	100.0%
Improvement & Extension Fund Transfer Pending	13,399,600	28,140,700	39,408,200	**52,207,500**	**24,066,800**	**85.5%**	46,097,800	(6,109,700)	-11.7%
Total Sewer System Revenue Requirements	**$ 498,489,743**	**$ 520,652,100**	**$ 523,353,200**	**$ 544,962,000**	**$ 24,309,900**	**4.7%**	**$ 572,204,900**	**$ 27,242,900**	**5.0%**

The proposed FY 2026 sewer revenue requirement of $545.0 million represents a budget (annual revenue requirement) increase of 4.7% from the prior year. The system-wide charge revenue increase is 4.5% due to an offsetting budgeted increase in investment earnings.

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

Sewer System Revenue Requirement	Actual FY 2024	Adopted Budget FY 2025	Projected FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Revenues								
Revenues from Charges								
Wholesale Customers	$ 282,767,090	$ 287,517,600	$ 287,517,600	**$ 300,316,800**	$ 314,897,300	$ 330,099,300	$ 346,298,500	$ 366,565,200
Charges to Local System	196,569,600	205,924,800	205,924,800	**215,324,400**	226,454,600	237,852,900	249,998,800	265,194,500
Industrial Waste Control Charges	8,617,495	8,719,300	8,719,300	**9,150,300**	9,606,500	10,078,500	10,581,500	11,210,800
Pollutant Surcharges	4,088,519	5,434,400	5,434,400	**5,112,700**	5,367,600	5,631,300	5,912,300	6,263,900
Bad Debt Recovery Credit	(15,556,900)	-	-	**-**	-	-	-	-
Total Revenue from Charges	476,485,804	507,596,100	507,596,100	**529,904,200**	556,326,000	583,662,000	612,791,100	649,234,400
Investment Earnings								
Unrestricted	16,344,105	10,494,500	10,807,600	**10,538,800**	11,128,400	11,868,400	12,195,400	8,760,200
Restricted for Debt Service	6,824,701	1,861,500	4,249,500	**4,076,400**	4,300,500	4,826,800	5,402,400	3,956,000
Total Investment Earnings	23,168,806	12,356,000	15,057,100	**14,615,200**	15,428,900	16,695,200	17,597,800	12,716,200
Other Operating Revenue	(827,846)	700,000	700,000	**442,600**	450,000	450,000	450,000	450,000
Total Revenues	**$ 498,826,764**	**$ 520,652,100**	**$ 523,353,200**	**$ 544,962,000**	**$ 572,204,900**	**$ 600,807,200**	**$ 630,838,900**	**$ 662,400,600**
Revenue Requirements								
Operations & Maintenance Expense	$222,673,733	$228,934,000	$231,434,000	**$ 236,098,700**	$246,387,900	$256,862,300	$262,064,000	$267,789,500
Debt Service	229,316,502	226,279,400	218,750,700	**220,884,500**	241,502,900	251,565,000	259,295,900	265,602,000
General Retirement System Pension	3,096,800	4,846,300	3,718,800	**5,632,800**	5,246,300	4,923,200	4,853,200	4,783,200
Water Residential Assistance Program Contribution	2,503,104	2,651,700	2,541,500	**2,638,500**	2,770,000	2,906,000	3,051,000	3,232,300
Extraordinary Repair & Replacement Deposit	-	-	-	**-**	-	329,200	-	-
Regional System Lease	27,500,004	27,500,000	27,500,000	**27,500,000**	27,500,000	27,500,000	27,500,000	27,500,000
Working Capital Requirement	-	2,300,000	-	**-**	2,700,000	6,200,000	5,900,000	4,400,000
Improvement & Extension Fund Transfer Pending	13,399,600	28,140,700	39,408,200	**52,207,500**	46,097,800	50,521,500	68,174,800	89,093,600
Total Sewer System Revenue Requirements	**$ 498,489,743**	**$ 520,652,100**	**$ 523,353,200**	**$ 544,962,000**	**$ 572,204,900**	**$ 600,807,200**	**$ 630,838,900**	**$ 662,400,600**
Change in Annual Revenue Requirement				*4.67%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*

The sewer system five-year plan provides for an annual 5.0% increase in the revenue requirement after FY 2026.

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

Water & Sewer System Combined Revenue Requirement	FY 2024 Actual	FY 2025 Adopted Budget	FY 2025 Projected	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance
Revenues									
Revenues from Charges									
Wholesale Customers	$ 614,287,426	$ 635,275,600	$ 635,275,600	**$ 665,962,900**	**$ 30,687,300**	**4.8%**	$ 701,921,700	$ 35,958,800	5.4%
Charges to Local System	222,106,800	233,019,600	233,019,600	**245,353,200**	**12,333,600**	**5.3%**	259,487,100	14,133,900	5.8%
Industrial Waste Control Charges	8,617,495	8,719,300	8,719,300	**9,150,300**	**431,000**	**4.9%**	9,606,500	456,200	5.0%
Pollutant Surcharges	4,088,519	5,434,400	5,434,400	**5,112,700**	**(321,700)**	**-5.9%**	5,367,600	254,900	5.0%
Bad Debt Recovery Credit	(20,709,400)	-	-	**-**	**-**	**NA**	-	-	NA
Total Revenue from Charges	828,390,840	882,448,900	882,448,900	**925,579,100**	**43,130,200**	**4.9%**	976,382,900	50,803,800	5.5%
Investment Earnings									
Unrestricted	29,688,045	17,186,700	20,989,400	**20,062,400**	**2,875,700**	**16.7%**	20,670,200	607,800	3.0%
Restricted for Debt Service	11,817,156	5,043,600	7,538,600	**7,336,500**	**2,292,900**	**45.5%**	7,678,700	342,200	4.7%
Total Investment Earnings	41,505,201	22,230,300	28,528,000	**27,398,900**	**5,168,600**	**23.3%**	28,348,900	950,000	3.5%
Other Operating Revenue	74,073	1,100,000	1,100,000	**745,400**	**(354,600)**	**-32.2%**	750,000	4,600	0.6%
Total Revenues	**$ 869,970,114**	**$ 905,779,200**	**$ 912,076,900**	**$ 953,723,400**	**$ 47,944,200**	**5.3%**	**$1,005,481,800**	**$ 51,758,400**	**5.4%**
Revenue Requirements									
Operations & Maintenance Expense	$383,710,916	$398,559,000	$406,059,000	**$418,554,700**	**$19,995,700**	**5.0%**	$443,247,500	$24,692,800	5.9%
Debt Service	389,938,919	401,580,200	381,914,100	**399,966,700**	**(1,613,500)**	**-0.4%**	434,710,000	34,743,300	8.7%
General Retirement System Pension	4,602,300	7,129,600	5,372,100	**8,363,600**	**1,234,000**	**17.3%**	7,805,300	(558,300)	-6.7%
Water Residential Assistance Program Contribution	4,354,704	4,599,500	4,418,000	**4,608,500**	**9,000**	**0.2%**	4,861,300	252,800	5.5%
Extraordinary Repair & Replacement Deposit	2,836,000	-	906,400	**320,000**	**320,000**	**100.0%**	1,892,200	1,572,200	491.3%
Regional System Lease	50,000,004	50,000,000	50,000,000	**50,000,000**	**-**	**0.0%**	50,000,000	-	0.0%
Working Capital Requirement	-	8,500,000	12,700,000	**600,000**	**(7,900,000)**	**-92.9%**	4,500,000	3,900,000	650.0%
Improvement & Extension Fund Transfer Pending	29,167,500	35,410,900	50,707,300	**71,309,900**	**35,899,000**	**101.4%**	58,465,500	(12,844,400)	-18.0%
Total Water & Sewer System Combined Revenue Requirements	**$ 864,610,343**	**$ 905,779,200**	**$ 912,076,900**	**$ 953,723,400**	**$ 47,944,200**	**5.3%**	**$1,005,481,800**	**$ 51,758,400**	**5.4%**

The Water and Sewer System Combined results in an aggregate 5.3% increase in total revenues system wide for FY 2026.

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

Water & Sewer System Combined Revenue Requirement	Actual FY 2024	Adopted Budget FY 2025	Projected FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Revenues								
Revenues from Charges								
Wholesale Customers	$ 614,287,426	$ 635,275,600	$ 635,275,600	**$ 665,962,900**	$ 701,921,700	$ 738,800,400	$ 777,443,600	$ 827,038,300
Charges to Local System	222,106,800	233,019,600	233,019,600	**245,353,200**	259,487,100	274,064,900	289,502,900	309,000,400
Industrial Waste Control Charges	8,617,495	8,719,300	8,719,300	**9,150,300**	9,606,500	10,078,500	10,581,500	11,210,800
Pollutant Surcharges	4,088,519	5,434,400	5,434,400	**5,112,700**	5,367,600	5,631,300	5,912,300	6,263,900
Bad Debt Recovery Credit	(20,709,400)	-	-	**-**	-	-	-	-
Total Revenue from Charges	828,390,840	882,448,900	882,448,900	**925,579,100**	976,382,900	1,028,575,100	1,083,440,300	1,153,513,400
Investment Earnings								
Unrestricted	29,688,045	17,186,700	20,989,400	**20,062,400**	20,670,200	21,932,300	23,351,400	16,692,200
Restricted for Debt Service	11,817,156	5,043,600	7,538,600	**7,336,500**	7,678,700	8,810,800	10,095,800	7,459,200
Total Investment Earnings	41,505,201	22,230,300	28,528,000	**27,398,900**	28,348,900	30,743,100	33,447,200	24,151,400
Other Operating Revenue	74,073	1,100,000	1,100,000	**745,400**	750,000	750,000	750,000	750,000
Total Revenues	**$ 869,970,114**	**$ 905,779,200**	**$ 912,076,900**	**$ 953,723,400**	**$1,005,481,800**	**$1,060,068,200**	**$1,117,637,500**	**$1,178,414,800**
Revenue Requirements								
Operations & Maintenance Expense	$383,710,916	$398,559,000	$406,059,000	**$418,554,700**	$443,247,500	$458,886,800	$465,697,700	$475,772,200
Debt Service	389,938,919	401,580,200	381,914,100	**399,966,700**	434,710,000	462,974,400	485,110,500	504,293,200
General Retirement System Pension	4,602,300	7,129,600	5,372,100	**8,363,600**	7,805,300	7,338,500	7,237,400	7,136,300
Water Residential Assistance Program Contribution	4,354,704	4,599,500	4,418,000	**4,608,500**	4,861,300	5,121,000	5,394,000	5,742,600
Extraordinary Repair & Replacement Deposit	2,836,000	-	906,400	**320,000**	1,892,200	329,200	-	-
Regional System Lease	50,000,004	50,000,000	50,000,000	**50,000,000**	50,000,000	50,000,000	50,000,000	50,000,000
Working Capital Requirement	-	8,500,000	12,700,000	**600,000**	4,500,000	8,100,000	11,400,000	9,100,000
Improvement & Extension Fund Transfer Pending	29,167,500	35,410,900	50,707,300	**71,309,900**	58,465,500	67,318,300	92,797,900	126,370,500
Total Water & Sewer System Combined Revenue Requirements	**$ 864,610,343**	**$ 905,779,200**	**$ 912,076,900**	**$ 953,723,400**	**$1,005,481,800**	**$1,060,068,200**	**$1,117,637,500**	**$1,178,414,800**
Change in Annual Revenue Requirement				*5.3%*	*5.4%*	*5.4%*	*5.4%*	*5.4%*

The water and sewer system combined system five-year plan provides for an annual 5.4% increase in the revenue requirement after FY 2026.

Go to TOC

Schedule 2 – Operations & Maintenance Expense Budget

This section provides information on the operations & maintenance (O&M) expense line item included in the revenue requirements in Schedule 1. The first two schedules combine the water and sewer system expenses for an overview of the Authority's operations by expense category. The remaining schedules provide the O&M expenses by the operating service areas. More in-depth analysis of the O&M budgets is presented in Section 5 – Operating Financial Plans and Section 6 – Supplemental Analysis.

The tables in this section are pulled from a database in which the underlying data is not rounded while the budget tables presented in this document are rounded to the hundreds. Data pulled from the database in different formats may result in totals which may differ slightly when compared to the tables in Schedule 1. This is applicable to the actual data for FY 2024 also.

As noted earlier, the FY 2026 variances are calculated as the variance from the original FY 2025 adopted budget. A commentary of the major expense categories is included after Schedule 2B.

Schedule 2A – Operations & Maintenance Expense by Expense Category Biennial Budget – Water & Sewer System Combined

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	Actual	Adopted Budget	Amended Budget	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.1 Salaries & Wages	$ 77,594,625	$ 81,643,800	$ 81,643,800	**$ 86,632,900**	**$ 4,989,100**	**6.1%**	$ 91,804,300
2.2 Workforce Development	1,949,051	2,105,000	2,105,000	**3,746,800**	**1,641,800**	**78.0%**	4,197,400
2.3 Overtime	9,171,463	8,074,200	8,074,200	**8,911,400**	**837,200**	**10.4%**	8,983,500
2.4 Employee Benefits	27,490,833	30,347,300	30,347,300	**31,122,900**	**775,600**	**2.6%**	33,377,200
2.5 Transition Services	9,249,288	8,198,000	8,198,000	**8,491,400**	**293,400**	**3.6%**	8,529,100
Total Personnel Costs	125,455,260	130,368,300	130,368,300	**138,905,400**	**8,537,100**	**6.5%**	146,891,500
3.1 Electric	49,805,366	49,020,700	49,020,700	**51,308,100**	**2,287,400**	**4.7%**	52,621,700
3.2 Gas	7,211,161	7,000,000	7,000,000	**7,112,600**	**112,600**	**1.6%**	7,153,100
3.3 Sewage Service	2,336,178	2,980,100	2,980,100	**2,455,300**	**(524,800)**	**-17.6%**	2,472,400
3.4 Water Service	12,586,025	11,601,700	11,601,700	**12,202,800**	**601,100**	**5.2%**	12,446,800
Total Utility Costs	71,938,730	70,602,500	70,602,500	**73,078,800**	**2,476,300**	**3.5%**	74,694,000
4.1 Chemicals	31,075,405	34,834,900	40,334,900	**38,364,600**	**3,529,700**	**10.1%**	38,565,800
4.2 Supplies & Other	43,603,691	43,538,700	43,538,700	**45,211,200**	**1,672,500**	**3.8%**	46,268,500
4.3 Contractual Services	119,297,933	114,508,700	116,508,700	**120,208,200**	**5,699,500**	**5.0%**	124,586,500
5.1 Capital Program Allocation	(2,847,434)	(4,581,800)	(4,581,800)	**(3,430,600)**	**1,151,200**	**-25.1%**	(4,368,700)
5.2 Shared Services	(2,280,550)	(2,279,500)	(2,279,500)	**(2,309,100)**	**(29,600)**	**1.3%**	(2,387,000)
5.5 Intergovermental Agreement	(2,532,118)	(638,200)	(638,200)	**-**	**638,200**	**-100.0%**	-
7.0 Unallocated Reserve	-	12,205,400	12,205,400	**8,526,200**	**(3,679,200)**	**-30.1%**	18,996,900
Total Other Categories	186,316,926	197,588,200	205,088,200	**206,570,500**	**8,982,300**	**4.5%**	221,662,000
Grand Total	**$ 383,710,916**	**$ 398,559,000**	**$ 406,059,000**	**$ 418,554,700**	**$ 19,995,700**	**5.0%**	**$ 443,247,500**

Schedule 2B – Operations & Maintenance Expense by Expense Category Five Year Financial Plan – Water & Sewer System Combined

Expense Category	Actual FY 2024	Adopted Budget FY 2025	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
2.1 Salaries & Wages	$ 77,594,625	$ 81,643,800	$ 81,643,800	**$ 86,632,900**	$ 91,804,300	$ 100,688,200	$ 101,324,300	$ 101,324,300
2.2 Workforce Development	1,949,051	2,105,000	2,105,000	**3,746,800**	4,197,400	4,216,500	4,216,500	4,216,500
2.3 Overtime	9,171,463	8,074,200	8,074,200	**8,911,400**	8,983,500	9,135,800	9,150,600	9,150,600
2.4 Employee Benefits	27,490,833	30,347,300	30,347,300	**31,122,900**	33,377,200	36,790,400	37,275,300	37,560,100
2.5 Transition Services	9,249,288	8,198,000	8,198,000	**8,491,400**	8,529,100	8,605,200	8,605,200	8,605,200
Total Personnel Costs	125,455,260	130,368,300	130,368,300	**138,905,400**	146,891,500	159,436,100	160,571,900	160,856,700
3.1 Electric	49,805,366	49,020,700	49,020,700	**51,308,100**	52,621,700	53,880,800	55,195,600	56,561,600
3.2 Gas	7,211,161	7,000,000	7,000,000	**7,112,600**	7,153,100	7,269,900	7,374,500	7,456,600
3.3 Sewage Service	2,336,178	2,980,100	2,980,100	**2,455,300**	2,472,400	2,489,700	2,507,200	2,525,300
3.4 Water Service	12,586,025	11,601,700	11,601,700	**12,202,800**	12,446,800	12,695,700	12,949,700	13,208,700
Total Utility Costs	71,938,730	70,602,500	70,602,500	**73,078,800**	74,694,000	76,336,100	78,027,000	79,752,200
4.1 Chemicals	31,075,405	34,834,900	40,334,900	**38,364,600**	38,565,800	38,847,500	38,975,400	39,112,100
4.2 Supplies & Other	43,603,691	43,538,700	43,538,700	**45,211,200**	46,268,500	46,473,800	45,540,700	46,221,900
4.3 Contractual Services	119,297,933	114,508,700	116,508,700	**120,208,200**	124,586,500	119,987,900	117,975,900	121,855,200
5.1 Capital Program Allocation	(2,847,434)	(4,581,800)	(4,581,800)	**(3,430,600)**	(4,368,700)	(4,170,800)	(4,294,100)	(4,351,600)
5.2 Shared Services	(2,280,550)	(2,279,500)	(2,279,500)	**(2,309,100)**	(2,387,000)	(2,450,400)	(2,534,100)	(2,609,300)
5.5 Intergovermental Agreement	(2,532,118)	(638,200)	(638,200)	**-**	-	-	-	-
7.0 Unallocated Reserve	-	12,205,400	12,205,400	**8,526,200**	18,996,900	24,426,600	31,435,000	34,935,000
Total Other Categories	186,316,926	197,588,200	205,088,200	**206,570,500**	221,662,000	223,114,600	227,098,800	235,163,300
Grand Total	**$ 383,710,916**	**$ 398,559,000**	**$ 406,059,000**	**$ 418,554,700**	**$ 443,247,500**	**$ 458,886,800**	**$ 465,697,700**	**$ 475,772,200**

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 "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 beginning in FY 2017. The apprenticeship program, having received positive feedback and resulted in successful recruitments, has continued to expand.

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. GLWA's Contractual Services have largely increased in FY 2026 and FY 2027 as we continue the implementation of the IT infrastructure projects Workday, NEXGEN and Kahua.

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).

Capital Program Allocation represents 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, Pumping Stations, Security, and Treasury budgets. See further analysis of shared services in Section 6 – Supplemental Analysis (Shared Services).

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 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 System Resiliency, Planning Services (Chief Planning Officer, Wastewater Analytics Planning & Metering, Asset Management, Member Services, Water Analytics Planning & Metering, 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. The Centralized Services Overview in Section 5C and the

Administrative Services Overview in Section 5D, explain the cost allocation methodology. An overall view of the Centralized and Administrative Services combined is also included in Section 6. 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

	FY 2024	FY 2025		FY 2026			FY 2027
Operating Area	Actual	Adopted Budget	Amended Budget	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
A - Water	$ 86,613,008	$ 94,669,900	$ 97,669,900	**$ 101,500,700**	**$ 6,830,800**	**7.2%**	$ 108,359,300
B - Wastewater	146,250,199	147,245,100	149,745,100	**156,572,600**	**9,327,500**	**6.3%**	161,402,900
C - Centralized Services	113,847,020	116,980,200	118,980,200	**117,387,600**	**407,400**	**0.3%**	129,214,300
D - Administrative Services	37,000,689	39,663,800	39,663,800	**43,093,800**	**3,430,000**	**8.6%**	44,271,000
Grand Total	**$ 383,710,916**	**$ 398,559,000**	**$ 406,059,000**	**$ 418,554,700**	**$ 19,995,700**	**5.0%**	**$ 443,247,500**

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

	Actual	Adopted Budget	Amended Budget	Proposed Budget		Projected		
Operating Area	FY 2024	FY 2025	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
A - Water	$ 86,613,008	$ 94,669,900	$ 97,669,900	**$ 101,500,700**	$ 108,359,300	$ 113,372,200	$ 114,339,100	$ 117,887,600
B - Wastewater	146,250,199	147,245,100	149,745,100	**156,572,600**	161,402,900	171,368,700	175,554,700	179,130,100
C - Centralized Services	113,847,020	116,980,200	118,980,200	**117,387,600**	129,214,300	127,344,200	127,875,700	130,012,600
D - Administrative Services	37,000,689	39,663,800	39,663,800	**43,093,800**	44,271,000	46,801,700	47,928,200	48,741,900
Grand Total	**$ 383,710,916**	**$ 398,559,000**	**$ 406,059,000**	**$ 418,554,700**	**$ 443,247,500**	**$ 458,886,800**	**$ 465,697,700**	**$ 475,772,200**

The following schedules provide a look at each of the service areas by expense category. The water systems operations and wastewater systems operations areas, schedules 2E through 2H, also included the allocation of the centralized and administrative services allocation to the area. The total for Schedules 2E through 2H agrees to the operations & maintenance expense line item in Schedules 1A through 1D.

Schedule 2E – Water System - Area A – Biennial Budget by Expense Category including CD Allocations

Expense Category	FY 2024 Actual	FY 2025 Adopted Budget	FY 2025 Amended Budget	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
2.1 Salaries & Wages	$ 15,102,217	$ 15,709,000	$ 15,709,000	**$ 16,229,200**	**$ 520,200**	**3.3%**	$ 17,670,200
2.2 Workforce Development	984,680	1,144,500	1,144,500	**1,471,600**	**327,100**	**28.6%**	1,765,900
2.3 Overtime	2,941,319	2,476,700	2,476,700	**2,803,900**	**327,200**	**13.2%**	2,829,700
2.4 Employee Benefits	5,858,483	6,402,600	6,402,600	**6,516,600**	**114,000**	**1.8%**	7,181,000
Total Personnel Costs	24,886,699	25,732,800	25,732,800	**27,021,300**	**1,288,500**	**5.0%**	29,446,800
3.1 Electric	30,807,836	30,947,900	30,947,900	**31,706,300**	**758,400**	**2.5%**	32,066,000
3.2 Gas	1,137,375	1,158,300	1,158,300	**1,191,600**	**33,300**	**2.9%**	1,225,700
3.3 Sewage Service	576,019	753,100	753,100	**768,400**	**15,300**	**2.0%**	768,400
3.4 Water Service	1,634	2,500	2,500	**2,500**	**-**	**0.0%**	2,500
Total Utility Costs	32,522,864	32,861,800	32,861,800	**33,668,800**	**807,000**	**2.5%**	34,062,600
4.1 Chemicals	11,947,115	12,688,600	15,688,600	**14,904,300**	**2,215,700**	**17.5%**	14,972,800
4.2 Supplies & Other	4,852,692	5,277,100	5,277,100	**6,117,900**	**840,800**	**15.9%**	5,669,800
4.3 Contractual Services	13,597,495	15,221,500	15,221,500	**19,295,100**	**4,073,600**	**26.8%**	20,168,900
5.1 Capital Program Allocation	(1,193,856)	(2,242,900)	(2,242,900)	**(1,619,900)**	**623,000**	**-27.8%**	(2,195,600)
7.0 Unallocated Reserve	-	5,131,000	5,131,000	**2,113,200**	**(3,017,800)**	**-58.8%**	6,234,000
Total Other Categories	29,203,446	36,075,300	39,075,300	**40,810,600**	**4,735,300**	**13.1%**	44,849,900
Total Water System Operations (Operating Area A)	**$ 86,613,008**	**$ 94,669,900**	**$ 97,669,900**	**101,500,700**	**6,830,800**	**7.2%**	**$ 108,359,300**
Allocations							
Centralized Services	56,346,242	56,567,000	58,567,000	61,003,500	4,436,500	7.8%	67,983,800
Administrative Services	18,077,932	18,388,100	18,388,100	19,951,800	1,563,700	8.5%	20,516,500
Total Allocations	**$ 74,424,174**	**$ 74,955,100**	**$ 76,955,100**	**$ 80,955,300**	**$ 6,000,200**	**8.0%**	**$ 88,500,300**
Total Water System Operations & Maintenance Expense	**$ 161,037,182**	**$ 169,625,000**	**$ 174,625,000**	**$ 182,456,000**	**$ 12,831,000**	**7.6%**	**$ 196,859,600**

Total matches Operation & Maintenance (O&M) Expense in Schedule 1A

Go to TOC

Schedule 2F – Water System - Area A – Five Year Financial Plan by Expense Category including CD Allocations

Expense Category	Actual FY 2024	Adopted Budget FY 2025	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
2.1 Salaries & Wages	$ 15,102,217	$ 15,709,000	$ 15,709,000	$ 16,229,200	$ 17,670,200	$ 19,882,300	$ 20,073,900	$ 20,073,900
2.2 Workforce Development	984,680	1,144,500	1,144,500	1,471,600	1,765,900	1,765,900	1,765,900	1,765,900
2.3 Overtime	2,941,319	2,476,700	2,476,700	2,803,900	2,829,700	2,889,200	2,904,000	2,904,000
2.4 Employee Benefits	5,858,483	6,402,600	6,402,600	6,516,600	7,181,000	7,971,300	8,099,900	8,163,300
Total Personnel Costs	24,886,699	25,732,800	25,732,800	**27,021,300**	29,446,800	32,508,700	32,843,700	32,907,100
3.1 Electric	30,807,836	30,947,900	30,947,900	31,706,300	32,066,000	32,305,900	32,550,300	32,792,600
3.2 Gas	1,137,375	1,158,300	1,158,300	1,191,600	1,225,700	1,224,100	1,276,900	1,306,100
3.3 Sewage Service	576,019	753,100	753,100	768,400	768,400	768,400	768,500	768,600
3.4 Water Service	1,634	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Total Utility Costs	32,522,864	32,861,800	32,861,800	**33,668,800**	34,062,600	34,300,900	34,598,200	34,869,800
4.1 Chemicals	11,947,115	12,688,600	15,688,600	14,904,300	14,972,800	15,006,800	15,036,800	15,072,800
4.2 Supplies & Other	4,852,692	5,277,100	5,277,100	6,117,900	5,669,800	5,417,200	5,434,400	5,436,200
4.3 Contractual Services	13,597,495	15,221,500	15,221,500	19,295,100	20,168,900	19,267,500	16,161,700	17,366,000
5.1 Capital Program Allocation	(1,193,856)	(2,242,900)	(2,242,900)	(1,619,900)	(2,195,600)	(2,028,700)	(2,081,500)	(2,110,100)
7.0 Unallocated Reserve	-	5,131,000	5,131,000	2,113,200	6,234,000	8,899,800	12,345,800	14,345,800
Total Other Categories	29,203,446	36,075,300	39,075,300	**40,810,600**	44,849,900	46,562,600	46,897,200	50,110,700
Total Water System Operations (Operating Area A)	**$ 86,613,008**	**$ 94,669,900**	**$ 97,669,900**	**101,500,700**	**$ 108,359,300**	**$ 113,372,200**	**$ 114,339,100**	**$ 117,887,600**
Allocations								
Centralized Services	56,346,242	56,567,000	58,567,000	61,003,500	67,983,800	66,910,900	67,023,100	67,450,600
Administrative Services	18,077,932	18,388,100	18,388,100	19,951,800	20,516,500	21,741,400	22,271,500	22,644,500
Total Allocations	**$ 74,424,174**	**$ 74,955,100**	**$ 76,955,100**	**$ 80,955,300**	**$ 88,500,300**	**$ 88,652,300**	**$ 89,294,600**	**$ 90,095,100**
Total Water System Operations & Maintenance Expense	**$ 161,037,182**	**$ 169,625,000**	**$ 174,625,000**	**$ 182,456,000**	**$ 196,859,600**	**$ 202,024,500**	**$ 203,633,700**	**$ 207,982,700**
Operations & Maintenance Expense (Budget) Adjustment Percentage				**7.6%**	**7.9%**	**2.6%**	**0.8%**	**2.1%**

Total matches Operation & Maintenance (O&M) Expense in Schedule 1B

Go to TOC

Schedule 2G – Sewer System - Area B – Biennial Budget by Expense Category including CD Allocations

Expense Category	FY 2024 Actual	FY 2025 Adopted Budget	FY 2025 Amended Budget	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
2.1 Salaries & Wages	$ 20,665,589	$ 23,026,200	$ 23,026,200	**$ 23,895,800**	**$ 869,600**	**3.8%**	$ 26,058,600
2.2 Workforce Development	358,506	382,000	382,000	**691,600**	**309,600**	**81.0%**	829,700
2.3 Overtime	3,519,626	3,016,400	3,016,400	**3,401,600**	**385,200**	**12.8%**	3,436,200
2.4 Employee Benefits	7,846,667	8,985,100	8,985,100	**8,959,600**	**(25,500)**	**-0.3%**	9,902,700
2.5 Transition Services	8,035,016	7,069,300	7,069,300	**7,328,300**	**259,000**	**3.7%**	7,328,300
Total Personnel Costs	40,425,404	42,479,000	42,479,000	**44,276,900**	**1,797,900**	**4.2%**	47,555,500
3.1 Electric	18,719,158	17,815,900	17,815,900	**19,315,800**	**1,499,900**	**8.4%**	20,263,900
3.2 Gas	6,022,972	5,790,000	5,790,000	**5,865,000**	**75,000**	**1.3%**	5,870,300
3.3 Sewage Service	1,755,393	2,202,600	2,202,600	**1,659,800**	**(542,800)**	**-24.6%**	1,676,400
3.4 Water Service	12,581,725	11,583,000	11,583,000	**12,188,800**	**605,800**	**5.2%**	12,432,600
Total Utility Costs	39,079,248	37,391,500	37,391,500	**39,029,400**	**1,637,900**	**4.4%**	40,243,200
4.1 Chemicals	19,128,291	22,146,300	24,646,300	**23,460,300**	**1,314,000**	**5.9%**	23,593,000
4.2 Supplies & Other	23,547,734	16,273,900	16,273,900	**19,286,600**	**3,012,700**	**18.5%**	19,682,000
4.3 Contractual Services	26,974,762	28,161,700	28,161,700	**29,655,800**	**1,494,100**	**5.3%**	30,602,600
5.1 Capital Program Allocation	(1,396,306)	(2,121,300)	(2,121,300)	**(1,598,500)**	**522,800**	**-24.6%**	(1,960,400)
5.2 Shared Services	(782,201)	(699,200)	(699,200)	**(714,300)**	**(15,100)**	**2.2%**	(732,800)
5.5 Intergovermental Agreement	(726,732)	(638,200)	(638,200)	**-**	**638,200**	**-100.0%**	-
7.0 Unallocated Reserve	-	4,251,400	4,251,400	**3,176,400**	**(1,075,000)**	**-25.3%**	2,419,800
Total Other Categories	66,745,548	67,374,600	69,874,600	**73,266,300**	**5,891,700**	**8.7%**	73,604,200
Total Sewer System Operations (Operating Area B)	**$ 146,250,199**	**$ 147,245,100**	**$ 149,745,100**	**156,572,600**	**9,327,500**	**6.3%**	**$ 161,402,900**
Allocations							
Centralized Services	57,500,777	60,413,200	60,413,200	56,384,100	(4,029,100)	-6.7%	61,230,500
Administrative Services	18,922,757	21,275,700	21,275,700	23,142,000	1,866,300	8.8%	23,754,500
Total Allocations	**$ 76,423,534**	**$ 81,688,900**	**$ 81,688,900**	**$ 79,526,100**	**$ (2,162,800)**	**-2.6%**	**$ 84,985,000**
Total Sewer System Operations & Maintenance Expense	**$ 222,673,733**	**$ 228,934,000**	**$ 231,434,000**	**$ 236,098,700**	**$ 7,164,700**	**3.1%**	**$ 246,387,900**

Total matches Operation & Maintenance (O&M) Expense in Schedule 1C

Go to TOC

Schedule 2H – Sewer System - Area B – Five Year Financial Plan by Expense Category including CD Allocations

Expense Category	Actual FY 2024	Adopted Budget FY 2025	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
2.1 Salaries & Wages	$ 20,665,589	$ 23,026,200	$ 23,026,200	$ 23,895,800	$ 26,058,600	$ 29,603,700	$ 29,853,200	$ 29,853,200
2.2 Workforce Development	358,506	382,000	382,000	691,600	829,700	848,800	848,800	848,800
2.3 Overtime	3,519,626	3,016,400	3,016,400	3,401,600	3,436,200	3,505,500	3,505,500	3,505,500
2.4 Employee Benefits	7,846,667	8,985,100	8,985,100	8,959,600	9,902,700	11,338,700	11,501,800	11,593,400
2.5 Transition Services	8,035,016	7,069,300	7,069,300	7,328,300	7,328,300	7,328,300	7,328,300	7,328,300
Total Personnel Costs	40,425,404	42,479,000	42,479,000	**44,276,900**	47,555,500	52,625,000	53,037,600	53,129,200
3.1 Electric	18,719,158	17,815,900	17,815,900	19,315,800	20,263,900	21,277,300	22,341,700	23,458,900
3.2 Gas	6,022,972	5,790,000	5,790,000	5,865,000	5,870,300	5,987,600	6,038,200	6,089,800
3.3 Sewage Service	1,755,393	2,202,600	2,202,600	1,659,800	1,676,400	1,693,200	1,710,100	1,727,200
3.4 Water Service	12,581,725	11,583,000	11,583,000	12,188,800	12,432,600	12,681,300	12,935,100	13,193,800
Total Utility Costs	39,079,248	37,391,500	37,391,500	**39,029,400**	40,243,200	41,639,400	43,025,100	44,469,700
4.1 Chemicals	19,128,291	22,146,300	24,646,300	23,460,300	23,593,000	23,840,700	23,938,600	24,039,300
4.2 Supplies & Other	23,547,734	16,273,900	16,273,900	19,286,600	19,682,000	21,905,500	20,690,700	21,060,400
4.3 Contractual Services	26,974,762	28,161,700	28,161,700	29,655,800	30,602,600	31,504,700	32,099,000	32,706,900
5.1 Capital Program Allocation	(1,396,306)	(2,121,300)	(2,121,300)	(1,598,500)	(1,960,400)	(1,929,000)	(1,999,000)	(2,027,500)
5.2 Shared Services	(782,201)	(699,200)	(699,200)	(714,300)	(732,800)	(749,000)	(768,700)	(779,300)
5.5 Intergovermental Agreement	(726,732)	(638,200)	(638,200)	-	-	-	-	-
7.0 Unallocated Reserve	-	4,251,400	4,251,400	3,176,400	2,419,800	2,531,400	5,531,400	6,531,400
Total Other Categories	66,745,548	67,374,600	69,874,600	**73,266,300**	73,604,200	77,104,300	79,492,000	81,531,200
Total Sewer System Operations (Operating Area B)	**$ 146,250,199**	**$ 147,245,100**	**$ 149,745,100**	**156,572,600**	**$ 161,402,900**	**$ 171,368,700**	**$ 175,554,700**	**$ 179,130,100**
Allocations								
Centralized Services	57,500,777	60,413,200	60,413,200	56,384,100	61,230,500	60,433,300	60,852,600	62,562,000
Administrative Services	18,922,757	21,275,700	21,275,700	23,142,000	23,754,500	25,060,300	25,656,700	26,097,400
Total Allocations	**$ 76,423,534**	**$ 81,688,900**	**$ 81,688,900**	**$ 79,526,100**	**$ 84,985,000**	**$ 85,493,600**	**$ 86,509,300**	**$ 88,659,400**
Total Sewer System Operations & Maintenance Expense	**$ 222,673,733**	**$ 228,934,000**	**$ 231,434,000**	**$ 236,098,700**	**$ 246,387,900**	**$ 256,862,300**	**$ 262,064,000**	**$ 267,789,500**
Operations & Maintenance Expense (Budget) Adjustment Percentage				**3.1%**	**4.4%**	**4.3%**	**2.0%**	**2.2%**

Total matches Operation & Maintenance (O&M) Expense in Schedule 1D

Go to TOC

Schedule 2I – Area C - Centralized Services - Biennial Budget by Expense Category

Expense Category	FY 2024 Actual	FY 2025 Adopted Budget	FY 2025 Amended Budget	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
2.1 Salaries & Wages	$ 25,186,892	$ 26,017,200	$ 26,017,200	**$ 28,256,800**	**$ 2,239,600**	**8.6%**	$ 29,286,600
2.2 Workforce Development	562,033	521,300	521,300	**1,386,500**	**865,200**	**166.0%**	1,404,700
2.3 Overtime	2,698,288	2,568,700	2,568,700	**2,700,200**	**131,500**	**5.1%**	2,711,800
2.4 Employee Benefits	8,756,953	9,504,300	9,504,300	**9,994,100**	**489,800**	**5.2%**	10,428,900
2.5 Transition Services	1,059,849	1,037,600	1,037,600	**1,033,600**	**(4,000)**	**-0.4%**	1,033,600
Total Personnel Costs	38,264,016	39,649,100	39,649,100	**43,371,200**	**3,722,100**	**9.4%**	44,865,600
3.1 Electric	182,178	154,900	154,900	**171,600**	**16,700**	**10.8%**	175,100
3.2 Gas	178	200	200	**200**	**-**	**0.0%**	200
3.3 Sewage Service	1,583	2,000	2,000	**2,000**	**-**	**0.0%**	2,000
3.4 Water Service	335	600	600	**600**	**-**	**0.0%**	600
Total Utility Costs	184,275	157,700	157,700	**174,400**	**16,700**	**10.6%**	177,900
4.2 Supplies & Other	12,846,784	19,531,100	19,531,100	**17,139,900**	**(2,391,200)**	**-12.2%**	18,246,300
4.3 Contractual Services	65,945,633	57,157,900	59,157,900	**55,935,900**	**(1,222,000)**	**-2.1%**	58,596,500
5.1 Capital Program Allocation	(257,272)	(217,600)	(217,600)	**(212,200)**	**5,400**	**-2.5%**	(212,700)
5.2 Shared Services	(1,331,029)	(1,369,000)	(1,369,000)	**(1,410,400)**	**(41,400)**	**3.0%**	(1,466,600)
5.5 Intergovermental Agreement	(1,805,387)	-	-	**-**	**-**	**0.0%**	-
7.0 Unallocated Reserve	-	2,071,000	2,071,000	**2,388,800**	**317,800**	**15.3%**	9,007,300
Total Other Categories	75,398,730	77,173,400	79,173,400	**73,842,000**	**(3,331,400)**	**-4.3%**	84,170,800
Grand Total	**$ 113,847,020**	**$ 116,980,200**	**$ 118,980,200**	**$ 117,387,600**	**$ 407,400**	**0.3%**	**$ 129,214,300**

Schedule 2J – Area C - Centralized Services - Five Year Financial Plan by Expense Category

Expense Category	Actual FY 2024	Adopted Budget FY 2025	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
2.1 Salaries & Wages	$ 25,186,892	$ 26,017,200	$ 26,017,200	**$ 28,256,800**	$ 29,286,600	$ 31,280,900	$ 31,411,600	$ 31,411,600
2.2 Workforce Development	562,033	521,300	521,300	**1,386,500**	1,404,700	1,404,700	1,404,700	1,404,700
2.3 Overtime	2,698,288	2,568,700	2,568,700	**2,700,200**	2,711,800	2,735,100	2,735,100	2,735,100
2.4 Employee Benefits	8,756,953	9,504,300	9,504,300	**9,994,100**	10,428,900	11,212,100	11,340,600	11,426,100
2.5 Transition Services	1,059,849	1,037,600	1,037,600	**1,033,600**	1,033,600	1,033,600	1,033,600	1,033,600
Total Personnel Costs	38,264,016	39,649,100	39,649,100	**43,371,200**	44,865,600	47,666,400	47,925,600	48,011,100
3.1 Electric	182,178	154,900	154,900	**171,600**	175,100	178,600	182,200	186,300
3.2 Gas	178	200	200	**200**	200	200	200	300
3.3 Sewage Service	1,583	2,000	2,000	**2,000**	2,000	2,000	2,000	2,400
3.4 Water Service	335	600	600	**600**	600	600	600	700
Total Utility Costs	184,275	157,700	157,700	**174,400**	177,900	181,400	185,000	189,700
4.2 Supplies & Other	12,846,784	19,531,100	19,531,100	**17,139,900**	18,246,300	16,406,100	16,614,200	16,866,900
4.3 Contractual Services	65,945,633	57,157,900	59,157,900	**55,935,900**	58,596,500	53,664,400	53,744,100	55,599,300
5.1 Capital Program Allocation	(257,272)	(217,600)	(217,600)	**(212,200)**	(212,700)	(213,100)	(213,600)	(214,000)
5.2 Shared Services	(1,331,029)	(1,369,000)	(1,369,000)	**(1,410,400)**	(1,466,600)	(1,510,400)	(1,570,900)	(1,631,700)
5.5 Intergovermental Agreement	(1,805,387)	-	-	**-**	-	-	-	-
7.0 Unallocated Reserve	-	2,071,000	2,071,000	**2,388,800**	9,007,300	11,149,400	11,191,300	11,191,300
Total Other Categories	75,398,730	77,173,400	79,173,400	**73,842,000**	84,170,800	79,496,400	79,765,100	81,811,800
Grand Total	**$ 113,847,020**	**$ 116,980,200**	**$ 118,980,200**	**$ 117,387,600**	**$ 129,214,300**	**$ 127,344,200**	**$ 127,875,700**	**$ 130,012,600**

Schedule 2K – Area D - Administrative Services - Biennial Budget by Expense Category

Expense Category	FY 2024 Actual	FY 2025 Adopted Budget	FY 2025 Amended Budget	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
2.1 Salaries & Wages	$ 16,639,927	$ 16,891,400	$ 16,891,400	**$ 18,251,100**	**$ 1,359,700**	**8.0%**	$ 18,788,900
2.2 Workforce Development	43,832	57,200	57,200	**197,100**	**139,900**	**244.6%**	197,100
2.3 Overtime	12,231	12,400	12,400	**5,700**	**(6,700)**	**-54.0%**	5,800
2.4 Employee Benefits	5,028,730	5,455,300	5,455,300	**5,652,600**	**197,300**	**3.6%**	5,864,600
2.5 Transition Services	154,423	91,100	91,100	**129,500**	**38,400**	**42.2%**	167,200
Total Personnel Costs	21,879,143	22,507,400	22,507,400	**24,236,000**	**1,728,600**	**7.7%**	25,023,600
3.1 Electric	96,195	102,000	102,000	**114,400**	**12,400**	**12.2%**	116,700
3.2 Gas	50,636	51,500	51,500	**55,800**	**4,300**	**8.3%**	56,900
3.3 Sewage Service	3,182	22,400	22,400	**25,100**	**2,700**	**12.1%**	25,600
3.4 Water Service	2,331	15,600	15,600	**10,900**	**(4,700)**	**-30.1%**	11,100
Total Utility Costs	152,343	191,500	191,500	**206,200**	**14,700**	**7.7%**	210,300
4.2 Supplies & Other	2,356,480	2,456,600	2,456,600	**2,666,800**	**210,200**	**8.6%**	2,670,400
4.3 Contractual Services	12,780,043	13,967,600	13,967,600	**15,321,400**	**1,353,800**	**9.7%**	15,218,500
5.2 Shared Services	(167,320)	(211,300)	(211,300)	**(184,400)**	**26,900**	**-12.7%**	(187,600)
7.0 Unallocated Reserve	-	752,000	752,000	**847,800**	**95,800**	**12.7%**	1,335,800
Total Other Categories	14,969,203	16,964,900	16,964,900	**18,651,600**	**1,686,700**	**9.9%**	19,037,100
Grand Total	**$ 37,000,689**	**$ 39,663,800**	**$ 39,663,800**	**$ 43,093,800**	**$ 3,430,000**	**8.6%**	**$ 44,271,000**

Schedule 2L – Area D - Administrative Services - Five Year Financial Plan by Expense Category

Expense Category	Actual FY 2024	Adopted Budget FY 2025	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
2.1 Salaries & Wages	$ 16,639,927	$ 16,891,400	$ 16,891,400	**$ 18,251,100**	$ 18,788,900	$ 19,921,300	$ 19,985,600	$ 19,985,600
2.2 Workforce Development	43,832	57,200	57,200	**197,100**	197,100	197,100	197,100	197,100
2.3 Overtime	12,231	12,400	12,400	**5,700**	5,800	6,000	6,000	6,000
2.4 Employee Benefits	5,028,730	5,455,300	5,455,300	**5,652,600**	5,864,600	6,268,300	6,333,000	6,377,300
2.5 Transition Services	154,423	91,100	91,100	**129,500**	167,200	243,300	243,300	243,300
Total Personnel Costs	21,879,143	22,507,400	22,507,400	**24,236,000**	25,023,600	26,636,000	26,765,000	26,809,300
3.1 Electric	96,195	102,000	102,000	**114,400**	116,700	119,000	121,400	123,800
3.2 Gas	50,636	51,500	51,500	**55,800**	56,900	58,000	59,200	60,400
3.3 Sewage Service	3,182	22,400	22,400	**25,100**	25,600	26,100	26,600	27,100
3.4 Water Service	2,331	15,600	15,600	**10,900**	11,100	11,300	11,500	11,700
Total Utility Costs	152,343	191,500	191,500	**206,200**	210,300	214,400	218,700	223,000
4.2 Supplies & Other	2,356,480	2,456,600	2,456,600	**2,666,800**	2,670,400	2,745,000	2,801,400	2,858,400
4.3 Contractual Services	12,780,043	13,967,600	13,967,600	**15,321,400**	15,218,500	15,551,300	15,971,100	16,183,000
5.2 Shared Services	(167,320)	(211,300)	(211,300)	**(184,400)**	(187,600)	(191,000)	(194,500)	(198,300)
7.0 Unallocated Reserve	-	752,000	752,000	**847,800**	1,335,800	1,846,000	2,366,500	2,866,500
Total Other Categories	14,969,203	16,964,900	16,964,900	**18,651,600**	19,037,100	19,951,300	20,944,500	21,709,600
Grand Total	**$ 37,000,689**	**$ 39,663,800**	**$ 39,663,800**	**$ 43,093,800**	**$ 44,271,000**	**$ 46,801,700**	**$ 47,928,200**	**$ 48,741,900**

Schedule 3 – Sources of Revenues and Use of Revenue Requirement – Flow of Funds 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 the payment of outstanding debt, other long-term commitments, and compliance with lease terms and the Master Bond Ordinance (MBO). While the prior schedules 1A through 1F provide the GLWA budget as a wholesale provider of service, Schedule 3 includes both the GLWA regional system budget and the DWSD local system budget 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.
- 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 GRS pension commitment on lines 13 and 14 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. Section 6 – Supplemental Analysis (Legacy Commitments) provides further information related to the pension system.
- Lines 20 and 21 represent the Net Revenues that can be used for Revenue Financed Capital on Schedule 3 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 2026 and FY 2027 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 Revenue Requirement – Flow of Funds Consistent with the Master Bond Ordinance*

Line No	Flow of Funds Basis	FY 2026 Water Fund	FY 2026 Sewer Fund	FY 2026 Combined (Informational Only)	FY 2027 Water Fund	FY 2027 Sewer Fund	FY 2027 Combined (Informational Only)
	Revenues						
	Regional System Charge Revenues						
1	Wholesale Charges	$ 365,646,100	$ 314,579,800	$ 680,225,900	$ 387,024,400	$ 329,871,400	$ 716,895,800
2	Charges to Local System	30,028,800	215,324,400	245,353,200	33,032,500	226,454,600	259,487,100
3	**Total Regional System Charge Revenue**	**395,674,900**	**529,904,200**	**925,579,100**	**420,056,900**	**556,326,000**	**976,382,900**
	DWSD Local System Revenues -						
4	Detroit Customers	94,132,300	90,218,500	184,350,800	97,977,500	96,031,100	194,008,600
5	Miscellaneous Revenue (Local System)	5,124,000	8,320,000	13,444,000	5,329,000	8,652,800	13,981,800
	Investment Earnings & Other Revenues						
6	(Regional System)	13,086,500	15,057,800	28,144,300	13,220,000	15,878,900	29,098,900
7	**Total Revenues**	**$ 508,017,700**	**$ 643,500,500**	**$1,151,518,200**	**$ 536,583,400**	**$ 676,888,800**	**$1,213,472,200**
	Revenue Requirements						
	Operations & Maintenance Expense						
8	Regional System	$ 182,456,000	$ 236,098,700	$ 418,554,700	$ 196,859,600	$ 246,387,900	$ 443,247,500
9	Local System	49,661,500	61,426,900	111,088,400	51,648,000	63,884,000	115,532,000
10	Less Shared Service Revenue	(1,177,500)	(1,322,500)	(2,500,000)	(1,200,000)	(1,322,500)	(2,522,500)
11	Net Local System O&M Transfer	48,484,000	60,104,400	108,588,400	50,448,000	62,561,500	113,009,500
12	**Total Operations & Maintenance Expense**	**230,940,000**	**296,203,100**	**527,143,100**	**247,307,600**	**308,949,400**	**556,257,000**
	Nonoperating Requirements						
	Allocable Debt Service						
13	Regional System	179,082,200	220,884,500	399,966,700	193,207,100	241,502,900	434,710,000
14	Local System	45,194,100	32,249,600	77,443,700	45,416,700	32,413,600	77,830,300
	GRS Pension						
15	Regional System	2,730,800	5,632,800	8,363,600	2,559,000	5,246,300	7,805,300
16	Local System	1,928,400	1,487,400	3,415,800	1,807,100	1,385,300	3,192,400
	WRAP Contribution						
17	Regional System	1,970,000	2,638,500	4,608,500	2,091,300	2,770,000	4,861,300
18	Local System	945,400	1,433,200	2,378,600	994,600	1,514,400	2,509,000
	Lease Payment to Local System I&E						
19	Account	22,500,000	27,500,000	50,000,000	22,500,000	27,500,000	50,000,000
20	ER&R Deposit	320,000	-	320,000	1,892,200	-	1,892,200
21	Working Capital Requirements	600,000	-	600,000	1,800,000	2,700,000	4,500,000
	Reserve for Revenue Financed Capital from Net Revenues						
22	Regional System	19,102,400	52,207,500	71,309,900	12,367,700	46,097,800	58,465,500
23	Local System	2,704,400	3,263,900	5,968,300	4,640,100	6,809,100	11,449,200
24	**Total Revenue Requirements**	**$ 508,017,700**	**$ 643,500,500**	**$1,151,518,200**	**$ 536,583,400**	**$ 676,888,800**	**$1,213,472,200**

*Rows highlighted in light grey in the above table are designed to align with the DWSD Budget (DWSD data is preliminary as of February 1, 2025). Final adopted DWSD budget is reflected in the Annual Post Budget Adoption Update to the Ten Year Financial Projection.

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. 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 annual Debt Service requirements. Additional discussion on the debt service coverage is included in Debt Management in Section 3 – Capital Program and Debt.

Schedule 4 – Debt Service Coverage Calculations**

Line No	Debt Service Coverage Calculation	FY 2026 Water Fund	FY 2026 Sewer Fund	FY 2026 Combined (Informational Only)	FY 2027 Water Fund	FY 2027 Sewer Fund	FY 2027 Combined (Informational Only)
	Revenues						
1	Regional System Charge Revenues	$ 395,674,900	$ 529,904,200	$ 925,579,100	$ 420,056,900	$ 556,326,000	$ 976,382,900
2	Local System Revenues	94,132,300	90,218,500	184,350,800	97,977,500	96,031,100	194,008,600
3	Miscellaneous Revenue (Local System)	5,124,000	8,320,000	13,444,000	5,329,000	8,652,800	13,981,800
4	Investment Earnings & Other Revenues (Regional System)	13,086,500	15,057,800	28,144,300	13,220,000	15,878,900	29,098,900
5	**Total Revenues**	$ 508,017,700	$ 643,500,500	$1,151,518,200	$ 536,583,400	$ 676,888,800	$1,213,472,200
	Operations & Maintenance Expense						
6	Regional System	$ 182,456,000	$ 236,098,700	$ 418,554,700	$ 196,859,600	$246,387,900	$ 443,247,500
7	Local System	48,484,000	60,104,400	108,588,400	50,448,000	62,561,500	113,009,500
8	Total Operations & Maintenance Expense	230,940,000	296,203,100	527,143,100	247,307,600	308,949,400	556,257,000
9	**Pledged Revenue**	**$ 277,077,700**	**$ 347,297,400**	**$ 624,375,100**	**$ 289,275,800**	**$ 367,939,400**	**$ 657,215,200**
	Debt Service by Lien						
10	Senior Lien Bonds	$ 153,735,500	$ 158,579,500	$ 312,315,000	$ 168,578,800	$ 171,920,000	$ 340,498,800
11	Second Lien Bonds	50,697,200	56,447,200	107,144,400	50,704,500	60,086,300	110,790,800
12	SRF Junior Lien Bonds	19,843,600	38,107,400	57,951,000	19,340,500	41,910,200	61,250,700
13	**Total Debt Service**	**$ 224,276,300**	**$ 253,134,100**	**$ 477,410,400**	**$ 238,623,800**	**$ 273,916,500**	**$ 512,540,300**
	Debt Service Coverage						
14	Senior Lien Bonds *(9) / (10)*	1.80	2.19		1.72	2.14	
15	Second Lien Bonds *(9) / [(10)+(11)]*	1.36	1.62		1.32	1.59	
16	All Bonds, including SRF Junior Lien Bonds *(10) / (13)*	1.24	1.37		1.21	1.34	

** Rows highlighted in light grey in the above table are designed to align with the DWSD Budget (DWSD data is preliminary as of February 1, 2025). Final adopted DWSD budget is reflected in the Annual Post Budget Adoption Update to the Ten Year Financial Projection.

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 reduce 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.

The tables in this section are presented on the budget basis. Data in the FY 2024 Actual column is from the ACFR for the fiscal year ending June 30, 2024. The ACFR schedules for the Improvement & Extension Funds and the Construction Funds may include additional data that represent non-budgeted inflows and outflows. That additional data is not presented in the Schedule 5 tables.

Improvement & Extension Funds: The tables on the following pages present the FY 2026 and FY 2027 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
- Interest earned on investments

Outflows from the I&E Fund

- Interest earned on the I&E funds is returned to the flow of funds monthly as required by the Master Bond Ordinance
- 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	Actual FY 2024	Adopted Budget FY 2025	Projected FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Inflows								
Transfers in from Water Operations Fund Revenue Transfers	$ 15,767,900	$ 7,270,200	$ 11,299,100	**$ 19,102,400**	$ 12,367,700	$ 16,796,800	$ 24,623,100	$ 37,276,900
Transfer in from Water Construction Fund Working Capital Adjustment (1)	4,232,467	-	-	**-**	-	-	-	-
Investment Earnings	7,195,419	938,700	5,482,800	**4,868,800**	4,618,500	4,681,400	5,298,400	3,766,000
Total Inflows	**27,195,786**	**8,208,900**	**16,781,900**	**23,971,200**	**16,986,200**	**21,478,200**	**29,921,500**	**41,042,900**
Outflows								
Capital outlay	11,102,762	10,527,800	10,527,800	**11,691,400**	8,039,100	9,537,800	8,743,300	8,764,100
Transfers out to Water Operations Fund Investment Earnings	5,613,858	938,700	5,482,800	**4,868,800**	4,618,500	4,681,400	5,298,400	3,766,000
Transfer out to Water Construction Fund Revenue Financed Capital	-	15,000,000	-	**9,250,000**	11,750,000	-	11,000,000	7,250,000
Total Outflows	**16,716,620**	**26,466,500**	**16,010,600**	**25,810,200**	**24,407,600**	**14,219,200**	**25,041,700**	**19,780,100**
Net Inflow (Outflow) - Use of I&E Funds	**$ 10,479,166**	**$ (18,257,600)**	**771,300**	**(1,839,000)**	**(7,421,400)**	**7,259,000**	**4,879,800**	**21,262,800**
Beginning Net Position			147,212,300	147,983,600	146,144,600	138,723,200	145,982,200	150,862,000
Projected Ending Net Position			$ 147,983,600	$ 146,144,600	$ 138,723,200	$ 145,982,200	$ 150,862,000	$ 172,124,800

(1) *The I&E Fund provided working capital and funding of capital expenditures in prior years through revenue financed capital transfers to the Construction Fund. Funds were returned to the I&E Fund in FY 2024 for expenditures which qualified for grants that were originally paid for with I&E funds.*

Schedule 5B – Sewer Improvement & Extension Fund

Sewer Improvement & Extension Fund	Actual FY 2024	Adopted Budget FY 2025	Projected FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Inflows								
Transfers in from Sewer Operations Fund Revenue Transfers	$ 13,399,600	$ 28,140,700	$ 39,408,200	**$ 52,207,500**	$ 46,097,800	$ 50,521,500	$ 68,174,800	$ 89,093,600
Transfer in from Sewer Construction Fund Working capital adjustment (1)	14,012,765	-	-	**-**	-	-	-	-
Grants and Capital Contributions	65,277	-	-	**-**	-	-	-	-
Investment Earnings	6,814,694	1,076,000	5,151,600	**5,451,500**	5,685,200	5,964,300	5,608,400	4,082,500
Total Inflows	**34,292,336**	**29,216,700**	**44,559,800**	**57,659,000**	**51,783,000**	**56,485,800**	**73,783,200**	**93,176,100**
Outflows								
Capital outlay	12,871,797	12,071,300	12,071,300	**11,779,500**	14,016,000	15,692,400	8,163,300	8,163,200
Capital spending other (net operating expenses)	270	-	-	**-**	-	-	-	-
Transfers out to Sewer Operations Fund Investment Earnings	6,027,318	1,076,000	5,151,600	**5,451,500**	5,685,200	5,964,300	5,608,400	4,082,500
Transfer out to Sewer Construction Fund Revenue Financed Capital	-	5,500,000	-	**26,250,000**	35,250,000	57,000,000	51,000,000	57,000,000
Total Outflows	**18,899,385**	**18,647,300**	**17,222,900**	**43,481,000**	**54,951,200**	**78,656,700**	**64,771,700**	**69,245,700**
Net Inflow (Outflow) - Use of I&E Funds	**$ 15,392,951**	**$ 10,569,400**	**27,336,900**	**14,178,000**	**(3,168,200)**	**(22,170,900)**	**9,011,500**	**23,930,400**
Beginning Net Position			138,290,300	165,627,200	179,805,200	176,637,000	154,466,100	163,477,600
Projected Ending Net Position			$ 165,627,200	$ 179,805,200	$ 176,637,000	$ 154,466,100	$ 163,477,600	$ 187,408,000

(1) *The I&E Fund provided working capital and funding of capital expenditures in prior years through revenue financed capital transfers to the Construction Fund. Funds were returned to the I&E Fund in FY 2024 for expenditures which qualified for grants that were originally paid for with I&E funds.*

Construction Funds: The tables below present the FY 2026 and FY 2027 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 revenue bonds
- State Revolving Fund (SRF) loans
- Interest earned on investments

Outflows from the Construction Fund

- Capital Expenditures - Capital Improvement Plan projects and other large capital initiatives authorized by the Chief Executive Officer. For financial planning purposes the projected spend from the CIP plan is rounded up to the nearest $5 million to recognize the dynamic nature of the CIP
  - 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	Actual FY 2024	Adopted Budget FY 2025	Projected FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Inflows								
Transfers in from Water I&E Fund								
Revenue Financed Capital	$ -	$ 15,000,000	$ -	**$ 9,250,000**	$ 11,750,000	$ -	$ 11,000,000	$ 7,250,000
Transfers in from Water Operations Fund								
Bond Proceeds	150,569,980	271,562,500	230,000,000	**222,000,000**	290,000,000	209,000,000	138,000,000	124,000,000
State Revolving Loans	35,186,655	30,800,000	61,643,600	**1,369,200**	-	-	-	-
Grants and Capital Contributions	10,313,987	-	2,137,743	**2,300,000**	2,000,000	-	-	-
Investment Earnings	8,266,834	7,953,300	3,251,800	**5,565,100**	6,448,800	7,966,800	7,114,800	4,131,900
Total Inflows	**204,337,456**	**325,315,800**	**297,033,143**	**240,484,300**	**310,198,800**	**216,966,800**	**156,114,800**	**135,381,900**
Outflows								
Capital Program	174,991,574	210,000,000	190,000,000	**185,000,000**	235,000,000	290,000,000	220,000,000	145,000,000
Transfers out to Water Operations Fund								
Bond Cost of Issuance	561,383	-	1,725,000	**1,665,000**	2,175,000	1,567,500	1,035,000	930,000
Transfers out to Water I&E Fund								
Working Capital Adjustment (1)	4,232,467	-	-	**-**	-	-	-	-
Total Outflows	**179,785,424**	**210,000,000**	**191,725,000**	**186,665,000**	**237,175,000**	**291,567,500**	**221,035,000**	**145,930,000**
Net Inflow (Outflow) - Use of Construction Funds	**$ 24,552,032**	**$ 115,315,800**	**105,308,143**	**53,819,300**	**73,023,800**	**(74,600,700)**	**(64,920,200)**	**(10,548,100)**
Beginning Net Position			131,327,100	236,635,243	290,454,543	363,478,343	288,877,643	223,957,443
Projected Ending Net Position			$ 236,635,243	$ 290,454,543	$ 363,478,343	$ 288,877,643	$ 223,957,443	$ 213,409,343

(1) *The I&E Fund provided working capital and funding of capital expenditures in prior years through revenue financed capital transfers to the Construction Fund. Funds were returned to the I&E Fund in FY 2024 for expenditures which qualified for grants that were originally paid for with I&E funds.*

Schedule 5D – Sewer Construction Fund

Sewer Construction Fund	Actual FY 2024	Adopted Budget FY 2025	Projected FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Inflows								
Transfers in from Sewer I&E Fund								
Revenue Financed Capital	$ -	$ 5,500,000	$ -	**$ 26,250,000**	$ 35,250,000	$ 57,000,000	$ 51,000,000	$ 57,000,000
Transfers in from Sewer Operations Fund								
Bond Proceeds	100,315,497	-	50,000,000	**101,000,000**	125,000,000	111,000,000	83,000,000	57,000,000
State Revolving Loans	29,718,140	96,852,000	69,374,100	**52,936,600**	99,745,500	103,800,000	93,684,600	50,700,000
Grants and Capital Contributions	36,616,620	-	20,918,938	**23,191,650**	-	-	-	-
Investment Earnings	9,822,393	2,359,000	5,098,500	**3,936,400**	4,409,400	5,223,100	5,465,100	3,493,300
Total Inflows	**176,472,650**	**104,711,000**	**145,391,538**	**207,314,650**	**264,404,900**	**277,023,100**	**233,149,700**	**168,193,300**
Outflows								
Capital Program	135,404,096	170,000,000	170,000,000	**175,000,000**	235,000,000	285,000,000	255,000,000	190,000,000
Transfers out to Sewer Operations Fund								
Bond Cost of Issuance	307,293	-	375,000	**757,500**	937,500	832,500	622,500	427,500
Transfers out to Sewer I&E Fund								
Working Capital Adjustment (1)	14,012,765	-	-	**-**	-	-	-	-
Total Outflows	**149,724,154**	**170,000,000**	**170,375,000**	**175,757,500**	**235,937,500**	**285,832,500**	**255,622,500**	**190,427,500**
Net Inflow (Outflow) - Use of Construction Funds	**$ 26,748,496**	**$ (65,289,000)**	**(24,983,462)**	**31,557,150**	**28,467,400**	**(8,809,400)**	**(22,472,800)**	**(22,234,200)**
Beginning Net Position			172,408,200	147,424,738	178,981,888	207,449,288	198,639,888	176,167,088
Projected Ending Net Position			$ 147,424,738	$ 178,981,888	$ 207,449,288	$ 198,639,888	$ 176,167,088	$ 153,932,888

(1) *The I&E Fund provided working capital and funding of capital expenditures in prior years through revenue financed capital transfers to the Construction Fund. Funds were returned to the I&E Fund in FY 2024 for expenditures which qualified for grants that were originally paid for with I&E funds.*

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Go to TOC



Section 3

Capital Program and Debt

Go to TOC

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Go to TOC

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 (O&M Non-Capitalized)	Capital Outlay - Direct Purchase Over $5,000 (Capitalized)	Capital Outlay - Projects and Program (Capitalized)	Capital Improvement Plan O&M (Non-Capitalized)	Capital Improvement Plan Construction (Capitalized)
Fund Name	Operations & Maintenance	Improvement & Extension Fund	Improvement & Extension Fund	Operations & Maintenance	Construction Fund
Fund Number	5910 - Water 5960 - Sewage Disposal	5506 - Water 5404 - Sewage Disposal	5506 - Water 5404 - Sewage Disposal	5910 - Water 5960 - Sewage Disposal	5519 - Water 5421 - Sewage Disposal
Ledger Account	620105:Supplies & Other	901100:Capital Outlay	901100:Capital Outlay	611200:Contractual Services	616900:Construction
Spend Category	Capital Outlay over $5k(O&M-NonCapitlzd)	Capital Outlay over $5k(I&E-Capitalized)	Capital Outlay over $5k(I&E-Capitalized)	Contractual Operating Services	See CA&R 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	Expenditures associated with a specific asset that does not meet the criteria to capitalize and is, therefore, ineligible for bond funding	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	Project specific	Project specific
Life	Greater than One Year	Greater than One Year	Greater than One Year	No assigned life. Items are associated with assets in the Capital Improvement Plan which have a life greater than 20 years.	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	Remediation or specialized inventory related to the items being constructed (Pumps, filters, parts, etc. put in inventory for future maintenance of the constructed asset).	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	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 processing equipment. Information technology software and hardware that do not meet capitalization thresholds would be expensed through the Operations and Maintenance budget. 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.

Included in the CIP are projects and equipment purchases that are for other governmental entities. These projects or equipment purchases may benefit GLWA or the local system through lower costs by completing the needs of both entities while a project is being done. The other governmental entities are billed and this is accounted for as intergovernmental reimbursements. These agreements are intended to have a zero impact on the capital program. Amounts are not known at the time of the budget adoption. As this information becomes available, the budget will be amended.

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 Funding Source and Asset Category* which support both systems.

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

	FY 2024	FY 2025		FY 2026			FY 2027
Operating System	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Water System	**$ 12,536,484**	**$ 13,071,100**	**$ 6,745,644**	**$ 14,913,300**	**$ 1,842,200**	**14.1%**	**$ 11,318,700**
Operations & Maintenance	1,433,722	2,543,300	530,459	3,221,900	678,600	26.7%	3,279,600
Improvement & Extension	11,102,762	10,527,800	6,215,185	11,691,400	1,163,600	11.1%	8,039,100
Wastewater System	**12,871,797**	**12,071,300**	**4,871,912**	**11,779,500**	**(291,800)**	-2.4%	**14,016,000**
Operations & Maintenance	-	-	34,000	-	-	0.0%	-
Improvement & Extension	12,871,797	12,071,300	4,837,912	11,779,500	(291,800)	-2.4%	14,016,000
Grand Total	**$ 25,408,280**	**$ 25,142,400**	**$ 11,617,556**	**$ 26,692,800**	**$ 1,550,400**	**6.2%**	**$ 25,334,700**

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

	Actual	Amended Budget	Proposed Budget		Projected		
Operating System	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Water System	**$ 12,536,484**	**$ 13,071,100**	**$ 14,913,300**	**$ 11,318,700**	**$ 12,212,300**	**$ 11,463,100**	**$ 11,538,200**
Operations & Maintenance	1,433,722	2,543,300	3,221,900	3,279,600	2,674,500	2,719,800	2,774,100
Improvement & Extension	11,102,762	10,527,800	11,691,400	8,039,100	9,537,800	8,743,300	8,764,100
Wastewater System	**12,871,797**	**12,071,300**	**11,779,500**	**14,016,000**	**15,692,400**	**8,163,300**	**8,163,200**
Operations & Maintenance	-	-	-	-	-	-	-
Improvement & Extension	12,871,797	12,071,300	11,779,500	14,016,000	15,692,400	8,163,300	8,163,200
Grand Total	**$ 25,408,280**	**$ 25,142,400**	**$ 26,692,800**	**$ 25,334,700**	**$ 27,904,700**	**$ 19,626,400**	**$ 19,701,400**

Since assets are replaced on a periodic basis, annual expenditures may not be level throughout the year and from year to 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. A planned replacement for the Water Resource Recovery Facility has been forecast within the five-year plan.
- 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. 5

- 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 design, rehabilitation, and replacement of flow meters for the system is an ongoing effort to accurately measure activity for both water and sewer systems.

Funding Sources

The Capital Outlay expenditures are proposed to be $26.4 million for FY 2026, and $25.3 million for FY 2027. As shown in Tables 3 and 4 – *Capital Outlay by Funding Source*, Capital Outlay is funded by two 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 relatively consistent. The total capital outlay paid with O&M funds is included in Section 2 - Core Financial Plan Schedules in the Schedule 2 – Operations and Expense Budget under the 4.2 Supplies & Other expense category.
- **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 future 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*

	FY 2024	FY 2025		FY 2026			FY 2027
Fuding Source	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Operations & Maintenance	$ 1,433,722	$ 2,543,300	$ 564,459	$ 3,221,900	$ 678,600	26.7%	$ 3,279,600
Improvement & Extension	23,974,558	22,599,100	11,053,097	23,470,900	871,800	3.9%	22,055,100
Grand Total	**$ 25,408,280**	**$ 25,142,400**	**$ 11,617,556**	**$ 26,692,800**	**$ 1,550,400**	**6.2%**	**$ 25,334,700**

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

	Actual	Amended Budget	Proposed Budget		Projected		
Fuding Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Operations & Maintenance	$ 1,433,722	$ 2,543,300	**$ 3,221,900**	$ 3,279,600	$ 2,674,500	$ 2,719,800	$ 2,774,100
Improvement & Extension	23,974,558	22,599,100	**23,470,900**	22,055,100	25,230,200	16,906,600	16,927,300
Grand Total	**$ 25,408,280**	**$ 25,142,400**	**$ 26,692,800**	**$ 25,334,700**	**$ 27,904,700**	**$ 19,626,400**	**$ 19,701,400**

Biennial Budget Request

The biennial budget reflects a change in FY 2026, increasing by $1.6 million, or 6.2% 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 increased $0.7 million or 26.7%.
  - Information Technology increased by $0.7million. Continued projects for the migration and modernization of the network infrastructure which will improve security and resiliency.
- Capital Outlay in the I&E fund increased $0.9 million or 3.9%.
  - Process Equipment/Treatment, Pipes, Gates & Valves and Pumps & Motors increased $1.5 million, primarily due to the forecast rebuilding of several rectangular sedimentation clarifier tanks in Primary Processing ($0.9 million) and a program to upgrade burners, an ash silo receiver and rotary lift gates in Incineration Complex 2 ($0.9 million), as well as replacements for equipment at the end of its useful lives. The average annual proposed budget of these replacements is $9.5 million.
  - Controls & Communication increased $1.5 million. The Continuous Emission Monitoring Systems (CEMS) is scheduled to be replaced over the next three years.
  - Overall, vehicles replacement remained flat. However, heavy-duty trucks are scheduled for replacement, an increase of $1.3 million, offset by decreases in light-duty trucks, and vans. The proposed budget for these vehicles is approximately $3.2 million annually.
  - Projects and Programs decreased $2.2 million. Projects for the replacement and upgrade to the controls systems for the organization are scheduled to be concluded. These projects are part of the ongoing program to secure the Authorities operating systems.
  - Flow meter replacement decreased $0.4 million as the program for maintenance and replacements stabilizes. The proposed budget for the replacement of these meters is approximately $0.4 million annually.

Table 5- Capital Outlay by Funding Source and Asset Category– Biennial Budget

	FY 2025	FY 2026			FY 2027
Asset Category	Amended Budget	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Operations & Maintenance					
Information Technology	**$ 2,543,300**	**$ 3,221,900**	**$ 678,600**	**26.7%**	**$ 3,279,600**
Hardware	1,721,400	2,772,900	$ 1,051,500	61.1%	2,828,400
Software	821,900	449,000	$ (372,900)	-45.4%	451,200

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Table 5- Capital Outlay by Funding Source and Asset Category– Biennial Budget
(continued from previous page)

Asset Category	FY 2025 Amended Budget	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
Improvement & Extension	**$ 22,599,100**	**$ 23,470,900**	**$ 871,800**	3.9%	**$ 22,055,100**
Building/Structures	**1,066,000**	**1,252,100**	**$ 186,100**	17.5%	**619,200**
Information Technology	**75,000**	**75,000**	**-**	0.0%	**150,000**
Software	75,000	75,000	-	0.0%	150,000
Leasehold Improvements	**158,000**	**165,400**	**7,400**	4.7%	**91,800**
Machinery & Equipment	**15,866,600**	**18,560,400**	**2,693,800**	17.0%	**17,547,100**
Computers & IT	365,500	-	(365,500)	-100.0%	-
Controls & Communication	7,031,600	8,573,400	1,541,800	21.9%	5,146,200
Flow Measuring & Meters	714,200	316,400	(397,800)	-55.7%	331,700
Furniture & Fixtures	80,000	102,000	22,000	27.5%	205,000
Heavy Equipment & Misc	417,000	365,000	(52,000)	-12.5%	457,000
Laboratory	527,400	354,800	(172,600)	-32.7%	372,000
Leasehold Improvements	-	250,000	250,000	n/a	-
Pipes, Gates & Valves	719,000	1,096,700	377,700	52.5%	919,100
Process Equipment/Treatment	1,514,400	3,294,700	1,780,300	117.6%	5,925,500
Pumps & Motors	4,227,500	3,596,400	(631,100)	-14.9%	4,057,100
Tools, Shop & Warehouse	20,000	611,000	591,000	2955.0%	133,500
Machinery & Equipment	250,000	-	(250,000)	-100.0%	-
Projects & Programs	**2,398,500**	**170,000**	**(2,228,500)**	-92.9%	**170,000**
Site Improvements	**-**	**-**	**-**	n/a	**40,000**
Lighting	-	-	-	n/a	40,000
Paving/Concrete	-	-	-	0.0%	**-**
Vehicles	**3,035,000**	**3,248,000**	**213,000**	7.0%	**3,437,000**
Heavy Truck	600,000	1,860,000	1,260,000	210.0%	1,560,000
Light Truck	1,360,000	480,000	(880,000)	-64.7%	240,000
Trailer & Towable Equipment	-	40,000	40,000	n/a	-
Utility Vehicle	235,000	388,000	153,000	65.1%	1,157,000
Van	840,000	480,000	(360,000)	-42.9%	480,000
Grand Total	**$ 25,142,400**	**$ 26,692,800**	**$ 1,550,400**	**6.2%**	**$ 25,334,700**

Five-Year Financial Plan

Table 6 - Capital Outlay by Funding Source and Asset Category

	Amended Budget	Proposed Budget		Projected		
Asset Category	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Operations & Maintenance						
Information Technology	**$ 2,543,300**	**$ 3,221,900**	**$ 3,279,600**	**$ 2,674,500**	**$ 2,719,800**	**$ 2,774,100**
Hardware	1,721,400	2,772,900	2,828,400	2,171,100	2,206,400	2,250,500
Software	821,900	449,000	451,200	503,400	513,400	523,600
Improvement & Extension	**$ 22,599,100**	**$ 23,470,900**	**$ 22,055,100**	**$ 25,230,200**	**$ 16,906,600**	**$ 16,927,300**
Building/Structures	**1,066,000**	**1,252,100**	**619,200**	**627,100**	**638,400**	**668,400**
Information Technology	**75,000**	**75,000**	**150,000**	**150,000**	**150,000**	**150,000**
Software	75,000	75,000	150,000	150,000	150,000	150,000
Leasehold Improvements	**158,000**	**165,400**	**91,800**	**91,800**	**91,800**	**91,800**
Machinery & Equipment	**15,866,600**	**18,560,400**	**17,547,100**	**21,083,300**	**12,553,400**	**12,538,100**
Computers & IT	365,500	-	-	-	-	-
Controls & Communication	7,031,600	8,573,400	5,146,200	8,217,400	2,894,500	2,959,600
Flow Measuring & Meters	714,200	316,400	331,700	935,000	320,000	300,000
Furniture & Fixtures	80,000	102,000	205,000	210,000	10,000	10,000
Heavy Equipment & Misc	417,000	365,000	457,000	325,000	177,000	50,000
Laboratory	527,400	354,800	372,000	278,000	382,500	336,300
Leasehold Improvements	-	250,000	-	-	-	-
Pipes, Gates & Valves	719,000	1,096,700	919,100	1,073,000	971,900	1,129,600
Process Equipment/Treatment	1,514,400	3,294,700	5,925,500	5,381,700	4,979,400	4,844,600
Pumps & Motors	4,227,500	3,596,400	4,057,100	4,604,200	2,699,100	2,857,800
Tools, Shop & Warehouse	20,000	611,000	133,500	59,000	119,000	50,200
Machinery & Equipment	250,000	-	-	-	-	-
Projects & Programs	**2,398,500**	**170,000**	**170,000**	**170,000**	**170,000**	**176,000**
Site Improvements	**-**	**-**	**40,000**	**40,000**	**290,000**	**290,000**
Lighting	-	-	40,000	40,000	40,000	40,000
Paving/Concrete	-	-	-	-	250,000	250,000
Vehicles	**3,035,000**	**3,248,000**	**3,437,000**	**3,068,000**	**3,013,000**	**3,013,000**
Heavy Truck	600,000	1,860,000	1,560,000	1,560,000	1,560,000	1,560,000
Light Truck	1,360,000	480,000	240,000	240,000	240,000	240,000
Trailer & Towable Equipment	-	40,000	-	40,000	-	-
Utility Vehicle	235,000	388,000	1,157,000	748,000	733,000	733,000
Van	840,000	480,000	480,000	480,000	480,000	480,000
Grand Total	**$ 25,142,400**	**$ 26,692,800**	**$ 25,334,700**	**$ 27,904,700**	**$ 19,626,400**	**$ 19,701,400**

Table 7 - *Capital Outlay by Team funded by both I&E and O&M*

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
881101 Public Affairs	-	5,000	**-**	-	-	-	-
881201 Security and Integrity	105,428	-	**-**	-	-	-	-
882101 Water Director	111,086	-	**-**	-	-	-	-
882121 Water Quality	29,061	230,000	**51,500**	12,000	62,000	27,000	18,000
882131 Water Works Park	1,585,487	491,000	**1,043,300**	1,583,000	960,000	427,000	212,300
882141 Springwells Water Plant	1,249,038	887,900	**447,900**	649,900	642,000	902,000	975,000
882151 Northeast Water Plant	558,564	765,900	**1,516,000**	891,000	766,000	456,000	791,000
882161 Southwest Water Plant	228,935	332,000	**534,800**	329,500	427,000	285,500	241,000
882171 Lake Huron Water Plant	2,004,399	486,900	**371,900**	206,900	104,000	199,000	54,000
882301 Systems Operations Control	2,386,444	2,878,100	**3,200,000**	2,175,000	4,375,000	4,225,000	4,225,000
882322 Eastside Pumping Station	-	100,000	**100,000**	100,000	100,000	100,000	105,000
882323 Northwest Pumping Station	-	100,000	**100,000**	100,000	100,000	100,000	105,000
882328 Orion Township Pumping Station	-	-	**-**	-	-	-	-
882329 North Service Center Pumping Station	-	-	**-**	-	-	-	-
882330 Adams Road Pumping Station	-	50,000	**50,000**	50,000	50,000	50,000	52,000
882331 Newburgh Pumping Station	-	50,000	**50,000**	50,000	50,000	50,000	52,000
882335 Joy Road Pumping Station	91,849	-	**-**	-	-	-	-
882336 Schoolcraft Pumping Station	-	50,000	**50,000**	50,000	50,000	50,000	52,000
882338 Imlay Pumping Station	-	300,000	**313,000**	320,000	330,000	340,000	350,000
882411 Field Engineering	480,477	-	**-**	-	-	-	-
882421 Facility Operations	41,621	90,000	**91,800**	91,800	91,800	91,800	91,800
882422 Fleet Operations	2,394,046	3,000,000	**2,980,000**	3,000,000	3,000,000	3,000,000	3,000,000
882431 Field Service Operations	5,145,606	2,498,500	**2,516,200**	175,000	175,000	185,000	185,000
882501 Energy, Research & Innovation	120,749	50,000	**50,000**	50,000	50,000	50,000	50,000
883201 Organizational Development Administration	141,952	700,000	**-**	-	-	-	-
883301 Office of the CIO	-	-	**-**	-	-	-	-
883321 Info Technology Service Delivery	1,162,139	1,303,400	**2,000,000**	2,040,000	1,383,200	1,410,800	1,439,000
883331 Info Technology Infrastructure	312,839	765,500	**772,900**	788,400	787,900	795,600	811,500
883351 Info Technology Enterprise Asset Management Systems	250,385	449,500	**350,400**	350,600	477,000	486,500	496,200
883361 Info Technology Security & Risk	-	24,900	**98,600**	100,600	26,400	26,900	27,400
884111 Financial Reporting & Accounting	20,234	-	**-**	-	-	-	-
884124 Logistics and Materials	85,795	-	**-**	-	-	-	-
886001 Chief Planning Officer	14,425	-	**-**	-	-	-	-
886401 Water Analytics, Planning & Metering	320,367	694,200	**296,400**	298,700	300,000	300,000	300,000
892201 Wastewater Director	320,080	888,000	**907,000**	1,050,900	1,164,100	975,400	955,400
892211 Wastewater Engineering	793,166	-	**-**	13,000	-	-	-
892221 Wastewater Operations	21,501	-	**5,000**	1,459,000	5,000	5,000	5,000
892222 Wastewater Process Control	913,050	4,090,800	**1,616,300**	490,000	2,100,000	-	-
892223 Wastewater Primary Process	2,392,127	975,500	**2,116,000**	3,895,000	3,357,000	3,358,500	3,408,500
892224 Wastewater Secondary Process	218,239	20,000	**425,000**	680,000	435,000	385,000	385,000
892225 Wastewater Dewatering Process	117,599	276,800	**218,700**	81,600	85,000	67,400	65,800
892226 Wastewater Incineration Process	331,400	334,100	**2,965,000**	2,457,500	2,400,000	164,500	15,800
892231 Industrial Waste Control	-	25,500	**7,000**	26,000	-	26,500	-
892235 Wastewater Laboratories	83,268	17,900	**30,000**	30,000	30,000	-	-

(*continued on next page*)

Table 7 - *Capital Outlay by Team funded by both I&E and O&M (continued from previous page)*

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
892271 Puritan Fenkell Combined Sewer Overflow	50,921	60,000	**-**	290,000	700,000	20,000	44,000
892272 7 Mile Combined Sewer Overflow	75,517	750,600	**14,000**	-	8,400	60,000	8,600
892273 Hubble Southfield CSO	266,387	138,800	**189,700**	595,700	593,600	167,600	219,600
892274 Leib Combined Sewer Overflow	7,000	45,900	**67,300**	58,700	110,300	51,700	53,300
892275 St Aubin Combined Sewer Overflow	11,522	73,000	**18,500**	19,100	49,700	20,300	80,900
892276 Conner Creek Combined Sewer Overflow	295,022	489,700	**397,500**	367,500	446,600	482,000	516,000
892277 Baby Creek Combined Sewer Overflow	65,475	234,000	**451,100**	248,300	1,182,700	263,400	310,300
892278 Oakwood Combined Sewer Overflow	123,589	19,000	**-**	85,000	-	21,000	-
892345 Conner Pumping Station	481,491	150,000	**80,000**	75,000	-	-	-
892346 Fairview Pumping Station	-	-	**-**	-	500,000	-	-
892349 Freud Pumping Station	-	150,000	**200,000**	-	300,000	-	-
892351 Oakwood Pumping Station	-	100,000	**-**	-	130,000	-	-
Grand Total	**$ 25,408,280**	**$ 25,142,400**	**$ 26,692,800**	**$ 25,334,700**	**$ 27,904,700**	**$ 19,626,400**	**$ 19,701,400**

Go to TOC

Capital Improvement Plan At-A-Glance

Water System	Sewer System
The FY 2026-2030 Water CIP calls for $1.08 billion of major capital expenditures over the next five fiscal years.	The FY 2026-2030 Wastewater CIP calls for $1.27 billion of major capital expenditures over the next five fiscal years.
The FY 2026-2030 capital financing plan is based on an 100% Spend Rate Assumption for FY 2026-2028 and 95% for FY 2029-2030	The FY 2026 - 2030 capital financing plan is based on Spend Rate Assumptions of 90%, 80%, 84%, 96% and 100%, respectively
The CIP addresses: ✓ Treatment –44% ✓ Transmission –22% ✓ Pump Station/Reservoir – 16.% ✓ Programs – 18%	The CIP addresses: ✓ Treatment – 41% ✓ Conveyance/Pumps – 32% ✓ CSO – 12% ✓ Programs – 15%
Funding - The CIP will be funded with revenue bonds, Drinking Water State Revolving Fund loans (including grants) and PAYGO	Funding - The CIP will be funded with revenue bonds, Clean Water State Revolving Fund loans (including grants) 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 at improving 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 for Member Partners and 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 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) 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 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 the 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 with a delivery method of Design Build, Progressive Design Build, or Construction Management at Risk, maintain their legacy score from last year.
- Projects that were developed from existing projects maintained the original score from the previous year.
- 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 Section 1 - Budget Process.

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.

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 inherited high debt burden
- ✓ Charges stability by smoothing 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. 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" is calculated as the revenue of the system remaining after deducting the reasonable expenses of administration, operation, and maintenance of the system.
- **Revenue Financed Capital (Improvement & Extension Fund)**
  A portion of the revenue requirement from charges is set aside for subsequent years' CIP spending. Also known as pay-as-you-go or PAYGO funding.
- **Federal and State Loan Programs**
  The Authority's sources of funding include lower cost financing programs including the Clean Water State Revolving Fund (CWSRF) Loan Program and the Drinking Water State Revolving Fund (DWSRF) 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 asset projects and programs that will be capitalized and depreciated over time. 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 "PAYGO" 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. 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 rather than bonded debt.

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.

CIP Impact on Charges

Costs that are allocated among Member Partners based on the asset record data include debt service payments and funds set aside in the improvement and extension funds for future pay-as-you-go capital funding. The cost of capital improvements will impact future fixed asset records, and future charges. There is no impact until after the first dollar is spent on the project. Even then, there is a timing delay because the asset is first recorded in accounting records. Then, those records are used, after the year-end close is completed, as a data source for the subsequent year's cost of service study. So, CIP expenditures in year one (e.g. FY 2025) initially impact charges in year three (e.g. FY 2027) and continue to do so for the remaining life of the asset.

<u>Water System Capital Improvement Plan & Cost Allocation</u>

During much of calendar years 2023 and 2024, a working group of Member Partners and GLWA set out to simplify the water charges methodology. The resulting simplified methodology established an allocation of ALL water costs (both operating and capital) of 10% to Commodity, 50% to Max Day, and 40% to Peak Hour. That simplified approach to allocate shares of water system budgeted costs was implemented with the FY 2025 charges. Core analysis supported that 10/50/40 allocation based on historic and forecasted data. The allocation categories are defined below.

Commodity is determined based on the amount of water a member uses – this element is primarily related to utilities, chemicals and other purchased commodities, and not to capital investments.

Max Day is the maximum amount of water the member is expected to use on the day that the regional system, in aggregate, is using the most water. Being able to meet Max Day demands is a driver of the Treatment function's operating and capital budget needs and a high priority service delivery performance measure.

Peak Hour is the maximum amount of water the member might use during the hour that the system as a whole is using the most water. Like Max Day, being able to meet Peak Hour demands, is a driver of Delivery function's operating and capital budget needs and a high priority service delivery performance measure.

The bottom line is that water system cost pool designation of individual CIP projects do not impact charges. GLWA's underlying asset records are assigned a cost pool to support future analysis in cost of service studies.

Sewer System - Capital Improvement Plan & Cost Allocation

In 2019, the sewer "SHARES Think Tank Group" proposed a simplification of the Wastewater Charge methodology to move away from a complex allocation approach that included "strength of flow" to determine charges. The resulting charge methodology, implemented for FY 2022 charges identifies three basic cost pools of WRRF, Conveyance and CSO 83/17, and allocates costs based on contributed wastewater volumes.

WRRF: All costs associated with wastewater treatment at the Water Resource Recovery Facility (WRRF). 50% of these costs are allocated to Member Partners based on total contributed volume and 50% based on contributed sanitary volume.

Conveyance: All costs associated with conveyance of wastewater to the WRRF to be treated. All of these costs are allocated to Member Partners based on total contributed wastewater flow.

CSO 83/17: The costs associated with specific combined sewer overflow (CSO) facilities identified in legal settlement agreements. Eighty-Three (83%) of these costs are assigned to the City of Detroit and seventeen (17%) to wholesale member partners based on these contractual agreements.

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 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031 & Beyond	Project Total
Treatment Plants & Facilities									
Lake Huron	$ 23,558	$ 26,570	$ 45,726	$ 50,923	$ 55,896	$ 53,259	$ 37,941	$ 87,985	$ 381,858
Northeast	7,121	7,007	8,309	24,642	32,406	26,509	9,347	171,115	286,455
Southwest	3,099	2,058	1,191	1,191	1,856	5,816	7,193	175,699	198,103
Springwells	95,917	29,957	22,416	15,620	9,770	19,640	18,996	400,977	613,293
Water Works Park	55,161	15,164	2,748	-	1,416	5,077	6,663	124,676	210,904
General Purpose	81,769	13,961	9,227	-	712	706	402	402	107,179
Total Treatment Plants & Facilities	266,625	94,716	89,617	92,376	102,056	111,007	80,542	960,853	1,797,791
Field Services - Transmission System	243,957	40,911	34,660	73,818	89,686	37,953	791	65,576	587,351
System Control Center - Pump Station/Reservoir	57,480	4,671	949	33,687	58,061	49,864	30,629	525,167	760,507
Programs	71,534	39,110	57,838	33,240	36,139	31,637	38,680	268,141	576,320
Total Water Projects	$639,597	$179,407	$183,064	$233,120	$285,942	$230,461	$150,642	$ 1,819,736	$ 3,721,969
Spend Rate Assumption			100%	100%	100%	95%	95%		
Financing Plan (1)			**$185,000**	**$235,000**	**$290,000**	**$220,000**	**$145,000**		

May not foot due to rounding.

(1) Amounts included in Biennial Budget & Five-Year Financial Plan - See Core Financial Plan Schedules 5C & 5D. Forecasted CIP expenditures have been rounded up to the nearest $5 million for the Construction Fund budget to recognize the dynamic nature of the CIP.

Wastewater Capital Improvement Plan ($000)									
Category	Lifetime Thru FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031 & Beyond	Project Total
Water Resource Recovery Facility									
Primary Treatment	$ 49,353	$ 28,723	$ 22,958	$ 41,263	$ 59,945	$ 55,325	$ 61,282	$ 486,903	$ 805,752
Secondary Treatment & Disinfection	8,153	9,637	12,042	24,184	27,204	35,854	35,854	338,594	491,521
Residuals Management	26,443	3,435	3,521	5,711	8,385	4,932	1,818	908,252	962,497
General Purpose	28,311	16,417	31,626	37,112	33,828	19,210	-	-	166,505
Total WRRF	112,260	58,212	70,148	108,270	129,361	115,320	98,954	1,733,749	2,426,275
Field Services									
Inteceptors	62,830	13,738	32,345	39,069	29,821	12,356	2,213	19,714	212,086
Total Field Services	62,830	13,738	32,345	39,069	29,821	12,356	2,213	19,714	212,086
System Control Center									
Pumping Stations	68,974	6,126	25,092	70,262	88,273	66,835	42,334	175,928	543,825
In System Devices	-	-	-	-	-	-	-	81,336	81,336
Total SCC	68,974	6,126	25,092	70,262	88,273	66,835	42,334	257,264	625,161
Programs	191,710	71,422	53,556	47,316	50,121	24,737	8,147	127,812	574,821
CSO Facilities									
Multiple CSO Facilities	14,588	4,429	8,020	23,866	31,457	27,404	21,513	50,464	181,741
Hubbell Southfield	2,508	2,153	1,325	3,058	8,767	14,463	14,465	19,290	66,029
Baby Creek	6,381	7,197	2,735	-	-	-	-	745	17,058
Total CSO Facilities	23,478	13,779	12,079	26,924	40,224	41,867	35,978	70,499	264,828
Total Wastewater Projects	$459,252	$163,276	$193,221	$291,841	$337,800	$261,115	$187,625	$ 2,209,038	$ 4,103,170
Spend Rate Assumption			90%	80%	84%	96%	100%		
Financing Plan (1)			**$175,000**	**$235,000**	**$285,000**	**$255,000**	**$190,000**		

May not foot due to rounding.

(1) Amounts included in Biennial Budget & Five-Year Financial Plan - See Core Financial Plan Schedules 5C & 5D. Forecasted CIP expenditures have been rounded up to the nearest $5 million for the Construction Fund budget to recognize the dynamic nature of the CIP.

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 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 2026 through FY 2030

The tables below list the nonrecurring projects that are budgeted for FY 2026 through FY 2030 that are greater than $30 million. There are ten projects in the Water category and ten projects in the Wastewater category.

Water Nonrecurring Projects with 2025-2029 CIP Total Greater than $30M ($000)

CIP #	Project Title	Lifetime Actual Thru FY 2024	Projected Expenditures								
			FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2026-2030 CIP Total	FY 2031+	Project Total
111001	Lake Huron Water Treatment Plant, Low-Lift, High Lift and Filter Backwash Pumping System Improvements	4,712	1,493	**13,178**	**18,605**	**29,723**	**32,205**	**28,468**	**122,178**	22,132	150,515
122004	96-inch Water Transmission Main Relocation and Isolation Valve Installations	92,501	33,291	**27,066**	**45,205**	**36,667**	**4,601**	**-**	**113,539**	-	239,331
132016	North Service Center Pumping Station Improvements	2,129	2,457	**330**	**19,926**	**31,882**	**29,169**	**23,777**	**105,083**	142,325	251,994
112008	Northeast Water Treatment Plant Filter Replacement	102	2,890	**3,841**	**20,811**	**31,132**	**26,509**	**9,347**	**91,640**	-	94,631
114002	Springwells Water Treatment Plant, Low-Lift and High-Lift Pumping Station Improvements	43,876	19,507	**16,403**	**11,575**	**9,637**	**17,849**	**18,581**	**74,043**	178,352	315,778
111006	Lake Huron Water Treatment Plant, Filter Instrumentation and Raw Water Flow Metering Improvments	4,129	11,970	**21,196**	**20,593**	**12,124**	**8,130**	**-**	**62,043**	-	78,142
132015	Newburgh Road Booster Pumping Station Improvements	1,347	373	**276**	**13,761**	**24,915**	**19,434**	**2,628**	**61,014**	-	62,734
122016	Downriver Transmission Main Loop	2,900	140	**5,007**	**14,648**	**17,595**	**11,713**	**44**	**49,007**	45,091	97,138
111012	LHWTP-Flocculation Improvements	1,125	1,671	**3,850**	**9,869**	**12,833**	**11,708**	**8,288**	**46,549**	-	49,345
122019	Jefferson Main Replacement Project	1,286	-	**-**	**-**	**20,958**	**20,893**	**-**	**41,850**	-	43,136

Go to TOC

Wastewater Nonrecurring Projects with 2025-2029 CIP Total Greater than $30M ($000)											
			Projected Expenditures								
CIP #	Project Title	Lifetime Actual Thru FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2026-2030 CIP Total	FY 2031+	Project Total
232002	Conner Creek Pump Station Improvements	24,060	1,397	**7,601**	**29,829**	**47,729**	**37,528**	**24,028**	**146,715**	175,927	348,099
232005	Freud Pump Station Improvements	172	4,729	**17,492**	**40,433**	**40,543**	**29,307**	**18,306**	**146,082**	-	150,983
211007	WRRF PS #2 Bar Racks Replacements and Grit Collection System Improvements	8,930	4,678	**6,502**	**20,398**	**39,416**	**39,308**	**39,119**	**144,743**	84,774	243,125
212008	WRRF Aeration Improvements 1 and 2	8,153	9,637	**12,042**	**24,184**	**27,204**	**35,412**	**35,412**	**134,255**	61,700	213,745
216008	Rehabilitation of Screened Final Effluent (SFE) Pump	4,469	1,907	**18,378**	**32,299**	**32,058**	**17,444**	**-**	**100,178**	-	106,554
222001	Oakwood District Intercommunity Relief Sewer Modification at Oakwood	2,977	3,691	**22,987**	**30,684**	**21,504**	**6,089**	**-**	**81,265**	-	87,934
211006	WRRF PS No. 1 Improvements	20,238	19,597	**13,383**	**13,349**	**12,413**	**12,338**	**12,329**	**63,812**	10,461	114,108
270004	Oakwood and Leib CSO Facilities Improvement Project	4,952	999	**2,393**	**10,924**	**17,152**	**14,881**	**8,235**	**53,585**	-	59,536
273001	Hubbell Southfield CSO Facility Improvements	2,508	2,153	**1,325**	**3,039**	**8,666**	**14,365**	**14,352**	**41,746**	17,836	64,243
222002	Detroit River Interceptor (DRI) Evaluation and Rehabilitation	57,689	8,815	**8,294**	**8,294**	**8,317**	**6,267**	**2,213**	**33,384**	19,715	119,603

The following tables outline the impact of these nonrecurring projects on the financial plan. In general, improvements to the system provide 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. 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. Those projects that have SRF financing either in place or in the process of applying for are noted in the last column of the table. SRF financing provides a lower cost of capital.

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 # 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.
• Primary driver is performance
	WMP Right Sizing Innovation-ensure energy efficiency Improve Performance	Yes	

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 • Primary driver is performance	Focus on system performance by providing isolation and redundancy to Lake Huron WTP	Yes	7532-01 7532-02
CIP # 132016 - North Service Center Pumping Station Improvements • Rehabilitation of the facility • Replacement of two ten million gallon reservoirs. • Primary driver is condition	Focus on optimization of energy efficiency	Yes	
CIP # 112008 – Northeast Water Treatment Plant Filter Replacement • Remove and replace filter media, surface wash water system, filter piping and filter valves • Rehab existing filter underdrain system • Primary driver is regulatory	Regulatory compliance and performance	Yes	
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). • Replace 3 primary transformers and feeders • Primary driver is condition	WMP Rightsizing Rightsizing the pumps (reducing number of and size of the pumps and adding variable frequency drives) will result in lower power bills.	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. • Will be done at the same time the City of Detroit reconstructs Jefferson Avenue to avoid duplication of restoration costs • Primary driver is condition	Innovation	Yes	
CIP # 132015 – Newburgh Road Booster Pumping Station Improvements • Construct a new pumping station on existing site or on a new site • Primary driver condition	Redundancy	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. • Primary driver is performance	Redundancy	Yes	
CIP # 111012 – LHWTP-Flocculation Improvements • Replacement of flocculators possibly increasing the number from two to four • Primary driver is condition	Innovation	Yes	
CIP # 122019 – Jefferson Main Replacement Project • Replacement of 48-inch transmission main within Jefferson Avenue from Water Works Park to I-375 • Primary driver is financial	Collaboration with other City of Detroit improvements	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 - Conner Creek Pump Station Improvements • The primary objective is to improve performance of the sewage pumping station. • Optimize the utilization of interconnected piping and operation between the Freud pumping station and the Connor Creek Retention and Treatment Basin. • Primary driver is performance	Redundancy	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 # 232005 - Freud Pump Station Improvements • The primary objective is to improve performance of the sewage pumping stations. • Optimize the utilization of interconnected piping . • Primary driver is performance	Redundancy	Yes	5708-01
CIP # 211007 - WRRF Pump Station #2 Bar Racks Replacements and Grit Collection System Improvements • Replace grit collection and pumping system and grit washing and classification with more efficient equipment 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. • Primary driver is condition	Innovation WW Master Plan Redundancy Treatment	Yes	5837-01 ITA
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. • Primary driver is regulatory	Innovation Redundancy	Yes	5838-01
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 • Primary driver is condition	WW Master Plan Innovation	Yes	5839-01
CIP # 222001 – Oakwood District Intercommunity Relief Sewer Modification at Oakwood District • Implement the WWMP recommended relief connection from the Northwest Interceptor to the Oakwood PS • Primary driver is public benefit	WW Master Plan Redundancy	Yes	5840-01
CIP # 211006 – WRRF PS No. 1 Improvements • Condition assessment and rehabilitation of all pumps at Pump Station 1 • Primary driver is condition	Innovation Redundancy	Yes	5836-01

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 # 270004 – Oakwood and Leib CSO Facilities Improvement Project • Replacement of fine screens, chemical feed system, improved automation for chemical dosing, improve access • Electrical/HVAC and I&C improvements • New road to improve safety • Safety improvements to facility hatches • Primary driver is public benefit	WW Master Plan Redundancy	Yes	6001-01 Application Q4
CIP # 273001 – Hubbell Southfield CSO Facility Improvements • New basin flushing system • Chemical feed system improvements • Pump replacements • Primary driver is public health and safety	Improve Operations	Yes	
CIP # 222002 – Detroit River Interceptor (DRI) Evaluation and Rehabilitation • Provide the necessary cleaning, rehabilitation or replacement of interceptor to optimize the design capacity and to extend the service life of this asset. • Primary driver is condition	Redundancy	Yes	5655-01 5655-02 5655-03

Go to TOC

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 percentage of the revenue requirements to reach our organizational goal of a firm bond credit rating in the AA category. For the FY 2026 budget, debt service is 44% of the water system revenue requirement and 41% of the sewer system revenue requirement. For the FY 2027 budget, debt service is 45% 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
Series 2023	148.5	-	148.5	67.2	215.7
Series 2024	-	-	-	384.1	384.1
Total Water	$ 556.8	$ 136.3	$ 693.2	$ 1,650.4	$ 2,343.6
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
Series 2023	96.9	-	96.9	200.2	297.1
Series 2024	-	-	-	387.6	387.6
Total Sewer	$ 294.8	$ 81.6	$ 376.4	$ 1,884.9	$ 2,261.3
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
Series 2023	245.4	-	245.4	267.4	512.8
Series 2024	-	-	-	771.7	771.7
Total Combined	$ 851.7	$ 217.9	$ 1,069.6	$ 3,535.3	$ 4,604.9

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	Release (used to obtain savings) 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
Series 2023	67.2	11.2	-	7.9
Series 2024	384.1	67.5	16.1	39.3
Total Water	$ 1,650.4	$ 398.1	$ 53.4	$ 259.3
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
Series 2023	200.2	34.8	0.2	20.9
Series 2024	387.6	62.9	16.1	37.3
Total Sewer	$ 1,884.9	$ 498.4	$ 86.5	$ 287.0
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
Series 2023	267.4	45.9	0.2	28.8
Series 2024	771.7	130.4	32.2	76.6
Total Combined	$ 3,535.3	$ 896.5	$ 139.9	$ 546.3

Debt Management Policy

The Authority's Debt Management Policy was adopted by the GLWA Board on December 9, 2015 and amended on November 21, 2024. The goal of the policy is to ensure that financings undertaken by GLWA satisfy clear objective standards which allow it to protect its financial resources in order to meet its long-term capital needs and comply with the provisions of the Bond Ordinance. The policy provides guidance on the types and structures of debt instruments and the methods of sales to be considered. The policy also specifies the selection process of underwriters and other professionals for debt transactions. In addition to addressing the sale of debt, the policy also demonstrates the Authority's goal to provide debt management activities such as timely continuing disclosure filings and rating agency communications that will help the Authority to maintain and improve its credit ratings to reduce the future cost of capital. 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:
  - Minimizing financing costs for capital projects and other debt issuances by seeking the lowest cost of capital reasonably available with the least amount of risk.
  - Establishing criteria to determine the appropriate use of available financing sources (i.e., long-term and short-term debt, fixed rate and variable rate debt, Pay-As-You-Go (PAYGO) financing, grants and other alternative forms of financing).
  - Evaluating various debt issuance alternatives, including the amount and type of debt.
  - Working to maintain adequate levels of working capital, reserves and cash-on-hand in order to avoid mismatches between available cash and cash outflows for capital expenditures as determined by cash flow analysis and projections.
  - Designing capital funding solutions to provide maximum administrative and operating flexibility where possible.
  - Designing capital funding solutions intended to minimize legal and financial risks to current and future budgets.
  - Protecting and enhancing GLWA's credit ratings to maintain access, on the best available terms, to local, regional and national capital markets.
  - Maintaining reasonable and justifiable levels of rates, fees and charges that best address the current and future needs of GLWA and all stakeholders.
  - Improving the quality of decisions and parameters for justification of debt structures.
  - Ensuring compliance with all laws, legal agreements, contracts, best practices and adopted policies related to debt issuance and management.

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 solid 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 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. In June 2025, the Authority received rating affirmations and an upgrade from Fitch for the sewage disposal system.

Water Supply System Revenue Bonds										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Standard & Poor's										
Senior Lien	A-	A-	A-	AA-	AA-	AA-	AA-	AA-	AA-	AA-
Second Lien	BBB+	BBB+	BBB+	A+	A+	A+	A+	A+	A+	A+
Junior Lien	N/A	N/A	N/A	A+	A+	A+	A+	A+	A+	A+
Moody's										
Senior Lien	Baa1	A3	A3	A2	A1	A1	A1	A1	Aa3	Aa3
Second Lien	Baa2	Baa1	Baa1	A3	A2	A2	A2	A2	A1	A1
Fitch										
Senior Lien	BBB	A	A	A	A+	A+	A+	A+	A+	A+
Second Lien	BBB-	A-	A-	A-	A	A	A	A	A	A

Sewage Disposal System Revenue Bonds										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Standard & Poor's										
Senior Lien	A-	A-	A-	A+	AA-	AA-	AA-	AA-	AA-	AA-
Second Lien	BBB+	BBB+	BBB+	A	A+	A+	A+	A+	A+	A+
Junior Lien	N/A	N/A	N/A	A	A+	A+	A+	A+	A+	A+
Moody's										
Senior Lien	Baa1	A3	A3	A2	A1	A1	A1	A1	Aa3	Aa3
Second Lien	Baa2	Baa1	Baa1	A3	A2	A2	A2	A2	A1	A1
Fitch										
Senior Lien	BBB	A	A	A	A+	A+	A+	A+	AA-	AA
Second Lien	BBB-	A-	A-	A-	A	A	A	A	A+	AA-

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 on a set aside basis for each lien 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 2022	Actual 2023	Actual 2024	Estimated 2025	Requested 2026	Requested 2027
Rate Covenant Method							
Senior Lien Bonds	1.20	1.88	1.88	1.87	1.89	1.80	1.72
Senior and Second Lien Bonds	1.10	1.37	1.37	1.36	1.38	1.36	1.32
All Bonds, including SRF Junior Lien	1.00	1.33	1.31	1.26	1.26	1.24	1.21
GAAP Method							
Senior Lien Bonds		2.00	1.96	1.96			
Senior and Second Lien Bonds		1.45	1.43	1.42			
All Bonds, including SRF Junior Lien		1.41	1.36	1.32			

Debt Service Coverage Sewage Disposal System	MBO Required Minimum	Actual 2022	Actual 2023	Actual 2024	Estimated 2025	Requested 2026	Requested 2027
Rate Covenant Method							
Senior Lien Bonds	1.20	2.35	2.17	2.06	2.15	2.19	2.14
Senior and Second Lien Bonds	1.10	1.68	1.72	1.54	1.59	1.62	1.59
All Bonds, including SRF Junior Lien	1.00	1.30	1.37	1.24	1.31	1.37	1.34
GAAP Method							
Senior Lien Bonds		2.64	2.13	2.04			
Senior and Second Lien Bonds		1.89	1.69	1.53			
All Bonds, including SRF Junior Lien		1.46	1.34	1.23			

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, 2024, 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	
2025	$ 80,840,000	$ 99,022,554	$ 12,428,950	$ 4,673,562	$ 196,965,066
2026	80,840,000	105,412,460	12,685,000	4,411,332	203,348,792
2027	88,485,000	101,330,407	13,041,550	4,158,739	207,015,696
2028	92,875,000	96,960,892	11,535,000	3,918,712	205,289,604
2029	98,340,000	92,351,195	11,775,941	3,692,540	206,159,676
2030-2034	581,620,000	381,576,404	60,534,249	14,973,288	1,038,703,941
2035-2039	558,565,000	230,240,396	64,868,000	8,930,191	862,603,587
2040-2044	374,900,000	133,417,406	38,839,483	3,173,736	550,330,625
2045-2049	269,675,000	50,998,301	12,044,643	1,044,407	333,762,351
2050-2054	91,165,000	10,739,468	3,267,804	98,253	105,270,525
	$ 2,317,305,000	$ 1,302,049,483	$ 241,020,620	$ 49,074,760	$ 3,909,449,863

Sewage Disposal Fund

Year Ended June 30	Bonds		Notes from Direct Borrowings and Direct Placements		Total
	Principal	Interest	Principal	Interest	
2025	$ 95,885,000	$ 101,365,656	$ 45,880,310	$ 7,105,130	$ 250,236,096
2026	93,355,000	109,135,549	30,385,000	6,253,230	239,128,779
2027	105,360,000	104,090,932	27,945,000	5,641,192	243,037,124
2028	121,380,000	98,598,360	31,161,682	5,027,839	256,167,881
2029	124,340,000	92,768,661	29,025,000	4,404,327	250,537,988
2030-2034	691,385,000	371,307,420	98,546,436	14,391,952	1,175,630,808
2035-2039	756,765,000	193,063,475	62,279,085	4,570,916	1,016,678,476
2040-2044	286,965,000	79,022,968	11,585,695	444,698	378,018,361
2045-2049	131,355,000	38,985,537	-	-	170,340,537
2050-2054	89,730,000	10,760,506	-	-	100,490,506
	$ 2,496,520,000	$ 1,199,099,064	$ 336,808,208	$ 47,839,284	$ 4,080,266,556

For bonds issued through the Michigan Finance Authority (MFA) in 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, 2024, are not included in the debt service requirement amounts above as they were paid on June 26, 2024.

Budgeted Debt Service FY 2026 and FY 2027

The tables below provide an analysis of the annual debt service budgets for FY 2026 and FY 2027 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. This table takes into account bonds issued and additional draws on SRF loans occurring after June 30, 2024.

Annual Debt Service on a Budget Set Aside Basis - Water Fund						
	FY 2026			FY 2027		
	Existing	Projected	Total	Existing	Projected	Total
Principal						
Senior Lien	$ 68,930,000	$ -	$ 68,930,000	$ 72,335,000	$ 3,461,900	$ 75,796,900
Second Lien	19,555,000	-	19,555,000	20,540,000	-	20,540,000
Junior Lien-SRF	12,909,900	1,373,000	14,282,900	11,869,100	1,959,900	13,829,000
Total Principal	$ 101,394,900	$ 1,373,000	$ 102,767,900	$ 104,744,100	$ 5,421,800	$ 110,165,900
Interest						
Senior Lien	$ 72,380,500	$ 12,425,000	$ 84,805,500	$ 68,973,600	$ 23,808,300	$ 92,781,900
Second Lien	31,142,200	-	31,142,200	30,164,500	-	30,164,500
Junior Lien-SRF	4,348,800	1,211,900	5,560,700	4,094,500	1,417,000	5,511,500
Total Interest	$ 107,871,500	$ 13,636,900	$ 121,508,400	$ 103,232,600	$ 25,225,300	$ 128,457,900
Total Debt Service						
Senior Lien	$ 141,310,500	$ 12,425,000	$ 153,735,500	$ 141,308,600	$ 27,270,200	$ 168,578,800
Second Lien	50,697,200	-	50,697,200	50,704,500	-	50,704,500
Junior Lien-SRF	17,258,700	2,584,900	19,843,600	15,963,600	3,376,900	19,340,500
Total Debt Service	$ 209,266,400	$ 15,009,900	**$ 224,276,300**	$ 207,976,700	$ 30,647,100	**$ 238,623,800**
Allocation of Debt Service (see Core Financial Plan Schedule 3)						
Debt Service Allocable to Regional System			179,082,200			193,207,100
Debt Service Allocable to Local System			45,194,100			45,416,700
Total Debt Service			**$224,276,300**			**$238,623,800**

Annual Debt Service on a Budget Set Aside Basis - Sewage Disposal Fund						
	FY 2026			FY 2027		
	Existing	Projected	Total	Existing	Projected	Total
Principal						
Senior Lien	$ 84,390,000	$ -	$ 84,390,000	$ 95,660,000	$ 752,600	$ 96,412,600
Second Lien	20,970,000	-	20,970,000	25,720,000	-	25,720,000
Junior Lien-SRF & SAW	28,390,000	1,820,100	30,210,100	30,272,500	2,646,200	32,918,700
Total Principal	$ 133,750,000	$ 1,820,100	$ 135,570,100	$ 151,652,500	$ 2,646,200	$ 155,051,300
Interest						
Senior Lien	$ 71,268,700	$ 2,920,800	$ 74,189,500	$ 67,436,600	$ 8,070,800	$ 75,507,400
Second Lien	35,477,200	-	35,477,200	34,366,300	-	34,366,300
Junior Lien-SRF & SAW	6,091,400	1,805,900	7,897,300	5,495,100	3,496,400	8,991,500
Total Interest	$ 112,837,300	$ 4,726,700	$ 117,564,000	$ 107,298,000	$ 11,567,200	$ 118,865,200
Total Debt Service						
Senior Lien	$ 155,658,700	$ 2,920,800	$ 158,579,500	$ 163,096,600	$ 8,823,400	$ 171,920,000
Second Lien	56,447,200	-	56,447,200	60,086,300	-	60,086,300
Junior Lien-SRF & SAW	34,481,400	3,626,000	38,107,400	35,767,600	6,142,600	41,910,200
Total Debt Service	$ 246,587,300	$ 6,546,800	**$ 253,134,100**	$ 258,950,500	$ 14,966,000	**$ 273,916,500**

Allocation of Debt Service (see Core Financial Plan Schedule 3)		
Debt Service Allocable to Regional System	$220,884,500	$241,502,900
Debt Service Allocable to Local System	32,249,600	32,413,600
Total Debt Service	**$253,134,100**	**$273,916,500**

Projected Revenue Bond and Loan Balances

The tables below show the projected outstanding revenue bond and loan activity for FY 2025 through FY 2027 at the time the FY 2025 and FY 2026 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 (3)
			Regional System		Local System (4)		
			Revenue Bonds	SRF Draws	Revenue Bonds	SRF Draws	
FY 2025	$ 2,477,485,600	$ (93,378,013)	$ 230,000,000	$ 61,643,600	$ -	$ 501,239	$ 2,676,252,426
FY 2026	$ 2,676,252,426	$ (102,767,900)	$ 222,000,000	$ 1,369,239	$ -	$ 8,000,000	$ 2,804,853,765
FY 2027	$ 2,804,853,765	$ (110,165,900)	$ 290,000,000	$ -	$ -	$ 60,000,000	$ 3,044,687,865

Projected Revenue Bond and Loan Activity Sewage Disposal Fund

Fiscal Year	Projected Balance July 1st (1)	Payments (2)	GLWA Debt Additions				Projected Balance July 1st (3)
			Regional System		Local System (4)		
			Revenue Bonds	SRF Draws	Revenue Bonds	SRF Draws	
FY 2025	$ 2,737,443,200	$ (130,544,950)	$ 50,000,000	$ 69,374,118	$ -	$ 1,824,000	$ 2,728,096,368
FY 2026	$ 2,728,096,368	$ (135,570,100)	$ 101,000,000	$ 52,936,631	$ -	$ 8,000,000	$ 2,754,462,899
FY 2027	$ 2,754,462,899	$ (155,051,300)	$ 125,000,000	$ 99,745,474	$ -	$ 37,944,000	$ 2,862,101,073

(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) 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.

(4) 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.

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Go to TOC

GLWA
Great Lakes Water Authority

Section 4

Revenues

Go to TOC

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Go to TOC

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 $395.7 million and sewer charges of $529.9 million represent 97% 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. The last CAP occurred with the FY 2024 charges and the next global contract reopener will occur with the FY 2028 charges. 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 proposed FY 2026 water charges continue to reflect implementation of the simplified water charge methodology established for the FY 2025 charges via the GLWA Outreach process.

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. The FY 2026 charges reflect the FY 2025 updated SHAREs. The next updated in SHAREs will occur for FY 2028 charges.

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 Federal Court 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 had not been paying the full amount of its services billed. In October 2023, the GLWA's Board of Directors approved a Term Sheet between the State of Michigan, the City of Highland and GLWA which provides an outline for the resolution of litigation that has spanned many years. The Term Sheet was implemented officially through the execution of a settlement agreement in April 2024. As a result, litigation was dismissed, bad debt was written off and a recovery credit was implemented for all member partners that have contributed to Highland Park's bad debt expenses.

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 a very small amount (0.08%) 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 2.87% of the Authority's budgeted revenue for FY 2026. Investment earnings fluctuate as interest rates change. The Operations Funds budget includes unrestricted and restricted investment earnings. Restricted investment earnings are those earned on the funds set aside for debt service payments and reserves. The Master Bond Ordinance requires investment earnings in the I&E Funds to be swept monthly to the Operations Fund. Investment earnings in the Construction Fund on bond proceeds remain in the Construction Fund.

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 included grant revenue that has been approved through the SRF loan process. Grant applications that are in process and have not been approved are not included in the FY 2026 – FY 2027 biennial budget. Once grants are approved and the requirements for the grants are fulfilled, they will be recognized through budget amendments.

The Authority continues to apply for grants as they become available. The Authority submitted 6 grant applications in FY 2025. A Water System Advisory Council Grant (WSAC) for $25,000, a Michigan Clean Deisel Grant for $500,000, two Environmental Protection Agency (EPA) Community Grants totaling $5.5M and two Cybersecurity Grants through the State of Michigan totaling $271,000.

The American Rescue Plan Act of 2021 (ARPA) did not include authorities in the definition of entities allowed for *direct* award of ARPA funds. Instead, GLWA received ARPA funds as a passed-thru from the State of Michigan. In FY 2024, the Authority received $25M in ARPA funding through a State of Michigan appropriation to support sewer capital improvements. The Authority has been approved for an additional $36M in ARPA grant monies as part of projects funded through the State of Michigan Drinking Water State Revolving Fund program. The Authority also received an additional $5M of ARPA funds through the State of Michigan for water capital improvements. The Authority will continue to monitor the ARPA as amendments are made and pass-through opportunities to access funding become available.

The Authority received $599,000 from the Department of Energy (DOE) towards our Hydro Thermal Liquefaction Grant. Additional claims will be submitted in FY 2026 to reach the full $1M awarded.

GLWA received Federal Emergency Management Agency (FEMA) funds of $320,000 in FY 2025 related to the 2021 flood event and filed additional claims totaling $134,000 related to the flood event.

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

Given the nature of public utilities and mutual interest among parties to utilize public assets in the most effective manner, opportunities arise where a capital contribution, in money or a constructed asset, meets the parties desired outcome. This can result in what is known as a capital contribution.

A specific example from a prior fiscal year occurred when GLWA entered into a contract with the Oakland-Macomb Interceptor Drain Drainage District (OMIDD). Pursuant to that contract, 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 2025 – FY 2026 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 with the engagement of engineering consultants using GLWA's financial services team projections as well as a robust member partner engagement process. Four Charges Roll-Out meetings are held annually, this year from October 17, 2024 through January 16, 2025, to inform member partners about key elements of the proposed charges, solicit feedback and answer questions.

The basis for the proposed water system service charges for FY 2026 is reflected in the cost of service study prepared for GLWA by Willdan Financial Services. 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 rollout meeting on January 09, 2025, and they were further discussed at a meeting on January 16, 2025. Member partners were formally notified of their proposed service charges on January 29, 2025. The memorandum report is available on the GLWA website at: FY 2026 Service Charge Recommendations

The cost of service study follows the same general cost allocation strategies, practices, and protocols that have been applied in prior cost of service studies. Including the application of a simplified 10/50/40 delivery factor charge methodology first implemented for FY 2025 charges. The core logic of the new methodology embraces the same measures of customer use (commodity, max day demand, peak hour demand) as the prior, more complex method but applies such measures in a simplified fashion and replaces the impacts of customer distance and elevation with a "water delivery factor".

Absent "out of cycle" reopener adjustments it is anticipated that these max day and peak hour demands will remain in place for ALL Member Partners for the FY 2026, and FY 2027 water charges. The next contract reopener process is scheduled to start in calendar year 2026 to accurately represent cost responsibility for each Member Partner based on their updated peak demands. This will be reflected in a detailed cost of service study for the FY 2028 water charges.

The recommended charge adjustment results in a proposed "Average System Charge Adjustment" of 5.90% to meet the revenue requirement from charges. The proposed service charges for each Member Partner will vary from the system average to reflect recognition of required contractual adjustments. The charges do not include any amounts to recover bad debt expense associated with Highland Park. That matter has been settled.

Retail revenue requirement elements attributable solely to the City of Detroit local system operations are shown separately on the schedule of charges as Indirect Retail and Direct Retail revenue requirements to the Detroit customer class.

After the public hearing on February 26, 2025, the Board approved the proposed charges as presented. The final approved charges are set forth on the following three pages.

GREAT LAKES WATER AUTHORITY
WATER SUPPLY SYSTEM
Service Charges and Allocated Revenue Requirements
APPROVED FEBRUARY 26, 2025 - EFFECTIVE JULY 1, 2025 FOR ALL BILLS ISSUED ON OR AFTER AUGUST 1, 2025

Line No.	Member Partner	Contract	Fixed Monthly Charge (a)	Commodity Charge (a)	Projected Revenue From Charges (g)
			$/mo	$/mcf	$
1	Allen Park	Model	141,600	9.81	2,832,300
2	Almont Village	Model	14,200	12.97	284,500
3	Ash Township	Model	50,200	10.72	1,003,300
4	Belleville	Model	19,400	11.01	386,900
5	Berlin Township	Model	42,500	12.66	849,300
6	Brownstown Township	Model	228,000	13.11	4,559,600
7	Bruce Township	Model	18,600	51.89	371,600
8	Burtchville Township	Model	24,500	20.11	489,100
9	Canton Township	Model	634,200	13.29	12,685,900
10	Center Line	Model	29,300	7.41	585,800
11	Chesterfield Township	Model	265,300	11.93	5,304,800
12	Clinton Township	Model	458,700	9.72	9,174,700
13	Commerce Township	Model	210,600	16.00	4,212,000
14	Dearborn	No Contract	584,200	8.91	11,681,000
15	Dearborn Heights	Model	229,000	9.41	4,581,100
16	Eastpointe	Model	97,900	7.74	1,956,500
17	Ecorse	Model	67,500	7.01	1,349,800
18	Farmington	Model	59,900	11.05	1,198,400
19	Farmington Hills	Model	542,400	12.49	10,847,800
20	Ferndale	Model	64,900	8.05	1,298,000
21	Flat Rock	Model	87,400	13.26	1,747,600
22	Flint	Model	593,100	12.04	11,861,000
	less: Adjustment for KWA Debt Service (b)				*(6,447,300)*
	Net projected revenue - Flint				*5,413,700*
23	Fraser	Model	76,600	10.94	1,531,800
24	Garden City	Model	103,700	11.45	2,074,500
25	Gibraltar	Model	21,300	9.91	425,100
26	Greenwood Township (DTE)	Model	81,600	20.05	1,632,800
27	Grosse Ile Township	Model	72,300	13.50	1,445,400
28	Grosse Pt. Park	Model	80,400	12.75	1,608,700
29	Grosse Pt. Shores	Model	36,400	16.35	727,800
30	Grosse Pt. Woods	Model	78,700	9.45	1,572,800
31	Hamtramck	Model	50,700	6.54	1,013,900
32	Harper Woods	Model	54,800	8.01	1,096,500
33	Harrison Township	Model	101,800	8.58	2,035,800
34	Hazel Park	Model	46,000	7.88	920,800
35	Highland Park	Model	51,900	5.38	1,038,100
36	Huron Township	Model	93,400	11.40	1,868,600
37	Imlay City	Model	92,000	15.73	1,840,200
38	Imlay Township (Single User)	No Contract	600	520.00	12,400
39	Inkster	Model	80,200	6.52	1,604,600
40	Keego Harbor	Model	18,400	15.10	368,800
41	Lapeer	Model	95,700	14.12	1,913,700
42	Lenox Township	Model	19,800	9.84	396,000
43	Lincoln Park	Model	141,200	6.55	2,823,600
44	Livonia	Model	710,100	12.64	14,202,900
45	Macomb Township	Model	763,200	18.08	15,265,800

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Go to TOC

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GREAT LAKES WATER AUTHORITY
WATER SUPPLY SYSTEM
Service Charges and Allocated Revenue Requirements
APPROVED FEBRUARY 26, 2025 - EFFECTIVE JULY 1, 2025 FOR ALL BILLS ISSUED ON OR AFTER AUGUST 1, 2025

Line No.	Member Partner	Contract	Fixed Monthly Charge (a)	Commodity Charge (a)	Projected Revenue From Charges (g)
			$/mo	$/mcf	$
46	Madison Heights	Model	127,900	8.35	2,559,300
47	Mayfield Township (KAMAX)	Model	3,100	47.55	62,400
48	Melvindale	Model	40,700	7.02	813,400
49	New Haven, Village of	Model	27,000	10.90	540,900
50	NOCWA	Model	1,358,700	12.48	27,174,500
51	Northville	Model	47,500	12.91	949,600
52	Northville Township	Model	284,000	16.86	5,679,000
53	Novi	Model	565,700	14.94	11,313,700
54	Oak Park	Model	86,600	7.65	1,732,300
55	Oakland GWK Drain District	Model	5,500	4.97	110,200
56	Plymouth	Model	67,400	12.36	1,347,700
57	Plymouth Township	Model	273,800	14.23	5,475,600
58	Redford Township	Model	182,000	9.51	3,639,000
59	River Rouge	Model	32,400	6.47	648,200
60	Riverview	Model	53,300	9.55	1,066,500
61	Rockwood	Model	15,300	12.89	306,100
62	Romeo	Model	10,900	28.03	217,700
63	Romulus	Model	226,200	9.06	4,523,700
64	Roseville	Model	158,500	7.43	3,169,600
65	Royal Oak Township	Model	12,800	10.23	256,900
66	Shelby Township	Model	682,500	13.47	13,650,700
67	SOCWA	Model	1,448,300	9.49	28,964,000
68	South Rockwood	Model	7,300	12.15	145,900
69	Southgate	Model	128,900	8.80	2,578,200
70	St. Clair Shores	Model	192,900	7.78	3,856,800
71	Sterling Heights	Model	900,300	12.69	18,005,200
72	Sumpter Township	Model	44,900	10.26	897,900
73	Sylvan Lake	Model	14,300	17.47	286,900
74	Taylor	Model	284,300	8.49	5,685,200
75	Trenton	Model	108,500	10.64	2,170,200
76	Troy	Model	833,000	15.71	16,658,600
77	Utica	Model	36,500	12.13	729,100
78	Van Buren Township	Model	207,700	13.27	4,152,500
79	Walled Lake	Model	48,800	13.54	976,900
80	Warren	Model	588,700	7.65	11,773,700
81	Washington Township	Model	144,200	13.45	2,883,100
82	Wayne	Model	110,400	8.74	2,207,500
83	West Bloomfield Township	Model	654,300	18.89	13,086,000
84	Westland	Model	373,600	9.51	7,473,100
85	Wixom	Model	152,300	15.93	3,046,200
86	Woodhaven	Model	89,800	13.11	1,796,000
87	Ypsilanti Comm Util Auth	Model	640,000	10.53	12,801,800
88	**Total Wholesale Contract Member Partners (c)**				**$ 365,646,100**

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GREAT LAKES WATER AUTHORITY
WATER SUPPLY SYSTEM
Service Charges and Allocated Revenue Requirements
APPROVED FEBRUARY 26, 2025 - EFFECTIVE JULY 1, 2025 FOR ALL BILLS ISSUED ON OR AFTER AUGUST 1, 2025

	Detroit Customer Class - $		
89	Wholesale Revenue Requirement (d)		50,728,800
90	less: Ownership Benefit per Lease		(20,700,000)
91	**Net Local System Wholesale Revenue Requirement** (c)	**$**	**30,028,800**
92	**Total Revenue from Charges** (88) + (91) (c)	**$**	**395,674,900**
	Detroit Customer Class -Other		
93	Indirect Retail Revenue Requirements (e)		50,772,300
94	less: Use of Lease Payment for Debt Service		-
95	Net Indirect Retail Revenue Requirements (e)	$	50,772,300
96	Subtotal Subject to GLWA Board Approval (91) + (95)		80,801,100
97	Direct Retail Revenue Requirements (f)		48,484,000
98	Total Local Retail Revenue Requirement (95) + (97)		99,256,300
99	**Total Requirement Detroit Customer Class** (91) + (98) (agrees with GLWA Budget Schedule 3)	**$**	**129,285,100**
	Other Water System Charges		
100	**Lead and Copper Rule Sample Testing Fee - $/Sample**	$	64.00

(a) Proposed effective date of July 1, 2025. Effective on all bills issued on or after August 1, 2025.
(b) Flint receives a monthly credit related to KWA debt service in accordance with service agreements.
(c) Agrees with GLWA Budget Schedule 1
(d) Wholesale revenue requirements for the Detroit Customer Class.
(e) Local System revenue requirements related to Master Bond Ordinance and related agreements
(f) Local System operating expenses (net of shared services reimbursement) and I&E deposit. Not Subject to GLWA Board approval.
(g) Amounts may vary from individual Member Partner charge calculation sheets due to rounding.
(e) & (f) Local System information provided from Detroit Water and Sewerage Department as of February, 2025.

Go to TOC

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 2022	FY 2023	FY 2024	FY 2025	FY 2026
Budgeted revenue requirement [1]	$ 344,030,500	$ 356,071,600	$ 370,314,500	$ 385,127,100	$ 408,761,400
Percent change in budgeted revenue requirement	0.7%	3.5%	4.0%	4.0%	6.1%
Average annual charge adjustment [2]					
Total regional system	1.5%	3.7%	2.75%	3.25%	5.9%
Suburban wholesale	1.9%	3.5%	2.1%	3.0%	5.5%
Local system charge [3]	-2.0%	3.0%	6.2%	3.4%	6.1%
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.

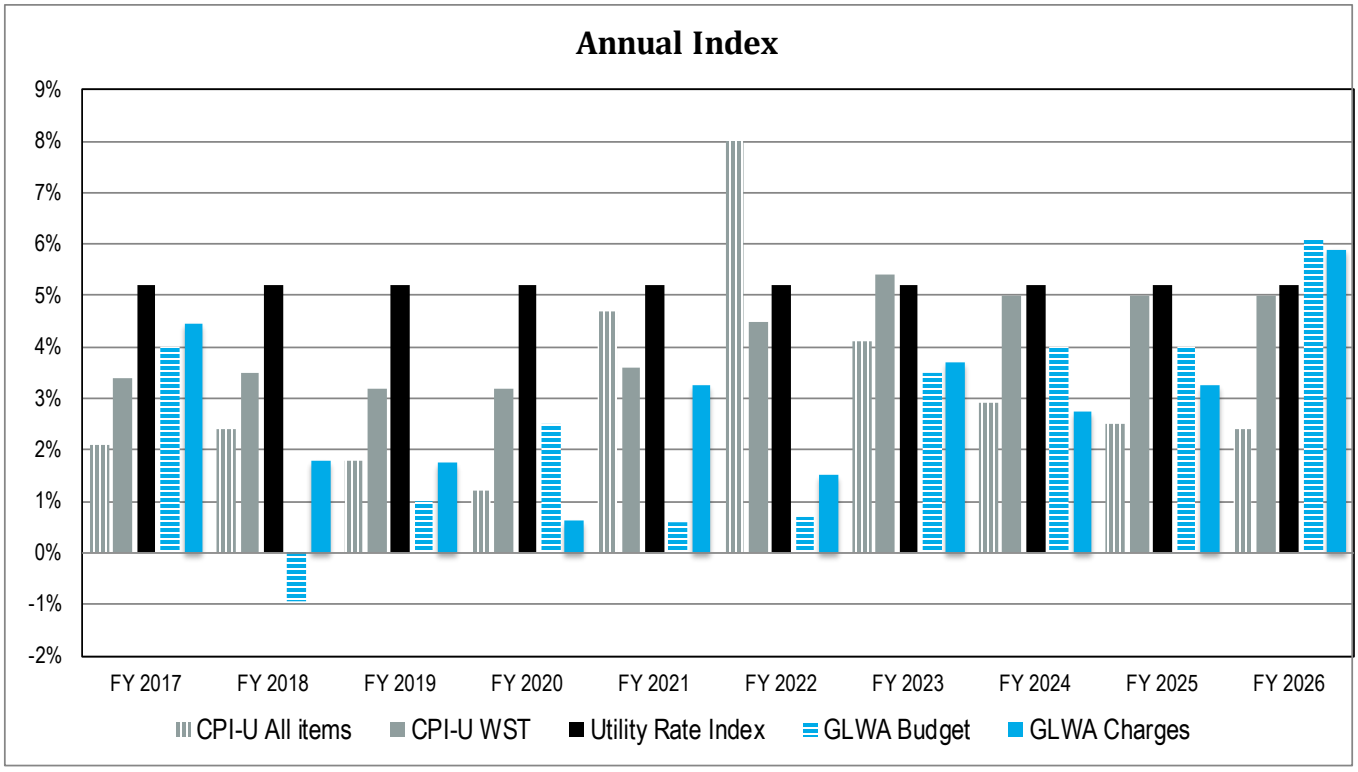
[4] Does not include the City of Detroit. Includes one emergency basis contract.

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

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	FY 2025	FY 2026
(a) CPI-U All items	2.1%	2.4%	1.8%	1.2%	4.7%	8.0%	4.1%	2.9%	2.5%	2.4%
(b) CPI-U WST	3.4%	3.5%	3.2%	3.2%	3.6%	4.5%	5.4%	5.0%	5.0%	5.0%
(c) Utility Rate Index	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%
GLWA Budget	4.0%	-0.9%	1.0%	2.5%	0.6%	0.7%	3.5%	4.0%	4.0%	6.1%
GLWA Charges	4.5%	1.8%	1.8%	0.6%	3.2%	1.5%	3.7%	2.75%	3.25%	5.9%



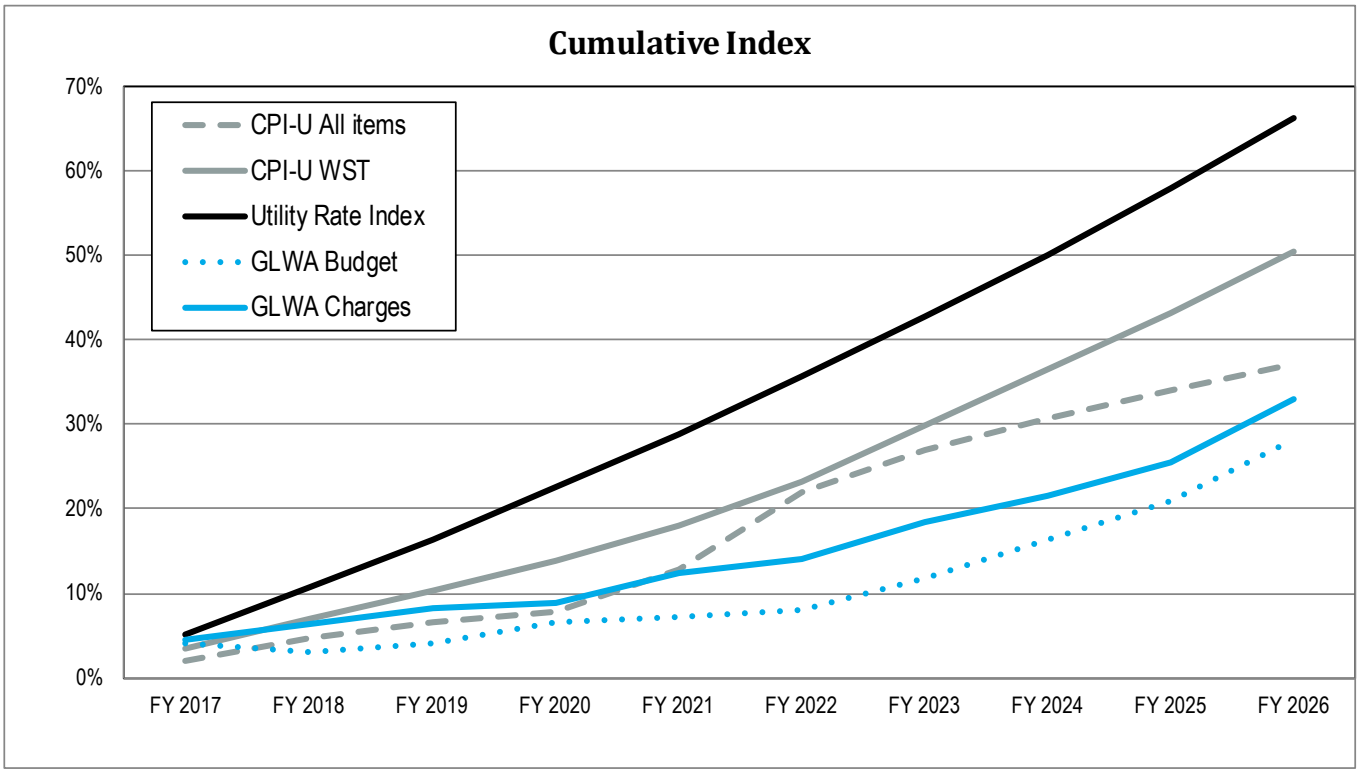
(a) FY 2017 - FY 2024 Bureau of Labor Statistics, CPI-U, All items in U.S. city average, all urban consumers, not seasonally adjusted (calendar year). FY 2025 and FY 2026 estimated based on Public Sector Consultants Economic Task Force Phase 1 Report presented to the Board of Directors on October 9, 2024.

(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 2025 and FY 2026 based on FY 2024

(c) Black & Veatch 2024 50 Largest Cities Rate Survey Average rate of change water bills 2001-2024. The average was used for all years.

Cumulative Historical "Water System Budget & Charge" Adjustments

	Cumulative Index									
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
(a) CPI-U All items	2.1%	4.6%	6.5%	7.8%	12.9%	21.9%	27.0%	30.7%	34.0%	37.2%
(b) CPI-U WST	3.4%	7.0%	10.4%	13.9%	18.0%	23.3%	30.0%	36.4%	43.3%	50.4%
(c) Utility Rate Index	5.2%	10.7%	16.5%	22.5%	28.9%	35.6%	42.7%	50.1%	57.9%	66.2%
GLWA Budget	4.0%	3.0%	4.1%	6.7%	7.3%	8.0%	11.8%	16.3%	20.9%	28.3%
GLWA Charges	4.5%	6.3%	8.2%	8.9%	12.4%	14.1%	18.3%	21.6%	25.5%	32.9%



(a) FY 2017 - FY 2024 Bureau of Labor Statistics, CPI-U, All items in U.S. city average, all urban consumers, not seasonally adjusted (calendar year). FY 2025 and FY 2026 estimated based on Public Sector Consultants Economic Task Force Phase 1 Report presented to the Board of Directors on October 9, 2024.

(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 2025 and FY 2026 based on FY 2024

(c) Black & Veatch 2024 50 Largest Cities Rate Survey Average rate of change water bills 2001-2024. 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	Estimated Total Water Produced [1]	Water Sales			Estimated Non-Revenue Water	Estimated Non-Revenue Water as % of Production
		Wholesale Billed [2]	Local System Billed [3]	Total Water Billed		
Projected						
2026	19,856,200	13,143,200	4,231,000	17,374,200	2,482,000	12.5%
2025	20,004,800	13,274,190	4,230,000	17,504,190	2,500,610	12.5%
Historical						
2024	19,601,200	12,888,500	4,209,100	17,097,600	2,503,600	12.8%
2023	21,159,700	13,838,200	4,342,400	18,180,600	2,979,100	14.1%
2022	19,725,700	13,205,300	4,297,300	17,502,600	2,223,100	11.3%
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%

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, The Foster Group and Willdan Financial Services

Sewer System Charges

The sewer system charges are based on industry practices and member partner contract terms. GLWA's charges are developed with the engagement of engineering consultants using GLWA's financial services team projections as well as a robust member partner engagement process. Four Charges Roll-Out meetings are held annually, this year from October 17, 2024 through January 16, 2025, to inform member partners about key elements of the proposed charges, solicit feedback and answer questions.

The basis for the proposed sewage disposal system service charges for FY 2026 are reflected in the cost of service charge study prepared for GLWA by Willdan Financial Services. 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 09, 2025, and they were further discussed at a meeting on January 16, 2025. Member partners were formally notified of their proposed service charges on January 29, 2025. The memorandum report is available on the GLWA website at: FY 2026 Service Charge Recommendations

The proposed FY 2026 sewer charges reflect the sewer SHAREs which were updated for the FY 2025 charges. Since there was no change in SHAREs, a uniform increase was applied to the proforma revenue based on FY 2025 charges. The recommended charge adjustment results in a proposed "Average System Charge Adjustment" of 4.5% to meet the revenue requirement from charges. The proposed service charges for each Member Partner will vary from the system average to reflect recognition of required contractual adjustments. The sewer charges do not include any amounts to recover bad debt expense associated with Highland Park. That matter has been settled.

The cost of service study also includes the calculation of the costs for the Industrial Waste Control charges and Pollutant Surcharges. Industrial Waste Control charges increased by 4.4%. The Pollutant Surcharges varies by individual pollutants. In total the increase was 4.4%.

Retail revenue requirement elements attributable solely to the City of Detroit local system operations are shown separately on the schedule of charges as Indirect Retail and Direct Retail revenue requirements to the Detroit customer class.

After the public hearing on February 26, 2025, 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 2025 Sewage Disposal System Charges table, OMID has a total annual revenue requirement of $78,478,800. This includes $76,104,000 for wholesale services and $1,249,200 for specific OMID O&M charges (based on the contract amount) and estimated pass thru utility charges of $1,125,600 (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 (mainly sampling and testing) and is for the 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.

GREAT LAKES WATER AUTHORITY
SEWAGE DISPOSAL SYSTEM
Service Charges and Allocated Revenues Requirements
APPROVED FEBRUARY 26, 2025 - EFFECTIVE JULY 1, 2025 FOR ALL BILLS ISSUED ON OR AFTER AUGUST 1, 2025

Line No.	Member Partner	Contract	Fixed Monthly Charge (a)	Projected Revenue From Charges
			$/mo	$
1	OMID	Model	6,539,900	78,478,800
2	Rouge Valley	Older	5,030,200	60,362,400
3	Oakland GWK	Older	4,200,700	50,408,400
4	Evergreen Farmington	Model	3,296,700	39,560,400
5	SE Macomb San Dist	Model	2,269,500	27,234,000
6	Dearborn	Model	1,869,200	22,430,400
7	Grosse Pointe Farms	Older	242,600	2,911,200
8	Grosse Pointe Park	Model	173,100	2,077,200
9	Melvindale	Model	143,000	1,716,000
10	Farmington	Model	109,000	1,308,000
11	Center Line	Model	95,400	1,144,800
12	Allen Park	Model	76,900	922,800
13	Grosse Pointe	Model	106,600	1,279,200
14	Highland Park	Model	433,000	5,196,000
15	Hamtramck	Model	390,900	4,690,800
16	Harper Woods	Model	14,800	177,600
17	Redford Township	Model	30,600	367,200
18	Wayne County #3	Older	4,300	51,600
19	**Total Wholesale Contract Member Partners** (c)			**$ 300,316,800**
	Other Sewer System Charges			
20	**Industrial Waste Control** (c)			**9,150,300**
21	**Pollutant Surcharges** (c)			**5,112,700**
22	Subtotal Regional Revenues			$ 314,579,800
	Detroit Customer Class - $			
23	Wholesale Revenue Requirement (d)			220,840,400
24	less: Ownership Benefit per Lease			(5,516,000)
25	**Net Local System Wholesale Revenue Requirement** (c)			**$ 215,324,400**
26	**Total Revenue from Charges** (22) + (25) (c)			**$ 529,904,200**
	Detroit Customer Class -Other			
27	Indirect Retail Revenue Requirements (e)			38,434,100
28	less: Use of Lease Payment for Debt Service			-
29	Net Indirect Retail Revenue Requirements (e)			$ 38,434,100
30	Subtotal Subject to GLWA Board Approval (25) + (29)			253,758,500
31	Direct Retail Revenue Requirements (f)			60,104,400
32	Total Local System Revenue Requirement (29) + (31)			98,538,500
33	**Total Requirement from Detroit Customer Class (25) + (32)**			**$ 313,862,900**

(a) Approved - effective date of July 1, 2025. Effective on all bills issued on or after August 1, 2025.
(b) Reserved
(c) Agrees with GLWA Budget Schedule
(d) Wholesale revenue requirements for the Detroit Customer Class.
(e) Local System revenue requirements related to Master Bond Ordinance and related agreements
(f) Local System operating expenses (net of shared services reimbursement) and I&E deposit. Not Subject to GLWA Board approval.
(e) & (f) Local System information provided from Detroit Water and Sewerage Department as of February, 2025.

Go to TOC

GREAT LAKES WATER AUTHORITY
SEWAGE DISPOSAL SYSTEM
Industrial Specific Retail Charges
APPROVED FEBRUARY 26, 2025 - EFFECTIVE JULY 1, 2025 FOR ALL BILLS ISSUED ON OR AFTER AUGUST 1, 2025

Industrial Waste Control Charges

Meter Size	Full Charge	Admin Only Charge
inches	$/mo	$/mo
5/8	3.89	0.97
3/4	5.84	1.46
1	9.73	2.43
1-1/2	21.40	5.34
2	31.12	7.76
3	56.41	14.07
4	77.80	19.40
6	116.70	29.10
8	194.50	48.50
10	272.30	67.90
12	311.20	77.60
14	389.00	97.00
16	466.80	116.40
18	544.60	135.80
20	622.40	155.20
24	700.20	174.60
30	778.00	194.00
36	855.80	213.40
48	933.60	232.80

Pollutant Surcharges

Pollutant	Charge
	$/lb
BIOCHEMICAL OXYGEN DEMAND (BOD) for concentrations > 275 mg/l	0.409
TOTAL SUSPENDED SOLIDS (TSS) for concentrations > 350 mg/l	0.548
PHOSPHORUS (P) for concentrations > 12 mg/l	7.907
FATS, OIL AND GREASE (FOG) for concentrations > 100 mg/l	0.131
SEPTAGE DISPOSAL FEE Per 500 gallons of disposal	40.00

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 2022	FY 2023	FY 2024	FY 2025	FY 2026
Budgeted revenue requirement [1]	$ 475,429,200	$ 481,372,100	$ 500,627,000	$ 520,652,100	$ 544,962,000
Percent change in budgeted revenue requirement	-2.3%	1.3%	4.0%	4.0%	4.67%
Average annual charge adjustment [2]					
Total regional system	-0.6%	2.4%	2.75%	3.0%	4.5%
Suburban wholesale	-0.1%	3.2%	2.6%	1.7%	4.5%
Local system charge [3]	-0.7%	1.2%	2.8%	4.6%	4.4%
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.

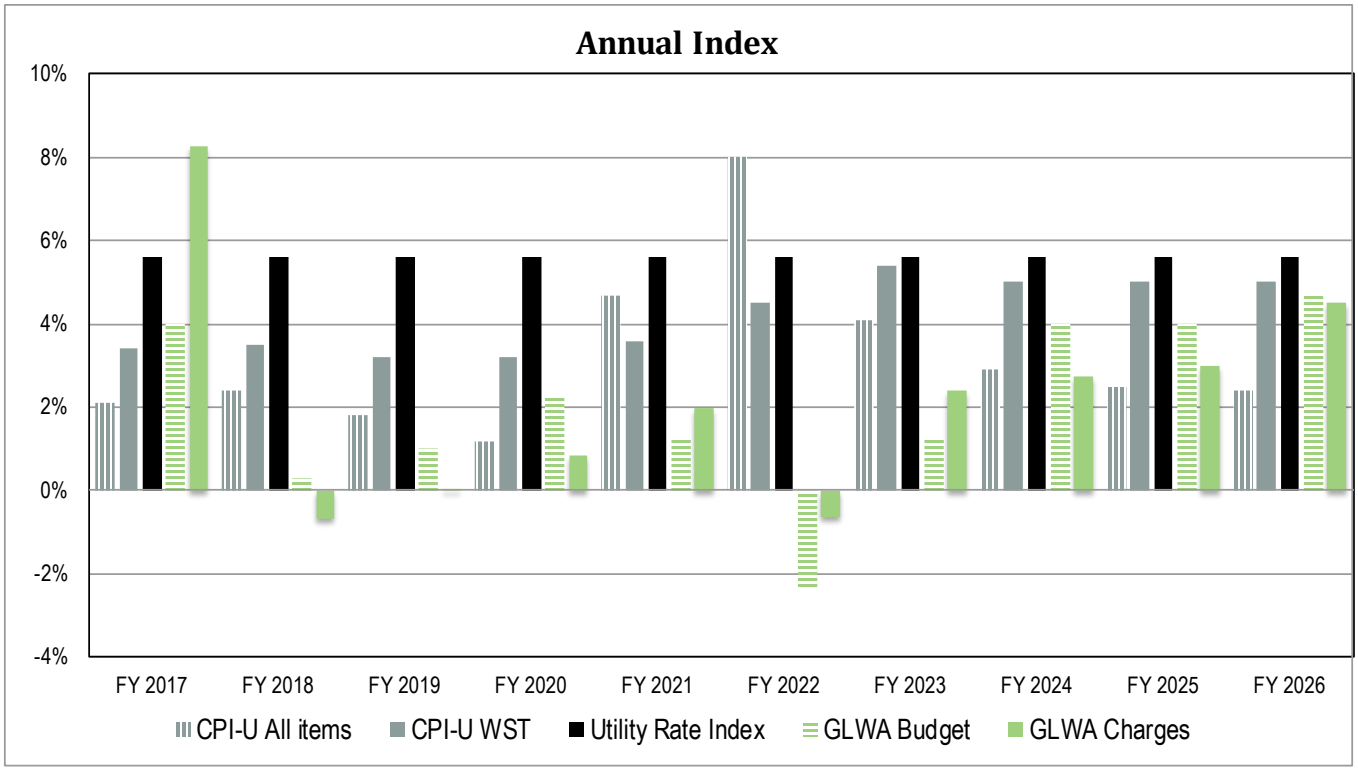
[4] Does not include the City of Detroit.

Source: Great Lakes Water Authority Financial Services Area, Willdan Financial Services, & 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	FY 2025	FY 2026
(a) CPI-U All items	2.1%	2.4%	1.8%	1.2%	4.7%	8.0%	4.1%	2.9%	2.5%	2.4%
(b) CPI-U WST	3.4%	3.5%	3.2%	3.2%	3.6%	4.5%	5.4%	5.0%	5.0%	5.0%
(c) Utility Rate Index	5.6%	5.6%	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%	4.0%	4.7%
GLWA Charges	8.3%	-0.7%	0.1%	0.8%	2.0%	-0.6%	2.4%	2.75%	3.0%	4.5%



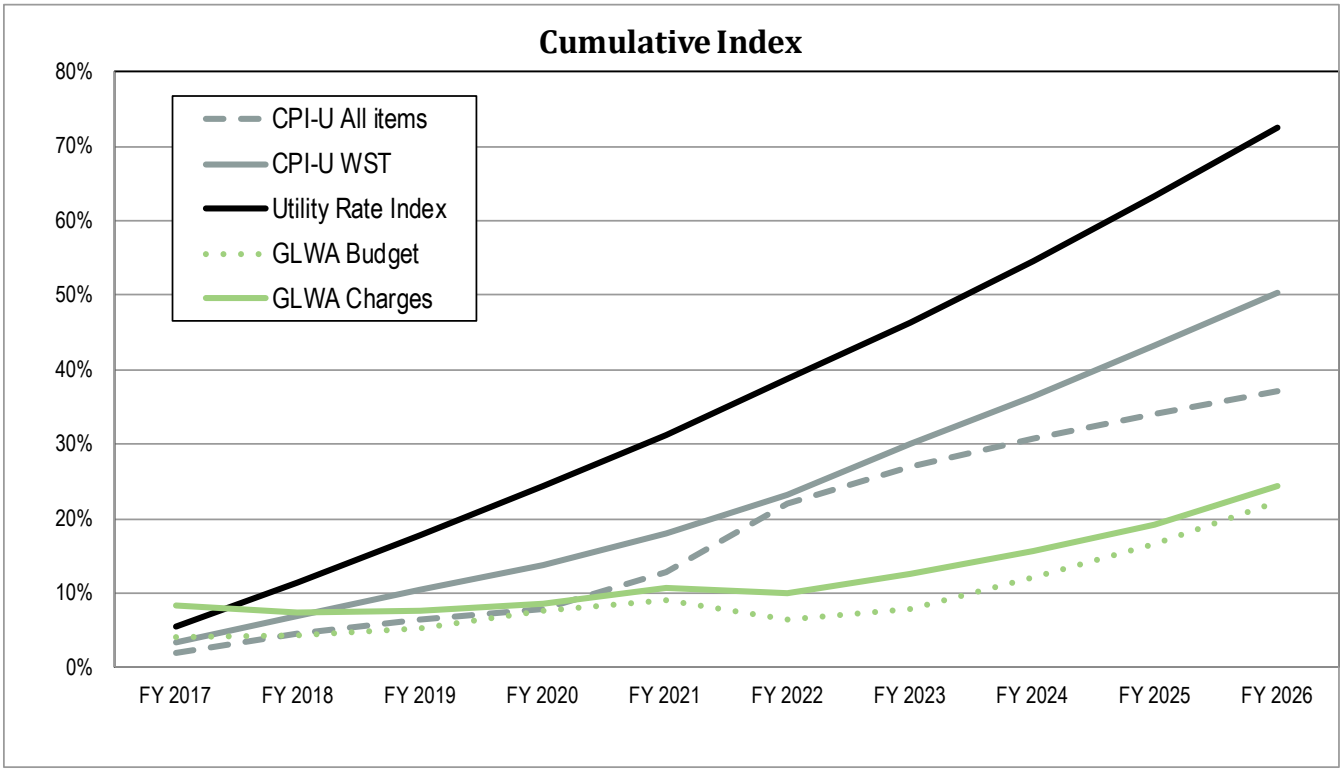
(a) FY 2017 - FY 2024 Bureau of Labor Statistics, CPI-U, All items in U.S. city average, all urban consumers, not seasonally adjusted (calendar year). FY 2025 and FY 2026 estimated based on Public Sector Consultants Economic Task Force Phase 1 Report presented to the Board of Directors on October 9, 2024.

(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 2025 and FY 2026 based on FY 2024

(c) Black & Veatch 2024 50 Largest Cities Rate Survey Average rate of change water bills 2001-2024. 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	FY 2025	FY 2026
(a) CPI-U All items	2.1%	4.6%	6.5%	7.8%	12.9%	21.9%	27.0%	30.7%	34.0%	37.2%
(b) CPI-U WST	3.4%	7.0%	10.4%	13.9%	18.0%	23.3%	30.0%	36.4%	43.3%	50.4%
(c) Utility Rate Index	5.6%	11.5%	17.8%	24.4%	31.3%	38.7%	46.4%	54.6%	63.3%	72.4%
GLWA Budget	4.0%	4.3%	5.4%	7.7%	9.1%	6.5%	7.9%	12.2%	16.7%	22.2%
GLWA Charges	8.3%	7.5%	7.6%	8.5%	10.6%	9.9%	12.6%	15.7%	19.1%	24.5%



(a) FY 2017 - FY 2024 Bureau of Labor Statistics, CPI-U, All items in U.S. city average, all urban consumers, not seasonally adjusted (calendar year). FY 2025 and FY 2026 estimated based on Public Sector Consultants Economic Task Force Phase 1 Report presented to the Board of Directors on October 9, 2024.

(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 2025 and FY 2026 based on FY 2024

(c) Black & Veatch 2024 50 Largest Cities Rate Survey Average rate of change water bills 2001-2024. The average was used for all years.

Wastewater Volumes

Historical wastewater volumes for the last five years are presented in the table below as presented in the June 30, 2024 Annual Comprehensive Financial Report and was the most up to date data available when the preliminary budget and charges proposals were being prepared in November 2024. Any assumptions utilized for developing FY 2026 charges are presented in the cost of service study. 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.

Wastewater Volumes (Mgd)

Fiscal Year		Wastewater Influent [1]	Master Metered Member Partners		Unmetered [2]	
			Sanitary Volume	Non-Sanitary Volume	Sanitary Volume	Non-Sanitary Volume
2024	*	584.598	129.293	140.717	64.926	249.662
2023		533.677	128.925	112.269	62.920	229.563
2022		737.980	132.968	187.440	61.591	355.981
2021		564.497	132.664	111.157	57.913	262.762
2020		632.381	128.857	156.844	59.490	287.191

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.

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.

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

* Data is preliminary



Section 5

Operating Financial Plans

Go to TOC

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Go to TOC

Operating Financial Plans by Service Area

GLWA's operating area financial plans provide the bridge from the operating units' objectives with the overall GLWA mission. The operating area plans also ensure 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 inside and outside of the organization. Sound approaches to financial planning are imperative for ensuring long-term success in today's complex environment. GLWA has prepared a balanced operating budget for fiscal years 2026 and 2027 and the forecasted financial plan for fiscal years 2028 through 2030.

Variance columns in Section 5 are based on a comparison to the Adopted FY 2025 budget. This provides a more useful analysis of the budget for FY 2026 by comparing to the expected expenditures for FY 2025.

The tables in Section 5 are pulled from a database in which the underlying data is not rounded while the budget tables presented in this document are rounded to the hundred. This may result in totals within the individual departments in Sections 5A, 5B, 5C and 5D not precisely matching the department totals in Tables A, B, C and D in this section of the Operating Financial Plans due to rounding. This is applicable to the actual data for FY 2024 also.

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

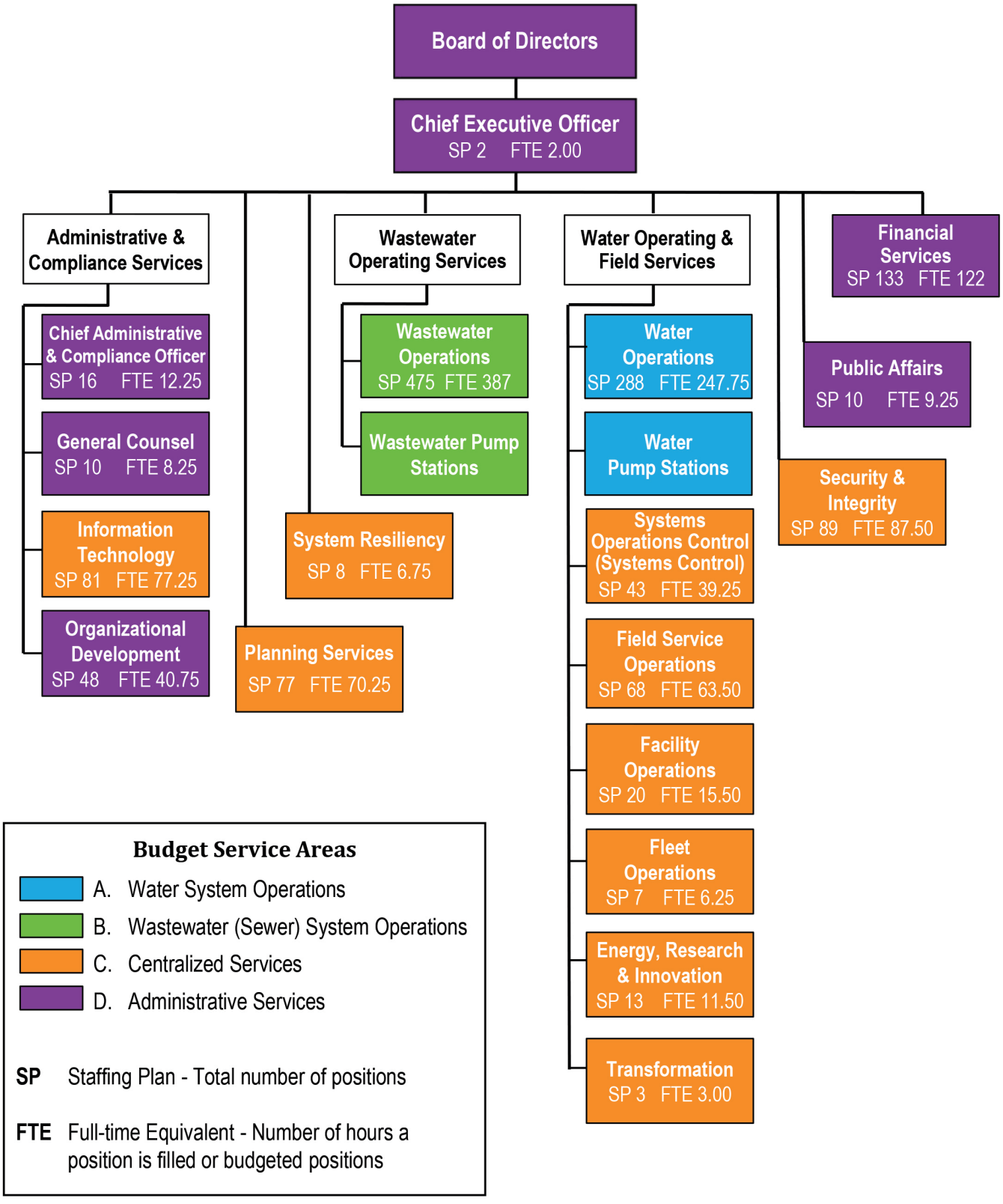
A. Water System Operations
B. Wastewater (Sewer) System Operations
C. Centralized Services
D. Administrative Services

The following table shows the two major funds used for financial reporting purposes, and which major fund the operating service areas expenditures are reported in.

Water Operations Fund	Sewer Operations Fund	Allocation
A. Water Systems Operations	B. Wastewater System Operations	100%
C. Centralized Services	C. Centralized Services	Varies - See Section 5C
D. Administrative Services	D. Administrative Services	Varies - See Section 5D

The following organization chart is color coded by service area to show the departments within those service areas.

Organizational Line of Reporting Chart



Go to TOC

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

	FY 2024	FY 2025		FY 2026			FY 2027
A Water System Operations by Cost Center	**Actual**	**Amended Budget**	**Activity as of 02.28.2025**	**Proposed Budget**	**Dollar Variance**	**Percent Variance**	**Proposed Budget**
Water Operations							
882001 COO - Water Operations & Field Services	$ 1,549,460	$ 1,399,200	$ 1,085,985	$ 1,581,700	$ 182,500	13.0%	$ 1,619,000
882131 Water Works Park	11,121,093	11,357,100	8,132,600	12,885,000	1,527,900	13.5%	13,253,900
882141 Springwells Water Plant	17,447,212	17,150,900	9,095,365	18,002,600	851,700	5.0%	20,093,900
882151 Northeast Water Plant	13,359,625	14,394,300	8,810,540	15,785,000	1,390,700	9.7%	12,191,100
882161 Southwest Water Plant	9,325,053	11,809,800	8,192,538	12,733,000	923,200	7.8%	15,592,100
882171 Lake Huron Water Plant	14,454,552	16,112,700	10,924,110	17,082,000	969,300	6.0%	17,142,900
882101 Water Director	2,490,038	3,065,900	2,634,637	3,444,900	379,000	12.4%	3,524,300
882111 Water Engineering	1,577,472	1,849,300	1,531,371	2,077,400	228,100	12.3%	2,492,000
882121 Water Quality	2,569,816	2,603,200	1,980,558	2,743,400	140,200	5.4%	2,881,400
Employee Benefits to be Allocated	-	-	1,029,514	-	-	0.0%	-
887601 Water System Operations Unallocated Reserve	-	5,131,000	-	2,113,200	(3,017,800)	-58.8%	6,234,000
Total Water Operations	73,894,321	84,873,400	53,417,218	88,448,200	3,574,800	4.2%	95,024,600
Water Pump Stations							
882321 Ford Rd Pumping Station	586,664	533,900	289,415	544,000	10,100	1.9%	559,100
882322 Eastside Pumping Station	43,831	84,200	93,945	85,500	1,300	1.5%	86,800
882323 Northwest Pumping Station	85,718	80,700	52,099	81,900	1,200	1.5%	83,100
882324 West Service Center Pumping	1,073,888	1,200,700	609,172	1,222,900	22,200	1.8%	1,255,100
882325 Michigan Ave Pumping Station	180,073	215,700	112,896	219,700	4,000	1.9%	223,700
882326 West Chicago Rd Pumping Station	32,291	35,000	40,345	35,600	600	1.7%	36,100
882327 Electric Ave Pumping Station	22,504	35,000	19,107	35,500	500	1.4%	36,000
882328 Orion Township Pumping Station	86,047	120,500	63,057	122,500	2,000	1.7%	124,200
882329 North Service Center Pumping	2,558,264	2,440,000	1,788,938	2,485,000	45,000	1.8%	2,530,900
882330 Adams Road Pumping Station	738,707	755,000	500,305	768,400	13,400	1.8%	782,100
882331 Newburgh Pumping Station	485,882	474,000	300,473	510,000	36,000	7.6%	519,300
882332 Franklin Road Pumping Station	1,070,518	1,040,000	678,509	1,097,000	57,000	5.5%	1,116,400
882333 Roseville Pumping Station	186	300	90	300	-	0.0%	300
882334 Wick Road Pumping Station	724,912	751,700	654,822	736,800	(14,900)	-2.0%	758,900
882335 Joy Road Pumping Station	831,456	813,600	496,107	828,100	14,500	1.8%	863,800
882336 Schoolcraft Pumping Station	477,354	498,001	309,186	506,700	8,699	1.7%	516,200
882337 Ypsilanti Pumping Station	514,737	524,200	378,903	534,300	10,100	1.9%	544,500
882338 Imlay Pumping Station	2,762,768	2,547,900	2,303,545	2,618,300	70,400	2.8%	2,667,100
882339 Rochester Pumping Station	216,893	316,800	282,835	285,300	(31,500)	-9.9%	291,000
882340 Haggerty Road Pumping Station	225,993	329,300	160,756	334,700	5,400	1.6%	340,100
Total Water Pump Stations	12,718,687	12,796,501	9,134,507	13,052,500	255,999	2.0%	13,334,700
Grand Total	**$ 86,613,008**	**$ 97,669,901**	**$ 62,551,725**	**$ 101,500,700**	**$ 3,830,799**	**3.9%**	**$ 108,359,300**

Go to TOC

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

A Water System Operations by Cost Center	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Water Operations							
882001 COO - Water Operations & Field Services	$ 1,549,460	$ 1,399,200	$ 1,581,700	$ 1,619,000	$ 1,692,300	$ 1,694,200	$ 1,696,100
882131 Water Works Park	11,121,093	11,357,100	12,885,000	13,253,900	13,470,700	13,489,900	13,300,600
882141 Springwells Water Plant	17,447,212	17,150,900	18,002,600	20,093,900	17,789,200	17,792,800	20,093,400
882151 Northeast Water Plant	13,359,625	14,394,300	15,785,000	12,191,100	15,203,200	15,744,600	12,207,600
882161 Southwest Water Plant	9,325,053	11,809,800	12,733,000	15,592,100	15,280,400	11,816,500	14,724,500
882171 Lake Huron Water Plant	14,454,552	16,112,700	17,082,000	17,142,900	17,245,400	17,256,800	17,064,800
882101 Water Director	2,490,038	3,065,900	3,444,900	3,524,300	2,718,000	2,721,700	2,725,500
882111 Water Engineering	1,577,472	1,849,300	2,077,400	2,492,000	4,417,100	4,585,100	4,566,100
882121 Water Quality	2,569,816	2,603,200	2,743,400	2,881,400	3,066,700	3,040,300	3,055,000
887601 Water System Operations Unallocated Reserve	-	5,131,000	2,113,200	6,234,000	8,899,800	12,345,800	14,345,800
Total Water Operations	73,894,321	84,873,400	88,448,200	95,024,600	99,782,800	100,487,700	103,779,400
Water Pump Stations							
882321 Ford Rd Pumping Station	586,664	533,900	544,000	559,100	569,200	579,300	589,400
882322 Eastside Pumping Station	43,831	84,200	85,500	86,800	88,200	89,600	89,600
882323 Northwest Pumping Station	85,718	80,700	81,900	83,100	84,400	85,700	85,700
882324 West Service Center Pumping Station	1,073,888	1,200,700	1,222,900	1,255,100	1,278,400	1,302,200	1,326,400
882325 Michigan Ave Pumping Station	180,073	215,700	219,700	223,700	227,700	231,700	231,700
882326 West Chicago Rd Pumping Station	32,291	35,000	35,600	36,100	36,700	37,300	37,900
882327 Electric Ave Pumping Station	22,504	35,000	35,500	36,000	36,500	37,000	37,500
882328 Orion Township Pumping Station	86,047	120,500	122,500	124,200	126,000	127,900	129,800
882329 North Service Center Pumping Station	2,558,264	2,440,000	2,485,000	2,530,900	2,577,700	2,625,300	2,673,900
882330 Adams Road Pumping Station	738,707	755,000	768,400	782,100	796,000	810,200	824,500
882331 Newburgh Pumping Station	485,882	474,000	510,000	519,300	528,800	538,000	548,400
882332 Franklin Road Pumping Station	1,070,518	1,040,000	1,097,000	1,116,400	1,136,100	1,156,300	1,177,700
882333 Roseville Pumping Station	186	300	300	300	300	300	300
882334 Wick Road Pumping Station	724,912	751,700	736,800	758,900	783,900	811,300	832,900
882335 Joy Road Pumping Station	831,456	813,600	828,100	863,800	879,300	895,200	911,600
882336 Schoolcraft Pumping Station	477,354	498,001	506,700	516,200	525,200	536,000	547,200
882337 Ypsilanti Pumping Station	514,737	524,200	534,300	544,500	555,000	565,200	576,300
882338 Imlay Pumping Station	2,762,768	2,547,900	2,618,300	2,667,100	2,717,500	2,768,300	2,820,600
882339 Rochester Pumping Station	216,893	316,800	285,300	291,000	296,700	302,600	308,200
882340 Haggerty Road Pumping Station	225,993	329,300	334,700	340,100	345,800	352,000	358,600
Total Water Pump Stations	12,718,687	12,796,501	13,052,500	13,334,700	13,589,400	13,851,400	14,108,200
Grand Total	**$ 86,613,008**	**$ 97,669,901**	**$ 101,500,700**	**$ 108,359,300**	**$ 113,372,200**	**$ 114,339,100**	**$ 117,887,600**

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

B Sewer System Operations by Cost Center	FY 2024 Actual	FY 2025 Amended Budget	FY 2025 Activity as of 02.28.2025	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
Wastewater Operations							
892001 Chief Operating Officer Wastewater	$ 2,423,079	$ 2,684,300	$ 1,745,012	$ 2,833,600	$ 149,300	5.6%	$ 2,996,800
892201 Wastewater Director	8,655,073	8,223,400	6,721,131	8,357,200	133,800	1.6%	8,852,900
892211 Wastewater Engineering	3,285,570	3,949,700	2,070,711	3,269,100	(680,600)	-17.2%	3,659,300
892221 Wastewater Operations	34,904,788	32,747,700	20,880,625	37,980,200	5,232,500	16.0%	39,576,900
892222 Wastewater Process Control	2,803,978	3,724,000	4,468,369	3,855,800	131,800	3.5%	4,208,000
892223 Wastewater Primary Process	14,092,283	14,055,800	9,394,589	15,921,300	1,865,500	13.3%	16,390,600
892224 Wastewater Secondary Process	15,834,642	17,723,200	10,120,248	17,656,400	(66,800)	-0.4%	17,944,100
892225 Wastewater Dewatering Process	6,342,655	6,388,400	4,246,528	6,564,600	176,200	2.8%	6,764,500
892226 Wastewater Incineration Process	8,471,246	6,152,300	4,517,951	7,075,100	922,800	15.0%	7,370,600
892227 BDF, COF & Hauling	23,620,163	24,200,900	14,929,581	24,592,000	391,100	1.6%	25,247,300
892228 Wastewater Fire Damage	14,843	-	-	-	-	0.0%	-
892231 Industrial Waste Control	2,567,144	2,699,600	1,816,720	3,106,400	406,800	15.1%	3,186,400
892235 Wastewater Laboratories	3,711,606	4,006,600	3,089,027	3,987,500	(19,100)	-0.5%	4,255,400
892269 Suburban Only Green Infrastructure Allocation	550,448	347,000	226,400	354,000	7,000	2.0%	354,000
892270 Combined Sewer Overflow	4,707,118	3,887,300	3,922,089	4,535,600	648,300	16.7%	4,578,700
892271 Puritan Fenkell Combined Sewer Overflow	413,588	301,600	183,937	297,300	(4,300)	-1.4%	304,100
892272 7 Mile Combined Sewer Overflow	285,030	147,900	187,524	150,300	2,400	1.6%	153,900
892273 Hubble Southfield CSO	1,301,452	1,129,500	508,503	1,127,700	(1,800)	-0.2%	1,142,500
892274 Leib Combined Sewer Overflow	346,899	524,200	187,761	469,400	(54,800)	-10.5%	477,500
892275 St Aubin Combined Sewer Overflow	278,197	331,200	214,840	345,200	14,000	4.2%	350,000
892276 Conner Creek Combined Sewer Overflow	3,867,090	5,111,700	2,371,860	4,203,500	(908,200)	-17.8%	4,243,000
892277 Baby Creek Combined Sewer Overflow	1,258,086	1,509,400	677,493	1,343,600	(165,800)	-11.0%	1,360,500
892278 Oakwood Combined Sewer	2,390,315	2,589,600	1,065,467	1,859,200	(730,400)	-28.2%	1,899,600
892279 Belle Isle Combined Sewer	51,964	-	148,997	-	-	0.0%	-
897600 Wastewater System Operations Unallocated Reserve	-	4,251,400	-	3,176,400	(1,075,000)	-25.3%	2,419,800
Total Wastewater Operations	142,177,257	146,686,700	93,695,363	153,061,400	6,374,700	4.3%	157,736,400
Wastewater Pump Stations							
892342 Belle Isle Pumping Station	(36,292)	-	(11,930)	-	-	0.0%	-
892343 Blue Hill Pumping Station	548,357	-	(664,930)	-	-	0.0%	-
892345 Conner Pumping Station	919,607	726,000	1,070,325	841,900	115,900	16.0%	877,600
892346 Fairview Pumping Station	887,412	714,500	505,569	762,500	48,000	6.7%	798,200
892347 Fischer Pumping Station	87,494	-	32,220	-	-	0.0%	-
892348 Fox Creek Enclosure	815	1,000	2,027	1,100	100	10.0%	900
892349 Freud Pumping Station	489,153	536,800	342,328	550,600	13,800	2.6%	569,100
892350 Northeast Pumping Station	1,020,473	860,100	1,089,534	1,125,300	265,200	30.8%	1,182,000
892351 Oakwood Pumping Station	173,935	220,000	79,093	229,800	9,800	4.5%	238,700
892352 Woodmere Pumping Station	(18,012)	-	(174,472)	-	-	0.0%	-
Total Wastewater Pump Stations	4,072,942	3,058,400	2,269,764	3,511,200	452,800	14.8%	3,666,500
Grand Total	**$ 146,250,199**	**$ 149,745,100**	**$ 95,965,126**	**$ 156,572,600**	**$ 6,827,500**	**4.6%**	**$ 161,402,900**

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

B Sewer System Operations by Cost Center	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Wastewater Operations							
892001 Chief Operating Officer Wastewater	$ 2,423,079	$ 2,684,300	$ 2,833,600	$ 2,996,800	$ 3,325,000	$ 3,329,100	$ 3,333,100
892201 Wastewater Director	8,655,073	8,223,400	8,357,200	8,852,900	9,508,300	9,525,200	9,542,200
892211 Wastewater Engineering	3,285,570	3,949,700	3,269,100	3,659,300	5,065,900	5,326,200	5,307,100
892221 Wastewater Operations	34,904,788	32,747,700	37,980,200	39,576,900	41,592,700	42,683,500	43,818,800
892222 Wastewater Process Control	2,803,978	3,724,000	3,855,800	4,208,000	4,772,300	4,777,000	4,791,100
892223 Wastewater Primary Process	14,092,283	14,055,800	15,921,300	16,390,600	18,318,300	16,824,700	16,910,200
892224 Wastewater Secondary Process	15,834,642	17,723,200	17,656,400	17,944,100	18,349,300	18,490,800	18,635,800
892225 Wastewater Dewatering Process	6,342,655	6,388,400	6,564,600	6,764,500	6,998,900	7,033,100	7,067,900
892226 Wastewater Incineration Process	8,471,246	6,152,300	7,075,100	7,370,600	7,863,200	7,911,400	7,960,100
892227 BDF, COF & Hauling	23,620,163	24,200,900	24,592,000	25,247,300	25,963,900	26,698,900	27,452,600
892228 Wastewater Fire Damage	14,843	-	-	-	-	-	-
892231 Industrial Waste Control	2,567,144	2,699,600	3,106,400	3,186,400	3,284,800	3,291,000	3,297,200
892235 Wastewater Laboratories	3,711,606	4,006,600	3,987,500	4,255,400	4,787,700	4,796,400	4,805,100
892269 Suburban Only Green Infrastructure	550,448	347,000	354,000	354,000	354,000	354,000	354,000
892270 Combined Sewer Overflow	4,707,118	3,887,300	4,535,600	4,578,700	4,659,500	4,666,100	4,672,700
892231 Industrial Waste Control	413,588	301,600	297,300	304,100	311,500	318,800	326,500
892272 7 Mile Combined Sewer Overflow	285,030	147,900	150,300	153,900	157,600	161,500	165,400
892273 Hubble Southfield CSO	1,301,452	1,129,500	1,127,700	1,142,500	1,167,700	1,186,000	1,204,500
892274 Leib Combined Sewer Overflow	346,899	524,200	469,400	477,500	489,500	498,300	507,200
892275 St Aubin Combined Sewer Overflow	278,197	331,200	345,200	350,000	356,700	361,800	367,100
892276 Conner Creek Combined Sewer Overflow	3,867,090	5,111,700	4,203,500	4,243,000	4,344,200	4,386,500	4,430,000
892277 Baby Creek Combined Sewer Overflow	1,258,086	1,509,400	1,343,600	1,360,500	1,392,600	1,412,500	1,433,000
892278 Oakwood Combined Sewer Overflow	2,390,315	2,589,600	1,859,200	1,899,600	1,940,700	1,983,300	2,027,400
892279 Belle Isle Combined Sewer Overflow	51,964	-	-	-	-	-	-
897600 Wastewater System Operations Unallocated Reserve	-	4,251,400	3,176,400	2,419,800	2,531,400	5,531,400	6,531,400
Total Wastewater Operations Group	142,177,257	146,686,700	153,061,400	157,736,400	167,535,700	171,547,500	174,940,400
Wastewater Pump Stations							
892342 Belle Isle Pumping Station	(36,292)	-	-	-	-	-	-
892343 Blue Hill Pumping Station	548,357	-	-	-	-	-	-
892345 Conner Pumping Station	919,607	726,000	841,900	877,600	916,200	956,500	998,800
892346 Fairview Pumping Station	887,412	714,500	762,500	798,200	835,500	874,700	915,700
892347 Fischer Pumping Station	87,494	-	-	-	-	-	-
892348 Fox Creek Enclosure	815	1,000	1,100	900	1,000	1,000	1,000
892349 Freud Pumping Station	489,153	536,800	550,600	569,100	591,000	613,700	637,400
892350 Northeast Pumping Station	1,020,473	860,100	1,125,300	1,182,000	1,241,100	1,303,200	1,368,300
892351 Oakwood Pumping Station	173,935	220,000	229,800	238,700	248,200	258,100	268,500
892352 Woodmere Pumping Station	(18,012)	-	-	-	-	-	-
Total Wastewater Pump Stations	$ 4,072,942	$ 3,058,400	$ 3,511,200	$ 3,666,500	$ 3,833,000	$ 4,007,200	$ 4,189,700
Grand Total	**$ 146,250,199**	**$ 149,745,100**	**$ 156,572,600**	**$ 161,402,900**	**$ 171,368,700**	**$ 175,554,700**	**$ 179,130,100**

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

C Centralized Services by Cost Center	FY 2024 Actual	FY 2025 Amended Budget	FY 2025 Activity as of 02.28.2025	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
Planning Services							
886001 Chief Planning Officer	$ 340,189	$ 330,500	$ 234,826	$ 352,000	$ 21,500	6.5%	$ 352,600
886100 Wastewater Analytics, Planning & Metering	403,390	1,374,400	577,687	1,565,500	191,100	13.9%	1,985,400
886101 Member Services	1,599,702	2,036,000	1,147,769	1,830,300	(205,700)	-10.1%	1,985,900
886201 Asset Management	2,343,254	2,612,800	1,685,362	2,564,400	(48,400)	-1.9%	2,969,000
886401 Water Analytics, Planning & Metering	5,448,691	5,574,500	3,375,033	5,956,600	382,100	6.9%	5,863,900
886601 Capital Improvement Planning	4,143,939	4,730,500	1,895,504	4,588,200	(142,300)	-3.0%	2,693,600
Total Planning Services	14,279,165	16,658,700	8,916,180	16,857,000	198,300	1.2%	15,850,400
881301 System Resiliency	1,108,716	1,870,600	969,304	2,054,100	183,500	9.8%	2,094,700
882301 Systems Operations Control	16,936,071	15,048,100	14,484,203	13,712,400	(1,335,700)	-8.9%	14,130,900
882421 Facility Operations	7,147,128	8,026,600	5,690,804	8,726,300	699,700	8.7%	8,884,000
882422 Fleet Operations	2,886,743	2,751,900	2,823,107	2,864,200	112,300	4.1%	2,884,600
882431 Field Service Operations	17,230,892	19,053,600	10,844,685	13,416,100	(5,637,500)	-29.6%	15,173,400
882411 Field Engineering	-	-	-	-	-	0.0%	-
882501 Energy, Research & Innovation	3,295,565	2,704,700	2,246,758	3,091,600	386,900	14.3%	3,387,500
882511 Transformation	570,860	413,800	516,114	434,100	20,300	4.9%	435,400
Information Technology					-	0.0%	
883301 Office of the CIO	1,950,461	1,527,600	1,153,273	2,247,500	719,900	47.1%	3,161,600
883311 Info Technology Project Management Office	1,489,245	1,514,200	985,772	1,616,300	102,100	6.7%	1,619,400
883321 Info Technology Service Delivery	4,836,010	4,224,600	2,529,249	5,725,000	1,500,400	35.5%	5,812,100
883331 Info Technology Infrastructure	19,179,066	20,490,800	12,992,142	22,328,100	1,837,300	9.0%	23,178,500
883341 Info Technology Business Productivity Systems	8,017,912	5,457,300	2,475,087	5,237,400	(219,900)	-4.0%	5,666,700
883351 Info Technology Enterprise Asset Mgmt Systems	7,339,816	9,092,800	8,168,598	6,886,500	(2,206,300)	-24.3%	7,904,900
883361 Info Technology Security & Risk	822,053	759,700	876,217	1,929,100	1,169,400	153.9%	1,956,200
Total Information Technology	43,634,564	43,067,000	29,180,338	45,969,900	2,902,900	6.7%	49,299,400
Security & Integrity							
881201 Security and Integrity	4,743,947	4,957,700	3,488,109	5,449,700	492,000	9.9%	5,634,300
881202 HazMat	1,623,519	1,882,000	1,227,332	1,937,500	55,500	2.9%	1,944,200
881203 Office of Emergency Preparedness	389,849	474,500	280,653	485,900	11,400	2.4%	488,200
Total Security & Integrity	6,757,315	7,314,200	4,996,094	7,873,100	558,900	7.6%	8,066,700
887602 Centralized Services Unallocated Reserve	-	2,071,000	-	2,388,800	317,800	15.3%	9,007,300
Grand Total	**$ 113,847,020**	**$ 118,980,200**	**$ 80,667,586**	**$ 117,387,600**	**$ (1,592,600)**	**-1.3%**	**$ 129,214,300**

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

C Centralized Services by Cost Center	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Planning Services							
886001 Chief Planning Officer	$ 340,189	$ 330,500	$ 352,000	$ 352,600	$ 353,100	$ 354,000	$ 354,500
886100 Wastewater Analytics, Planning & Metering	403,390	1,374,400	1,565,500	1,985,400	1,927,900	1,926,700	3,156,100
886101 Member Services	1,599,702	2,036,000	1,830,300	1,985,900	2,000,900	1,951,800	1,952,600
886201 Asset Management	2,343,254	2,612,800	2,564,400	2,969,000	3,153,100	3,288,800	3,193,700
886401 Water Analytics, Planning & Metering	5,448,691	5,574,500	5,956,600	5,863,900	6,170,600	5,847,000	5,865,300
886601 Capital Improvement Planning	4,143,939	4,730,500	4,588,200	2,693,600	2,313,200	2,066,100	2,318,800
Total Planning Services	14,279,165	16,658,700	16,857,000	15,850,400	15,918,800	15,434,400	16,841,000
881301 System Resiliency	1,108,716	1,870,600	2,054,100	2,094,700	2,169,600	2,177,100	2,185,800
882301 Systems Operations Control	16,936,071	15,048,100	13,712,400	14,130,900	13,691,900	13,619,500	13,413,500
882421 Facility Operations	7,147,128	8,026,600	8,726,300	8,884,000	9,280,100	9,377,600	9,437,300
882422 Fleet Operations	2,886,743	2,751,900	2,864,200	2,884,600	2,929,000	2,950,500	2,972,000
882431 Field Service Operations	17,230,892	19,053,600	13,416,100	15,173,400	14,968,900	14,984,000	14,999,200
882501 Energy, Research & Innovation	3,295,565	2,704,700	3,091,600	3,387,500	3,800,400	4,027,000	4,118,500
882511 Transformation	570,860	413,800	434,100	435,400	436,600	437,700	438,900
Information Technology							
883301 Office of the CIO	1,950,461	1,527,600	2,247,500	3,161,600	2,516,400	2,541,000	2,565,700
883311 Info Technology Project Management Office	1,489,245	1,514,200	1,616,300	1,619,400	1,626,100	1,629,300	1,632,600
883321 Info Technology Service Delivery	4,836,010	4,224,600	5,725,000	5,812,100	4,506,800	4,569,100	4,632,600
883331 Info Technology Infrastructure	19,179,066	20,490,800	22,328,100	23,178,500	21,420,800	21,787,000	22,191,300
883341 Info Technology Business Productivity Systems	8,017,912	5,457,300	5,237,400	5,666,700	4,950,900	5,014,700	5,082,200
883351 Info Technology Enterprise Asset Mgmt Systems	7,339,816	9,092,800	6,886,500	7,904,900	7,895,600	8,001,200	8,118,600
883361 Info Technology Security & Risk	822,053	759,700	1,929,100	1,956,200	1,896,500	1,917,400	1,944,000
Total Information Technology	43,634,564	43,067,000	45,969,900	49,299,400	44,813,100	45,459,700	46,167,000
Security & Integrity							
881201 Security and Integrity	4,743,947	4,957,700	5,449,700	5,634,300	5,744,900	5,766,200	5,788,000
881202 HazMat	1,623,519	1,882,000	1,937,500	1,944,200	1,951,100	1,958,100	1,965,100
881203 Office of Emergency Preparedness	389,849	474,500	485,900	488,200	490,400	492,600	495,000
Total Security & Integrity	6,757,315	7,314,200	7,873,100	8,066,700	8,186,400	8,216,900	8,248,100
887602 Centralized Services Unallocated Reserve	-	2,071,000	2,388,800	9,007,300	11,149,400	11,191,300	11,191,300
Grand Total	**$ 113,847,020**	**$ 118,980,200**	**$ 117,387,600**	**$ 129,214,300**	**$ 127,344,200**	**$ 127,875,700**	**$ 130,012,600**

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

D Administrative Services by Cost Center	FY 2024 Actual	FY 2025 Amended Budget	FY 2025 Activity as of 02.28.2025	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
881151 Board of Directors	$ 167,454	$ 164,400	$ 102,822	$ 162,000	$ (2,400)	-1.5%	$ 162,000
881001 Chief Executive Officer	766,180	719,500	660,801	781,400	61,900	8.6%	792,600
Chief Administrative and Compliance Officer							
883001 Chief Administrative Officer	1,543,729	1,381,700	653,313	2,145,800	764,100	55.3%	2,290,600
883401 Enterprise Risk Management and Safety	1,235,783	1,888,800	767,764	2,053,800	165,000	8.7%	2,136,700
883411 Enterprise Risk Management Insurance Fund	5,905,043	5,619,800	4,482,980	6,252,200	632,400	11.3%	6,337,200
Total Chief Administrative and Compliance Officer	8,684,556	8,890,300	5,904,057	10,451,800	1,561,500	17.6%	10,764,500
883101 General Counsel	3,661,835	3,770,400	2,407,731	3,748,300	(22,100)	-0.6%	3,834,800
881101 Public Affairs	1,657,848	1,772,600	1,216,367	1,956,700	184,100	10.4%	1,994,800
Organizational Development							
883201 Organizational Development Administration	761,254	722,300	433,473	908,600	186,300	25.8%	788,700
883211 Organizational Development Talent Management	2,537,921	3,124,200	1,767,650	3,488,200	364,000	11.7%	3,662,600
883221 Organizational Development Organizational Wellness	-	-	187	-	-	0.0%	-
883231 Organizational Development Training	1,715,822	2,039,400	1,378,237	2,187,700	148,300	7.3%	2,200,800
Total Organizational Development	5,014,997	5,885,900	3,579,546	6,584,500	698,600	11.9%	6,652,100
Financial Services							
884001 Chief Financial Officer	1,223,720	1,125,400	1,438,712	1,441,000	315,600	28.0%	1,443,300
884111 Financial Reporting & Accounting	3,395,100	3,647,500	2,394,555	3,595,300	(52,200)	-1.4%	3,679,000
884113 Financial Management & Planning	1,902,502	2,037,000	1,349,406	2,234,400	197,400	9.7%	2,116,600
884121 Procurement Director	3,936,268	3,952,900	2,696,854	4,253,300	300,400	7.6%	4,391,100
884124 Logistics and Materials	3,150,496	3,086,100	1,978,369	3,289,500	203,400	6.6%	3,331,800
884131 Treasury	718,436	947,800	460,382	959,000	11,200	1.2%	962,200
884141 CFO Services	2,721,297	2,912,000	1,646,458	2,788,800	(123,200)	-4.2%	2,810,400
Total Financial Services	17,047,819	17,708,700	11,964,737	18,561,300	852,600	4.8%	18,734,400
887603 Administrative Services Unallocated Reserve	-	752,000	-	847,800	95,800	12.7%	1,335,800
Grand Total	**$ 37,000,689**	**$ 39,663,800**	**$ 25,836,061**	**$ 43,093,800**	**$ 3,430,000**	**8.6%**	**$ 44,271,000**

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

D Administrative Services by Cost Center	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
881151 Board of Directors	$ 167,454	$ 164,400	$ 162,000	$ 162,000	$ 162,000	$ 162,000	$ 162,000
881001 Chief Executive Officer	766,180	719,500	781,400	792,600	799,800	807,200	814,700
Chief Administrative and Compliance Officer							
883001 Chief Administrative Officer	1,543,729	1,381,700	2,145,800	2,290,600	2,561,800	2,589,200	2,618,400
883401 Enterprise Risk Management and Safety	1,235,783	1,888,800	2,053,800	2,136,700	2,280,200	2,305,500	2,331,300
883411 Enterprise Risk Management Insurance Fund	5,905,043	5,619,800	6,252,200	6,337,200	6,504,700	6,634,800	6,767,500
Total Chief Administrative and Compliance Officer	8,684,556	8,890,300	10,451,800	10,764,500	11,346,700	11,529,500	11,717,200
883101 General Counsel	3,661,835	3,770,400	3,748,300	3,834,800	3,968,000	4,019,300	4,071,500
881101 Public Affairs	1,657,848	1,772,600	1,956,700	1,994,800	2,081,500	2,100,700	2,120,400
Organizational Development							
883201 Organizational Development Administration	761,254	722,300	908,600	788,700	824,600	828,300	832,200
883211 Organizational Development Talent Management	2,537,921	3,124,200	3,488,200	3,662,600	3,994,200	4,019,400	4,045,100
883231 Organizational Development Training	1,715,822	2,039,400	2,187,700	2,200,800	2,252,200	2,268,300	2,284,400
Total Organizational Development	5,014,997	5,885,900	6,584,500	6,652,100	7,071,000	7,116,000	7,161,700
Financial Services							
884001 Chief Financial Officer	1,223,720	1,125,400	1,441,000	1,443,300	1,445,700	1,448,100	1,450,500
884111 Financial Reporting & Accounting	3,395,100	3,647,500	3,595,300	3,679,000	3,835,200	3,848,600	3,856,900
884113 Financial Management & Planning	1,902,502	2,037,000	2,234,400	2,116,600	2,153,200	2,295,600	2,328,800
884121 Procurement Director	3,936,268	3,952,900	4,253,300	4,391,100	4,656,900	4,670,100	4,683,300
884124 Logistics and Materials	3,150,496	3,086,100	3,289,500	3,331,800	3,390,300	3,418,000	3,446,000
884131 Treasury	718,436	947,800	959,000	962,200	972,900	976,200	974,000
884141 CFO Services	2,721,297	2,912,000	2,788,800	2,810,400	3,072,500	3,170,400	3,088,400
Total Financial Services	17,047,819	17,708,700	18,561,300	18,734,400	19,526,700	19,827,000	19,827,900
887603 Administrative Services Unallocated Reserve	-	752,000	847,800	1,335,800	1,846,000	2,366,500	2,866,500
Grand Total	**$ 37,000,689**	**$ 39,663,800**	**$ 43,093,800**	**$ 44,271,000**	**$ 46,801,700**	**$ 47,928,200**	**$ 48,741,900**

Go to TOC

Departmental Introduction

Following this section is a section for each of the service areas of the Operations & Maintenance budget. Each service area section begins with an overview of that service area's budget by expense category followed by the budget of each department within 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 items 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. Capital Outlay funded with O&M funds is reported under the expense category *4.2 Supplies and Other* in the department's operating budget.

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Go to TOC

GLWA
Great Lakes Water Authority

Section 5A

Water System Operations

Go to TOC

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Go to TOC

Water System Operations
The Water System Operations area consists of the following departments:

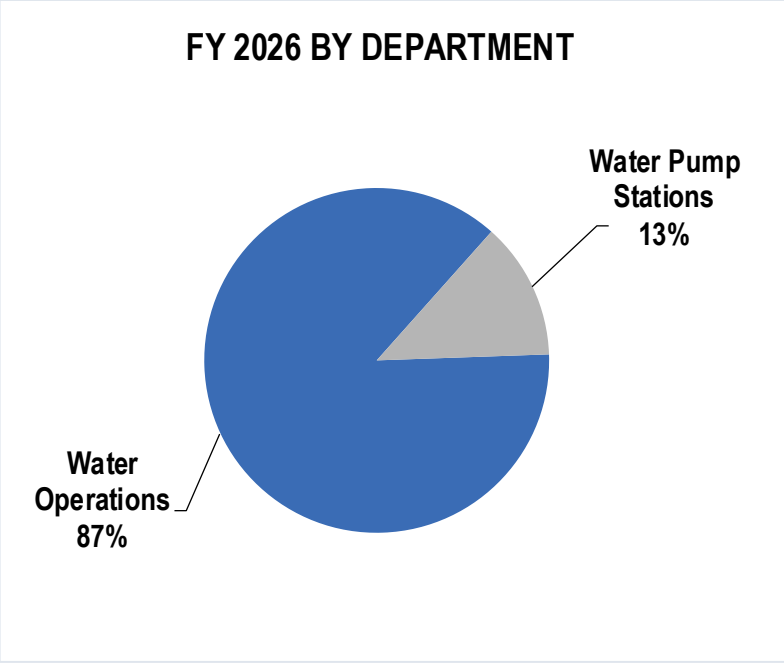
- Water Operations
- Water Pump Stations

The detail budget requests for each department are included in this section.

Biennial Budget Request
Water System Operations is shown as operating area A in Schedules 2C and 2D in Section 2 - Core Financial Plan Schedules.

The following tables consolidate the department budgets presented in this section for an overall view of the Water Systems Operations area with comparison to the FY 2025 Amended Budget. A comparison to the FY 2026 Adopted Budget is shown in Schedule 2E and 2F in Section 2 – Core Financial Plan Schedules.

The allocation of the centralized and administrative services to the Water Systems Operations area, as shown in the Centralized Services Overview (Section 5C) and Administrative Services Overview (Section 5D), has been included in the tables below to support the Operations & Maintenance Expense line item in Schedule 1A and 1B in Section 2 - Core Financial Plan Schedules.



Go to TOC

Biennial Budget Request by Expense Category

Expense Category	FY 2024 Actual	FY 2025 Amended Budget	FY 2025 Activity as of 02.28.2025	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
2.1 Salaries & Wages	$ 15,102,217	$ 15,709,000	$ 11,526,757	**$ 16,229,200**	**$ 520,200**	**3.3%**	$ 17,670,200
2.2 Workforce Development	984,680	1,144,500	588,934	**1,471,600**	**327,100**	**28.6%**	1,765,900
2.3 Overtime	2,941,319	2,476,700	2,060,461	**2,803,900**	**327,200**	**13.2%**	2,829,700
2.4 Employee Benefits	5,858,483	6,402,600	5,516,976	**6,516,600**	**114,000**	**1.8%**	7,181,000
Total Personnel Costs	24,886,699	25,732,800	19,693,127	**27,021,300**	**1,288,500**	**5.0%**	29,446,800
3.1 Electric	30,807,836	30,947,900	19,818,184	**31,706,300**	**758,400**	**2.5%**	32,066,000
3.2 Gas	1,137,375	1,158,300	683,732	**1,191,600**	**33,300**	**2.9%**	1,225,700
3.3 Sewage Service	576,019	753,100	329,393	**768,400**	**15,300**	**2.0%**	768,400
3.4 Water Service	1,634	2,500	12,403	**2,500**	**-**	**0.0%**	2,500
Total Utility Costs	32,522,864	32,861,800	20,843,713	**33,668,800**	**807,000**	**2.5%**	34,062,600
4.1 Chemicals	11,947,115	15,688,600	9,213,672	**14,904,300**	**(784,300)**	**-5.0%**	14,972,800
4.2 Supplies & Other	4,852,692	5,277,100	3,746,247	**6,117,900**	**840,800**	**15.9%**	5,669,800
4.3 Contractual Services	13,597,495	15,221,500	10,007,130	**19,295,100**	**4,073,600**	**26.8%**	20,168,900
5.1 Capital Program Allocation	(1,193,856)	(2,242,900)	(952,164)	**(1,619,900)**	**623,000**	**-27.8%**	(2,195,600)
6.0 Capital Outlay	-	-	-	**-**	**-**	**0.0%**	-
7.0 Unallocated Reserve	-	5,131,000	-	**2,113,200**	**(3,017,800)**	**-58.8%**	6,234,000
Total Other Categories	29,203,446	39,075,300	22,014,885	**40,810,600**	**1,735,300**	**4.4%**	44,849,900
Total Water System Operations (Operating Area A)	**$ 86,613,008**	**$ 97,669,900**	**$ 62,551,725**	**$ 101,500,700**	**$ 3,830,800**	**3.9%**	**$ 108,359,300**
Allocations							
Centralized Services	56,346,242	58,567,000	40,072,250	**61,003,500**	**2,436,500**	**4.2%**	67,983,800
Administrative Services	18,077,932	18,388,100	11,857,796	**19,951,800**	**1,563,700**	**8.5%**	20,516,500
Total Allocations	**$ 74,424,174**	**$ 76,955,100**	**$ 51,930,046**	**$ 80,955,300**	**$ 4,000,200**	**5.2%**	**$ 88,500,300**
Total Water System Operations & Maintenance Expense	**$ 161,037,182**	**$ 174,625,000**	**$ 114,481,771**	**$ 182,456,000**	**$ 7,831,000**	**4.5%**	**$ 196,859,600**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
2.1 Salaries & Wages	$ 20,665,589	$ 23,026,200	**$ 23,895,800**	$ 26,058,600	$ 29,603,700	$ 29,853,200	$ 29,853,200
2.2 Workforce Development	358,506	382,000	**691,600**	829,700	848,800	848,800	848,800
2.3 Overtime	3,519,626	3,016,400	**3,401,600**	3,436,200	3,505,500	3,505,500	3,505,500
2.4 Employee Benefits	7,846,667	8,985,100	**8,959,600**	9,902,700	11,338,700	11,501,800	11,593,400
2.5 Transition Services	8,035,016	7,069,300	**7,328,300**	7,328,300	7,328,300	7,328,300	7,328,300
Total Personnel Costs	40,425,404	42,479,000	**44,276,900**	47,555,500	52,625,000	53,037,600	53,129,200
3.1 Electric	18,719,158	17,815,900	**19,315,800**	20,263,900	21,277,300	22,341,700	23,458,900
3.2 Gas	6,022,972	5,790,000	**5,865,000**	5,870,300	5,987,600	6,038,200	6,089,800
3.3 Sewage Service	1,755,393	2,202,600	**1,659,800**	1,676,400	1,693,200	1,710,100	1,727,200
3.4 Water Service	12,581,725	11,583,000	**12,188,800**	12,432,600	12,681,300	12,935,100	13,193,800
Total Utility Costs	39,079,248	37,391,500	**39,029,400**	40,243,200	41,639,400	43,025,100	44,469,700
4.1 Chemicals	19,128,291	24,646,300	**23,460,300**	23,593,000	23,840,700	23,938,600	24,039,300
4.2 Supplies & Other	23,547,734	16,273,900	**19,286,600**	19,682,000	21,905,500	20,690,700	21,060,400
4.3 Contractual Services	26,974,762	28,161,700	**29,655,800**	30,602,600	31,504,700	32,099,000	32,706,900
5.1 Capital Program Allocation	(1,396,306)	(2,121,300)	**(1,598,500)**	(1,960,400)	(1,929,000)	(1,999,000)	(2,027,500)
5.2 Shared Services	(782,201)	(699,200)	**(714,300)**	(732,800)	(749,000)	(768,700)	(779,300)
5.5 Intergovermental Agreement	(726,732)	(638,200)	**-**	-	-	-	-
7.0 Unallocated Reserve	-	4,251,400	**3,176,400**	2,419,800	2,531,400	5,531,400	6,531,400
Total Other Categories	66,745,548	69,874,600	**73,266,300**	73,604,200	77,104,300	79,492,000	81,531,200
Total Wastewater System Operations (Operating Area B)	**$ 146,250,199**	**$ 149,745,100**	**$ 156,572,600**	**$ 161,402,900**	**$ 171,368,700**	**$ 175,554,700**	**$ 179,130,100**
Allocations							
Centralized Services	57,500,777	60,413,200	**56,384,100**	61,230,500	60,433,300	60,852,600	62,562,000
Administrative Services	18,922,757	21,275,700	**23,142,000**	23,754,500	25,060,300	25,656,700	26,097,400
Total Allocations	**$ 76,423,534**	**$ 81,688,900**	**$ 79,526,100**	**$ 84,985,000**	**$ 85,493,600**	**$ 86,509,300**	**$ 88,659,400**
Total Wastewater System Operations & Maintenance Expense	**$ 222,673,733**	**$ 231,434,000**	**$ 236,098,700**	**$ 246,387,900**	**$ 256,862,300**	**$ 262,064,000**	**$ 267,789,500**

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 organizational standards for quality and safety.

Strategic Initiatives

- **Maintain 100% water quality compliance (Ongoing)**
  Delivery of pure, safe drinking water is essential to GLWA's mission. A KPI is reported monthly to management 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.
  - Improve maintenance of equipment using updated asset management initiatives. GLWA has implemented an Enterprise Asset Management (EAM) system which will streamline access to asset data by moving from paper to digital mobility. It will enhance planning, scheduling and prediction of work for increased wrench time and proactive maintenance. It will drive asset decision-making using risk and lowest lifecycle cost approaches for doing the right work at the right time on the right assets.

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

The table on the following page shows how the water 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
Water Operations Strategic Initiatives	Maintain 100% water quality compliance			x				x				x
	Restructuring Water Production			x	x	x						x
	Maintain 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

Go to TOC

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. The following tables have the key contracts and purchase orders for the Water Operations area. Budgeted amounts beyond contract dates 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.

Significant Contracts

Project Description	Cyber Security and Ovation, Instrumentation & Controls Upgrades and Updates	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	Emerson Process Management	Mobile Dredging & Video Pipe Inc	Motor City Electric	PMA Consultants LLC	Preventive Maintenance Technologies	
Contract #	2101167	GLWA-CON-170	1900995	GLWA-CS-166	2001082	
Workday Contract #	SCN-0000347	SCN-0000308	SCN-0000099	SCN-0000353	SCN-0000145	
Contract Amount	$5,957,667	$53,222,320	$9,702,373	$11,300,000	$2,217,490	
Contract End Date	3/12/2026	9/30/2025	7/25/2025	3/31/2026	5/29/2025	
Cost Center Name	Water Plants	Various	Water Plants	Various	Water Plants	
Expense Category	Contractual Services / Capital Outlay	Contractual Services	Contractual Services	Contractual Services	Contractual Services	
Pre-FY 2024 Spend	$ 279,352	$ 35,295,410	$ 3,513,496	$ 3,725,497	$ 712,038	
Pre-FY 2024 Average Spend	$ 186,235	$ 6,417,347	$ 1,171,165	$ 677,363	$ 203,440	
FY 2024 Actual	884,086	6,049,081	354,989	58,815	235,197	7,582,168
FY 2025 Amended	175,000	7,500,000	553,000	315,000	205,000	8,748,000
FY 2026	**1,034,100**	**8,923,600**	**763,000**	**763,000**	**251,400**	**11,735,100**
FY 2027	1,034,100	9,989,400	763,000	763,000	251,400	12,800,900
FY 2028	-	10,038,400	763,000	763,000	251,400	11,815,800
FY 2029	-	6,855,600	763,000	763,000	251,400	8,633,000
FY 2030	-	9,150,400	763,000	763,000	251,400	10,927,800
Total	**$ 3,406,638**	**$ 93,801,890**	**$ 8,236,485**	**$ 7,914,313**	**$ 2,409,235**	**$ 72,242,768**

Go to TOC

Significant Contracts/Purchase Orders Chemicals

Project Description	Hydrofluorosilicic Acid	Aluminum Sulfate	Liquid Chlorine	Phosphoric Acid	Liquid Oxygen	Total Significant Chemical Contracts
Prime Vendor	PVS Pencco	Chemtrade Chemicals PVS	JCI Jones Chemicals Pencco	PVS Pencco	Metro Welding	
Contract #	Purchase Order	Purchase Order	Purchase Order	Purchase Order	Purchase Order	
Cost Center Name	Various	Various	Various	Various	Various	
Expense Category	Chemicals	Chemicals	Chemicals	Chemicals	Chemicals	
Pre-FY 2024 Spend	$ 9,540,739	$ 20,934,207	$ 8,298,544	$ 8,582,425	$ 588,050	
FY 2024 Actual	653,185	4,380,839	3,950,874	1,760,739	31,758	10,777,395
FY 2025 Amended	1,640,000	4,430,000	3,070,000	6,180,000	62,200	15,382,200
FY 2026	**1,391,000**	**4,320,000**	**3,588,500**	**4,130,000**	**790,000**	**14,219,500**
FY 2027	1,395,000	4,332,000	3,596,000	4,140,000	790,000	14,253,000
FY 2028	1,399,000	4,344,000	3,603,000	4,150,000	790,000	14,286,000
FY 2029	1,403,000	4,356,000	3,611,000	4,155,000	790,000	14,315,000
FY 2030	1,408,000	4,368,000	3,615,000	4,159,000	790,000	14,340,000
Total	**$ 18,829,924**	**$ 51,465,046**	**$ 33,332,918**	**$ 37,257,164**	**$ 4,632,008**	**$ 97,573,095**

See Chemicals under Section 6 Supplemental Analysis for specific details.

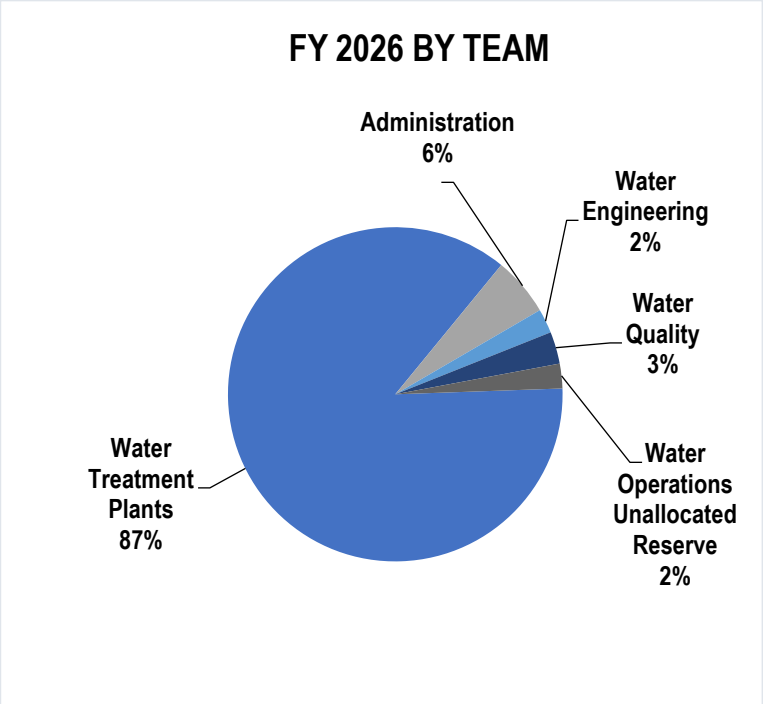
Task order Contracts

As a part of the delivery of services for Water Operations, three types of task-oriented contracts have been executed that have multiple pre-qualified vendors for specific tasks. These contracts, known as task-order contracts, are designed to reduce the time in the procurement process. These task-oriented contracts are grouped into three key segments: Job Order Contract (Operations and Maintenance), Task Order Engineering Services (Operations and Maintenance as well as Capital Projects), and Instrumentation and Control Maintenance Services (Operations and Maintenance as well as Capital Projects). Each segment contains multiple vendors who can compete for projects within their segment. The expenditure for any project, or task, is controlled by the budget for the area for which that task is requested.

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.

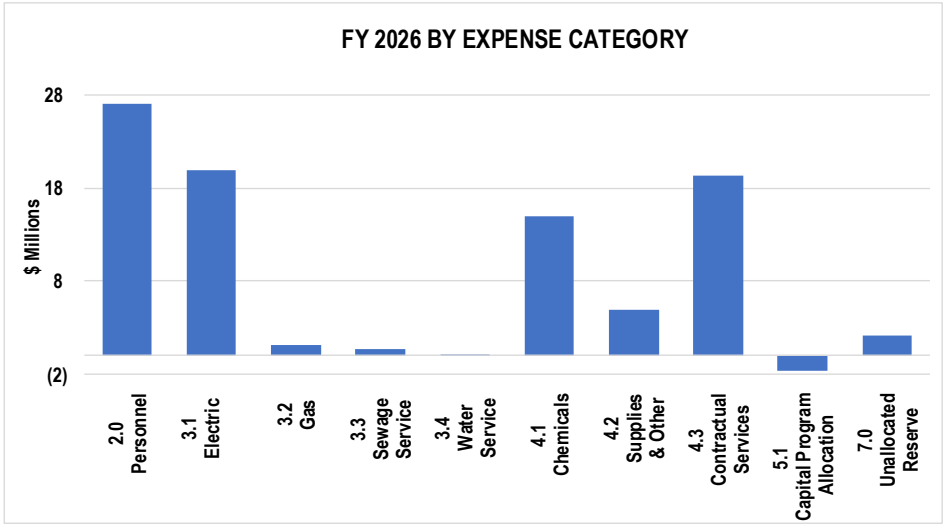


Expense Categories

There are four major expense categories related to Water Operations in the operations and maintenance budget as listed below:

- Personnel
- Electric Utilities
- Contractual Services
- Chemicals

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



Go to TOC

Electric utility costs represent the second highest expense category for Water Operations. Water demand leads to increased or decreased energy consumption to transport 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 represent the third highest expense category for Water Operations. This includes alum sludge removal and hauling, innovative control system that integrates data from remote sites, HVAC maintenance, and janitorial services.

Chemicals are the fourth highest expense category for Water Operations.

Biennial Budget Request

The discussion below compares the FY 2026 budget to the FY 2025 amended budget. The FY 2025 budget amendments increased the Water Operations and Maintenance budget by $5.0 million. Chemical costs were increased by $3 million related to the corrosion control program due to new lead and copper rules (corrosion control) from the Environmental Protection Agency (EPA). Contractual Services were increased by $2 million for the estimated repair costs of the southwest Detroit water main break.

The FY 2026 biennial budget reflects an overall increase of $3.6 million, or 4.2% from FY 2025. Key factors that drive the increase in FY 2026 include:

- Contractual Services increased $4.1 million or 26.8%. This is primarily due to Contractual Operating Services for sludge removal and hauling of $2.1 million and Lake Shore Global Support Services of $2 million
- Personnel increased $1.3 million or 5% is attributed to pay rate increases related to market adjustments and merit increases.
- Chemicals decreased by $0.8 million or 5.0%. The annual budget is based on projected operational volume for an average year. Projected volume excludes abnormal usage caused by demand changes and condition of source water. Additional information is discussed in Section 6 – Bulk Chemicals.
- Supplies & Other increased by $0.8 million or 20.1% due to the HVAC repairs and maintenance contract renewal projects.
- Electric increased $0.5 million reflects increased costs due to increase power generation and infrastructure delivery charges.
- Contribution to the unallocated reserve decreased by $3.0 million, or 58.8%. The unallocated reserve is set aside for unbudgeted expenditures needed in operations.

Biennial Budget Request by Expense Category

Expense Category	FY 2024 Actual	FY 2025 Amended Budget	FY 2025 Activity as of 02.28.2025	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
2.0 Personnel	$ 24,886,699	$ 25,732,800	$ 19,691,388	**$ 27,021,300**	**$ 1,288,500**	**5.0%**	$ 29,446,800
3.1 Electric	19,208,596	19,410,000	11,640,732	**19,930,000**	**520,000**	**2.7%**	20,030,000
3.2 Gas	1,020,316	1,050,000	601,476	**1,081,000**	**31,000**	**3.0%**	1,102,500
3.3 Sewage Service	563,081	750,000	327,679	**760,000**	**10,000**	**1.3%**	760,000
3.4 Water Service	1,182	1,500	12,145	**1,500**	**-**	**0.0%**	1,500
4.1 Chemicals	11,947,115	15,688,600	9,213,672	**14,904,300**	**(784,300)**	**-5.0%**	14,972,800
4.2 Supplies & Other	3,883,494	4,130,900	2,888,041	**4,961,700**	**830,800**	**20.1%**	4,503,700
4.3 Contractual Services	13,577,695	15,221,500	9,987,330	**19,295,100**	**4,073,600**	**26.8%**	20,168,900
5.1 Capital Program Allocation	(1,193,856)	(2,242,900)	(952,164)	**(1,619,900)**	**623,000**	**-27.8%**	(2,195,600)
7.0 Unallocated Reserve	-	5,131,000	-	**2,113,200**	**(3,017,800)**	**-58.8%**	6,234,000
Grand Total	**$ 73,894,321**	**$ 84,873,400**	**$ 53,410,300**	**$ 88,448,200**	**$ 3,574,800**	**4.2%**	**$ 95,024,600**

Biennial Budget Request by Team

Team	FY 2024 Actual	FY 2025 Amended Budget	FY 2025 Activity as of 02.28.2025	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
Administration	$ 4,039,498	$ 4,465,100	$ 3,720,103	**$ 5,026,600**	**$ 561,500**	**12.6%**	$ 5,143,300
Water Treatment Plants	65,707,536	70,824,800	45,151,673	**76,487,600**	**5,662,800**	**8.0%**	78,273,900
Water Engineering	1,577,472	1,849,300	1,533,185	**2,077,400**	**228,100**	**12.3%**	2,492,000
Water Quality	2,569,816	2,603,200	1,975,825	**2,743,400**	**140,200**	**5.4%**	2,881,400
Water Operations Unallocated Reserve	-	5,131,000	-	**2,113,200**	**(3,017,800)**	**-58.8%**	6,234,000
Employee Benefits (*)	-	-	1,029,514	**-**	**-**	**0.0%**	-
Grand Total	**$ 73,894,321**	**$ 84,873,400**	**$ 53,410,300**	**$ 88,448,200**	**$ 3,574,800**	**4.2%**	**$ 95,024,600**

(*) *The Employee Benefits fund is classified under Water Operations during the fiscal year. These expenses are allocated to various cost centers in both water and sewer at the end of each fiscal year.*

Personnel Budget

Water system operations personnel consist of 288 positions, largely comprised of staffing at the five water treatment plants (196 positions). Water Engineering (34 positions) and Water Quality (31 positions) are the second and third largest categories for FY 2026, respectively. Reclassing of positions occur on an ongoing basis. The increase from FY 2025 to FY 2026 of 1 position is due to the addition of a Water Quality Manager.

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

Operating Area and Team	Staffing Plan						
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Water Systems Operations	**273.00**	**287.00**	**288.00**	**296.00**	**301.00**	**301.00**	**301.00**
COO - Water Operations & Field Services	5.00	8.00	9.00	9.00	9.00	9.00	9.00
Water Director	12.00	14.00	18.00	18.00	18.00	18.00	18.00
Water Engineering	37.00	44.00	34.00	40.00	44.00	44.00	44.00
Water Quality	27.00	29.00	31.00	31.00	31.00	31.00	31.00
Subtotal Water Treatment Plants	**192.00**	**192.00**	**196.00**	**198.00**	**199.00**	**199.00**	**199.00**
Water Works Park	40.00	42.00	44.00	45.00	45.00	45.00	45.00
Springwells Water Plant	40.00	39.00	39.00	40.00	40.00	40.00	40.00
Northeast Water Plant	38.00	37.00	37.00	37.00	38.00	38.00	38.00
Southwest Water Plant	37.00	37.00	37.00	37.00	37.00	37.00	37.00
Lake Huron Water Plant	37.00	37.00	39.00	39.00	39.00	39.00	39.00

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

Operating Area and Team	Full Time Equivalents (FTEs)						
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Water Systems Operations	**231.25**	**252.00**	**247.75**	**273.25**	**298.25**	**300.50**	**300.50**
COO - Water Operations & Field Services	5.00	7.25	8.25	8.50	9.00	9.00	9.00
Water Director	11.00	13.25	15.50	16.75	17.50	17.50	17.50
Water Engineering	23.75	26.00	22.50	28.50	42.50	44.00	44.00
Water Quality	25.00	28.50	28.50	29.50	31.00	31.00	31.00
Subtotal Water Treatment Plants	**166.50**	**177.00**	**173.00**	**190.00**	**198.25**	**199.00**	**199.00**
Water Works Park	34.75	36.75	37.00	42.75	45.00	45.00	45.00
Springwells Water Plant	33.50	35.25	35.25	38.25	40.00	40.00	40.00
Northeast Water Plant	31.75	34.75	34.75	36.00	37.25	38.00	38.00
Southwest Water Plant	32.00	35.50	31.00	35.00	37.00	37.00	37.00
Lake Huron Water Plant	34.50	34.75	35.00	38.00	39.00	39.00	39.00

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 the 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 2024 Actual	FY 2025 Amended Budget	FY 2025 Activity as of 02.28.2025	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
2.1 Salaries & Wages	$ 15,102,217	$ 15,709,000	$ 11,528,781	**$ 16,229,200**	**$ 520,200**	**3.3%**	$ 17,670,200
2.2 Workforce Development	984,680	1,144,500	588,934	**1,471,600**	**327,100**	**28.6%**	1,765,900
2.3 Overtime	2,941,319	2,476,700	2,060,251	**2,803,900**	**327,200**	**13.2%**	2,829,700
2.4 Employee Benefits	5,858,483	6,402,600	5,513,422	**6,516,600**	**114,000**	**1.8%**	7,181,000
Grand Total	**$ 24,886,699**	**$ 25,732,800**	**$ 19,691,388**	**$ 27,021,300**	**$ 1,288,500**	**5.0%**	**$ 29,446,800**

Personnel – Biennial Budget Request by Team

Team	FY 2024 Actual	FY 2025 Amended Budget	FY 2025 Activity as of 02.28.2025	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
Administration	$ 2,738,143	$ 2,847,400	$ 2,210,258	**$ 3,237,600**	**$ 390,200**	**13.7%**	$ 3,394,300
Water Treatment Plants	17,362,649	17,029,800	12,920,380	**18,158,700**	**1,128,900**	**6.6%**	19,501,500
Water Engineering	2,575,983	3,564,200	1,846,194	**3,237,800**	**(326,400)**	**-9.2%**	4,065,300
Water Quality	2,209,924	2,291,400	1,685,042	**2,387,200**	**95,800**	**4.2%**	2,485,700
Employee Benefits (*)	-	-	1,029,514	**-**	**-**	**0.0%**	-
Grand Total	**$ 24,886,699**	**$ 25,732,800**	**$ 19,691,388**	**$ 27,021,300**	**$ 1,288,500**	**5.0%**	**$ 29,446,800**

(*) *The Employee Benefits fund is classified under Water Operations during the fiscal year. These expenses are allocated to various cost centers in both water and sewer at the end of each fiscal year.*

Personnel – Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
2.1 Salaries & Wages	$ 15,102,217	$ 15,709,000	**$ 16,229,200**	$ 17,670,200	$ 19,882,300	$ 20,073,900	$ 20,073,900
2.2 Workforce Development	984,680	1,144,500	**1,471,600**	1,765,900	1,765,900	1,765,900	1,765,900
2.3 Overtime	2,941,319	2,476,700	**2,803,900**	2,829,700	2,889,200	2,904,000	2,904,000
2.4 Employee Benefits	5,858,483	6,402,600	**6,516,600**	7,181,000	7,971,300	8,099,900	8,163,300
Grand Total	**$ 24,886,699**	**$ 25,732,800**	**$ 27,021,300**	**$ 29,446,800**	**$ 32,508,700**	**$ 32,843,700**	**$ 32,907,100**

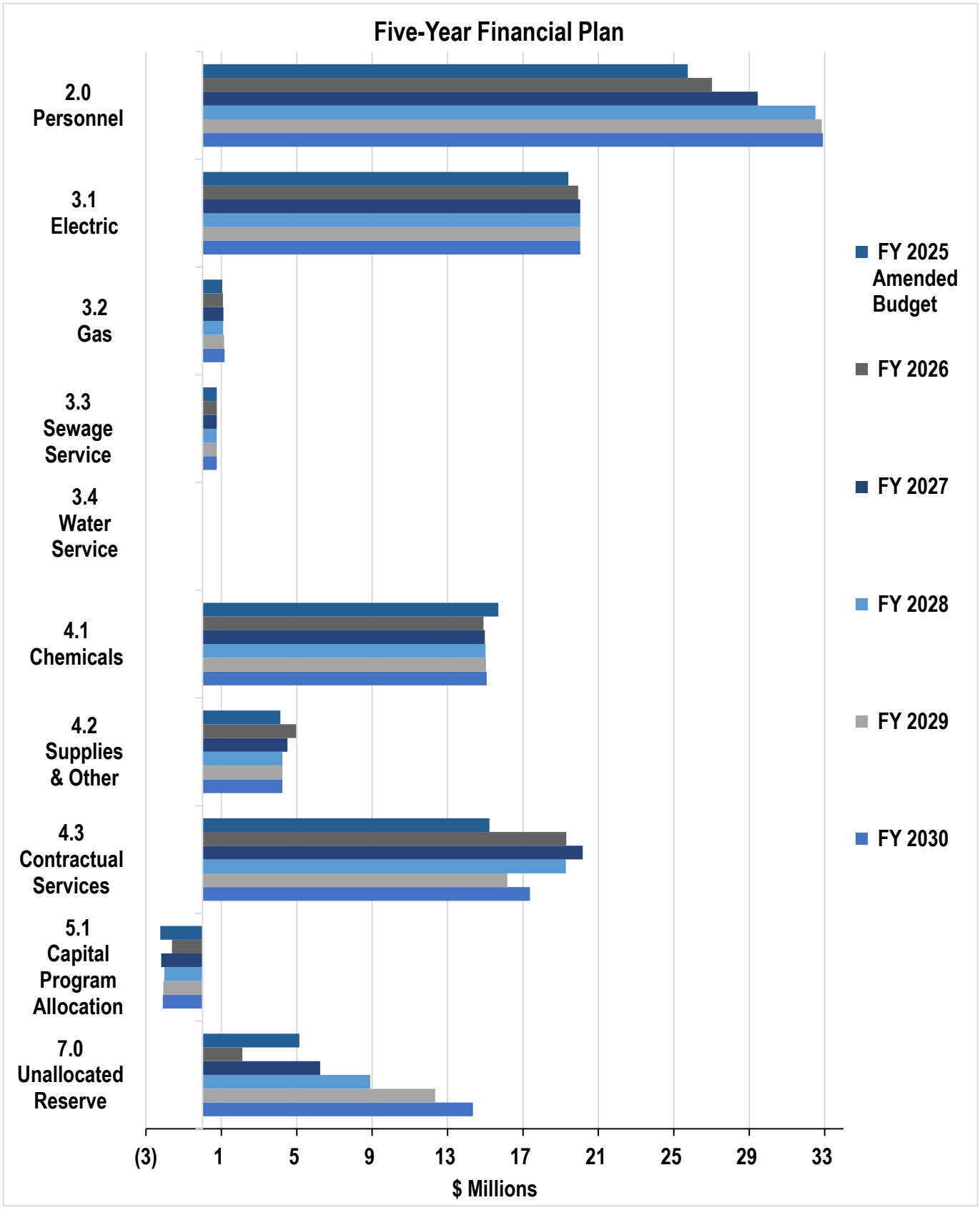
Personnel – Five-Year Financial Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Water System Operations	**$ 7,524,049**	**$ 8,703,000**	**$ 8,862,600**	**$ 9,945,300**	**$ 12,222,000**	**$ 12,454,500**	**$ 12,476,000**
Chief Operating Officer - Water Operations & Field Services	1,054,820	1,080,500	1,242,700	1,280,000	1,353,300	1,355,200	1,357,100
Water Director	1,683,323	1,766,900	1,994,900	2,114,300	2,209,900	2,213,600	2,217,400
Water Engineering	2,575,983	3,564,200	3,237,800	4,065,300	6,012,800	6,233,100	6,242,200
Water Quality	2,209,924	2,291,400	2,387,200	2,485,700	2,646,000	2,652,600	2,659,300
Subtotal Water Treatment Plants	**17,362,649**	**17,029,800**	**18,158,700**	**19,501,500**	**20,286,700**	**20,389,200**	**20,431,100**
Water Works Park	3,972,147	3,644,600	3,994,200	4,388,300	4,605,600	4,614,800	4,624,000
Springwells Water Plant	3,591,180	3,443,300	3,864,200	4,106,100	4,256,700	4,265,200	4,273,800
Northeast Water Plant	3,500,374	3,330,100	3,723,900	3,863,700	3,981,600	4,050,400	4,058,500
Southwest Water Plant	2,975,908	3,354,100	3,127,900	3,464,600	3,662,800	3,670,700	3,678,600
Lake Huron Water Plant	3,323,040	3,257,700	3,448,500	3,678,800	3,780,000	3,788,100	3,796,200
Grand Total	**$ 24,886,699**	**$ 25,732,800**	**$ 27,021,300**	**$ 29,446,800**	**$ 32,508,700**	**$ 32,843,700**	**$ 32,907,100**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
2.0 Personnel	$ 24,886,699	$ 25,732,800	**$ 27,021,300**	$ 29,446,800	$ 32,508,700	$ 32,843,700	$ 32,907,100
3.1 Electric	19,208,596	19,410,000	**19,930,000**	20,030,000	20,030,000	20,030,000	20,030,000
3.2 Gas	1,020,316	1,050,000	**1,081,000**	1,102,500	1,098,000	1,146,600	1,170,100
3.3 Sewage Service	563,081	750,000	**760,000**	760,000	760,000	760,000	760,000
3.4 Water Service	1,182	1,500	**1,500**	1,500	1,500	1,500	1,500
4.1 Chemicals	11,947,115	15,688,600	**14,904,300**	14,972,800	15,006,800	15,036,800	15,072,800
4.2 Supplies & Other	3,883,494	4,130,900	**4,961,700**	4,503,700	4,239,200	4,243,100	4,236,200
4.3 Contractual Services	13,577,695	15,221,500	**19,295,100**	20,168,900	19,267,500	16,161,700	17,366,000
5.1 Capital Program Allocation	(1,193,856)	(2,242,900)	**(1,619,900)**	(2,195,600)	(2,028,700)	(2,081,500)	(2,110,100)
7.0 Unallocated Reserve	-	5,131,000	**2,113,200**	6,234,000	8,899,800	12,345,800	14,345,800
Grand Total	**$ 73,894,321**	**$ 84,873,400**	**$ 88,448,200**	**$ 95,024,600**	**$ 99,782,800**	**$ 100,487,700**	**$ 103,779,400**


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
7.0 Unallocated Reserve
FY 2025 Amended Budget
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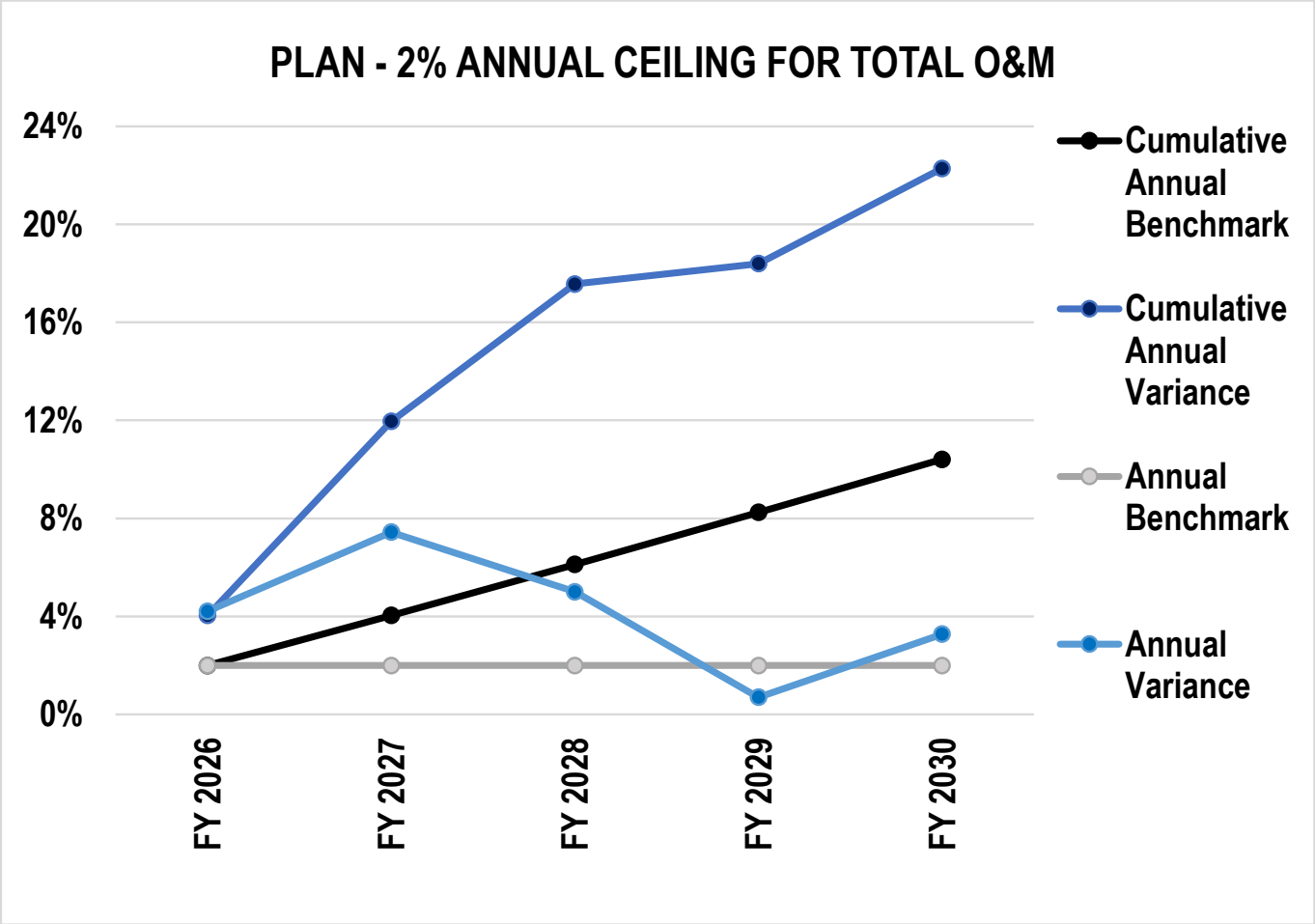
Go to TOC

Five-Year Financial Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Administration	$ 4,039,498	$ 4,465,100	**$ 5,026,600**	$ 5,143,300	$ 4,410,300	$ 4,415,900	$ 4,421,600
Water Treatment Plants	65,707,536	70,824,800	**76,487,600**	78,273,900	78,988,900	76,100,600	77,390,900
Water Engineering	1,577,472	1,849,300	**2,077,400**	2,492,000	4,417,100	4,585,100	4,566,100
Water Quality	2,569,816	2,603,200	**2,743,400**	2,881,400	3,066,700	3,040,300	3,055,000
Water Operations Unallocated Reserve	-	5,131,000	**2,113,200**	6,234,000	8,899,800	12,345,800	14,345,800
Grand Total	**$ 73,894,321**	**$ 84,873,400**	**$ 88,448,200**	**$ 95,024,600**	**$ 99,782,800**	**$ 100,487,700**	**$ 103,779,400**

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

The Water Operations area financial plan reflects a five-year overall increase of 22.3% 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 main reason for being above the five-year entity-wide goal is for the increases in FY 2026 which was discussed earlier.



Go to TOC

Capital Outlay

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

Increase in the buildings/structure category due to a laboratory rebuild at Northeast Water Plant ($0.5 million) and brickwork repairs at Springwells Water Plant ($0.1 million).

Five-Year Capital Outlay Plan by Asset Category

Asset Category	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Building/Structures	**$ -**	**$ 552,100**	**$ 242,100**	**$ 250,000**	**$ 250,000**	**$ 280,000**
Leasehold Improvements	**158,000**	**73,600**	**-**	**-**	**-**	**-**
Machinery & Equipment	**3,022,700**	**3,271,700**	**3,377,200**	**2,603,000**	**1,743,500**	**1,708,300**
Controls & Communication	607,700	593,700	583,700	144,000	150,000	110,000
Furniture & Fixtures	40,000	45,000	45,000	50,000	-	-
Heavy Equipment & Misc	267,000	365,000	62,000	75,000	177,000	50,000
Laboratory	434,000	274,800	266,000	198,000	306,000	286,300
Leasehold Improvements	-	250,000	-	-	-	-
Pipes, Gates & Valves	238,000	228,000	60,000	228,000	10,000	254,000
Process Equipment/Treatment	385,000	599,200	1,251,000	685,000	617,000	440,000
Pumps & Motors	1,031,000	881,000	1,082,500	1,191,000	471,500	553,000
Tools, Shop & Warehouse	20,000	35,000	27,000	32,000	12,000	15,000
Site Improvements	-	-	40,000	40,000	290,000	290,000
Lighting	-	-	40,000	40,000	40,000	40,000
Paving/Concrete	-	-	-	-	250,000	250,000
Vehicles	**13,000**	**68,000**	**13,000**	**68,000**	**13,000**	**13,000**
Trailer & Towable Equipment	-	40,000	-	40,000	-	-
Utility Vehicle	13,000	28,000	13,000	28,000	13,000	13,000
Grand Total	**$ 3,193,700**	**$ 3,965,400**	**$ 3,672,300**	**$ 2,961,000**	**$ 2,296,500**	**$ 2,291,300**

Five-Year Capital Outlay Plan by Funding Source

Funding Source	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Improvement & Extension	$ 5,740,148	$ 3,193,700	$ 3,965,400	$ 3,672,300	$ 2,961,000	$ 2,296,500	$ 2,291,300
Grand Total	**$ 5,740,148**	**$ 3,193,700**	**$ 3,965,400**	**$ 3,672,300**	**$ 2,961,000**	**$ 2,296,500**	**$ 2,291,300**

Five-Year Capital Outlay Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Water Director	**$ 111,086**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Water Quality	**29,061**	**230,000**	**51,500**	**12,000**	**62,000**	**27,000**	**18,000**
Water Treatment Plants	**5,600,000**	**2,963,700**	**3,913,900**	**3,660,300**	**2,899,000**	**2,269,500**	**2,273,300**
Water Works Park	1,578,024	491,000	1,043,300	1,583,000	960,000	427,000	212,300
Springwells Water Plant	1,232,903	887,900	447,900	649,900	642,000	902,000	975,000
Northeast Water Plant	556,640	765,900	1,516,000	891,000	766,000	456,000	791,000
Southwest Water Plant	228,935	332,000	534,800	329,500	427,000	285,500	241,000
Lake Huron Water Plant	2,003,498	486,900	371,900	206,900	104,000	199,000	54,000
Grand Total	**$ 5,740,148**	**$ 3,193,700**	**$ 3,965,400**	**$ 3,672,300**	**$ 2,961,000**	**$ 2,296,500**	**$ 2,291,300**

Go to TOC

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, the tables provide information to smooth out expenses over time and/or plan for annual fluctuations.

Cost Center & Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
882001 COO - Water Operations & Field Services	**$ 1,549,460**	**$ 1,399,200**	**$ 1,581,700**	**$ 1,619,000**	**$ 1,692,300**	**$ 1,694,200**	**$ 1,696,100**
2.1 Salaries & Wages	**835,947**	**837,600**	**966,800**	**994,100**	**1,049,100**	**1,049,100**	**1,049,100**
2.3 Overtime	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.4 Employee Benefits	**218,872**	**242,900**	**275,900**	**285,900**	**304,200**	**306,100**	**308,000**
4.1 Chemicals	**-**	**-**	**-**	**-**	**-**	**-**	**-**
4.2 Supplies & Other	**354,640**	**303,700**	**339,000**	**339,000**	**339,000**	**339,000**	**339,000**
Memberships, Licenses & Subscriptions	335,883	269,200	308,500	308,500	308,500	308,500	308,500
Mileage and Parking	-	-	-	-	-	-	-
Office Supplies	110	500	500	500	500	500	500
Operating Supplies	-	-	-	-	-	-	-
Postage	70	-	-	-	-	-	-
Training and Internal Meetings	5,035	16,000	12,000	12,000	12,000	12,000	12,000
Travel	13,541	18,000	18,000	18,000	18,000	18,000	18,000
4.3 Contractual Services	**140,000**	**15,000**	**-**	**-**	**-**	**-**	**-**
Contractual Professional Services	140,000	15,000	-	-	-	-	-
882101 Water Director	**2,490,038**	**3,065,900**	**3,444,900**	**3,524,300**	**2,718,000**	**2,721,700**	**2,725,500**
2.1 Salaries & Wages	**1,311,213**	**1,341,000**	**1,454,900**	**1,503,200**	**1,572,300**	**1,572,300**	**1,572,300**
2.2 Workforce Development	**-**	**-**	**58,400**	**93,800**	**93,800**	**93,800**	**93,800**
2.3 Overtime	**8,694**	**15,000**	**10,500**	**11,500**	**12,000**	**12,000**	**12,000**
2.4 Employee Benefits	**363,416**	**410,900**	**471,100**	**505,800**	**531,800**	**535,500**	**539,300**
4.2 Supplies & Other	**355,597**	**643,100**	**664,600**	**624,600**	**373,100**	**373,100**	**373,100**
Capital Outlay less than $5,000	6,059	-	-	-	-	-	-
Damage Claims	11,684	-	-	-	-	-	-
Employee Uniform Expense	140,873	125,000	-	-	-	-	-
Inspection and Permit Fees	-	1,000	1,000	1,000	1,000	1,000	1,000
Memberships, Licenses & Subscriptions	2,500	2,100	3,000	3,000	3,000	3,000	3,000
Mileage and Parking	5,610	5,000	5,600	5,600	5,600	5,600	5,600
Office Supplies	902	3,500	3,500	3,500	3,500	3,500	3,500
Operating Supplies	-	-	-	-	-	-	-
Postage	-	-	-	-	-	-	-
Training and Internal Meetings	143,605	436,500	436,500	396,500	145,000	145,000	145,000
Travel	44,364	70,000	70,000	70,000	70,000	70,000	70,000
Uniforms, Laundry, Cleaning	-	-	145,000	145,000	145,000	145,000	145,000
4.3 Contractual Services	**451,118**	**655,900**	**785,400**	**785,400**	**135,000**	**135,000**	**135,000**
Contractual Operating Services	223,400	525,400	650,400	650,400	-	-	-
Contractual Professional Services	227,718	130,500	135,000	135,000	135,000	135,000	135,000

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

Cost Center & Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
882111 Water Engineering	**1,577,472**	**1,849,300**	**2,077,400**	**2,492,000**	**4,417,100**	**4,585,100**	**4,566,100**
2.1 Salaries & Wages	**1,984,861**	**2,656,400**	**2,426,400**	**3,057,800**	**4,546,600**	**4,708,700**	**4,708,700**
2.2 Workforce Development	**4,316**	**-**	**36,500**	**36,500**	**36,500**	**36,500**	**36,500**
2.3 Overtime	**19,457**	**92,000**	**60,000**	**60,000**	**60,000**	**60,000**	**60,000**
2.4 Employee Benefits	**567,349**	**815,800**	**714,900**	**911,000**	**1,369,700**	**1,427,900**	**1,437,000**
4.2 Supplies & Other	**52,610**	**78,800**	**68,800**	**68,800**	**68,800**	**68,800**	**68,800**
Capital Outlay less than $5,000	10,559	5,500	5,500	5,500	5,500	5,500	5,500
Employee Uniform Expense	8,094	7,000	-	-	-	-	-
Memberships, Licenses & Subscriptions	629	13,700	13,700	13,700	13,700	13,700	13,700
Mileage and Parking	8,390	18,000	12,000	12,000	12,000	12,000	12,000
Office Supplies	1,270	1,500	1,500	1,500	1,500	1,500	1,500
Operating Supplies	2,294	3,000	3,000	3,000	3,000	3,000	3,000
Postage	-	100	100	100	100	100	100
Software Repairs & Maintenance	-	5,000	-	-	-	-	-
Training and Internal Meetings	9,418	10,000	8,500	8,500	8,500	8,500	8,500
Travel	11,956	10,000	13,500	13,500	13,500	13,500	13,500
Tuition Refund	-	5,000	2,000	2,000	2,000	2,000	2,000
Uniforms, Laundry, Cleaning	-	-	9,000	9,000	9,000	9,000	9,000
4.3 Contractual Services	**126,147**	**210,000**	**250,000**	**250,000**	**60,000**	**60,000**	**60,000**
Contractual Professional Services	126,147	210,000	250,000	250,000	60,000	60,000	60,000
5.1 Capital Program Allocation	**(1,177,268)**	**(2,003,700)**	**(1,479,200)**	**(1,892,100)**	**(1,724,500)**	**(1,776,800)**	**(1,804,900)**
Capital Program: Employee Benefits	(333,953)	(381,300)	(327,600)	(424,800)	(659,100)	(692,900)	(697,300)
Capital Program: Salaries & Wages-Direct	(843,315)	(1,622,400)	(1,151,600)	(1,467,300)	(1,065,400)	(1,083,900)	(1,107,600)
882121 Water Quality	**2,569,816**	**2,603,200**	**2,743,400**	**2,881,400**	**3,066,700**	**3,040,300**	**3,055,000**
2.1 Salaries & Wages	**1,529,343**	**1,543,400**	**1,703,700**	**1,771,000**	**1,884,700**	**1,884,700**	**1,884,700**
2.3 Overtime	**112,397**	**100,200**	**12,000**	**12,000**	**12,000**	**12,000**	**12,000**
2.4 Employee Benefits	**568,184**	**647,800**	**671,500**	**702,700**	**749,300**	**755,900**	**762,600**
4.1 Chemicals	**223,709**	**180,500**	**230,000**	**264,000**	**264,000**	**264,000**	**264,000**
4.2 Supplies & Other	**71,485**	**67,800**	**76,200**	**73,700**	**73,700**	**73,700**	**73,700**
Capital Outlay less than $5,000	4,464	5,000	5,000	5,000	5,000	5,000	5,000
Memberships, Licenses & Subscriptions	6,637	500	7,000	7,000	7,000	7,000	7,000
Mileage and Parking	171	200	200	200	200	200	200
Office Supplies	3,920	6,500	6,500	6,500	6,500	6,500	6,500
Operating Supplies	53,878	55,600	55,000	55,000	55,000	55,000	55,000
Postage	2,415	-	2,500	-	-	-	-
4.3 Contractual Services	**64,698**	**63,500**	**50,000**	**58,000**	**83,000**	**50,000**	**58,000**
Contractual Operating Services	59,177	63,500	50,000	58,000	83,000	50,000	58,000
Contractual Professional Services	5,521	-	-	-	-	-	-

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

Cost Center & Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
882131 Water Works Park	**11,121,093**	**11,357,100**	**12,885,000**	**13,253,900**	**13,470,700**	**13,489,900**	**13,300,600**
2.1 Salaries & Wages	**1,966,601**	**1,847,500**	**1,931,500**	**2,106,500**	**2,247,400**	**2,247,400**	**2,247,400**
2.2 Workforce Development	**292,280**	**337,200**	**374,600**	**482,700**	**482,700**	**482,700**	**482,700**
2.3 Overtime	**762,313**	**562,800**	**752,400**	**758,300**	**770,000**	**770,000**	**770,000**
2.4 Employee Benefits	**950,953**	**897,100**	**935,700**	**1,040,800**	**1,105,500**	**1,114,700**	**1,123,900**
3.1 Electric	**2,263,813**	**2,500,000**	**2,500,000**	**2,500,000**	**2,500,000**	**2,500,000**	**2,500,000**
3.2 Gas	**196,862**	**230,000**	**234,600**	**239,300**	**238,900**	**249,000**	**249,000**
3.3 Sewage Service	**64,707**	**60,000**	**60,000**	**60,000**	**60,000**	**60,000**	**60,000**
4.1 Chemicals	**1,884,061**	**2,731,500**	**2,526,500**	**2,526,500**	**2,526,500**	**2,526,500**	**2,526,500**
4.2 Supplies & Other	**837,773**	**731,000**	**819,000**	**819,000**	**819,000**	**819,000**	**819,000**
Buildings	-	-	3,000	3,000	3,000	3,000	3,000
Buildings & Ground Repairs & Maintenance	-	-	-	-	-	-	-
Capital Outlay less than $5,000	86,229	100,000	72,000	72,000	72,000	72,000	72,000
Equipment Repairs & Maintenance	427,025	339,000	427,000	427,000	427,000	427,000	427,000
Hardware Repairs & Maintenance	-	-	-	-	-	-	-
Inspection and Permit Fees	888	2,000	3,000	3,000	3,000	3,000	3,000
Janitorial	16,149	15,000	15,000	15,000	15,000	15,000	15,000
Memberships, Licenses & Subscriptions	8,165	2,000	10,000	10,000	10,000	10,000	10,000
Mileage and Parking	15	500	500	500	500	500	500
Office Equipment	3,300	-	-	-	-	-	-
Office Supplies	9,996	20,000	11,000	11,000	11,000	11,000	11,000
Operating Supplies	281,007	252,000	277,000	277,000	277,000	277,000	277,000
Postage	-	-	-	-	-	-	-
Tuition Refund	5,000	500	500	500	500	500	500
4.3 Contractual Services	**1,901,730**	**1,460,000**	**2,760,700**	**2,760,700**	**2,760,700**	**2,760,700**	**2,562,200**
Contract Services-Information Technology	101,961	92,500	-	-	-	-	-
Contractual Buildings & Grounds Maint	630,922	530,000	780,000	780,000	780,000	780,000	580,000
Contractual Operating Services	928,487	487,500	1,725,700	1,725,700	1,725,700	1,725,700	1,727,200
Contractual Professional Services	240,360	350,000	255,000	255,000	255,000	255,000	255,000
5.1 Capital Program Allocation	**-**	**-**	**(10,000)**	**(39,900)**	**(40,000)**	**(40,100)**	**(40,100)**
Capital Program: Employee Benefits	-	-	(2,600)	(10,500)	(10,600)	(10,700)	(10,700)
Capital Program: Salaries & Wages-Direct	-	-	(7,400)	(29,400)	(29,400)	(29,400)	(29,400)

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

Cost Center & Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
882141 Springwells Water Plant	**17,447,212**	**17,150,900**	**18,002,600**	**20,093,900**	**17,789,200**	**17,792,800**	**20,093,400**
2.1 Salaries & Wages	**1,969,573**	**1,824,500**	**2,052,700**	**2,157,500**	**2,245,400**	**2,245,400**	**2,245,400**
2.2 Workforce Development	**207,787**	**257,000**	**310,800**	**367,200**	**367,200**	**367,200**	**367,200**
2.3 Overtime	**590,319**	**500,800**	**580,700**	**585,500**	**600,000**	**600,000**	**600,000**
2.4 Employee Benefits	**823,502**	**861,000**	**920,000**	**995,900**	**1,044,100**	**1,052,600**	**1,061,200**
3.1 Electric	**4,462,868**	**4,400,000**	**4,600,000**	**4,700,000**	**4,700,000**	**4,700,000**	**4,700,000**
3.2 Gas	**312,085**	**300,000**	**306,000**	**312,100**	**310,400**	**324,700**	**324,700**
4.1 Chemicals	**3,416,911**	**4,335,000**	**4,125,000**	**4,125,000**	**4,125,000**	**4,125,000**	**4,125,000**
4.2 Supplies & Other	**468,498**	**492,500**	**994,000**	**564,500**	**563,000**	**565,900**	**564,000**
Capital Outlay less than $5,000	33,485	50,000	50,000	50,000	50,000	50,000	50,000
Capital Outlay over $5k(O&M-NonCapitlzd)	16,135	-	-	-	-	-	-
Equipment Repairs & Maintenance	189,344	267,500	737,000	305,000	305,000	305,000	305,000
Flood Events	1,637	-	-	-	-	-	-
Inspection and Permit Fees	-	1,500	1,500	1,500	1,500	1,500	1,500
Janitorial	9,747	10,000	10,200	10,200	10,200	10,200	10,200
Memberships, Licenses & Subscriptions	470	1,000	800	800	800	1,200	800
Mileage and Parking	226	500	500	500	500	500	500
Office Supplies	6,402	5,000	4,000	4,500	5,000	5,500	6,000
Operating Supplies	211,053	156,000	189,000	191,000	189,000	191,000	189,000
Postage	-	-	-	-	-	-	-
Tuition Refund	-	1,000	1,000	1,000	1,000	1,000	1,000
4.3 Contractual Services	**5,204,411**	**4,257,400**	**4,142,100**	**6,350,100**	**3,898,100**	**3,876,100**	**6,170,100**
Contract Services-Information Technology	1,320	49,500	60,000	60,000	60,000	60,000	60,000
Contractual Buildings & Grounds Maint	568,285	645,000	825,000	825,000	800,000	800,000	600,000
Contractual Operating Services	4,389,747	3,369,800	3,177,500	5,435,500	3,008,500	2,986,500	5,480,500
Contractual Professional Services	245,059	193,100	79,600	29,600	29,600	29,600	29,600
5.1 Capital Program Allocation	**(8,740)**	**(77,300)**	**(28,700)**	**(63,900)**	**(64,000)**	**(64,100)**	**(64,200)**
Capital Program: Employee Benefits	(2,479)	(18,400)	(7,100)	(15,800)	(15,900)	(16,000)	(16,100)
Capital Program: Salaries & Wages-Direct	(6,261)	(58,900)	(21,600)	(48,100)	(48,100)	(48,100)	(48,100)

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

Cost Center & Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
882151 Northeast Water Plant	**13,359,625**	**14,394,300**	**15,785,000**	**12,191,100**	**15,203,200**	**15,744,600**	**12,207,600**
2.1 Salaries & Wages	**1,824,340**	**1,835,800**	**1,938,700**	**2,037,100**	**2,112,100**	**2,141,600**	**2,141,600**
2.2 Workforce Development	**233,251**	**228,800**	**284,300**	**284,300**	**284,300**	**284,300**	**284,300**
2.3 Overtime	**625,150**	**420,000**	**610,300**	**610,300**	**615,200**	**630,000**	**630,000**
2.4 Employee Benefits	**817,633**	**845,500**	**890,600**	**932,000**	**970,000**	**994,500**	**1,002,600**
3.1 Electric	**3,843,562**	**3,900,000**	**3,920,000**	**3,920,000**	**3,920,000**	**3,920,000**	**3,920,000**
3.2 Gas	**180,789**	**170,000**	**173,400**	**176,900**	**176,300**	**184,000**	**184,000**
3.3 Sewage Service	**177,960**	**170,000**	**180,000**	**180,000**	**180,000**	**180,000**	**180,000**
3.4 Water Service	**380**	**500**	**500**	**500**	**500**	**500**	**500**
4.1 Chemicals	**1,965,731**	**2,951,800**	**2,492,500**	**2,492,500**	**2,492,500**	**2,492,500**	**2,502,500**
4.2 Supplies & Other	**629,923**	**463,400**	**479,500**	**484,500**	**479,500**	**484,500**	**479,500**
Capital Outlay less than $5,000	22,591	30,000	25,000	25,000	25,000	25,000	25,000
Equipment Repairs & Maintenance	412,959	193,000	213,000	218,000	213,000	218,000	213,000
Inspection and Permit Fees	9,404	6,000	6,000	6,000	6,000	6,000	6,000
Janitorial	13,385	19,000	19,000	19,000	19,000	19,000	19,000
Memberships, Licenses & Subscriptions	13,419	9,000	9,100	9,100	9,100	9,100	9,100
Mileage and Parking	144	500	500	500	500	500	500
Miscellaneous Expense	-	-	-	-	-	-	-
Office Supplies	17,017	8,000	8,000	8,000	8,000	8,000	8,000
Operating Supplies	140,905	194,800	196,800	196,800	196,800	196,800	196,800
Postage	99	100	100	100	100	100	100
Tuition Refund	-	3,000	2,000	2,000	2,000	2,000	2,000
4.3 Contractual Services	**3,068,756**	**3,489,600**	**4,852,600**	**1,145,600**	**4,045,600**	**4,505,600**	**955,600**
Contract Services-Information Technology	13,950	37,500	-	-	-	-	-
Contractual Buildings & Grounds Maint	228,520	326,100	526,100	526,100	526,100	526,100	326,100
Contractual Operating Services	2,617,877	2,916,500	4,264,500	557,500	3,457,500	3,917,500	557,500
Contractual Professional Services	208,409	209,500	62,000	62,000	62,000	62,000	72,000
5.1 Capital Program Allocation	**(7,849)**	**(81,100)**	**(37,400)**	**(72,600)**	**(72,800)**	**(72,900)**	**(73,000)**
Capital Program: Employee Benefits	(2,226)	(19,000)	(8,600)	(17,300)	(17,500)	(17,600)	(17,700)
Capital Program: Salaries & Wages-Direct	(5,622)	(62,100)	(28,800)	(55,300)	(55,300)	(55,300)	(55,300)

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Go to TOC

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

Cost Center & Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
882161 Southwest Water Plant	**9,325,053**	**11,809,800**	**12,733,000**	**15,592,100**	**15,280,400**	**11,816,500**	**14,724,500**
2.1 Salaries & Wages	**1,616,758**	**1,868,100**	**1,648,200**	**1,846,500**	**1,968,900**	**1,968,900**	**1,968,900**
2.2 Workforce Development	**128,540**	**174,600**	**236,300**	**265,200**	**265,200**	**265,200**	**265,200**
2.3 Overtime	**503,545**	**470,700**	**472,200**	**481,500**	**500,000**	**500,000**	**500,000**
2.4 Employee Benefits	**727,065**	**840,700**	**771,200**	**871,400**	**928,700**	**936,600**	**944,500**
3.1 Electric	**1,784,348**	**1,500,000**	**1,800,000**	**1,800,000**	**1,800,000**	**1,800,000**	**1,800,000**
3.2 Gas	**188,762**	**200,000**	**214,000**	**218,100**	**217,400**	**226,500**	**250,000**
3.3 Sewage Service	**245,935**	**450,000**	**450,000**	**450,000**	**450,000**	**450,000**	**450,000**
3.4 Water Service	**802**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**
4.1 Chemicals	**1,743,435**	**2,137,500**	**1,837,000**	**1,871,500**	**1,905,500**	**1,935,500**	**1,961,500**
4.2 Supplies & Other	**636,470**	**623,400**	**709,800**	**718,800**	**709,800**	**709,800**	**709,800**
Capital Outlay less than $5,000	95,960	35,000	95,000	95,000	95,000	95,000	95,000
Equipment Repairs & Maintenance	193,936	158,500	183,900	192,900	183,900	183,900	183,900
Hardware Repairs & Maintenance	-	-	-	-	-	-	-
Inspection and Permit Fees	3,677	6,400	6,400	6,400	6,400	6,400	6,400
Janitorial	12,797	12,000	13,000	13,000	13,000	13,000	13,000
Memberships, Licenses & Subscriptions	95	2,000	2,000	2,000	2,000	2,000	2,000
Mileage and Parking	(282)	500	500	500	500	500	500
Office Supplies	5,838	9,000	9,000	9,000	9,000	9,000	9,000
Operating Supplies	101,240	150,000	150,000	150,000	150,000	150,000	150,000
Property Taxes	222,137	250,000	250,000	250,000	250,000	250,000	250,000
Tuition Refund	1,072	-	-	-	-	-	-
4.3 Contractual Services	**1,749,393**	**3,624,600**	**4,646,900**	**7,151,700**	**6,617,700**	**3,106,900**	**5,957,700**
Contract Services-Information Technology	45,000	47,500	-	-	-	-	-
Contractual Buildings & Grounds Maint	520,189	407,000	590,000	590,000	590,000	590,000	390,000
Contractual Operating Services	961,246	2,915,600	3,952,900	6,497,700	6,023,700	2,452,900	5,563,700
Contractual Professional Services	222,958	254,500	104,000	64,000	4,000	64,000	4,000
5.1 Capital Program Allocation	**-**	**(80,800)**	**(53,600)**	**(83,600)**	**(83,800)**	**(83,900)**	**(84,100)**
Capital Program: Employee Benefits	-	(18,900)	(12,900)	(20,900)	(21,100)	(21,200)	(21,400)
Capital Program: Salaries & Wages-Direct	-	(61,900)	(40,700)	(62,700)	(62,700)	(62,700)	(62,700)

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

Cost Center & Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
882171 Lake Huron Water Plant	**14,454,552**	**16,112,700**	**17,082,000**	**17,142,900**	**17,245,400**	**17,256,800**	**17,064,800**
2.1 Salaries & Wages	**2,063,581**	**1,954,700**	**2,106,300**	**2,196,500**	**2,255,800**	**2,255,800**	**2,255,800**
2.2 Workforce Development	**118,506**	**146,900**	**170,700**	**236,200**	**236,200**	**236,200**	**236,200**
2.3 Overtime	**319,445**	**315,200**	**305,800**	**310,600**	**320,000**	**320,000**	**320,000**
2.4 Employee Benefits	**821,508**	**840,900**	**865,700**	**935,500**	**968,000**	**976,100**	**984,200**
3.1 Electric	**6,854,007**	**7,110,000**	**7,110,000**	**7,110,000**	**7,110,000**	**7,110,000**	**7,110,000**
3.2 Gas	**141,818**	**150,000**	**153,000**	**156,100**	**155,000**	**162,400**	**162,400**
3.3 Sewage Service	**74,479**	**70,000**	**70,000**	**70,000**	**70,000**	**70,000**	**70,000**
4.1 Chemicals	**2,713,267**	**3,352,300**	**3,693,300**	**3,693,300**	**3,693,300**	**3,693,300**	**3,693,300**
4.2 Supplies & Other	**476,496**	**727,200**	**810,800**	**810,800**	**813,300**	**809,300**	**809,300**
Capital Outlay less than $5,000	32,628	70,000	70,000	70,000	70,000	70,000	70,000
Capital Outlay over $5k(O&M-NonCapitlzd)	901	-	-	-	-	-	-
Equipment Repairs & Maintenance	153,116	450,000	490,000	490,000	490,000	490,000	490,000
Inspection and Permit Fees	-	1,000	1,000	1,000	3,500	1,000	1,000
Janitorial	7,662	6,500	8,000	8,000	8,000	8,000	8,000
Memberships, Licenses & Subscriptions	4,360	1,000	8,500	8,500	8,500	8,500	8,500
Mileage and Parking	366	1,000	500	500	500	500	500
Miscellaneous Rentals	(123)	-	-	-	-	-	-
Office Supplies	10,314	7,000	8,500	8,500	8,500	8,500	8,500
Operating Supplies	266,956	184,000	214,000	214,000	214,000	214,000	214,000
Postage	318	200	300	300	300	300	300
Property Taxes	-	6,000	8,000	8,000	8,000	8,000	8,000
Tuition Refund	-	500	2,000	2,000	2,000	500	500
4.3 Contractual Services	**871,444**	**1,445,500**	**1,807,400**	**1,667,400**	**1,667,400**	**1,667,400**	**1,467,400**
Contract Services-Information Technology	-	47,500	-	-	-	-	-
Contractual Buildings & Grounds Maint	249,972	205,000	405,000	405,000	405,000	405,000	205,000
Contractual Operating Services	269,472	1,018,000	1,349,400	1,209,400	1,209,400	1,209,400	1,209,400
Contractual Professional Services	351,999	175,000	53,000	53,000	53,000	53,000	53,000
5.1 Capital Program Allocation	**-**	**-**	**(11,000)**	**(43,500)**	**(43,600)**	**(43,700)**	**(43,800)**
Capital Program: Employee Benefits	-	-	(2,800)	(11,000)	(11,100)	(11,200)	(11,300)
Capital Program: Salaries & Wages-Direct	-	-	(8,200)	(32,500)	(32,500)	(32,500)	(32,500)
887601 Water System Operations Unallocated	**-**	**5,131,000**	**2,113,200**	**6,234,000**	**8,899,800**	**12,345,800**	**14,345,800**
7.0 Unallocated Reserve	**-**	**5,131,000**	**2,113,200**	**6,234,000**	**8,899,800**	**12,345,800**	**14,345,800**
Grand Total	**$ 73,894,321**	**$ 84,873,400**	**$ 88,448,200**	**$ 95,024,600**	**$ 99,782,800**	**$ 100,487,700**	**$ 103,779,400**

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. GLWA has implemented an Enterprise Asset Management (EAM) system which will enhance planning, scheduling and prediction of work for increased wrench time and proactive maintenance.
- **Minimize energy usage (Ongoing)**
  Energy consumption is dependent on flow rate, total pressure, climate, and overall pump efficiency. Energy can be minimized through regular preventive maintenance.

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

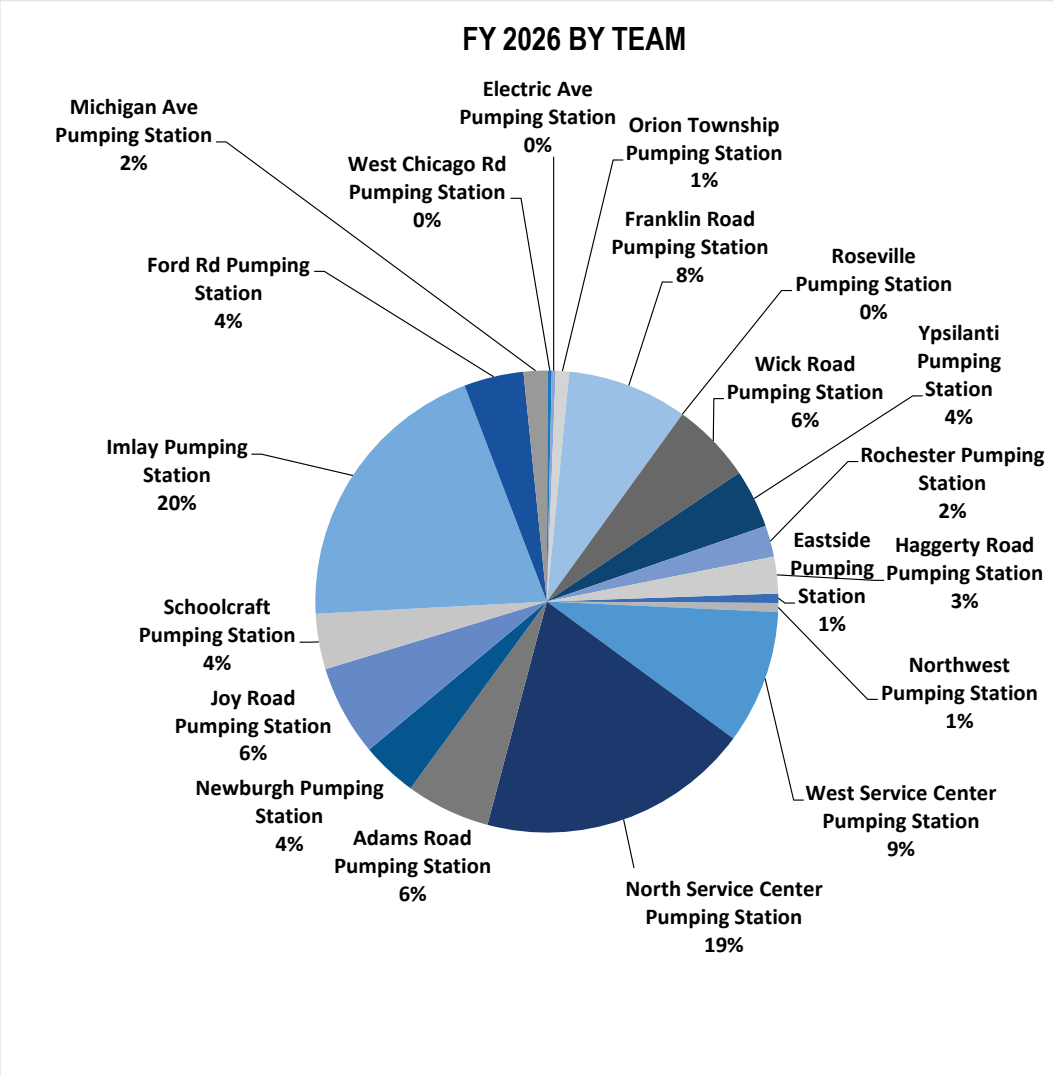
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Water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

Go to TOC

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



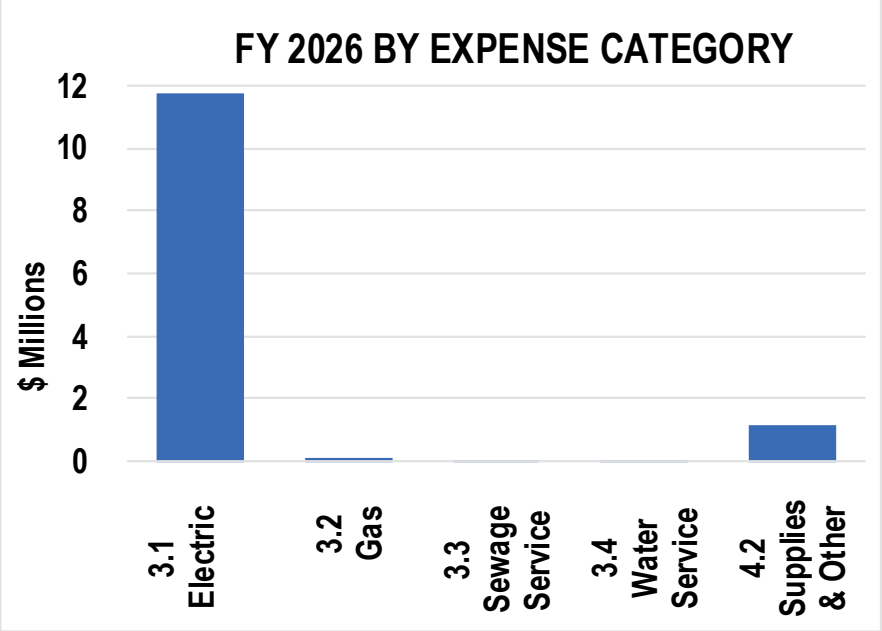
* The Roseville pumping station was decommissioned by DWSD prior to GLWA assuming operations. The only costs being incurred for this pump station are stormwater drainage charges.

Go to TOC

Expense Categories

Electric is the highest expense category in the Water Pump Stations operations and maintenance budget.

Booster stations require a significant amount of power. The electric costs represent approximately 90% of the total operations and maintenance costs for FY 2026 .



Biennial Budget Request

The biennial budget reflects an overall increase in FY 2026 of $256,000, or 2%. Key factors that impact the FY 2026 budget include the following:

- Electric – Increase of $238,400 to realign budgets to anticipated cost based on current trends. Over the past three years, the organization has experienced a substantial increase in utility costs, and budgets have been right-sized based on the continued price increases. Budgets are based on historical kilowatt hours (kWh) used and costs influenced by known rate changes by DTE Energy.
- Supplies & Other – Increase of $10,000 for repairs & maintenance on equipment based on increased spend and anticipated costs to maintain pump stations.

Biennial Budget Request by Expense Category

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
3.1 Electric	$ 11,599,240	$ 11,537,900	$ 8,177,452	**$ 11,776,300**	**$ 238,400**	**2.1%**	$ 12,036,000
3.2 Gas	117,059	108,300	82,256	**110,600**	**2,300**	**2.1%**	123,200
3.3 Sewage Service	12,938	3,100	1,714	**8,400**	**5,300**	**171.0%**	8,400
3.4 Water Service	453	1,000	258	**1,000**	**-**	**0.0%**	1,000
4.2 Supplies & Other	969,199	1,146,200	852,203	**1,156,200**	**10,000**	**0.9%**	1,166,100
4.3 Contractual Services	19,800	-	19,800	**-**	**-**	**n/a**	-
Grand Total	$ 12,718,687	$ 12,796,500	$ 9,133,684	**$ 13,052,500**	**$ 256,000**	**2.0%**	$ 13,334,700

Biennial Budget Request by Team

Team	FY 2024 Actual	FY 2025 Amended Budget	FY 2025 Activity as of 02.28.2025	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
Adams Road Pumping Station	$ 738,707	$ 755,000	$ 500,305	**$ 768,400**	**$ 13,400**	**1.8%**	$ 782,100
Eastside Pumping Station	43,831	84,200	93,945	**85,500**	**1,300**	**1.5%**	86,800
Electric Ave Pumping Station	22,504	35,000	19,107	**35,500**	**500**	**1.4%**	36,000
Ford Rd Pumping Station	586,664	533,900	289,415	**544,000**	**10,100**	**1.9%**	559,100
Franklin Road Pumping Station	1,070,518	1,040,000	678,509	**1,097,000**	**57,000**	**5.5%**	1,116,400
Haggerty Road Pumping Station	225,993	329,300	160,756	**334,700**	**5,400**	**1.6%**	340,100
Imlay Pumping Station	2,762,768	2,547,900	2,303,387	**2,618,300**	**70,400**	**2.8%**	2,667,100
Joy Road Pumping Station	831,456	813,600	495,857	**828,100**	**14,500**	**1.8%**	863,800
Michigan Ave Pumping Station	180,073	215,700	112,896	**219,700**	**4,000**	**1.9%**	223,700
Newburgh Pumping Station	485,882	474,000	300,473	**510,000**	**36,000**	**7.6%**	519,300
North Service Center Pumping Station	2,558,264	2,440,000	1,788,938	**2,485,000**	**45,000**	**1.8%**	2,530,900
Northwest Pumping Station	85,718	80,700	52,099	**81,900**	**1,200**	**1.5%**	83,100
Orion Township Pumping Station	86,047	120,500	63,057	**122,500**	**2,000**	**1.7%**	124,200
Rochester Pumping Station	216,893	316,800	282,669	**285,300**	**(31,500)**	**-9.9%**	291,000
Roseville Pumping Station	186	300	90	**300**	**-**	**0.0%**	300
Schoolcraft Pumping Station	477,354	498,000	308,936	**506,700**	**8,700**	**1.7%**	516,200
West Chicago Rd Pumping Station	32,291	35,000	40,345	**35,600**	**600**	**1.7%**	36,100
West Service Center Pumping Station	1,073,888	1,200,700	609,172	**1,222,900**	**22,200**	**1.8%**	1,255,100
Wick Road Pumping Station	724,912	751,700	654,822	**736,800**	**(14,900)**	**-2.0%**	758,900
Ypsilanti Pumping Station	514,737	524,200	378,903	**534,300**	**10,100**	**1.9%**	544,500
Grand Total	**$ 12,718,687**	**$ 12,796,500**	**$ 9,133,684**	**$ 13,052,500**	**$ 256,000**	**2.0%**	**$ 13,334,700**

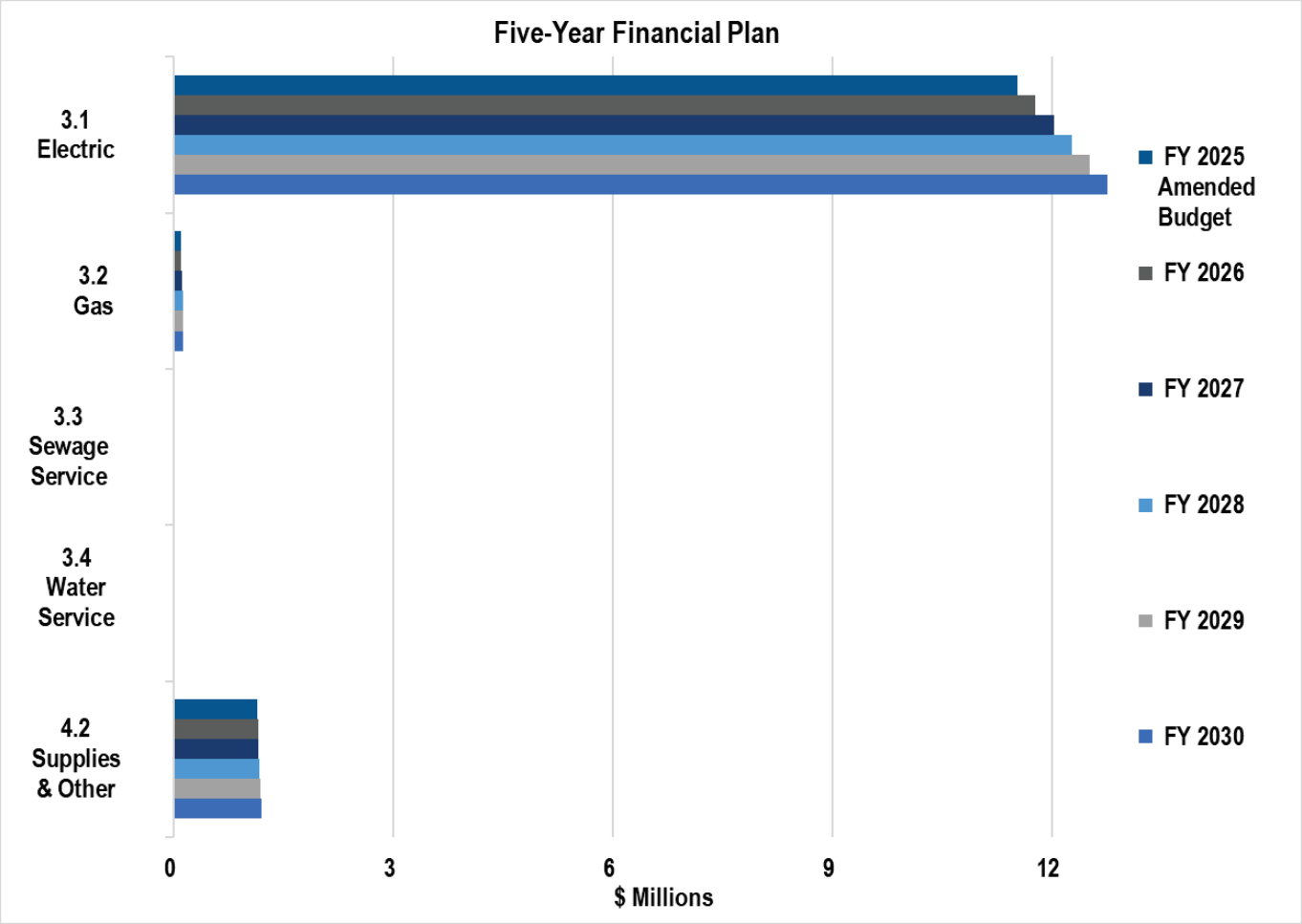
Personnel Budget

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	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
3.1 Electric	$ 11,599,240	$ 11,537,900	**$ 11,776,300**	$ 12,036,000	$ 12,275,900	$ 12,520,300	$ 12,762,600
3.2 Gas	117,059	108,300	**110,600**	123,200	126,100	130,300	136,000
3.3 Sewage Service	12,938	3,100	**8,400**	8,400	8,400	8,500	8,600
3.4 Water Service	453	1,000	**1,000**	1,000	1,000	1,000	1,000
4.2 Supplies & Other	969,199	1,146,200	**1,156,200**	1,166,100	1,178,000	1,191,300	1,200,000
4.3 Contractual Services	19,800	-	**-**	-	-	-	-
Grand Total	**$ 12,718,687**	**$ 12,796,500**	**$ 13,052,500**	**$ 13,334,700**	**$ 13,589,400**	**$ 13,851,400**	**$ 14,108,200**


Five-Year Financial Plan
3.1 Electric
3.2 Gas
3.3 Sewage Service
3.4 Water Service
4.2 Supplies & Other
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12
$ Millions
FY 2025 Amended Budget
FY 2026
FY 2027
FY 2028
FY 2029
FY 2030

Go to TOC

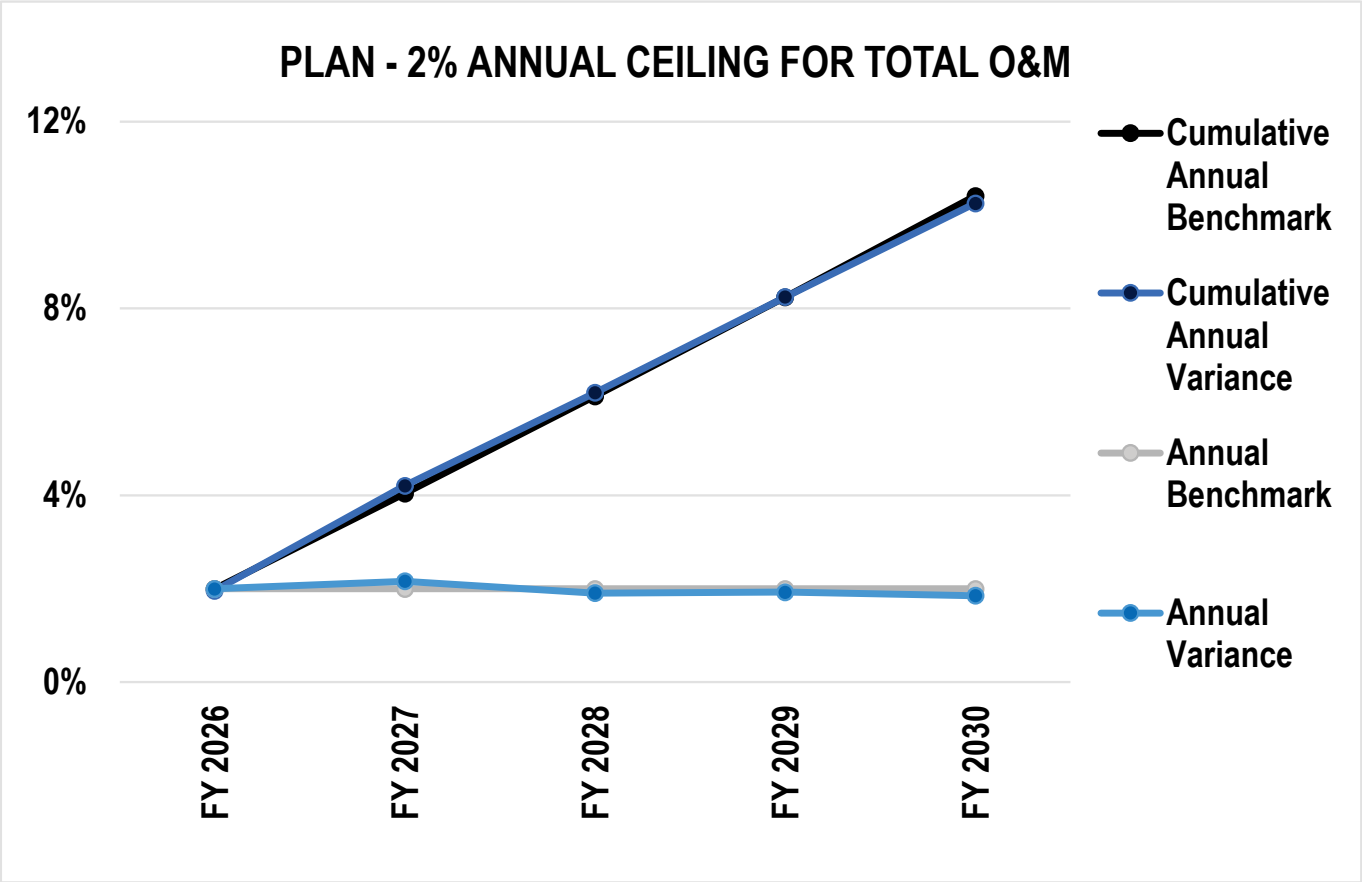
Five-Year Financial Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Eastside Pumping Station	$ 43,831	$ 84,200	**$ 85,500**	$ 86,800	$ 88,200	$ 89,600	$ 89,600
Northwest Pumping Station	85,718	80,700	**81,900**	83,100	84,400	85,700	85,700
West Service Center Pumping Station	1,073,888	1,200,700	**1,222,900**	1,255,100	1,278,400	1,302,200	1,326,400
North Service Center Pumping Station	2,558,264	2,440,000	**2,485,000**	2,530,900	2,577,700	2,625,300	2,673,900
Adams Road Pumping Station	738,707	755,000	**768,400**	782,100	796,000	810,200	824,500
Newburgh Pumping Station	485,882	474,000	**510,000**	519,300	528,800	538,000	548,400
Joy Road Pumping Station	831,456	813,600	**828,100**	863,800	879,300	895,200	911,600
Schoolcraft Pumping Station	477,354	498,000	**506,700**	516,200	525,200	536,000	547,200
Imlay Pumping Station	2,762,768	2,547,900	**2,618,300**	2,667,100	2,717,500	2,768,300	2,820,600
Ford Rd Pumping Station	586,664	533,900	**544,000**	559,100	569,200	579,300	589,400
Michigan Ave Pumping Station	180,073	215,700	**219,700**	223,700	227,700	231,700	231,700
West Chicago Rd Pumping Station	32,291	35,000	**35,600**	36,100	36,700	37,300	37,900
Electric Ave Pumping Station	22,504	35,000	**35,500**	36,000	36,500	37,000	37,500
Orion Township Pumping Station	86,047	120,500	**122,500**	124,200	126,000	127,900	129,800
Franklin Road Pumping Station	1,070,518	1,040,000	**1,097,000**	1,116,400	1,136,100	1,156,300	1,177,700
Roseville Pumping Station	186	300	**300**	300	300	300	300
Wick Road Pumping Station	724,912	751,700	**736,800**	758,900	783,900	811,300	832,900
Ypsilanti Pumping Station	514,737	524,200	**534,300**	544,500	555,000	565,200	576,300
Rochester Pumping Station	216,893	316,800	**285,300**	291,000	296,700	302,600	308,200
Haggerty Road Pumping Station	225,993	329,300	**334,700**	340,100	345,800	352,000	358,600
Grand Total	**$ 12,718,687**	**$ 12,796,500**	**$ 13,052,500**	**$ 13,334,700**	**$ 13,589,400**	**$ 13,851,400**	**$ 14,108,200**

Go to TOC

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 10.3% 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).



Go to TOC

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	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Machinery & Equipment	**$ 650,000**	**$ 513,000**	**$ 520,000**	**$ 530,000**	**$ 540,000**	**$ 560,000**
Pumps & Motors	$ 650,000	$ 513,000	$ 520,000	$ 530,000	$ 540,000	$ 560,000
Projects & Programs		150,000	150,000	150,000	150,000	156,000
Grand Total	**$ 650,000**	**$ 663,000**	**$ 670,000**	**$ 680,000**	**$ 690,000**	**$ 716,000**

Five-Year Capital Outlay Plan by Funding Source

Fuding Source	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Improvement & Extension	$ 91,849	$ 650,000	**$ 663,000**	$ 670,000	$ 680,000	$ 690,000	$ 716,000
Grand Total	**$ 91,849**	**$ 650,000**	**$ 663,000**	**$ 670,000**	**$ 680,000**	**$ 690,000**	**$ 716,000**

Five-Year Capital Outlay Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Eastside Pumping Station	$ -	$ 100,000	**$ 100,000**	$ 100,000	$ 100,000	$ 100,000	$ 105,000
Northwest Pumping Station	-	100,000	**100,000**	100,000	100,000	100,000	105,000
Adams Road Pumping Station	-	50,000	**50,000**	50,000	50,000	50,000	52,000
Newburgh Pumping Station	-	50,000	**50,000**	50,000	50,000	50,000	52,000
Joy Road Pumping Station	91,849	-	**-**	-	-	-	-
Schoolcraft Pumping Station	-	50,000	**50,000**	50,000	50,000	50,000	52,000
Imlay Pumping Station	-	300,000	**313,000**	320,000	330,000	340,000	350,000
Grand Total	**$ 91,849**	**$ 650,000**	**$ 663,000**	**$ 670,000**	**$ 680,000**	**$ 690,000**	**$ 716,000**

Go to TOC

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.

	Actual	Amended Budget	Proposed Budget		Projected		
Team	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
882321 Ford Rd Pumping Station	$ 586,664	$ 533,900	$ 544,000	$ 559,100	$ 569,200	$ 579,300	$ 589,400
3.1 Electric	577,807	510,000	520,000	535,000	545,000	555,000	565,000
3.2 Gas	3,307	3,900	4,000	4,100	4,200	4,300	4,400
4.2 Supplies & Other	5,550	20,000	20,000	20,000	20,000	20,000	20,000
Equipment Repairs & Maintenance	5,550	20,000	20,000	20,000	20,000	20,000	20,000
882322 Eastside Pumping Station	43,831	84,200	85,500	86,800	88,200	89,600	89,600
3.1 Electric	33,851	60,000	61,200	62,400	63,700	65,000	65,000
3.2 Gas	2,551	4,200	4,300	4,400	4,500	4,600	4,600
4.2 Supplies & Other	7,429	20,000	20,000	20,000	20,000	20,000	20,000
Equipment Repairs & Maintenance	7,429	20,000	20,000	20,000	20,000	20,000	20,000
882323 Northwest Pumping Station	85,718	80,700	81,900	83,100	84,400	85,700	85,700
3.1 Electric	61,933	60,000	61,200	62,400	63,700	65,000	65,000
3.3 Sewage Service	101	200	200	200	200	200	200
3.4 Water Service	282	500	500	500	500	500	500
4.2 Supplies & Other	23,402	20,000	20,000	20,000	20,000	20,000	20,000
Equipment Repairs & Maintenance	23,402	20,000	20,000	20,000	20,000	20,000	20,000
882324 West Service Center Pumping Station	1,073,888	1,200,700	1,222,900	1,255,100	1,278,400	1,302,200	1,326,400
3.1 Electric	1,039,034	1,100,000	1,122,000	1,144,400	1,167,300	1,190,700	1,214,500
3.2 Gas	21,592	10,000	10,200	20,000	20,400	20,800	21,200
4.2 Supplies & Other	13,263	90,700	90,700	90,700	90,700	90,700	90,700
Equipment Repairs & Maintenance	13,263	90,700	90,700	90,700	90,700	90,700	90,700
882325 Michigan Ave Pumping Station	180,073	215,700	219,700	223,700	227,700	231,700	231,700
3.1 Electric	167,393	200,000	204,000	208,000	212,000	216,000	216,000
3.3 Sewage Service	130	200	200	200	200	200	200
3.4 Water Service	171	500	500	500	500	500	500
4.2 Supplies & Other	12,379	15,000	15,000	15,000	15,000	15,000	15,000
Equipment Repairs & Maintenance	12,379	15,000	15,000	15,000	15,000	15,000	15,000
882326 West Chicago Rd Pumping Station	32,291	35,000	35,600	36,100	36,700	37,300	37,900
3.1 Electric	25,459	28,000	28,600	29,100	29,700	30,300	30,900
4.2 Supplies & Other	6,832	7,000	7,000	7,000	7,000	7,000	7,000
Equipment Repairs & Maintenance	6,832	7,000	7,000	7,000	7,000	7,000	7,000
882327 Electric Ave Pumping Station	22,504	35,000	35,500	36,000	36,500	37,000	37,500
3.1 Electric	18,063	25,000	25,500	26,000	26,500	27,000	27,500
4.2 Supplies & Other	4,441	10,000	10,000	10,000	10,000	10,000	10,000
Equipment Repairs & Maintenance	4,441	10,000	10,000	10,000	10,000	10,000	10,000
882328 Orion Township Pumping Station	86,047	120,500	122,500	124,200	126,000	127,900	129,800
3.1 Electric	84,664	90,000	92,000	93,700	95,500	97,400	99,300
3.2 Gas	248	500	500	500	500	500	500
4.2 Supplies & Other	1,135	30,000	30,000	30,000	30,000	30,000	30,000
Equipment Repairs & Maintenance	1,135	30,000	30,000	30,000	30,000	30,000	30,000
882329 North Service Center Pumping Station	2,558,264	2,440,000	2,485,000	2,530,900	2,577,700	2,625,300	2,673,900
3.1 Electric	2,176,683	2,200,000	2,244,000	2,288,900	2,334,700	2,381,300	2,428,900
3.2 Gas	39,772	50,000	51,000	52,000	53,000	54,000	55,000
4.2 Supplies & Other	341,809	190,000	190,000	190,000	190,000	190,000	190,000
Equipment Repairs & Maintenance	341,809	190,000	190,000	190,000	190,000	190,000	190,000

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

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
882330 Adams Road Pumping Station	**738,707**	**755,000**	**768,400**	**782,100**	**796,000**	**810,200**	**824,500**
3.1 Electric	**706,558**	**670,000**	**683,400**	**697,100**	**711,000**	**725,200**	**739,500**
4.2 Supplies & Other	**32,150**	**85,000**	**85,000**	**85,000**	**85,000**	**85,000**	**85,000**
Equipment Repairs & Maintenance	32,150	85,000	85,000	85,000	85,000	85,000	85,000
882331 Newburgh Pumping Station	**485,882**	**474,000**	**510,000**	**519,300**	**528,800**	**538,000**	**548,400**
3.1 Electric	**481,160**	**454,000**	**490,000**	**499,300**	**508,800**	**518,000**	**528,400**
4.2 Supplies & Other	**4,722**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**
Equipment Repairs & Maintenance	4,722	20,000	20,000	20,000	20,000	20,000	20,000
882332 Franklin Road Pumping Station	**1,070,518**	**1,040,000**	**1,097,000**	**1,116,400**	**1,136,100**	**1,156,300**	**1,177,700**
3.1 Electric	**1,013,597**	**950,000**	**1,007,000**	**1,026,400**	**1,046,100**	**1,066,300**	**1,087,700**
4.2 Supplies & Other	**56,921**	**90,000**	**90,000**	**90,000**	**90,000**	**90,000**	**90,000**
Equipment Repairs & Maintenance	56,921	90,000	90,000	90,000	90,000	90,000	90,000
882333 Roseville Pumping Station	**186**	**300**	**300**	**300**	**300**	**300**	**300**
3.3 Sewage Service	**186**	**300**	**300**	**300**	**300**	**300**	**300**
882334 Wick Road Pumping Station	**724,912**	**751,700**	**736,800**	**758,900**	**783,900**	**811,300**	**832,900**
3.1 Electric	**559,929**	**625,000**	**600,000**	**612,000**	**625,000**	**639,000**	**651,800**
3.2 Gas	**6,104**	**6,200**	**6,300**	**6,500**	**6,600**	**6,700**	**6,800**
3.3 Sewage Service	**352**	**500**	**500**	**500**	**500**	**500**	**500**
4.2 Supplies & Other	**138,727**	**120,000**	**130,000**	**139,900**	**151,800**	**165,100**	**173,800**
Equipment Repairs & Maintenance	138,727	120,000	130,000	139,900	151,800	165,100	173,800
4.3 Contractual Services	**19,800**	**-**	**-**	**-**	**-**	**-**	**-**
Contractual Operating Services	19,800	-	-	-	-	-	-
882335 Joy Road Pumping Station	**831,456**	**813,600**	**828,100**	**863,800**	**879,300**	**895,200**	**911,600**
3.1 Electric	**798,236**	**720,000**	**734,400**	**770,000**	**785,400**	**801,100**	**817,100**
3.2 Gas	**4,111**	**3,100**	**3,200**	**3,300**	**3,400**	**3,600**	**4,000**
3.3 Sewage Service	**307**	**500**	**500**	**500**	**500**	**500**	**500**
4.2 Supplies & Other	**28,802**	**90,000**	**90,000**	**90,000**	**90,000**	**90,000**	**90,000**
Equipment Repairs & Maintenance	28,802	90,000	90,000	90,000	90,000	90,000	90,000
882336 Schoolcraft Pumping Station	**477,354**	**498,000**	**506,700**	**516,200**	**525,200**	**536,000**	**547,200**
3.1 Electric	**418,503**	**425,000**	**433,500**	**442,200**	**451,000**	**460,000**	**469,200**
3.2 Gas	**13,274**	**8,000**	**8,200**	**9,000**	**9,200**	**11,000**	**13,000**
4.2 Supplies & Other	**45,577**	**65,000**	**65,000**	**65,000**	**65,000**	**65,000**	**65,000**
Equipment Repairs & Maintenance	45,577	65,000	65,000	65,000	65,000	65,000	65,000
882337 Ypsilanti Pumping Station	**514,737**	**524,200**	**534,300**	**544,500**	**555,000**	**565,200**	**576,300**
3.1 Electric	**484,069**	**500,000**	**510,000**	**520,000**	**530,000**	**540,000**	**550,800**
3.2 Gas	**6,391**	**5,200**	**5,300**	**5,500**	**6,000**	**6,200**	**6,500**
4.2 Supplies & Other	**24,278**	**19,000**	**19,000**	**19,000**	**19,000**	**19,000**	**19,000**
Equipment Repairs & Maintenance	24,278	19,000	19,000	19,000	19,000	19,000	19,000
882338 Imlay Pumping Station	**2,762,768**	**2,547,900**	**2,618,300**	**2,667,100**	**2,717,500**	**2,768,300**	**2,820,600**
3.1 Electric	**2,597,652**	**2,392,900**	**2,463,300**	**2,512,100**	**2,562,500**	**2,613,300**	**2,665,600**
4.2 Supplies & Other	**165,116**	**155,000**	**155,000**	**155,000**	**155,000**	**155,000**	**155,000**
Equipment Repairs & Maintenance	165,116	155,000	155,000	155,000	155,000	155,000	155,000
882339 Rochester Pumping Station	**216,893**	**316,800**	**285,300**	**291,000**	**296,700**	**302,600**	**308,200**
3.1 Electric	**186,015**	**267,000**	**230,000**	**235,500**	**241,000**	**246,700**	**251,700**
3.2 Gas	**10,749**	**9,600**	**9,800**	**10,000**	**10,200**	**10,400**	**11,000**
3.3 Sewage Service	**11,002**	**700**	**6,000**	**6,000**	**6,000**	**6,000**	**6,000**
4.2 Supplies & Other	**9,127**	**39,500**	**39,500**	**39,500**	**39,500**	**39,500**	**39,500**
Equipment Repairs & Maintenance	9,127	39,500	39,500	39,500	39,500	39,500	39,500
882340 Haggerty Road Pumping Station	**225,993**	**329,300**	**334,700**	**340,100**	**345,800**	**352,000**	**358,600**
3.1 Electric	**168,636**	**261,000**	**266,200**	**271,500**	**277,000**	**283,000**	**288,700**
3.2 Gas	**8,960**	**7,600**	**7,800**	**7,900**	**8,100**	**8,200**	**9,000**
3.3 Sewage Service	**859**	**700**	**700**	**700**	**700**	**800**	**900**
4.2 Supplies & Other	**47,538**	**60,000**	**60,000**	**60,000**	**60,000**	**60,000**	**60,000**
Equipment Repairs & Maintenance	47,538	60,000	60,000	60,000	60,000	60,000	60,000
Grand Total	**$ 12,718,687**	**$ 12,796,500**	**$ 13,052,500**	**$ 13,334,700**	**$ 13,589,400**	**$ 13,851,400**	**$ 14,108,200**

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Go to TOC

GLWA
Great Lakes Water Authority

Section 5B

Wastewater (Sewer) System Operations

Go to TOC

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Go to TOC

Wastewater (Sewer) System Operations
The Wastewater System Operations area consists of the following departments:

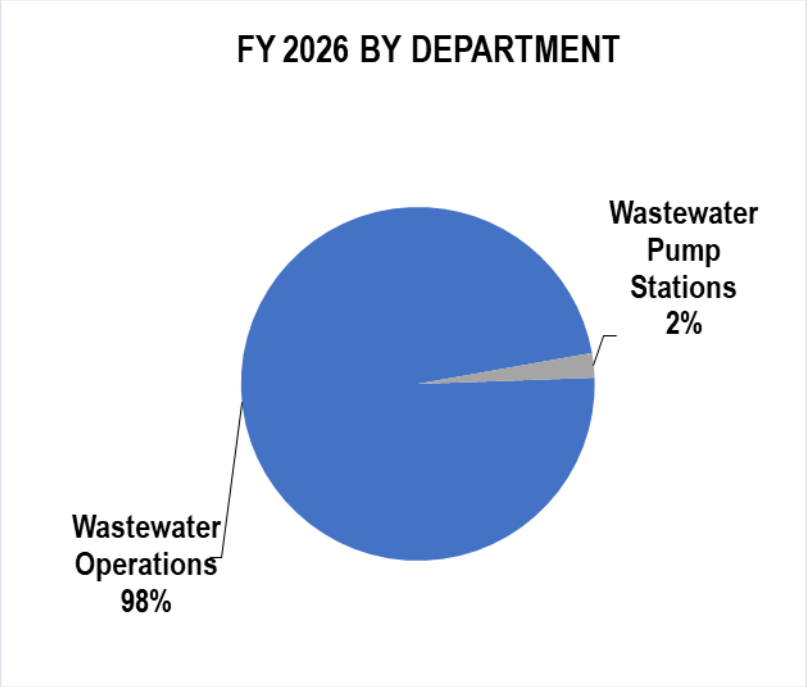
- Wastewater Operations
- Wastewater Pump Stations

The detail budget requests for each department are included in this section.

Biennial Budget Request
Wastewater System Operations is shown as operating area B in Schedules 2C and 2D in Section 2 - Core Financial Plan Schedules.

The following tables consolidate the department budgets presented in this section for an overall view of the Wastewater Systems Operations area with a comparison to the FY 2025 Amended Budget. A comparison to the FY 2025 Adopted Budget is shown in Schedule 2G and 2H in Section 2 – Core Financial Plan Schedules.

The allocation of the centralized and administrative services to the Wastewater Systems Operations area, as shown in the Centralized Services Overview (Section 5C) and Administrative Services Overview (Section 5D), has been included in the table below to support the Operations & Maintenance Expense line item in Schedule 1C and 1D in Section 2 - Core Financial Plan Schedules.



Biennial Budget Request by Expense Category

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.1 Salaries & Wages	$ 20,665,589	$ 23,026,200	$ 15,838,038	**$ 23,895,800**	**$ 869,600**	**3.8%**	$ 26,058,600
2.2 Workforce Development	358,506	382,000	223,152	**691,600**	**309,600**	**81.0%**	829,700
2.3 Overtime	3,519,626	3,016,400	2,287,640	**3,401,600**	**385,200**	**12.8%**	3,436,200
2.4 Employee Benefits	7,846,667	8,985,100	6,079,074	**8,959,600**	**(25,500)**	**-0.3%**	9,902,700
2.5 Transition Services	8,035,016	7,069,300	4,891,237	**7,328,300**	**259,000**	**3.7%**	7,328,300
Total Personnel Costs	40,425,404	42,479,000	29,319,142	**44,276,900**	**1,797,900**	**4.2%**	47,555,500
3.1 Electric	18,719,158	17,815,900	11,675,093	**19,315,800**	**1,499,900**	**8.4%**	20,263,900
3.2 Gas	6,022,972	5,790,000	3,289,276	**5,865,000**	**75,000**	**1.3%**	5,870,300
3.3 Sewage Service	1,755,393	2,202,600	857,926	**1,659,800**	**(542,800)**	**-24.6%**	1,676,400
3.4 Water Service	12,581,725	11,583,000	6,690,148	**12,188,800**	**605,800**	**5.2%**	12,432,600
Total Utility Costs	39,079,248	37,391,500	22,512,442	**39,029,400**	**1,637,900**	**4.4%**	40,243,200
4.1 Chemicals	19,128,291	24,646,300	13,235,097	**23,460,300**	**(1,186,000)**	**-4.8%**	23,593,000
4.2 Supplies & Other	23,547,734	16,273,900	12,545,582	**19,286,600**	**3,012,700**	**18.5%**	19,682,000
4.3 Contractual Services	26,974,762	28,161,700	20,926,980	**29,655,800**	**1,494,100**	**5.3%**	30,602,600
5.1 Capital Program Allocation	(1,396,306)	(2,121,300)	(860,581)	**(1,598,500)**	**522,800**	**-24.6%**	(1,960,400)
5.2 Shared Services	(782,201)	(699,200)	(466,136)	**(714,300)**	**(15,100)**	**2.2%**	(732,800)
5.5 Intergovermental Agreement	(726,732)	(638,200)	(1,247,399)	**-**	**638,200**	**-100.0%**	-
7.0 Unallocated Reserve	-	4,251,400	-	**3,176,400**	**(1,075,000)**	**-25.3%**	2,419,800
Total Other Categories	66,745,548	69,874,600	44,133,542	**73,266,300**	**3,391,700**	**4.9%**	73,604,200
Total Wastewater System Operations (Operating Area B)	**$ 146,250,199**	**$ 149,745,100**	**$ 95,965,126**	**$ 156,572,600**	**$ 6,827,500**	**4.6%**	**$ 161,402,900**
Allocations							
Centralized Services	57,500,777	60,413,200	40,595,301	**56,384,100**	**(4,029,100)**	**-6.7%**	61,230,500
Administrative Services	18,922,757	21,275,700	13,978,265	**23,142,000**	**1,866,300**	**8.8%**	23,754,500
Total Allocations	**$ 76,423,534**	**$ 81,688,900**	**$ 54,573,566**	**$ 79,526,100**	**$ (2,162,800)**	**-2.6%**	**$ 84,985,000**
Total Wastewater System Operations & Maintenance Expense	**$ 222,673,733**	**$ 231,434,000**	**$ 150,538,693**	**$ 236,098,700**	**$ 4,664,700**	**2.0%**	**$ 246,387,900**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
2.1 Salaries & Wages	$ 20,665,589	$ 23,026,200	$ 23,895,800	$ 26,058,600	$ 29,603,700	$ 29,853,200	$ 29,853,200
2.2 Workforce Development	358,506	382,000	691,600	829,700	848,800	848,800	848,800
2.3 Overtime	3,519,626	3,016,400	3,401,600	3,436,200	3,505,500	3,505,500	3,505,500
2.4 Employee Benefits	7,846,667	8,985,100	8,959,600	9,902,700	11,338,700	11,501,800	11,593,400
2.5 Transition Services	8,035,016	7,069,300	7,328,300	7,328,300	7,328,300	7,328,300	7,328,300
Total Personnel Costs	40,425,404	42,479,000	44,276,900	47,555,500	52,625,000	53,037,600	53,129,200
3.1 Electric	18,719,158	17,815,900	19,315,800	20,263,900	21,277,300	22,341,700	23,458,900
3.2 Gas	6,022,972	5,790,000	5,865,000	5,870,300	5,987,600	6,038,200	6,089,800
3.3 Sewage Service	1,755,393	2,202,600	1,659,800	1,676,400	1,693,200	1,710,100	1,727,200
3.4 Water Service	12,581,725	11,583,000	12,188,800	12,432,600	12,681,300	12,935,100	13,193,800
Total Utility Costs	39,079,248	37,391,500	39,029,400	40,243,200	41,639,400	43,025,100	44,469,700
4.1 Chemicals	19,128,291	24,646,300	23,460,300	23,593,000	23,840,700	23,938,600	24,039,300
4.2 Supplies & Other	23,547,734	16,273,900	19,286,600	19,682,000	21,905,500	20,690,700	21,060,400
4.3 Contractual Services	26,974,762	28,161,700	29,655,800	30,602,600	31,504,700	32,099,000	32,706,900
5.1 Capital Program Allocation	(1,396,306)	(2,121,300)	(1,598,500)	(1,960,400)	(1,929,000)	(1,999,000)	(2,027,500)
5.2 Shared Services	(782,201)	(699,200)	(714,300)	(732,800)	(749,000)	(768,700)	(779,300)
5.5 Intergovermental Agreement	(726,732)	(638,200)	-	-	-	-	-
7.0 Unallocated Reserve	-	4,251,400	3,176,400	2,419,800	2,531,400	5,531,400	6,531,400
Total Other Categories	66,745,548	69,874,600	73,266,300	73,604,200	77,104,300	79,492,000	81,531,200
Total Wastewater System Operations (Operating Area B)	**$ 146,250,199**	**$ 149,745,100**	**$ 156,572,600**	**$ 161,402,900**	**$ 171,368,700**	**$ 175,554,700**	**$ 179,130,100**
Allocations							
Centralized Services	57,500,777	60,413,200	56,384,100	61,230,500	60,433,300	60,852,600	62,562,000
Administrative Services	18,922,757	21,275,700	23,142,000	23,754,500	25,060,300	25,656,700	26,097,400
Total Allocations	**$ 76,423,534**	**$ 81,688,900**	**$ 79,526,100**	**$ 84,985,000**	**$ 85,493,600**	**$ 86,509,300**	**$ 88,659,400**
Total Wastewater System Operations & Maintenance Expense	**$ 222,673,733**	**$ 231,434,000**	**$ 236,098,700**	**$ 246,387,900**	**$ 256,862,300**	**$ 262,064,000**	**$ 267,789,500**

Go to TOC

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 public's 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 other stakeholders. This is measured through regular monitoring and reporting to the Michigan Department of Environment, Great Lakes, and Energy (EGLE) as well as a monthly key performance indicator (KPI) to management of the effluent phosphorous concentration in relation to the permitted limit. Although significant increases in utility and chemical cost are placing pressures on 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 management for preventative and corrective maintenance activity. GLWA has implemented an Enterprise Asset Management (EAM) system which will streamline access to asset data by moving from paper to digital mobility. It will enhance planning, scheduling and prediction of work for increased wrench time and proactive maintenance. It will drive asset decision-making using risk and lowest lifecycle cost approaches for doing the right work at the right time on the right assets.
- **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 continue to process nearly 75% of biosolids generated for beneficial reuse while incinerating the remaining product with little to no landfill disposal. This is in line with the organization's goals of environmental sustainability. This is monitored by a monthly KPI to management for solids inventory.
- **Upgrading Control Systems (Ongoing)**
  By establishing several contracts to replace and upgrade our control system for the Combined Sewer Overflow (CSO) facilities and the Water Resource Recovery Facility (WRRF). 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 (Ongoing)**
  Wastewater Engineering is well positioned to address and manage projects in our CIP plan due to recruiting Life Cycle Project managers, technical management leads and Workforce development.

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 Optimization through innovation	x	x	x	x	x	x	x	x			x
	Capital Improvement Program delivery		x	x	x	x	x		x		x	x

Go to TOC

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 the 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.

Significant Contracts

Project Description	Cyber Security and Ovation, Instrumentation & Controls Upgrades and Updates	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 Significant Contracts
Prime Consultant or Supplier	Emerson Process Management	Hesco Group Inc	New England Fertilizer Company	Johnson Controls Fire Protection LP	Commercial Contracting Corporation	Johnson Controls	Lakeshore Global Corporation	
Contract #	2101167	1803594	PC-792	2000284	2000917	1902548C	2102834	
Workday Contract #	SCN-0000347	SCN-0000040	SCN-0000449	SCN-0000299	SCN-0000323	SCN-0000168	SCN-0000255	
Contract Amount	$ 5,535,300	$ 4,428,176	$ 540,000,000	$ 2,162,305	$ 4,752,640	$ 9,431,040	$ 44,881,400	
Contract End Date	03/12/26	04/29/29	10/13/37	08/31/25	12/20/25	12/28/25	07/03/26	
Cost Center Name	Wastewater Process Control	CSO Facilities	Central Off Loading & Hauling	Wastewater Operations & CSO Facilities	Wastewater Incineration	Wastewater Operations & CSO Facilities	Various	
Expense Category	Contract Services	Contract Services and Supplies & Other	Contract Services	Supplies & Other	Supplies & Other	Supplies & Other	Personnel & Contract Services	
Pre-FY 2024 Spend	$ 61,100	$ 734,600	$ 102,175,900	$ 1,230,900	$ 826,700	$ 2,240,300	$ 50,694,300	
Pre-FY 2024 Average Spend (*)	61,100	183,700	13,623,500	410,300	413,400	1,120,200	7,242,000	
FY 2024 Spend	298,540	254,200	16,788,600	700,000	406,000	2,267,900	10,978,000	$ 31,693,240
FY 2025 Amended	660,500	251,300	16,814,000	430,000	418,300	1,384,100	9,632,900	$ 29,591,100
FY 2026	**660,500**	**253,700**	**17,375,300**	**439,600**	**500,000**	**1,408,400**	**9,731,700**	**$ 30,369,200**
FY 2027	660,500	257,100	17,844,400	451,300	510,000	1,436,300	9,736,400	$ 30,896,000
FY 2028	660,500	260,600	18,326,200	463,100	520,200	1,465,000	9,739,200	$ 31,434,800
FY 2029	660,500	264,200	18,821,000	475,100	530,600	1,494,300	9,746,100	$ 31,991,800
FY 2030	660,500	267,900	19,329,200	487,200	541,200	1,524,200	9,751,100	$ 32,561,300
Total	**$ 4,322,640**	**$ 2,543,600**	**$ 227,474,600**	**$ 4,677,200**	**$ 4,253,000**	**$ 13,220,500**	**$ 120,009,700**	**$ 218,537,440**

Go to TOC

Significant Contracts/Purchase Orders - Chemicals

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 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 #				2102187	PO-0031948	PO-0031088		
Workday Contract #	PO-1003191	PO-0029985	PO-1003996	SCN-0000447			PO-1002032	
Contract Amount	$ 7,698,600	$ 3,975,098	$ 7,590,000	$ 36,000,000	$ 254,000	$ 980,000	$ 6,298,969	
Contract End Date	03/31/27	01/31/27	05/28/26	08/31/31	07/31/25	04/30/26	12/31/25	
Cost Center Name	Wastewater Secondary Processing	Wastewater Dewatering	Wastewater Primary Processing	Wastewater Secondary Processing	Wastewater Secondary Processing	Wastewater Secondary Processing	CSO Facilities and Wastewater Secondary Processing	
Expense Category	Chemicals - Liquid Chlorine	Chemicals - Polymer	Chemicals - Ferric Chloride	Chemicals	Chemicals	Chemicals	Chemicals	
Pre-FY 2024 Spend	$ 6,950,800	$ 6,674,700	$ 16,656,900	$ 23,501,900	$ 929,200	$ 2,701,000	$ 12,460,900	
Pre-FY 2024 Average Spend (*)	993,000	953,500	2,379,600	3,357,400	154,900	385,900	1,780,100	
FY 2024 Spend	3,192,300	1,413,400	4,785,400	4,344,400	253,100	436,600	4,231,600	$ 18,656,800
FY 2025 Amended	3,946,000	1,328,000	5,238,000	4,382,000	311,000	522,000	6,033,000	$ 21,760,000
FY 2026	**3,888,000**	**1,355,000**	**7,498,222**	**4,519,000**	**301,000**	**522,000**	**4,964,600**	**$ 23,047,822**
FY 2027	3,888,000	1,355,000	7,535,500	4,610,400	301,000	512,000	4,965,000	$ 23,166,900
FY 2028	3,927,000	1,369,000	7,535,500	4,703,900	301,000	512,000	5,063,200	$ 23,411,600
FY 2029	3,927,000	1,369,000	7,535,500	4,799,500	301,000	512,000	5,063,200	$ 23,507,200
FY 2030	3,927,000	1,369,000	7,535,500	4,897,200	301,000	512,000	3,885,500	$ 22,427,200
Total	**$ 33,646,100**	**$ 16,233,100**	**$ 64,320,522**	**$ 55,758,300**	**$ 2,998,300**	**$ 6,229,600**	**$ 46,667,000**	**$ 155,977,522**

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

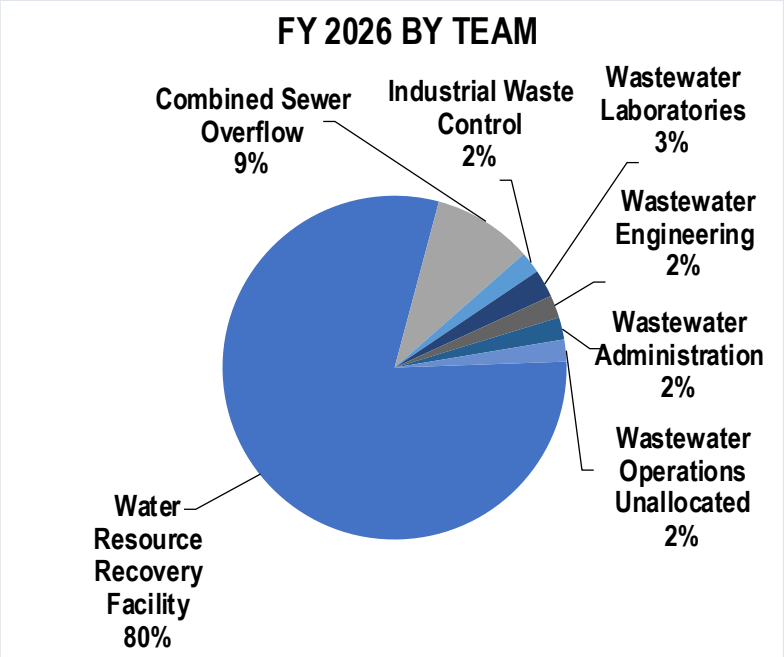
Task order Contracts

As a part of the delivery of services for Wastewater Operations, three types of task-oriented contracts have been executed that have multiple pre-qualified vendors for specific tasks. These contracts, known as task-order contracts, are designed to reduce the time in the procurement process. These task-oriented contracts are grouped into three key segments: Job Order Contract (Operations and Maintenance), Task Order Engineering Services (Operations and Maintenance as well as Capital Projects), and Instrumentation and Control Maintenance Services (Operations and Maintenance as well as Capital Projects). Each segment contains multiple vendors who can compete for projects within their segment. The expenditure for any project, or task, is controlled by the budget for the area for which that task is requested.

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, CSO, Wastewater Pumping Stations and sewage conveyance facilities.
- **Wastewater Laboratories**
  Monitoring of pollutants entering and exiting the GLWA sewage treatment facilities.

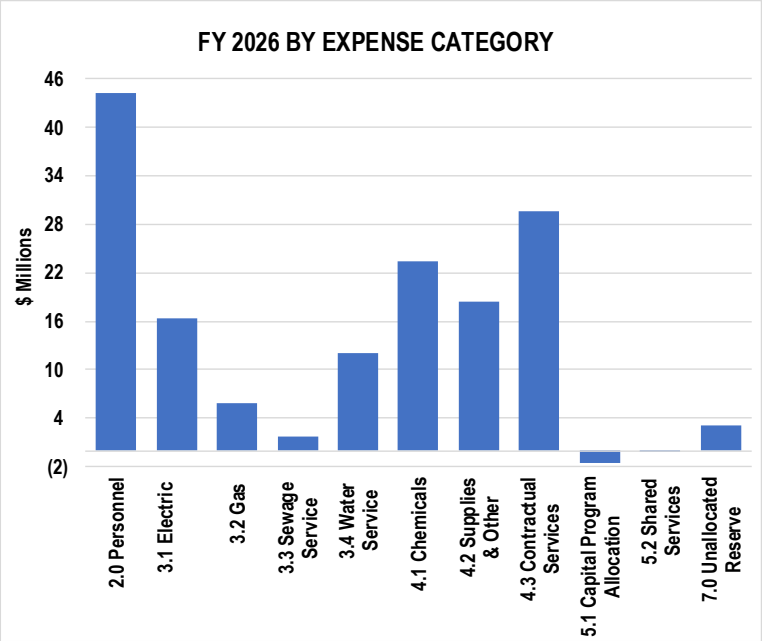


- **Industrial Waste Control**
  Identification and monitoring of industrial users for pollutants.
- **Combined Sewer Overflow (CSO)**
  Facilities utilized to control flow volumes for protecting the system and receiving water during increased system demand such as during rainstorms or snow melt. GLWA currently operates six CSO retention and treatment basins and three 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 five major categories of Wastewater Operations expenses in the operations and maintenance budget as listed below.

- Personnel
- Contractual Services
- Chemicals
- Supplies & Other
- 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 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 five 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.

The reliability of processing equipment is of primary concern to GLWA, which contributes to much of the maintenance costs. As part of this effort the administration of the Wastewater Operations area has continued to focus on reinforcing a proactive maintenance program. Repairs & Maintenance is the largest portion of Supplies & Other.

Biennial Budget Request

The discussion below compares the FY 2026 budget to the FY 2025 amended budget. The FY 2025 budget amendments increased the Wastewater Operations and Maintenance budget by $2.5 million for anticipated increased Chemical cost. Addition chemical usage was anticipated because of the increase use of orthophosphates in water production due to new lead and copper rules (corrosion control) from the Environmental Protection Agency (EPA).

The FY 2026 biennial budget reflects an increase of $6.4 million, or 4.3% over the amended FY 2025. Key factors that impact FY 2026 include the following:

- Supplies & Other increased by $3.7 million, or 24.7%. An increase of $1.6 million due to a shift of costs from Field Services to Wastewater Operations for sewer linear infrastructure repairs

and maintenance. The balance of the increase is mostly a result of continued emphasis on reliability through preventive maintenance activities at the Water Resource Recovery Facility, such as improving grit channel performance in primary processing and refractory inspections in incineration.

- Personnel increased $1.8 million or 4.2%. This is mainly due to increased pay rates, which were either market adjustments necessary to retain personnel or changes in the classification and compensation of team members who attained a higher level of knowledge and licensing.
- Contractual Services increased by $1.5 million or 5.3%. This increase is mainly due to moving the Linear System Inspection Program (LSIP) assessment from Field Services to Wastewater Operations. This inspection along with all sewage linear assets and sewage pump stations are being taken over by Wastewater Operations in FY 2026.
- Chemical budgets decreased by $1.2 million or 4.8%. The annual budget is based on projected operational volume for an average year. Projected volume excludes abnormal usage caused by demand changes and weather. Additional information is discussed in Section 6 – Bulk Chemicals.
- Overall, Utilities increased $1.2 million or 3.4%. Each category is discussed below. Additional information is discussed in Section 6 - Utilities.
    - Electric increased $1.1 million or 6.9%. The FY 2026 budget reflects increased costs due to increased power generation and infrastructure delivery charges.
    - Water Service costs increased at the Water Resource Recovery Facility and Combined Sewer Overflow facilities $0.6 million or 5.3%. There is a 1.5% cost increase annually per CCF over the next two years.
    - Sewer Service decreased $0.5 million or 24.7%. Sewage charges are volume driven. Projections for FY 2026 and beyond are based on reduced usage due to repairs at the Oakwood CSO facility.
    - Gas increased $70,900 or 1.2%, which is considered steady for budgetary purposes.
- Contribution to the unallocated reserve decreased by $1.1 million, or 25.3%. The unallocated reserve is set aside for unbudgeted expenditures needed in operations.

Biennial Budget Request by Expense Category

Expense Category	FY 2024 Actual	FY 2025 Amended Budget	FY 2025 Activity as of 02.28.2025	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
2.0 Personnel	$ 40,425,404	$ 42,479,000	$ 29,320,058	**$ 44,276,900**	**$ 1,797,900**	**4.2%**	$ 47,555,500
3.1 Electric	15,863,124	15,310,300	9,545,506	**16,361,700**	**1,051,400**	**6.9%**	17,165,600
3.2 Gas	5,961,657	5,733,500	3,257,414	**5,804,400**	**70,900**	**1.2%**	5,808,400
3.3 Sewage Service	1,745,874	2,191,600	851,155	**1,649,800**	**(541,800)**	**-24.7%**	1,666,300
3.4 Water Service	12,457,309	11,497,700	6,641,005	**12,102,300**	**604,600**	**5.3%**	12,344,400
4.1 Chemicals	19,128,291	24,646,300	13,235,097	**23,460,300**	**(1,186,000)**	**-4.8%**	23,593,000
4.2 Supplies & Other	21,466,290	14,768,700	10,935,424	**18,419,600**	**3,650,900**	**24.7%**	18,797,700
4.3 Contractual Services	26,954,967	28,151,000	20,923,577	**29,645,100**	**1,494,100**	**5.3%**	30,591,900
5.1 Capital Program Allocation	(1,396,306)	(2,121,300)	(860,581)	**(1,598,500)**	**522,800**	**-24.6%**	(1,960,400)
5.2 Shared Services	(293,926)	(221,500)	(147,664)	**(236,600)**	**(15,100)**	**6.8%**	(245,800)
5.5 Intergovermental Agreement	(135,426)	-	(4,712)	**-**	**-**	**-**	-
7.0 Unallocated Reserve	-	4,251,400	-	**3,176,400**	**(1,075,000)**	**-25.3%**	2,419,800
Grand Total	**$ 142,177,257**	**$ 146,686,700**	**$ 93,696,279**	**$ 153,061,400**	**$ 6,374,700**	**4.3%**	**$ 157,736,400**

Biennial Budget Request by Team

Team	FY 2024 Actual	FY 2025 Amended Budget	FY 2025 Activity as of 02.28.2025	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
Wastewater Administration	$ 2,973,527	$ 3,031,300	$ 1,971,412	**$ 3,187,600**	**$ 156,300**	**5.2%**	$ 3,350,800
Water Resource Recovery Facility	114,739,670	113,215,700	75,279,854	**122,002,600**	**8,786,900**	**7.8%**	126,354,900
Wastewater Engineering	3,285,570	3,949,700	2,070,711	**3,269,100**	**(680,600)**	**-17.2%**	3,659,300
Industrial Waste Control	2,567,144	2,699,600	1,816,720	**3,106,400**	**406,800**	**15.1%**	3,186,400
Wastewater Laboratories	3,711,606	4,006,600	3,089,027	**3,987,500**	**(19,100)**	**-0.5%**	4,255,400
Combined Sewer Overflow	14,899,740	15,532,400	9,468,555	**14,331,800**	**(1,200,600)**	**-7.7%**	14,509,800
Wastewater System Operations Unallocated Reserve	-	4,251,400	-	**3,176,400**	**(1,075,000)**	**-25.3%**	2,419,800
Grand Total	**$ 142,177,257**	**$ 146,686,700**	**$ 93,696,279**	**$ 153,061,400**	**$ 6,374,700**	**4.3%**	**$ 157,736,400**

Personnel Budget

Wastewater Operations personnel expense is largely comprised of wastewater operations and maintenance staffing of 475 positions. Most of the positions reside in maintenance and operations at the WRRF (314 positions). The staffing plan increased by 12 positions. Seven are for interns, which were previously not included in staffing plan numbers. Three are for Life Cycle Project Managers. These positions are intended to increase the wastewater commitment to reliability and proper asset management. The remaining increase is for apprentices. Bringing in apprentices improves the ability to maintain and replenish the workforce in maintenance.

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

Operating Area and Team	Staffing Plan						
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Wastewater System Operations	**452.00**	**463.00**	**475.00**	**478.00**	**481.00**	**481.00**	**481.00**
Wastewater Administration	13.00	19.00	19.00	19.00	19.00	19.00	19.00
Water Resource Recovery Facility	303.00	305.00	314.00	314.00	314.00	314.00	314.00
Wastewater Engineering	34.00	39.00	40.00	43.00	46.00	46.00	46.00
Industrial Waste Control	29.00	29.00	30.00	30.00	30.00	30.00	30.00
Wastewater Laboratories	40.00	39.00	40.00	40.00	40.00	40.00	40.00
Combined Sewer Overflow	33.00	32.00	32.00	32.00	32.00	32.00	32.00

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

Operating Area and Team	Full Time Equivalents (FTEs)						
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Wastewater System Operations	**389.50**	**397.75**	**387.00**	**424.75**	**478.50**	**480.50**	**480.50**
Wastewater Administration	11.50	15.25	14.50	16.00	19.00	19.00	19.00
Water Resource Recovery Facility	261.25	262.00	257.50	282.50	314.00	314.00	314.00
Wastewater Engineering	29.00	33.50	27.00	33.25	44.00	46.00	46.00
Industrial Waste Control	25.75	25.25	27.00	28.50	30.00	30.00	30.00
Wastewater Laboratories	32.50	33.00	30.50	33.50	39.50	39.50	39.50
Combined Sewer Overflow	29.50	28.75	30.50	31.00	32.00	32.00	32.00

Personnel Budget – The following tables present the Wastewater 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 2024	FY 2025		FY 2026			FY 2027
	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Wastewater System Operations							
2.1 Salaries & Wages	$ 20,665,589	$ 23,026,200	$ 15,838,038	**$ 23,895,800**	**$ 869,600**	**3.8%**	$ 26,058,600
2.2 Workforce Development	358,506	382,000	223,152	**691,600**	**309,600**	**81.0%**	829,700
2.3 Overtime	3,519,626	3,016,400	2,287,640	**3,401,600**	**385,200**	**12.8%**	3,436,200
2.4 Employee Benefits	7,846,667	8,985,100	6,079,991	**8,959,600**	**(25,500)**	**-0.3%**	9,902,700
2.5 Transition Services	8,035,016	7,069,300	4,891,237	**7,328,300**	**259,000**	**3.7%**	7,328,300
Grand Total	**$ 40,425,404**	**$ 42,479,000**	**$ 29,320,058**	**$ 44,276,900**	**$ 1,797,900**	**4.2%**	**$ 47,555,500**

Personnel – Biennial Budget Request by Team

Team	FY 2024 Actual	FY 2025 Amended Budget	FY 2025 Activity as of 02.28.2025	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
Wastewater System Operations							
Wastewater Administration	$ 1,944,126	$ 2,179,000	$ 1,420,223	**$ 2,291,100**	**$ 112,100**	**5.1%**	$ 2,454,300
Water Resource Recovery Facility	26,601,279	27,480,700	19,248,428	**29,005,600**	**1,524,900**	**5.5%**	30,979,300
Wastewater Engineering	3,319,759	4,386,900	2,002,386	**3,752,800**	**(634,100)**	**-14.5%**	4,504,900
Wastewater Laboratories	2,793,731	3,306,600	2,209,149	**3,288,800**	**(17,800)**	**-0.5%**	3,555,300
Industrial Waste Control	2,346,494	2,300,300	1,704,449	**2,568,000**	**267,700**	**11.6%**	2,648,000
Combined Sewer Overflow	3,420,015	2,825,500	2,735,423	**3,370,600**	**545,100**	**19.3%**	3,413,700
Grand Total	**$ 40,425,404**	**$ 42,479,000**	**$ 29,320,058**	**$ 44,276,900**	**$ 1,797,900**	**4.2%**	**$ 47,555,500**

Personnel – Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Wastewater System Operations							
2.1 Salaries & Wages	$ 20,665,589	$ 23,026,200	**$ 23,895,800**	$ 26,058,600	$ 29,603,700	$ 29,853,200	$ 29,853,200
2.2 Workforce Development	358,506	382,000	**691,600**	829,700	848,800	848,800	848,800
2.3 Overtime	3,519,626	3,016,400	**3,401,600**	3,436,200	3,505,500	3,505,500	3,505,500
2.4 Employee Benefits	7,846,667	8,985,100	**8,959,600**	9,902,700	11,338,700	11,501,800	11,593,400
2.5 Transition Services	8,035,016	7,069,300	**7,328,300**	7,328,300	7,328,300	7,328,300	7,328,300
Grand Total	**$ 40,425,404**	**$ 42,479,000**	**$ 44,276,900**	**$ 47,555,500**	**$ 52,625,000**	**$ 53,037,600**	**$ 53,129,200**

Personnel – Five-Year Financial Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Wastewater System Operations							
Wastewater Administration	$ 1,944,126	$ 2,179,000	**$ 2,291,100**	$ 2,454,300	$ 2,782,500	$ 2,786,600	$ 2,790,600
Water Resource Recovery Facility	26,601,279	27,480,700	**29,005,600**	30,979,300	33,634,200	33,691,300	33,748,400
Wastewater Engineering	3,319,759	4,386,900	**3,752,800**	4,504,900	5,880,100	6,210,400	6,219,800
Wastewater Laboratories	2,793,731	3,306,600	**3,288,800**	3,555,300	4,087,300	4,095,600	4,103,900
Industrial Waste Control	2,346,494	2,300,300	**2,568,000**	2,648,000	2,746,400	2,752,600	2,758,800
Combined Sewer Overflow	3,420,015	2,825,500	**3,370,600**	3,413,700	3,494,500	3,501,100	3,507,700
Grand Total	**$ 40,425,404**	**$ 42,479,000**	**$ 44,276,900**	**$ 47,555,500**	**$ 52,625,000**	**$ 53,037,600**	**$ 53,129,200**

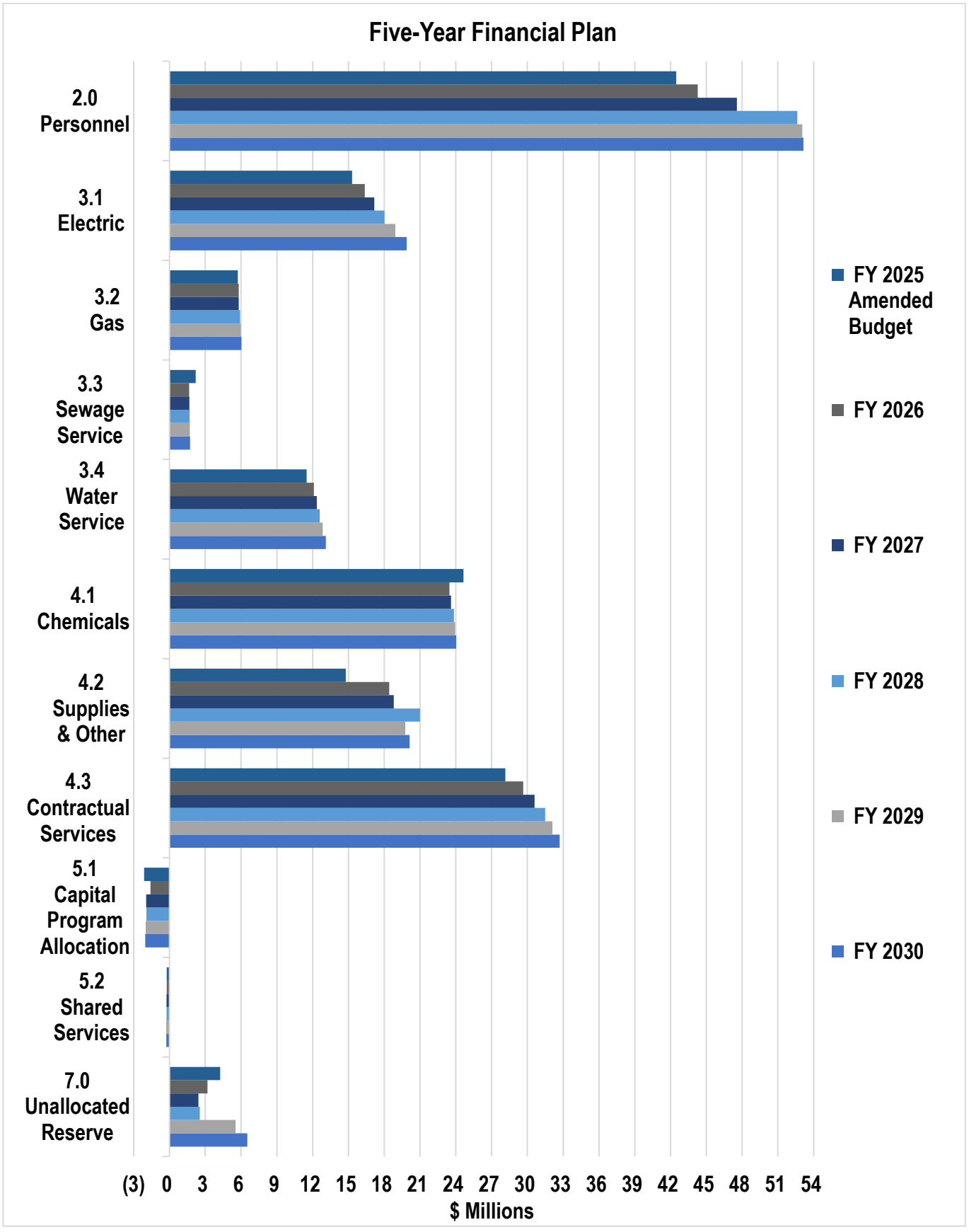
Five-Year Financial Plan

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. It also takes into account operations and maintenance requirements on future capital projects that are identified in Phase 1 of the WWMP.

Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
2.0 Personnel	$ 40,425,404	$ 42,479,000	**$ 44,276,900**	$ 47,555,500	$ 52,625,000	$ 53,037,600	$ 53,129,200
3.1 Electric	15,863,124	15,310,300	**16,361,700**	17,165,600	18,023,900	18,925,600	19,872,100
3.2 Gas	5,961,657	5,733,500	**5,804,400**	5,808,400	5,924,400	5,973,700	6,024,000
3.3 Sewage Service	1,745,874	2,191,600	**1,649,800**	1,666,300	1,683,000	1,699,800	1,716,800
3.4 Water Service	12,457,309	11,497,700	**12,102,300**	12,344,400	12,591,300	12,843,300	13,100,200
4.1 Chemicals	19,128,291	24,646,300	**23,460,300**	23,593,000	23,840,700	23,938,600	24,039,300
4.2 Supplies & Other	21,466,290	14,768,700	**18,419,600**	18,797,700	21,003,600	19,770,700	20,121,900
4.3 Contractual Services	26,954,967	28,151,000	**29,645,100**	30,591,900	31,494,000	32,088,300	32,696,200
5.1 Capital Program Allocation	(1,396,306)	(2,121,300)	**(1,598,500)**	(1,960,400)	(1,929,000)	(1,999,000)	(2,027,500)
5.2 Shared Services	(293,926)	(221,500)	**(236,600)**	(245,800)	(252,600)	(262,500)	(263,200)
5.5 Intergovermental Agreement	(135,426)	-	**-**	-	-	-	-
7.0 Unallocated Reserve	-	4,251,400	**3,176,400**	2,419,800	2,531,400	5,531,400	6,531,400
Grand Total	**$ 142,177,257**	**$ 146,686,700**	**$ 153,061,400**	**$ 157,736,400**	**$ 167,535,700**	**$ 171,547,500**	**$ 174,940,400**

Go to TOC


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
FY 2025 Amended Budget
FY 2026
FY 2027
FY 2028
FY 2029
FY 2030
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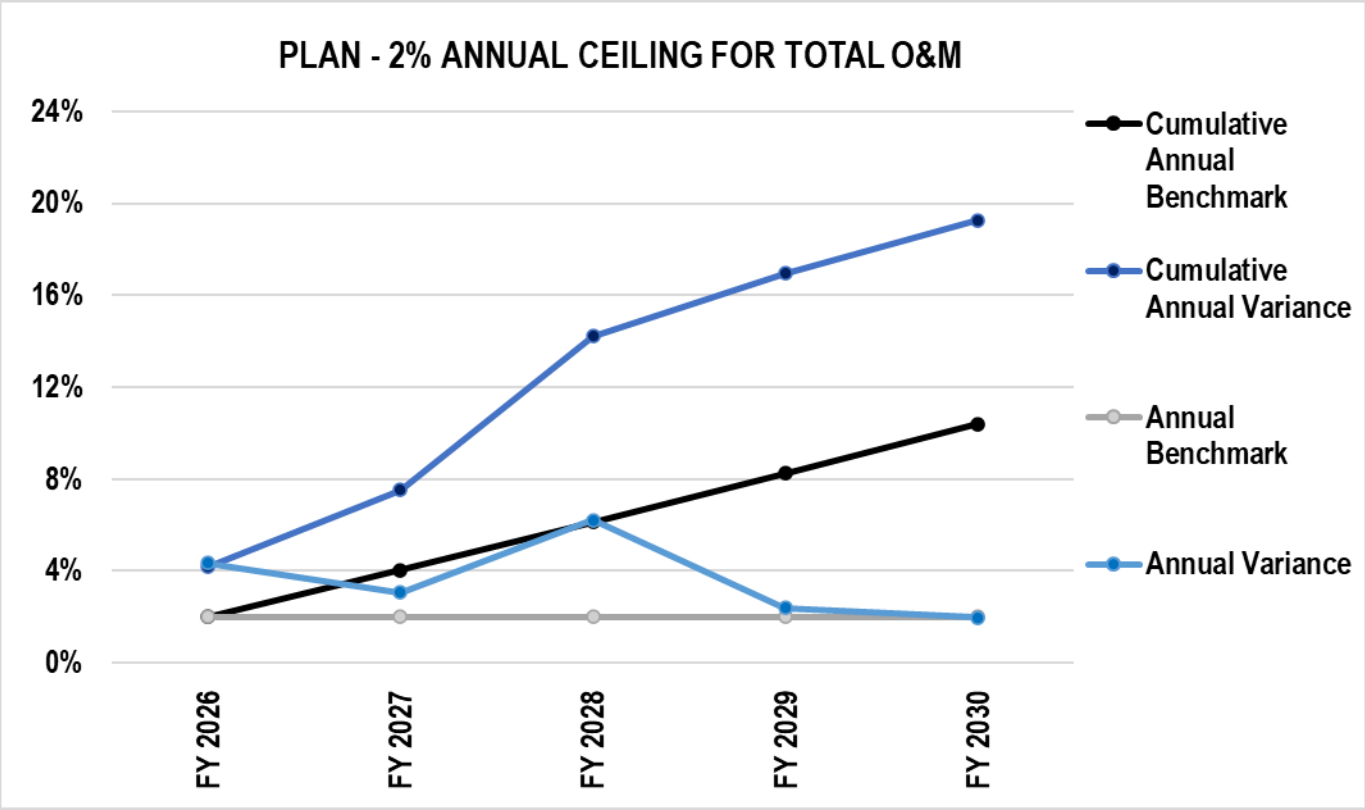
Go to TOC

Five-Year Financial Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Wastewater Administration	$ 2,973,527	$ 3,031,300	**$ 3,187,600**	$ 3,350,800	$ 3,679,000	$ 3,683,100	$ 3,687,100
Water Resource Recovery Facility	114,739,670	113,215,700	**122,002,600**	126,354,900	133,366,900	133,944,600	136,178,700
Wastewater Engineering	3,285,570	3,949,700	**3,269,100**	3,659,300	5,065,900	5,326,200	5,307,100
Industrial Waste Control	2,567,144	2,699,600	**3,106,400**	3,186,400	3,284,800	3,291,000	3,297,200
Wastewater Laboratories	3,711,606	4,006,600	**3,987,500**	4,255,400	4,787,700	4,796,400	4,805,100
Combined Sewer Overflow	14,899,740	15,532,400	**14,331,800**	14,509,800	14,820,000	14,974,800	15,133,800
Wastewater System Operations							
Unallocated Reserve	-	4,251,400	**3,176,400**	2,419,800	2,531,400	5,531,400	6,531,400
Grand Total	**$ 142,177,257**	**$ 146,686,700**	**$ 153,061,400**	**$ 157,736,400**	**$ 167,535,700**	**$ 171,547,500**	**$ 174,940,400**

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

The Wastewater Operations financial plan reflects a five-year overall increase of 19.3% 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 largest contributor to this growth is personnel. An increase in FTE through FY 2028 at the WRRF to equal the staffing plan is the main driver of the increase in personnel costs. Also contributing to the increase in personnel cost, as noted previously, is the increase in FY 2026 due to merit and market adjustments during the previous fiscal years.



Go to TOC

Capital Outlay

Wastewater Operations capital outlay is funded by the Improvement & Extension (I&E) budget. The increase in the Buildings/Structures category is due to replacing HVAC equipment and exhaust fans at the WRRF. The increase for Vehicles is for the purchase of a new dump truck for use at the WRRF.

Five-Year Capital Outlay by Asset Category

	Amended Budget	Proposed Budget		Projected		
Asset Category	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**
Improvement & Extension	**$ 8,439,600**	**$ 9,428,100**	**$ 11,847,300**	**$ 12,667,400**	**$ 6,068,300**	**$ 6,068,200**
Building/Structures	**366,000**	**700,000**	**377,100**	**377,100**	**388,400**	**388,400**
Machinery & Equipment	**8,051,600**	**8,528,100**	**11,046,200**	**12,290,300**	**5,679,900**	**5,679,800**
Computers & IT	360,500	-	-	-	-	-
Controls & Communication	4,295,800	3,333,500	4,187,500	5,498,400	169,500	274,600
Flow Measuring & Meters	20,000	20,000	33,000	635,000	20,000	-
Furniture & Fixtures	-	7,000	-	-	-	-
Heavy Equipment & Misc	-	-	395,000	250,000	-	-
Laboratory	43,400	30,000	56,000	30,000	26,500	-
Pipes, Gates & Valves	181,000	318,700	114,100	100,000	206,900	120,600
Process Equipment/Treatment	1,129,400	2,695,500	4,524,500	4,546,700	4,212,400	4,254,600
Pumps & Motors	1,771,500	1,547,400	1,629,600	1,203,200	937,600	994,800
Tools, Shop & Warehouse	-	576,000	106,500	27,000	107,000	35,200
Machinery & Equipment	250,000	-	-	-	-	-
Vehicles	**22,000**	**200,000**	**424,000**	**-**	**-**	**-**
Heavy Truck	-	200,000	-	-	-	-
Utility Vehicle	22,000	-	424,000	-	-	-
Grand Total	**$ 8,439,600**	**$ 9,428,100**	**$ 11,847,300**	**$ 12,667,400**	**$ 6,068,300**	**$ 6,068,200**

Five-Year Capital Outlay by Funding Source

	Actual	Amended Budget	Proposed Budget		Projected		
Funding Source	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**
Improvement & Extension	$ 6,085,863	$ 8,439,600	$ 9,428,100	$ 11,847,300	$ 12,667,400	$ 6,068,300	$ 6,068,200
Grand Total	**$ 6,085,863**	**$ 8,439,600**	**$ 9,428,100**	**$ 11,847,300**	**$ 12,667,400**	**$ 6,068,300**	**$ 6,068,200**

Five-Year Capital Outlay by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Water Resource Recovery Facility	**$ 4,313,996**	**$ 6,585,200**	**$ 8,253,000**	**$ 10,114,000**	**$ 9,546,100**	**$ 4,955,800**	**$ 4,835,500**
Wastewater Engineering	**793,166**	**-**	**-**	**13,000**	**-**	**-**	**-**
Industrial Waste Control	**-**	**25,500**	**7,000**	**26,000**	**-**	**26,500**	**-**
Wastewater Laboratories	**83,268**	**17,900**	**30,000**	**30,000**	**30,000**	**-**	**-**
Combined Sewer Overflow	**895,433**	**1,811,000**	**1,138,100**	**1,664,300**	**3,091,300**	**1,086,000**	**1,232,700**
Puritan Fenkell CSO	50,921	60,000	-	290,000	700,000	20,000	44,000
7 Mile CSO	75,517	750,600	14,000	-	8,400	60,000	8,600
Hubble Southfield CSO	266,387	138,800	189,700	595,700	593,600	167,600	219,600
Leib CSO	7,000	45,900	67,300	58,700	110,300	51,700	53,300
St Aubin CSO	11,522	73,000	18,500	19,100	49,700	20,300	80,900
Conner Creek CSO	295,022	489,700	397,500	367,500	446,600	482,000	516,000
Baby Creek CSO	65,475	234,000	451,100	248,300	1,182,700	263,400	310,300
Oakwood CSO	123,589	19,000	-	85,000	-	21,000	-
Grand Total	**$ 6,085,863**	**$ 8,439,600**	**$ 9,428,100**	**$ 11,847,300**	**$ 12,667,400**	**$ 6,068,300**	**$ 6,068,200**

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	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
892001 Chief Operating Officer Wastewater	**$ 2,423,079**	**$ 2,684,300**	**$ 2,833,600**	**$ 2,996,800**	**$ 3,325,000**	**$ 3,329,100**	**$ 3,333,100**
2.1 Salaries & Wages	**1,535,302**	**1,681,800**	**1,786,000**	**1,905,800**	**2,147,500**	**2,147,500**	**2,147,500**
2.3 Overtime	**202**	**600**	**200**	**200**	**200**	**200**	**200**
2.4 Employee Benefits	**408,622**	**496,600**	**504,900**	**548,300**	**634,800**	**638,900**	**642,900**
4.2 Supplies & Other	**387,058**	**339,100**	**375,900**	**375,900**	**375,900**	**375,900**	**375,900**
Memberships, Licenses & Subscriptions	80,416	57,000	57,100	57,100	57,100	57,100	57,100
Mileage and Parking	881	500	500	500	500	500	500
Office Supplies	4,872	6,600	6,600	6,600	6,600	6,600	6,600
Training and Internal Meetings	254,558	225,000	261,700	261,700	261,700	261,700	261,700
Travel	46,331	50,000	50,000	50,000	50,000	50,000	50,000
4.3 Contractual Services	**91,895**	**166,200**	**166,600**	**166,600**	**166,600**	**166,600**	**166,600**
Contractual Operating Services	91,895	166,200	166,600	166,600	166,600	166,600	166,600

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Go to TOC

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

Cost Center & Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
892201 Wastewater Director	**8,655,073**	**8,223,400**	**8,357,200**	**8,852,900**	**9,508,300**	**9,525,200**	**9,542,200**
2.1 Salaries & Wages	**2,014,155**	**2,281,900**	**2,145,400**	**2,450,100**	**2,874,000**	**2,874,000**	**2,874,000**
2.2 Workforce Development	**62,946**	**52,700**	**183,000**	**219,600**	**219,600**	**219,600**	**219,600**
2.3 Overtime	**442,029**	**490,100**	**393,400**	**415,500**	**459,700**	**459,700**	**459,700**
2.4 Employee Benefits	**812,414**	**921,700**	**803,000**	**927,500**	**1,106,800**	**1,115,600**	**1,124,300**
2.5 Transition Services	**2,464,226**	**1,756,500**	**2,101,800**	**2,101,800**	**2,101,800**	**2,101,800**	**2,101,800**
4.1 Chemicals	**6,594**	**-**	**5,500**	**5,500**	**5,500**	**5,500**	**5,500**
4.2 Supplies & Other	**949,635**	**416,600**	**417,700**	**425,500**	**433,500**	**441,600**	**449,900**
Capital Outlay less than $5,000	26,607	30,000	25,000	25,000	25,000	25,000	25,000
Equipment Repairs & Maintenance	921,605	385,000	391,100	398,900	406,900	415,000	423,300
Memberships, Licenses & Subscriptions	994	600	600	600	600	600	600
Mileage and Parking	(4)	-	-	-	-	-	-
Office Supplies	433	1,000	1,000	1,000	1,000	1,000	1,000
4.3 Contractual Services	**1,903,072**	**2,303,900**	**2,307,400**	**2,307,400**	**2,307,400**	**2,307,400**	**2,307,400**
Contractual Operating Services	1,903,072	2,303,900	2,307,400	2,307,400	2,307,400	2,307,400	2,307,400
892211 Wastewater Engineering	**3,285,570**	**3,949,700**	**3,269,100**	**3,659,300**	**5,065,900**	**5,326,200**	**5,307,100**
2.1 Salaries & Wages	**2,300,503**	**3,195,300**	**2,572,400**	**3,137,100**	**4,176,700**	**4,426,200**	**4,426,200**
2.2 Workforce Development	**5,753**	**-**	**-**	**-**	**-**	**-**	**-**
2.3 Overtime	**165,766**	**177,100**	**156,200**	**156,200**	**156,200**	**156,200**	**156,200**
2.4 Employee Benefits	**710,954**	**1,014,500**	**794,200**	**981,600**	**1,317,200**	**1,398,000**	**1,407,400**
2.5 Transition Services	**136,783**	**-**	**230,000**	**230,000**	**230,000**	**230,000**	**230,000**
4.2 Supplies & Other	**50,214**	**44,200**	**45,100**	**45,100**	**45,100**	**45,100**	**45,100**
Capital Outlay less than $5,000	9,718	-	-	-	-	-	-
Equipment Repairs & Maintenance	57	-	-	-	-	-	-
Memberships, Licenses & Subscriptions	6,725	5,400	5,500	5,500	5,500	5,500	5,500
Mileage and Parking	14,031	29,000	29,200	29,200	29,200	29,200	29,200
Office Supplies	12,705	5,300	5,400	5,400	5,400	5,400	5,400
Operating Supplies	3,778	3,000	3,000	3,000	3,000	3,000	3,000
Tuition Refund	3,200	1,500	2,000	2,000	2,000	2,000	2,000
4.3 Contractual Services	**1,311,903**	**1,639,900**	**1,069,700**	**1,069,700**	**1,069,700**	**1,069,700**	**1,069,700**
Contractual Operating Services	1,272,729	1,639,900	-	-	-	-	-
Contractual Professional Services	39,175	-	1,069,700	1,069,700	1,069,700	1,069,700	1,069,700
5.1 Capital Program Allocation	**(1,396,306)**	**(2,121,300)**	**(1,598,500)**	**(1,960,400)**	**(1,929,000)**	**(1,999,000)**	**(2,027,500)**
Capital Program: Employee Benefits	(396,087)	(481,900)	(356,200)	(444,700)	(610,700)	(661,300)	(665,700)
Capital Program: Salaries & Wages-Direct	(1,000,219)	(1,639,400)	(1,242,300)	(1,515,700)	(1,318,300)	(1,337,700)	(1,361,800)

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

Cost Center & Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
892221 Wastewater Operations	**34,904,788**	**32,747,700**	**37,980,200**	**39,576,900**	**41,592,700**	**42,683,500**	**43,818,800**
2.1 Salaries & Wages	**910,001**	**1,176,700**	**1,258,400**	**1,380,800**	**1,586,200**	**1,586,200**	**1,586,200**
2.2 Workforce Development	**-**	**-**	**36,500**	**36,500**	**36,500**	**36,500**	**36,500**
2.3 Overtime	**180,916**	**186,600**	**181,300**	**181,300**	**181,300**	**181,300**	**181,300**
2.4 Employee Benefits	**311,432**	**426,200**	**447,900**	**502,600**	**589,700**	**594,400**	**599,200**
2.5 Transition Services	**1,791**	**124,100**	**-**	**-**	**-**	**-**	**-**
3.1 Electric	**13,394,414**	**12,749,000**	**13,766,900**	**14,445,900**	**15,168,400**	**15,927,100**	**16,723,700**
3.2 Gas	**3,507,678**	**3,316,800**	**3,382,900**	**3,382,900**	**3,450,600**	**3,450,600**	**3,450,600**
3.3 Sewage Service	**492,676**	**502,600**	**582,600**	**588,400**	**594,300**	**600,200**	**606,200**
3.4 Water Service	**11,328,241**	**10,394,300**	**11,094,300**	**11,316,200**	**11,542,500**	**11,773,400**	**12,008,900**
4.1 Chemicals	**3,191**	**5,200**	**4,000**	**4,000**	**4,000**	**4,000**	**4,000**
4.2 Supplies & Other	**4,155,015**	**3,158,200**	**4,584,600**	**4,718,800**	**5,098,600**	**5,189,200**	**5,281,600**
Buildings & Ground Repairs & Maintenance	-	-	-	-	-	-	-
Capital Outlay less than $5,000	12,157	8,000	13,300	13,300	13,300	13,300	13,300
Equipment Repairs & Maintenance	69,868	43,600	1,643,800	1,724,700	1,759,200	1,794,400	1,830,300
Facilities Repairs & Maintenance	3,253,277	2,619,500	2,373,000	2,426,300	2,771,600	2,827,000	2,883,500
Inspection and Permit Fees	247,225	263,000	264,000	264,000	264,000	264,000	264,000
Inventory - Reserve for Obsolescence	285,949	-	-	-	-	-	-
Janitorial	47,573	58,000	58,000	58,000	58,000	58,000	58,000
Memberships, Licenses & Subscriptions	1,007	1,200	1,200	1,200	1,200	1,200	1,200
Office Supplies	32,254	30,100	32,000	32,000	32,000	32,000	32,000
Operating Supplies	107,607	52,900	118,500	118,500	118,500	118,500	118,500
Tuition Refund	-	2,000	-	-	-	-	-
Uniforms, Laundry, Cleaning	98,099	79,900	80,800	80,800	80,800	80,800	80,800
4.3 Contractual Services	**619,434**	**708,000**	**2,640,800**	**3,019,500**	**3,340,600**	**3,340,600**	**3,340,600**
Contract Services-Building Maintenance	586,042	583,000	583,000	583,000	583,000	583,000	583,000
Contractual Operating Services	33,392	125,000	2,057,800	2,436,500	2,757,600	2,757,600	2,757,600
892222 Wastewater Process Control	**2,803,978**	**3,724,000**	**3,855,800**	**4,208,000**	**4,772,300**	**4,777,000**	**4,791,100**
2.1 Salaries & Wages	**1,211,249**	**1,415,300**	**1,765,200**	**2,026,200**	**2,439,600**	**2,439,600**	**2,439,600**
2.3 Overtime	**72,999**	**74,800**	**66,700**	**68,500**	**72,100**	**72,100**	**72,100**
2.4 Employee Benefits	**391,623**	**502,000**	**565,500**	**655,500**	**800,900**	**806,600**	**812,400**
2.5 Transition Services	**62,521**	**355,000**	**-**	**-**	**-**	**-**	**-**
4.2 Supplies & Other	**296,983**	**384,200**	**421,900**	**429,800**	**437,800**	**446,000**	**454,300**
Capital Outlay less than $5,000	25,511	8,500	9,000	9,000	9,000	9,000	9,000
Equipment Repairs & Maintenance	25,627	43,000	44,500	45,400	46,300	47,200	48,100
Hardware Repairs & Maintenance	164,655	280,000	320,000	326,400	332,900	339,600	346,400
Operating Supplies	13,102	23,000	18,300	18,300	18,300	18,300	18,300
Software Repairs & Maintenance	66,735	29,700	28,600	29,200	29,800	30,400	31,000
Tuition Refund	1,352	-	1,500	1,500	1,500	1,500	1,500
4.3 Contractual Services	**914,800**	**1,148,000**	**1,197,600**	**1,197,600**	**1,197,600**	**1,197,600**	**1,197,600**
Contractual Operating Services	853,200	1,148,000	1,197,600	1,197,600	1,197,600	1,197,600	1,197,600
Contractual Professional Services	61,600	-	-	-	-	-	-
5.2 Shared Services	**(146,196)**	**(155,300)**	**(161,100)**	**(169,600)**	**(175,700)**	**(184,900)**	**(184,900)**

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

Cost Center & Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
892223 Wastewater Primary Process	**14,092,283**	**14,055,800**	**15,921,300**	**16,390,600**	**18,318,300**	**16,824,700**	**16,910,200**
2.1 Salaries & Wages	**2,013,223**	**2,006,700**	**2,257,300**	**2,451,200**	**2,634,000**	**2,634,000**	**2,634,000**
2.2 Workforce Development	**48,569**	**44,700**	**27,600**	**72,000**	**72,000**	**72,000**	**72,000**
2.3 Overtime	**609,753**	**514,600**	**607,400**	**607,400**	**607,400**	**607,400**	**607,400**
2.4 Employee Benefits	**864,794**	**882,100**	**936,600**	**1,059,000**	**1,153,900**	**1,163,900**	**1,174,000**
2.5 Transition Services	**977,655**	**1,028,900**	**747,300**	**747,300**	**747,300**	**747,300**	**747,300**
4.1 Chemicals	**4,824,323**	**6,738,000**	**7,498,000**	**7,535,500**	**7,535,500**	**7,535,500**	**7,535,500**
4.2 Supplies & Other	**4,633,881**	**2,585,800**	**3,687,100**	**3,758,200**	**5,408,200**	**3,904,600**	**3,980,000**
Capital Outlay less than $5,000	39,539	10,200	70,800	70,800	70,800	70,800	70,800
Equipment Repairs & Maintenance	4,493,297	2,513,000	3,552,500	3,623,600	5,273,600	3,770,000	3,845,400
Operating Supplies	101,044	62,600	63,800	63,800	63,800	63,800	63,800
4.3 Contractual Services	**120,085**	**255,000**	**160,000**	**160,000**	**160,000**	**160,000**	**160,000**
Contractual Operating Services	120,085	255,000	160,000	160,000	160,000	160,000	160,000
892224 Wastewater Secondary Process	**15,834,642**	**17,723,200**	**17,656,400**	**17,944,100**	**18,349,300**	**18,490,800**	**18,635,800**
2.1 Salaries & Wages	**2,211,515**	**2,301,500**	**2,397,400**	**2,492,700**	**2,622,800**	**2,622,800**	**2,622,800**
2.2 Workforce Development	**57,958**	**89,600**	**104,300**	**113,800**	**132,900**	**132,900**	**132,900**
2.3 Overtime	**437,097**	**367,200**	**433,300**	**433,300**	**433,300**	**433,300**	**433,300**
2.4 Employee Benefits	**880,006**	**963,700**	**952,800**	**1,008,700**	**1,083,500**	**1,092,500**	**1,101,500**
2.5 Transition Services	**1,006,953**	**694,800**	**1,125,000**	**1,125,000**	**1,125,000**	**1,125,000**	**1,125,000**
4.1 Chemicals	**9,144,731**	**11,254,500**	**10,573,700**	**10,667,400**	**10,814,600**	**10,912,500**	**11,013,200**
4.2 Supplies & Other	**1,717,809**	**1,675,500**	**1,735,800**	**1,769,100**	**1,803,100**	**1,837,700**	**1,873,000**
Capital Outlay less than $5,000	16,915	9,500	8,300	8,300	8,300	8,300	8,300
Equipment Repairs & Maintenance	1,649,386	1,604,200	1,664,400	1,697,700	1,731,700	1,766,300	1,801,600
Operating Supplies	51,432	61,800	63,100	63,100	63,100	63,100	63,100
Tuition Refund	75	-	-	-	-	-	-
4.3 Contractual Services	**378,573**	**376,400**	**334,100**	**334,100**	**334,100**	**334,100**	**334,100**
Contractual Operating Services	378,573	376,400	334,100	334,100	334,100	334,100	334,100
892225 Wastewater Dewatering Process	**6,342,655**	**6,388,400**	**6,564,600**	**6,764,500**	**6,998,900**	**7,033,100**	**7,067,900**
2.1 Salaries & Wages	**1,501,444**	**1,545,500**	**1,686,800**	**1,780,200**	**1,906,500**	**1,906,500**	**1,906,500**
2.2 Workforce Development	**57,753**	**52,700**	**92,500**	**111,700**	**111,700**	**111,700**	**111,700**
2.3 Overtime	**267,314**	**224,100**	**259,600**	**261,900**	**266,700**	**266,700**	**266,700**
2.4 Employee Benefits	**648,464**	**705,200**	**736,000**	**795,500**	**858,800**	**866,500**	**874,200**
2.5 Transition Services	**896,490**	**875,100**	**1,058,200**	**1,058,200**	**1,058,200**	**1,058,200**	**1,058,200**
4.1 Chemicals	**1,413,953**	**1,578,000**	**1,355,000**	**1,355,000**	**1,369,000**	**1,369,000**	**1,369,000**
4.2 Supplies & Other	**1,390,867**	**1,214,000**	**1,328,000**	**1,353,500**	**1,379,500**	**1,406,000**	**1,433,100**
Capital Outlay less than $5,000	59,608	9,000	9,200	9,200	9,200	9,200	9,200
Equipment Repairs & Maintenance	1,294,518	1,165,400	1,275,000	1,300,500	1,326,500	1,353,000	1,380,100
Operating Supplies	34,741	39,600	41,800	41,800	41,800	41,800	41,800
Tuition Refund	2,000	-	2,000	2,000	2,000	2,000	2,000
4.3 Contractual Services	**166,370**	**193,800**	**48,500**	**48,500**	**48,500**	**48,500**	**48,500**
Contractual Operating Services	166,370	193,800	48,500	48,500	48,500	48,500	48,500

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

Cost Center & Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
892226 Wastewater Incineration Process	**8,471,246**	**6,152,300**	**7,075,100**	**7,370,600**	**7,863,200**	**7,911,400**	**7,960,100**
2.1 Salaries & Wages	**1,782,142**	**1,963,800**	**2,055,000**	**2,224,300**	**2,525,800**	**2,525,800**	**2,525,800**
2.2 Workforce Development	**28,370**	**52,700**	**63,800**	**63,800**	**63,800**	**63,800**	**63,800**
2.3 Overtime	**343,786**	**248,500**	**327,000**	**329,500**	**334,400**	**334,400**	**334,400**
2.4 Employee Benefits	**769,690**	**877,700**	**888,500**	**975,900**	**1,125,200**	**1,135,500**	**1,145,700**
2.5 Transition Services	**1,565,667**	**1,472,300**	**1,508,100**	**1,508,100**	**1,508,100**	**1,508,100**	**1,508,100**
4.1 Chemicals	**1,258**	**4,000**	**4,000**	**4,000**	**4,000**	**4,000**	**4,000**
4.2 Supplies & Other	**3,301,095**	**910,600**	**1,854,100**	**1,890,400**	**1,927,300**	**1,965,200**	**2,003,700**
Capital Outlay less than $5,000	3,875	8,900	2,500	2,500	2,500	2,500	2,500
Equipment Repairs & Maintenance	3,244,299	866,500	1,815,700	1,852,000	1,888,900	1,926,800	1,965,300
Operating Supplies	51,836	35,200	35,900	35,900	35,900	35,900	35,900
Tuition Refund	1,084	-	-	-	-	-	-
4.3 Contractual Services	**679,238**	**622,700**	**374,600**	**374,600**	**374,600**	**374,600**	**374,600**
Contractual Operating Services	679,238	622,700	374,600	374,600	374,600	374,600	374,600
892227 BDF, COF & Hauling	**23,620,163**	**24,200,900**	**24,592,000**	**25,247,300**	**25,963,900**	**26,698,900**	**27,452,600**
2.1 Salaries & Wages	**259,001**	**268,300**	**262,600**	**262,600**	**262,600**	**262,600**	**262,600**
2.3 Overtime	**60,934**	**52,400**	**61,100**	**61,100**	**61,100**	**61,100**	**61,100**
2.4 Employee Benefits	**103,859**	**112,700**	**103,000**	**103,900**	**104,700**	**105,600**	**106,400**
2.5 Transition Services	**270,542**	**372,300**	**366,300**	**366,300**	**366,300**	**366,300**	**366,300**
3.1 Electric	**1,392,904**	**1,425,700**	**1,441,400**	**1,513,100**	**1,588,700**	**1,668,200**	**1,751,700**
3.2 Gas	**2,245,583**	**2,202,500**	**2,216,000**	**2,216,000**	**2,260,300**	**2,305,500**	**2,351,600**
3.3 Sewage Service	**531,255**	**530,000**	**530,000**	**535,300**	**540,700**	**546,100**	**551,600**
3.4 Water Service	**450,015**	**430,000**	**467,000**	**476,300**	**485,800**	**495,500**	**505,400**
4.3 Contractual Services	**18,306,070**	**18,807,000**	**19,144,600**	**19,712,700**	**20,293,700**	**20,888,000**	**21,495,900**
Contractual Operating Services	18,306,070	18,807,000	19,144,600	19,712,700	20,293,700	20,888,000	21,495,900
892228 Wastewater Fire Damage	**14,843**	**-**	**-**	**-**	**-**	**-**	**-**
4.2 Supplies & Other	**14,843**	**-**	**-**	**-**	**-**	**-**	**-**
Damage Recovery	14,843	-	-	-	-	-	-
892231 Industrial Waste Control	**2,567,144**	**2,699,600**	**3,106,400**	**3,186,400**	**3,284,800**	**3,291,000**	**3,297,200**
2.1 Salaries & Wages	**1,706,013**	**1,656,600**	**1,848,200**	**1,878,800**	**1,940,400**	**1,940,400**	**1,940,400**
2.2 Workforce Development	**8,016**	**-**	**9,600**	**38,000**	**38,000**	**38,000**	**38,000**
2.3 Overtime	**34,809**	**22,800**	**33,400**	**33,400**	**33,400**	**33,400**	**33,400**
2.4 Employee Benefits	**597,656**	**620,900**	**676,800**	**697,800**	**734,600**	**740,800**	**747,000**
4.1 Chemicals	**406**	**-**	**300**	**300**	**300**	**300**	**300**
4.2 Supplies & Other	**111,711**	**140,900**	**100,100**	**100,100**	**100,100**	**100,100**	**100,100**
Advertising	37,558	41,800	47,700	47,700	47,700	47,700	47,700
Capital Outlay less than $5,000	-	6,000	12,100	12,100	12,100	12,100	12,100
Equipment Repairs & Maintenance	(644)	-	-	-	-	-	-
Janitorial	57	200	200	200	200	200	200
Memberships, Licenses & Subscriptions	-	-	400	400	400	400	400
Office Supplies	11,977	9,600	9,600	9,600	9,600	9,600	9,600
Operating Supplies	44,578	19,700	11,700	11,700	11,700	11,700	11,700
Postage	6,235	46,000	4,600	4,600	4,600	4,600	4,600
Training and Internal Meetings	7,189	11,000	7,000	7,000	7,000	7,000	7,000
Travel	770	3,600	3,800	3,800	3,800	3,800	3,800
Uniforms, Laundry, Cleaning	3,990	3,000	3,000	3,000	3,000	3,000	3,000
4.3 Contractual Services	**108,534**	**258,400**	**438,000**	**438,000**	**438,000**	**438,000**	**438,000**
Contractual Operating Services	108,534	258,400	438,000	438,000	438,000	438,000	438,000

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

Cost Center & Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
892235 Wastewater Laboratories	**3,711,606**	**4,006,600**	**3,987,500**	**4,255,400**	**4,787,700**	**4,796,400**	**4,805,100**
2.1 Salaries & Wages	**1,845,407**	**2,230,000**	**2,206,300**	**2,393,700**	**2,771,400**	**2,771,400**	**2,771,400**
2.2 Workforce Development	**4,258**	**-**	**18,300**	**18,300**	**18,300**	**18,300**	**18,300**
2.3 Overtime	**265,112**	**237,600**	**263,800**	**263,800**	**263,800**	**263,800**	**263,800**
2.4 Employee Benefits	**678,954**	**839,000**	**800,400**	**879,500**	**1,033,800**	**1,042,100**	**1,050,400**
4.1 Chemicals	**208,332**	**216,600**	**221,200**	**222,300**	**222,300**	**222,300**	**222,300**
4.2 Supplies & Other	**354,091**	**303,700**	**295,800**	**296,100**	**296,400**	**296,800**	**297,200**
Capital Outlay less than $5,000	25,406	7,900	4,000	4,000	4,000	4,000	4,000
Equipment Repairs & Maintenance	45,542	16,700	17,100	17,400	17,700	18,100	18,500
Facilities Repairs & Maintenance	375	-	-	-	-	-	-
Memberships, Licenses & Subscriptions	2,705	6,800	800	800	800	800	800
Office Supplies	19,251	16,000	16,000	16,000	16,000	16,000	16,000
Operating Supplies	255,361	254,300	255,900	255,900	255,900	255,900	255,900
Uniforms, Laundry, Cleaning	5,452	2,000	2,000	2,000	2,000	2,000	2,000
4.3 Contractual Services	**355,452**	**179,700**	**181,700**	**181,700**	**181,700**	**181,700**	**181,700**
Contractual Operating Services	355,452	179,700	181,700	181,700	181,700	181,700	181,700
892269 Suburban Only Green Infrastructure Allocation	**550,448**	**347,000**	**354,000**	**354,000**	**354,000**	**354,000**	**354,000**
4.2 Supplies & Other	**550,448**	**347,000**	**354,000**	**354,000**	**354,000**	**354,000**	**354,000**
Inspection and Permit Fees	550,448	347,000	354,000	354,000	354,000	354,000	354,000
892270 Combined Sewer Overflow	**4,707,118**	**3,887,300**	**4,535,600**	**4,578,700**	**4,659,500**	**4,666,100**	**4,672,700**
2.1 Salaries & Wages	**1,375,634**	**1,302,800**	**1,654,800**	**1,675,100**	**1,716,200**	**1,716,200**	**1,716,200**
2.2 Workforce Development	**84,883**	**89,600**	**156,000**	**156,000**	**156,000**	**156,000**	**156,000**
2.3 Overtime	**638,912**	**420,000**	**618,200**	**624,100**	**635,900**	**635,900**	**635,900**
2.4 Employee Benefits	**668,199**	**622,800**	**750,000**	**766,900**	**794,800**	**801,400**	**808,000**
2.5 Transition Services	**652,388**	**390,300**	**191,600**	**191,600**	**191,600**	**191,600**	**191,600**
4.2 Supplies & Other	**61,779**	**29,400**	**48,800**	**48,800**	**48,800**	**48,800**	**48,800**
Car Lease	15,246	-	-	-	-	-	-
Inspection and Permit Fees	200	700	700	700	700	700	700
Mileage and Parking	1,292	1,300	1,300	1,300	1,300	1,300	1,300
Office Supplies	15	-	-	-	-	-	-
Operating Supplies	540	2,600	2,600	2,600	2,600	2,600	2,600
Training and Internal Meetings	28,712	11,000	30,200	30,200	30,200	30,200	30,200
Travel	2,750	3,400	3,600	3,600	3,600	3,600	3,600
Tuition Refund	-	1,500	1,500	1,500	1,500	1,500	1,500
Uniforms, Laundry, Cleaning	13,024	8,900	8,900	8,900	8,900	8,900	8,900
4.3 Contractual Services	**1,303,189**	**1,032,400**	**1,116,200**	**1,116,200**	**1,116,200**	**1,116,200**	**1,116,200**
Contractual Operating Services	684,360	1,032,400	1,116,200	1,116,200	1,116,200	1,116,200	1,116,200
Contractual Professional Services	618,829	-	-	-	-	-	-
5.2 Shared Services	**(77,865)**	**-**	**-**	**-**	**-**	**-**	**-**

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

Cost Center & Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
892271 Puritan Fenkell CSO	**413,588**	**301,600**	**297,300**	**304,100**	**311,500**	**318,800**	**326,500**
3.1 Electric	**56,970**	**62,400**	**59,300**	**61,700**	**64,800**	**68,000**	**71,400**
3.2 Gas	**21,825**	**17,500**	**21,500**	**21,900**	**22,300**	**22,700**	**23,200**
3.3 Sewage Service	**3,254**	**10,100**	**5,100**	**5,200**	**5,300**	**5,400**	**5,500**
3.4 Water Service	**7,015**	**12,000**	**9,000**	**9,200**	**9,400**	**9,600**	**9,800**
4.1 Chemicals	**52,146**	**27,700**	**29,000**	**29,400**	**29,700**	**29,700**	**29,700**
4.2 Supplies & Other	**246,782**	**163,300**	**164,800**	**168,100**	**171,400**	**174,800**	**178,300**
Capital Outlay less than $5,000	3,410	-	-	-	-	-	-
Equipment Repairs & Maintenance	89,588	83,400	84,100	85,800	87,500	89,300	91,100
Facilities Repairs & Maintenance	139,852	77,100	77,900	79,500	81,100	82,700	84,400
Office Supplies	-	100	100	100	100	100	100
Operating Supplies	13,932	2,700	2,700	2,700	2,700	2,700	2,700
4.3 Contractual Services	**25,596**	**8,600**	**8,600**	**8,600**	**8,600**	**8,600**	**8,600**
Contractual Operating Services	25,596	8,600	8,600	8,600	8,600	8,600	8,600
892272 7 Mile CSO	**285,030**	**147,900**	**150,300**	**153,900**	**157,600**	**161,500**	**165,400**
3.1 Electric	**34,735**	**36,700**	**35,200**	**37,000**	**38,800**	**40,800**	**42,800**
3.2 Gas	**16,344**	**10,200**	**16,100**	**16,400**	**16,700**	**17,000**	**17,300**
3.3 Sewage Service	**15,768**	**14,600**	**14,600**	**14,700**	**14,800**	**14,900**	**15,000**
3.4 Water Service	**5,249**	**9,700**	**5,700**	**5,800**	**5,900**	**6,000**	**6,100**
4.2 Supplies & Other	**173,554**	**68,100**	**69,800**	**71,100**	**72,500**	**73,900**	**75,300**
Capital Outlay less than $5,000	2,210	-	-	-	-	-	-
Equipment Repairs & Maintenance	89,757	25,200	25,800	26,300	26,800	27,300	27,800
Facilities Repairs & Maintenance	45,043	41,400	42,400	43,200	44,100	45,000	45,900
Operating Supplies	36,544	1,500	1,600	1,600	1,600	1,600	1,600
4.3 Contractual Services	**39,381**	**8,600**	**8,900**	**8,900**	**8,900**	**8,900**	**8,900**
Contractual Operating Services	39,381	8,600	8,900	8,900	8,900	8,900	8,900
892273 Hubble Southfield CSO	**1,301,452**	**1,129,500**	**1,127,700**	**1,142,500**	**1,167,700**	**1,186,000**	**1,204,500**
3.1 Electric	**83,755**	**75,000**	**84,200**	**85,900**	**90,100**	**94,700**	**99,400**
3.2 Gas	**35,811**	**27,400**	**35,300**	**36,000**	**36,700**	**37,400**	**38,100**
3.3 Sewage Service	**1,972**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**
3.4 Water Service	**113,115**	**38,000**	**118,000**	**120,400**	**122,800**	**125,300**	**127,800**
4.1 Chemicals	**291,222**	**413,200**	**307,600**	**307,600**	**315,300**	**315,300**	**315,300**
4.2 Supplies & Other	**658,228**	**505,900**	**511,800**	**521,800**	**532,000**	**542,500**	**553,100**
Capital Outlay less than $5,000	6,605	-	-	-	-	-	-
Equipment Repairs & Maintenance	515,284	388,300	392,000	399,800	407,800	416,000	424,300
Facilities Repairs & Maintenance	123,314	106,500	108,700	110,900	113,100	115,400	117,700
Office Supplies	-	100	100	100	100	100	100
Operating Supplies	13,024	11,000	11,000	11,000	11,000	11,000	11,000
4.3 Contractual Services	**117,349**	**67,000**	**67,800**	**67,800**	**67,800**	**67,800**	**67,800**
Contractual Operating Services	117,349	67,000	67,800	67,800	67,800	67,800	67,800

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

Cost Center & Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
892274 Leib CSO	**346,899**	**524,200**	**469,400**	**477,500**	**489,500**	**498,300**	**507,200**
3.1 Electric	**80,105**	**74,800**	**76,600**	**80,400**	**84,400**	**88,700**	**93,100**
3.2 Gas	**5,486**	**10,000**	**5,400**	**5,500**	**5,600**	**5,700**	**5,800**
3.3 Sewage Service	**4,245**	**5,800**	**5,000**	**5,100**	**5,200**	**5,300**	**5,400**
3.4 Water Service	**2,252**	**3,500**	**2,600**	**2,700**	**2,800**	**2,900**	**3,000**
4.1 Chemicals	**104,387**	**202,500**	**146,700**	**146,700**	**150,300**	**150,300**	**150,300**
4.2 Supplies & Other	**126,429**	**199,400**	**204,400**	**208,400**	**212,500**	**216,700**	**220,900**
Capital Outlay less than $5,000	2,210	-	-	-	-	-	-
Equipment Repairs & Maintenance	97,534	119,800	122,800	125,300	127,800	130,400	133,000
Facilities Repairs & Maintenance	24,033	74,500	76,400	77,900	79,500	81,100	82,700
Office Supplies	52	600	600	600	600	600	600
Operating Supplies	2,600	4,500	4,600	4,600	4,600	4,600	4,600
4.3 Contractual Services	**23,995**	**28,200**	**28,700**	**28,700**	**28,700**	**28,700**	**28,700**
Contractual Operating Services	23,995	28,200	28,700	28,700	28,700	28,700	28,700
892275 St Aubin CSO	**278,197**	**331,200**	**345,200**	**350,000**	**356,700**	**361,800**	**367,100**
3.1 Electric	**27,188**	**20,500**	**25,300**	**26,600**	**27,900**	**29,300**	**30,800**
3.2 Gas	**6,764**	**7,400**	**6,700**	**6,800**	**6,900**	**7,000**	**7,100**
3.3 Sewage Service	**2,004**	**3,500**	**2,500**	**2,500**	**2,500**	**2,500**	**2,500**
3.4 Water Service	**3,251**	**5,200**	**3,700**	**3,800**	**3,900**	**4,000**	**4,100**
4.1 Chemicals	**102,573**	**63,100**	**72,200**	**72,200**	**74,000**	**74,000**	**74,000**
4.2 Supplies & Other	**101,111**	**169,800**	**172,100**	**175,400**	**178,800**	**182,300**	**185,900**
Capital Outlay less than $5,000	8,912	-	-	-	-	-	-
Equipment Repairs & Maintenance	61,978	79,600	80,800	82,400	84,000	85,700	87,400
Facilities Repairs & Maintenance	21,639	86,300	87,300	89,000	90,800	92,600	94,500
Office Supplies	-	300	300	300	300	300	300
Operating Supplies	8,582	3,600	3,700	3,700	3,700	3,700	3,700
4.3 Contractual Services	**35,307**	**61,700**	**62,700**	**62,700**	**62,700**	**62,700**	**62,700**
Contractual Operating Services	35,307	61,700	62,700	62,700	62,700	62,700	62,700
892276 Conner Creek CSO	**3,867,090**	**5,111,700**	**4,203,500**	**4,243,000**	**4,344,200**	**4,386,500**	**4,430,000**
3.1 Electric	**279,839**	**300,800**	**301,400**	**316,200**	**332,000**	**348,600**	**366,000**
3.2 Gas	**50,038**	**71,800**	**49,400**	**50,400**	**51,400**	**52,400**	**53,400**
3.3 Sewage Service	**54,550**	**175,000**	**60,000**	**60,600**	**61,200**	**61,800**	**62,400**
3.4 Water Service	**47,868**	**75,000**	**52,000**	**53,000**	**54,100**	**55,200**	**56,300**
4.1 Chemicals	**2,302,928**	**3,079,800**	**2,409,500**	**2,409,500**	**2,469,700**	**2,469,700**	**2,469,700**
4.2 Supplies & Other	**901,635**	**1,223,000**	**1,142,800**	**1,164,900**	**1,187,400**	**1,210,400**	**1,233,800**
Capital Outlay less than $5,000	24,184	5,000	5,000	5,000	5,000	5,000	5,000
Equipment Repairs & Maintenance	675,718	932,300	850,000	867,000	884,300	902,000	920,000
Facilities Repairs & Maintenance	161,867	251,400	253,100	258,200	263,400	268,700	274,100
Office Supplies	13,676	7,500	7,500	7,500	7,500	7,500	7,500
Operating Supplies	26,189	26,800	27,200	27,200	27,200	27,200	27,200
4.3 Contractual Services	**230,231**	**186,300**	**188,400**	**188,400**	**188,400**	**188,400**	**188,400**
Contractual Operating Services	230,231	186,300	188,400	188,400	188,400	188,400	188,400

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

Cost Center & Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
892277 Baby Creek CSO	**1,258,086**	**1,509,400**	**1,343,600**	**1,360,500**	**1,392,600**	**1,412,500**	**1,433,000**
3.1 Electric	**99,005**	**134,900**	**123,100**	**127,400**	**133,800**	**140,500**	**147,500**
3.2 Gas	**22,234**	**29,900**	**21,900**	**22,300**	**22,700**	**23,200**	**23,700**
4.1 Chemicals	**370,280**	**664,500**	**514,000**	**514,000**	**526,900**	**526,900**	**526,900**
4.2 Supplies & Other	**611,403**	**614,900**	**618,700**	**630,900**	**643,300**	**656,000**	**669,000**
Capital Outlay less than $5,000	5,373	-	-	-	-	-	-
Equipment Repairs & Maintenance	491,740	395,300	398,100	406,100	414,200	422,500	431,000
Facilities Repairs & Maintenance	104,684	210,500	211,500	215,700	220,000	224,400	228,900
Office Supplies	-	100	100	100	100	100	100
Operating Supplies	9,608	9,000	9,000	9,000	9,000	9,000	9,000
4.3 Contractual Services	**155,164**	**65,200**	**65,900**	**65,900**	**65,900**	**65,900**	**65,900**
Contractual Operating Services	155,164	65,200	65,900	65,900	65,900	65,900	65,900
892278 Oakwood CSO	**2,390,315**	**2,589,600**	**1,859,200**	**1,899,600**	**1,940,700**	**1,983,300**	**2,027,400**
3.1 Electric	**414,210**	**430,500**	**448,300**	**471,400**	**495,000**	**519,700**	**545,700**
3.2 Gas	**49,895**	**40,000**	**49,200**	**50,200**	**51,200**	**52,200**	**53,200**
3.3 Sewage Service	**640,150**	**947,000**	**447,000**	**451,500**	**456,000**	**460,600**	**465,200**
3.4 Water Service	**500,302**	**530,000**	**350,000**	**357,000**	**364,100**	**371,400**	**378,800**
4.1 Chemicals	**269,594**	**373,000**	**293,400**	**293,400**	**293,400**	**293,400**	**293,400**
4.2 Supplies & Other	**455,484**	**247,300**	**249,300**	**254,100**	**259,000**	**264,000**	**269,100**
Capital Outlay less than $5,000	3,037	-	-	-	-	-	-
Equipment Repairs & Maintenance	371,359	128,500	129,300	131,900	134,500	137,200	139,900
Facilities Repairs & Maintenance	71,911	110,500	111,700	113,900	116,200	118,500	120,900
Office Supplies	1,027	300	300	300	300	300	300
Operating Supplies	8,149	8,000	8,000	8,000	8,000	8,000	8,000
4.3 Contractual Services	**60,680**	**21,800**	**22,000**	**22,000**	**22,000**	**22,000**	**22,000**
Contractual Operating Services	60,680	21,800	22,000	22,000	22,000	22,000	22,000
892279 Belle Isle CSO	**51,964**	**-**	**-**	**-**	**-**	**-**	**-**
4.1 Chemicals	**32,372**	**26,200**	**26,200**	**26,200**	**26,200**	**26,200**	**26,200**
4.2 Supplies & Other	**216,235**	**27,800**	**37,000**	**37,700**	**38,400**	**39,100**	**39,800**
Capital Outlay less than $5,000	3,030	-	-	-	-	-	-
Capital Outlay over $5k(O&M-NonCapitlzd)	135,426	-	-	-	-	-	-
Equipment Repairs & Maintenance	12,411	12,300	20,500	20,900	21,300	21,700	22,100
Facilities Repairs & Maintenance	62,639	15,000	16,000	16,300	16,600	16,900	17,200
Office Supplies	38	-	-	-	-	-	-
Operating Supplies	2,692	500	500	500	500	500	500
4.3 Contractual Services	**8,648**	**12,200**	**12,300**	**12,300**	**12,300**	**12,300**	**12,300**
Contractual Operating Services	8,648	12,200	12,300	12,300	12,300	12,300	12,300
5.2 Shared Services	**(69,865)**	**(66,200)**	**(75,500)**	**(76,200)**	**(76,900)**	**(77,600)**	**(78,300)**
5.5 Intergovermental Agreement	**(135,426)**	**-**	**-**	**-**	**-**	**-**	**-**
897600 Wastewater System Operations							
Unallocated	**-**	**4,251,400**	**3,176,400**	**2,419,800**	**2,531,400**	**5,531,400**	**6,531,400**
7.0 Unallocated Reserve	**-**	**4,251,400**	**3,176,400**	**2,419,800**	**2,531,400**	**5,531,400**	**6,531,400**
Grand Total	**$ 142,177,257**	**$ 146,686,700**	**$ 153,061,400**	**$ 157,736,400**	**$ 167,535,700**	**$ 171,547,500**	**$ 174,940,400**

Wastewater Operations Pump Stations

The Wastewater Operations Pump (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. There are nine facilities that are part of wastewater operations for the conveyance of sewage to the Water Resource Recovery Facility.

During FY 2026 the establishment of a team in Wastewater Operations will be taking over management of the wastewater pump (lift) stations and linear (sewer and interceptor) assets, currently managed by Field Services Operations. Budget amendments will be required as responsibilities are transferred.

Strategic Initiatives

- **Reliability of pumping equipment (Ongoing)**
  This is achieved through regular scheduled preventive maintenance is part of the overall maintenance program. GLWA has implemented an Enterprise Asset Management (EAM) system which will enhance planning, scheduling and prediction of work for increased wrench time and proactive maintenance.
- **Minimize energy usage (Ongoing)**
  Energy consumption is dependent on flow rate, total head, climate, and overall pump efficiency. Energy efficiency can be maximized through regular preventive and corrective maintenance.

The table below shows how the wastewater operations area pump (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	Reliability of pumping equipment				x	x	x	x				
	Minimize energy usage		x		x	x						

Wastewater Operations Pump Stations Contracts

The Wastewater Operations Pump Stations budget contains multiple contracts for services and maintenance to ensure system reliability, safeguard public health and the environment in compliance with our NPDES permit. The following table represents current contracts for the services listed. Expired contracts are not presented. Budgeted amounts beyond the 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.

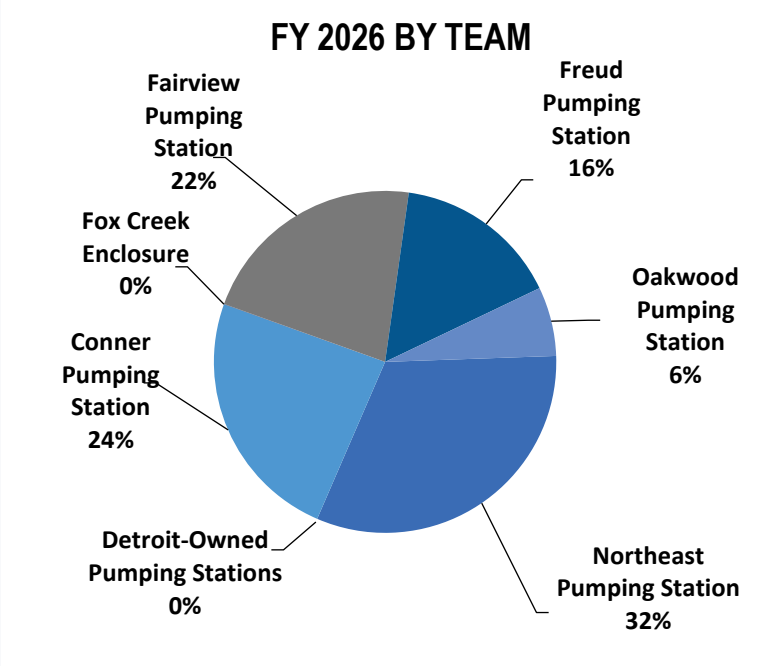
Wastewater Operations Pump Stations Significant Contracts

Project Description	Specialized Services	HVAC Services	Total of Significant Contracts
Prime Consultant or Supplier	Lakeshore Global Corporation	Johnson Controls	
Contract #	2004889	1902548B	
Workday Contract #	SCN-0000354	SCN-0000168	
Contract Amount	$ 707,292	$ 1,439,015	
Contract End Date	03/31/26	12/28/25	
Cost Center Name	Sewage Pumping Stations	Sewage Pumping Stations	
Expense Category	Equipment Repairs & Maintenance	Equipment Repairs & Maintenance	
Pre-FY 2024 Spend	$ 354,700	$ 839,900	
Pre-FY 2024 Average Spend (*)	283,800	360,000	
FY 2024 Spend	861,000	311,500	$ 1,172,500
FY 2025 Amended	275,000	170,000	$ 445,000
FY 2026	**275,000**	**170,000**	**$ 445,000**
FY 2027	280,500	173,400	$ 453,900
FY 2028	286,100	176,800	$ 462,900
FY 2029	291,700	180,600	$ 472,300
FY 2030	297,600	184,200	$ 481,800
Total	**$ 2,921,600**	**$ 2,206,400**	**$ 3,933,400**

Organization

The Wastewater Operations Pump (Lift) Stations consist of nine lift stations in the wastewater collections system.

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



* Facilities owned by the Detroit Water and Sewer Department (DWSD) and operated by GLWA. DWSD reimburses GLWA for operation and maintenance costs through the Shared Services agreement.

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

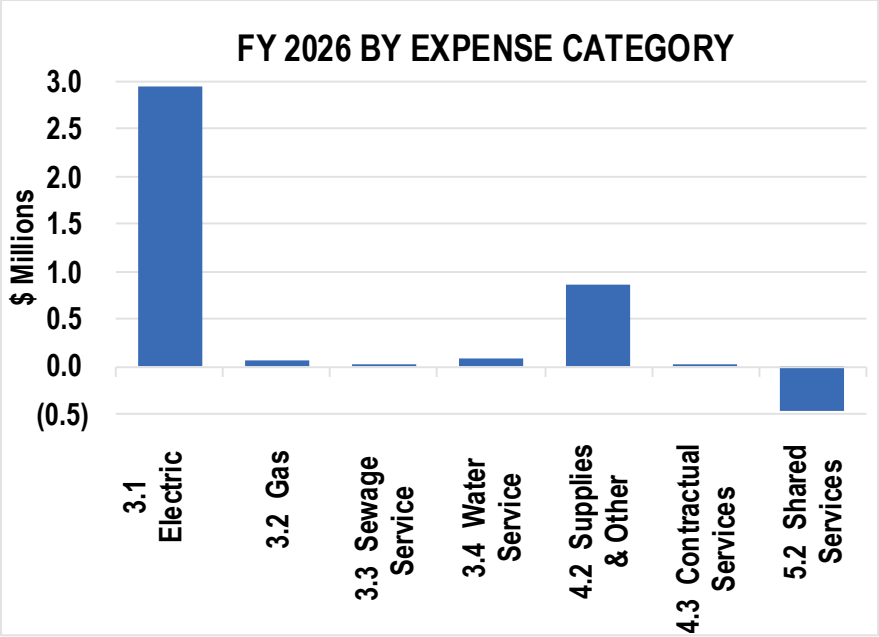
*** Fox Creek Enclosure is a gate operations site and not a pump station. The only cost incurred for this location is electrical costs.

Go to TOC

Expense Categories

Electric is the highest expense category in the Wastewater Pump Stations operations and maintenance budget.

Lift stations require a significant amount of power. The electric costs represent approximately 84% of the total wastewater pump stations operating costs for FY 2026.



Biennial Budget Request

The biennial budget reflects an overall increase in FY 2026 of $452,800, or 14.8%. Key factors that impact the FY 2026 budget include the following.

- Increase of $448,500 to electric budget based on cost increases. Over the past three years, the organization has experienced a substantial increase in utility costs, and budgets have been right-sized based on the continued price increases. Budgets are based on historical kilowatt hours (kWh) used and costs influenced by known rate changes by DTE Energy.
- Supplies & Other for FY 2025 includes Information Technology upgrades at Bluehill and Fischer Pumping Stations that are not anticipated to continue into FY 2026, representing a decrease of $638,200.
- The Intergovernmental Agreement is increasing by $638,200, which offsets the decrease in Supplies & Other. The equipment purchased in FY 2025 was for Detroit-owned facilities and this is billed back to DWSD through the intergovernmental agreement.
- Overall increase of $4,300 to Gas, Sewage Service and Water Service to align budget with anticipated cost.

Biennial Budget Request by Expense Category

Expense Category	FY 2024 Actual	FY 2025 Amended Budget	FY 2025 Activity as of 02.28.2025	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
3.1 Electric	$ 2,856,034	$ 2,505,600	$ 2,129,587	**$ 2,954,100**	**$ 448,500**	**17.9%**	$ 3,098,300
3.2 Gas	61,315	56,500	31,862	**60,600**	**4,100**	**7.3%**	61,900
3.3 Sewage Service	9,520	11,000	6,771	**10,000**	**(1,000)**	**-9.1%**	10,100
3.4 Water Service	124,416	85,300	49,143	**86,500**	**1,200**	**1.4%**	88,200
4.2 Supplies & Other	2,081,444	1,505,200	1,610,158	**867,000**	**(638,200)**	**-42.4%**	884,300
4.3 Contractual Services	19,795	10,700	3,402	**10,700**	**-**	**0.0%**	10,700
5.2 Shared Services	(488,275)	(477,700)	(318,472)	**(477,700)**	**-**	**0.0%**	(487,000)
5.5 Intergovermental Agreement	(591,306)	(638,200)	(1,242,686)	**-**	**638,200**	**-100.0%**	-
Grand Total	**$ 4,072,942**	**$ 3,058,400**	**$ 2,269,764**	**$ 3,511,200**	**$ 452,800**	**14.8%**	**$ 3,666,500**

Biennial Budget Request by Team

Team	FY 2024 Actual	FY 2025 Amended Budget	FY 2025 Activity as of 02.28.2025	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
Detroit-Owned Pumping Stations	**$ 581,548**	**$ -**	**$ (819,112)**	**$ -**	**$ -**	**-**	**$ -**
Belle Isle Pumping Station	(36,292)	-	(11,930)	**-**	**-**	**-**	-
Blue Hill Pumping Station	548,357	-	(664,930)	**-**	**-**	**-**	-
Fischer Pumping Station	87,494	-	32,220	**-**	**-**	**-**	-
Woodmere Pumping Station	(18,012)	-	(174,472)	**-**	**-**	**-**	-
Conner Pumping Station	919,607	726,000	1,070,325	**841,900**	**115,900**	**16.0%**	877,600
Fairview Pumping Station	887,412	714,500	505,569	**762,500**	**48,000**	**6.7%**	798,200
Fox Creek Enclosure	815	1,000	2,027	**1,100**	**100**	**10.0%**	900
Freud Pumping Station	489,153	536,800	342,328	**550,600**	**13,800**	**2.6%**	569,100
Oakwood Pumping Station	173,935	220,000	79,093	**229,800**	**9,800**	**4.5%**	238,700
Northeast Pumping Station	1,020,473	860,100	1,089,534	**1,125,300**	**265,200**	**30.8%**	1,182,000
Grand Total	**$ 4,072,942**	**$ 3,058,400**	**$ 2,269,764**	**$ 3,511,200**	**$ 452,800**	**14.8%**	**$ 3,666,500**

Personnel Budget

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

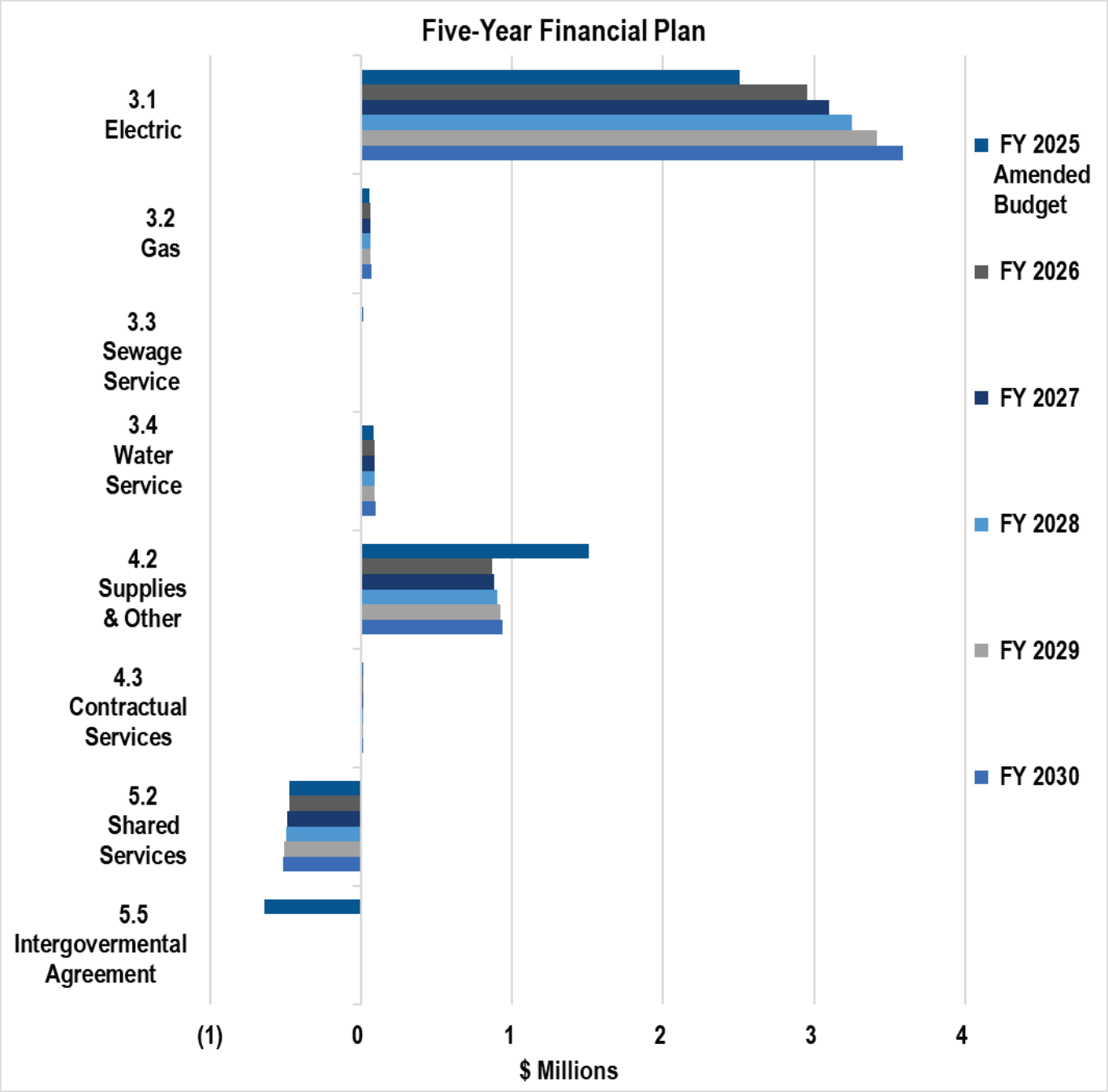
As noted above during FY 2026 Wastewater Operations will take over the management of the pump (lift) stations and linear (sewer and interceptor) assets. This will include utilizing positions currently part of the Water Resource Recovery Facility staffing plan for these assets.

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
3.1 Electric	$ 2,856,034	$ 2,505,600	**$ 2,954,100**	$ 3,098,300	$ 3,253,400	$ 3,416,100	$ 3,586,800
3.2 Gas	61,315	56,500	**60,600**	61,900	63,200	64,500	65,800
3.3 Sewage Service	9,520	11,000	**10,000**	10,100	10,200	10,300	10,400
3.4 Water Service	124,416	85,300	**86,500**	88,200	90,000	91,800	93,600
4.2 Supplies & Other	2,081,444	1,505,200	**867,000**	884,300	901,900	920,000	938,500
4.3 Contractual Services	19,795	10,700	**10,700**	10,700	10,700	10,700	10,700
5.2 Shared Services	(488,275)	(477,700)	**(477,700)**	(487,000)	(496,400)	(506,200)	(516,100)
5.5 Intergovermental Agreement	(591,306)	(638,200)	**-**	-	-	-	-
Grand Total	**$ 4,072,942**	**$ 3,058,400**	**$ 3,511,200**	**$ 3,666,500**	**$ 3,833,000**	**$ 4,007,200**	**$ 4,189,700**

Go to TOC


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
5.5 Intergovermental Agreement
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$ Millions
FY 2025 Amended Budget
FY 2026
FY 2027
FY 2028
FY 2029
FY 2030

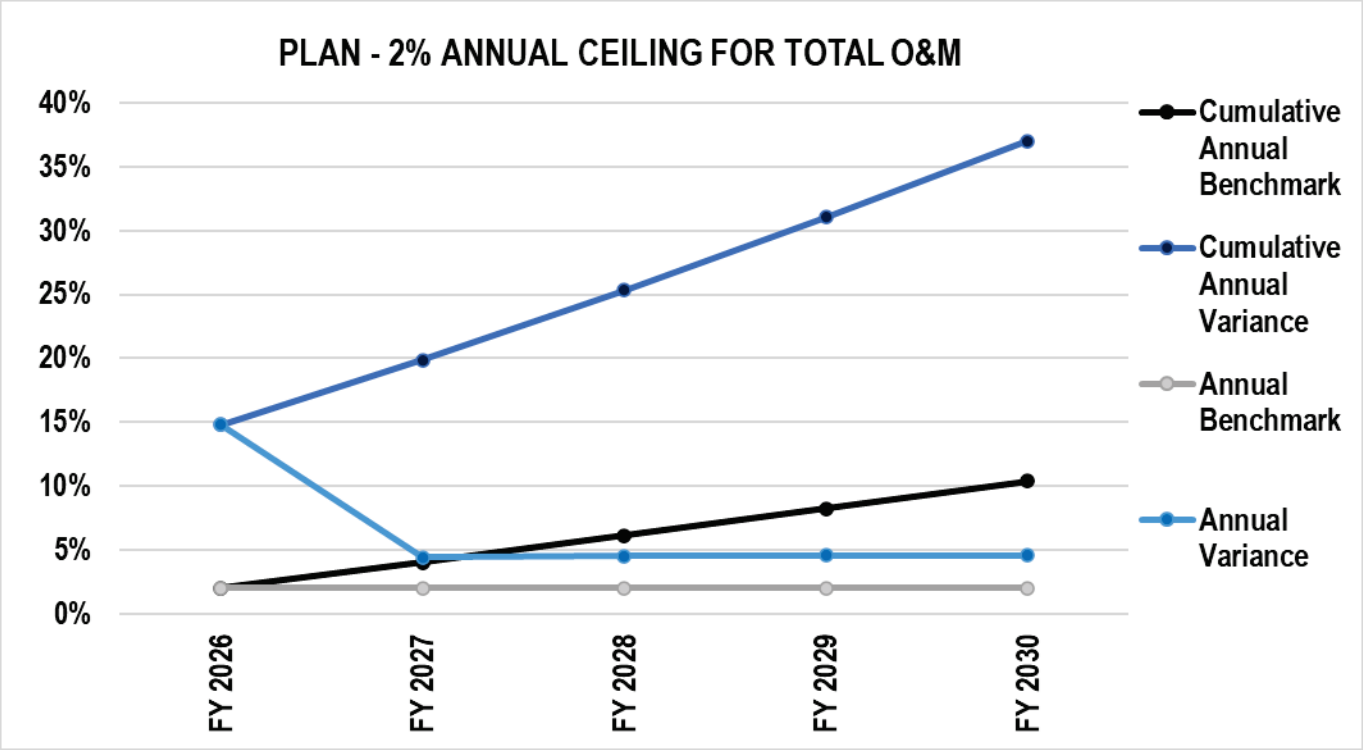
Go to TOC

Five-Year Financial Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Detroit-Owned Pumping Stations	**$ 581,548**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Belle Isle Pumping Station	(36,292)	-	-	-	-	-	-
Blue Hill Pumping Station	548,357	-	-	-	-	-	-
Fischer Pumping Station	87,494	-	-	-	-	-	-
Woodmere Pumping Station	(18,012)	-	-	-	-	-	-
Conner Pumping Station	919,607	726,000	**841,900**	877,600	916,200	956,500	998,800
Fairview Pumping Station	887,412	714,500	**762,500**	798,200	835,500	874,700	915,700
Freud Pumping Station	489,153	536,800	**550,600**	569,100	591,000	613,700	637,400
Oakwood Pumping Station	173,935	220,000	**229,800**	238,700	248,200	258,100	268,500
Fox Creek Enclosure	815	1,000	**1,100**	900	1,000	1,000	1,000
Northeast Pumping Station	1,020,473	860,100	**1,125,300**	1,182,000	1,241,100	1,303,200	1,368,300
Grand Total	**$ 4,072,942**	**$ 3,058,400**	**$ 3,511,200**	**$ 3,666,500**	**$ 3,833,000**	**$ 4,007,200**	**$ 4,189,700**

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

The Wastewater Operations pump (lift) stations Group's financial plan reflects a five-year overall increase of 37.0% 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 larger increase is due to cost increases for electric.



Go to TOC

Capital Outlay

The Wastewater Pump Stations capital outlay is funded by the Improvement & Extension (I&E) Budget.

Five-Year Capital Outlay Plan by Asset

Asset Category	Amended Budget	Proposed Budget		Projected		
	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Improvement & Extension	**$ 400,000**	**$ 280,000**	**$ 75,000**	**$ 930,000**	**$ -**	**$ -**
Machinery & Equipment	**400,000**	**280,000**	**75,000**	**930,000**	**-**	**-**
Pumps & Motors	400,000	280,000	75,000	930,000	-	-
Grand Total	**$ 400,000**	**$ 280,000**	**$ 75,000**	**$ 930,000**	**$ -**	**$ -**

Five-Year Capital Outlay Plan by Funding Source

Fuding Source	Actual	Amended Budget	Proposed Budget		Projected		
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Improvement & Extension	$ 481,491	$ 400,000	$ 280,000	$ 75,000	$ 930,000	$ -	$ -
Grand Total	**$ 481,491**	**$ 400,000**	**$ 280,000**	**$ 75,000**	**$ 930,000**	**$ -**	**$ -**

Five-Year Capital Outlay Plan by Team

Team	Actual	Amended Budget	Proposed Budget		Projected		
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Conner Pumping Station	**$ 481,491**	**$ 150,000**	**$ 80,000**	**$ 75,000**	**$ -**	**$ -**	**$ -**
Fairview Pumping Station	**-**	**-**	**-**	**-**	**500,000**	**-**	**-**
Freud Pumping Station	**-**	**150,000**	**200,000**	**-**	**300,000**	**-**	**-**
Oakwood Pumping Station	**-**	**100,000**	**-**	**-**	**130,000**	**-**	**-**
Grand Total	**$ 481,491**	**$ 400,000**	**$ 280,000**	**$ 75,000**	**$ 930,000**	**$ -**	**$ -**

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	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
892342 Belle Isle Pumping Station	**$ (36,292)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
4.2 Supplies & Other	**57,826**	**75,000**	**75,000**	**76,500**	**78,000**	**79,600**	**81,200**
Equipment Repairs & Maintenance	57,826	75,000	75,000	76,500	78,000	79,600	81,200
4.3 Contractual Services	**993**	**2,000**	**2,000**	**2,000**	**2,000**	**2,000**	**2,000**
Contractual Buildings & Grounds Maint	993	2,000	**2,000**	2,000	2,000	2,000	2,000
5.2 Shared Services	**(95,110)**	**(77,000)**	**(77,000)**	**(78,500)**	**(80,000)**	**(81,600)**	**(83,200)**
Shared Services Reimbursement	(95,110)	(77,000)	(77,000)	(78,500)	(80,000)	(81,600)	(83,200)
892343 Blue Hill Pumping Station	548,357	-	**-**	-	-	-	-
4.2 Supplies & Other	1,042,340	599,100	**267,000**	272,300	277,700	283,300	289,000
Capital Outlay over $5k(O&M-NonCapitlzd)	157,414	332,100	-	-	-	-	-
Equipment Repairs & Maintenance	884,926	267,000	267,000	272,300	277,700	283,300	289,000
4.3 Contractual Services	**831**	**2,000**	**2,000**	**2,000**	**2,000**	**2,000**	**2,000**
Contractual Buildings & Grounds Maint	831	2,000	2,000	2,000	2,000	2,000	2,000
5.2 Shared Services	**(291,131)**	**(269,000)**	**(269,000)**	**(274,300)**	**(279,700)**	**(285,300)**	**(291,000)**
5.5 Intergovermental Agreement	**(203,682)**	**(332,100)**	**-**	**-**	**-**	**-**	**-**
892345 Conner Pumping Station	**919,607**	**726,000**	**841,900**	**877,600**	**916,200**	**956,500**	**998,800**
3.1 Electric	**719,130**	**520,000**	**668,800**	**701,100**	**736,200**	**773,000**	**811,700**
3.2 Gas	**15,368**	**20,000**	**15,200**	**15,500**	**15,800**	**16,100**	**16,400**
3.3 Sewage Service	**9,520**	**11,000**	**10,000**	**10,100**	**10,200**	**10,300**	**10,400**
3.4 Water Service	**63,273**	**45,000**	**17,900**	**18,300**	**18,700**	**19,100**	**19,500**
4.2 Supplies & Other	**112,316**	**130,000**	**130,000**	**132,600**	**135,300**	**138,000**	**140,800**
Capital Outlay less than $5,000	17,671	-	-	-	-	-	-
Equipment Repairs & Maintenance	94,645	130,000	130,000	132,600	135,300	138,000	140,800
892346 Fairview Pumping Station	**887,412**	**714,500**	**762,500**	**798,200**	**835,500**	**874,700**	**915,700**
3.1 Electric	**651,343**	**634,500**	**678,200**	**712,200**	**747,800**	**785,300**	**824,500**
3.2 Gas	**33,118**	**24,000**	**32,700**	**33,400**	**34,100**	**34,800**	**35,500**
3.4 Water Service	**462**	**6,000**	**1,600**	**1,600**	**1,600**	**1,600**	**1,600**
4.2 Supplies & Other	**202,489**	**50,000**	**50,000**	**51,000**	**52,000**	**53,000**	**54,100**
Equipment Repairs & Maintenance	202,489	50,000	50,000	51,000	52,000	53,000	54,100

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

Cost Center & Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
892347 Fischer Pumping Station	**87,494**	**-**	**-**	**-**	**-**	**-**	**-**
4.2 Supplies & Other	**459,324**	**326,100**	**20,000**	**20,400**	**20,800**	**21,200**	**21,600**
Capital Outlay over $5k(O&M-NonCapitlzd)	353,220	306,100	-	-	-	-	-
Equipment Repairs & Maintenance	106,104	20,000	20,000	20,400	20,800	21,200	21,600
4.3 Contractual Services	**1,517**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**
Contractual Buildings & Grounds Maint	1,517	3,000	3,000	3,000	3,000	3,000	3,000
5.2 Shared Services	**(20,126)**	**(23,000)**	**(23,000)**	**(23,400)**	**(23,800)**	**(24,200)**	**(24,600)**
5.5 Intergovermental Agreement	**(353,220)**	**(306,100)**	**-**	**-**	**-**	**-**	**-**
892348 Fox Creek Enclosure	**815**	**1,000**	**1,100**	**900**	**1,000**	**1,000**	**1,000**
3.1 Electric	815	1,000	**1,100**	900	1,000	1,000	1,000
892349 Freud Pumping Station	**489,153**	**536,800**	**550,600**	**569,100**	**591,000**	**613,700**	**637,400**
3.1 Electric	**326,481**	**350,000**	**330,900**	**345,000**	**362,300**	**380,400**	**399,400**
3.2 Gas	**12,829**	**12,500**	**12,700**	**13,000**	**13,300**	**13,600**	**13,900**
3.4 Water Service	**60,680**	**34,300**	**67,000**	**68,300**	**69,700**	**71,100**	**72,500**
4.2 Supplies & Other	**89,162**	**140,000**	**140,000**	**142,800**	**145,700**	**148,600**	**151,600**
Equipment Repairs & Maintenance	89,162	140,000	140,000	142,800	145,700	148,600	151,600
892350 Northeast Pumping Station	**1,020,473**	**860,100**	**1,125,300**	**1,182,000**	**1,241,100**	**1,303,200**	**1,368,300**
3.1 Electric	**1,020,196**	**860,100**	**1,125,300**	**1,182,000**	**1,241,100**	**1,303,200**	**1,368,300**
4.2 Supplies & Other	**277**	**-**	**-**	**-**	**-**	**-**	**-**
Capital Outlay less than $5,000	-	-	-	-	-	-	-
Equipment Repairs & Maintenance	277	-	-	-	-	-	-
892351 Oakwood Pumping Station	**173,935**	**220,000**	**229,800**	**238,700**	**248,200**	**258,100**	**268,500**
3.1 Electric	**138,070**	**140,000**	**149,800**	**157,100**	**165,000**	**173,200**	**181,900**
4.2 Supplies & Other	**35,865**	**80,000**	**80,000**	**81,600**	**83,200**	**84,900**	**86,600**
Equipment Repairs & Maintenance	35,865	80,000	80,000	81,600	83,200	84,900	86,600
892352 Woodmere Pumping Station	(18,012)	-	**-**	-	-	-	-
4.2 Supplies & Other	**81,844**	**105,000**	**105,000**	**107,100**	**109,200**	**111,400**	**113,600**
Capital Outlay over $5k(O&M-NonCapitlzd)	34,404	-	-	-	-	-	-
Equipment Repairs & Maintenance	47,440	105,000	105,000	107,100	109,200	111,400	113,600
Operating Supplies	-	-	**-**	-	-	-	-
4.3 Contractual Services	**16,455**	**3,700**	**3,700**	**3,700**	**3,700**	**3,700**	**3,700**
Contractual Buildings & Grounds Maint	16,455	3,700	3,700	3,700	3,700	3,700	3,700
5.2 Shared Services	**(81,907)**	**(108,700)**	**(108,700)**	**(110,800)**	**(112,900)**	**(115,100)**	**(117,300)**
5.5 Intergovermental Agreement	**(34,404)**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total	**$ 4,072,942**	**$ 3,058,400**	**$ 3,511,200**	**$ 3,666,500**	**$ 3,833,000**	**$ 4,007,200**	**$ 4,189,700**



Section 5C

Centralized Services

Go to TOC

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Go to TOC

Centralized Services

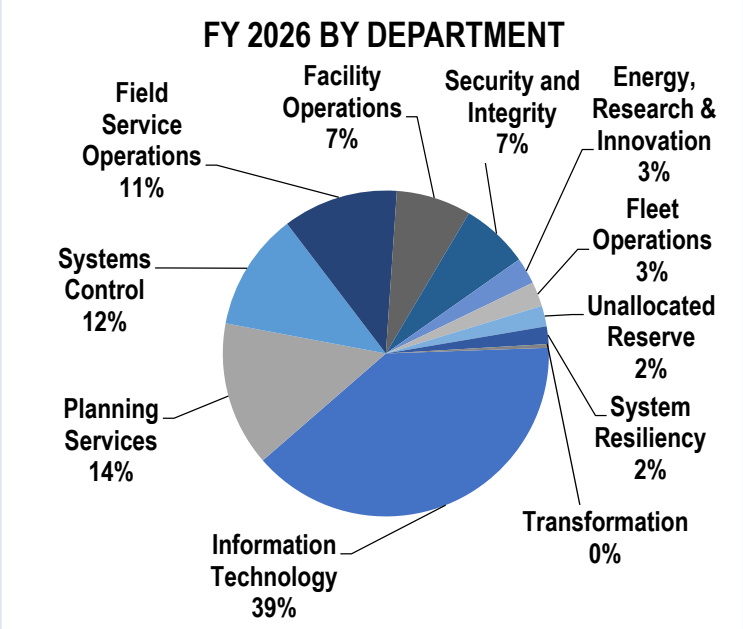
The Centralized Services operating area serves both water and wastewater operations. The following departments are included in the Centralized Services operating area:

- System Resiliency
- Planning Services (Office of the Chief Planning Officer, Wastewater Analytics & Metering, Asset Management, Member Services, Capital Improvement Planning, and Water Analytics & Metering
- 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)

Biennial Budget Request

Centralized Services is shown as operating area C in Schedules 2C and 2D in Section 2 - Core Financial Plan Schedules.

The following tables consolidate the department budgets presented in this section for an overall view of the Centralized Services operating area with comparison to the FY 2025 Amended Budget. A comparison to the FY 2025 Adopted Budget is shown in Schedule 2I and 2J in Section 2 – Core Financial Plan Schedules.



Go to TOC

Biennial Budget Request by Expense Category

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.1 Salaries & Wages	$ 25,186,892	$ 26,017,200	$ 18,401,322	**$ 28,256,800**	**$ 2,239,600**	**8.6%**	$ 29,286,600
2.2 Workforce Development	562,033	521,300	448,119	**1,386,500**	**865,200**	**166.0%**	1,404,700
2.3 Overtime	2,698,288	2,568,700	1,684,469	**2,700,200**	**131,500**	**5.1%**	2,711,800
2.4 Employee Benefits	8,756,953	9,504,300	6,542,552	**9,994,100**	**489,800**	**5.2%**	10,428,900
2.5 Transition Services	1,059,849	1,037,600	367,343	**1,033,600**	**(4,000)**	**-0.4%**	1,033,600
Total Personnel Costs	38,264,016	39,649,100	27,443,806	**43,371,200**	**3,722,100**	**9.4%**	44,865,600
3.1 Electric	182,178	154,900	143,005	**171,600**	**16,700**	**10.8%**	175,100
3.2 Gas	178	200	136	**200**	**-**	**0.0%**	200
3.3 Sewage Service	1,583	2,000	11,529	**2,000**	**-**	**0.0%**	2,000
3.4 Water Service	335	600	4,826	**600**	**-**	**0.0%**	600
Total Utility Costs	184,275	157,700	159,496	**174,400**	**16,700**	**10.6%**	177,900
4.2 Supplies & Other	12,846,784	19,531,100	9,802,492	**17,139,900**	**(2,391,200)**	**-12.2%**	18,246,300
4.3 Contractual Services	65,945,633	59,157,900	44,093,797	**55,935,900**	**(3,222,000)**	**-5.4%**	58,596,500
5.1 Capital Program Allocation	(257,272)	(217,600)	(97,414)	**(212,200)**	**5,400**	**-2.5%**	(212,700)
5.2 Shared Services	(1,331,029)	(1,369,000)	(912,656)	**(1,410,400)**	**(41,400)**	**3.0%**	(1,466,600)
5.5 Intergovermental Agreement	(1,805,387)	-	178,030	**-**	**-**	**n/a**	-
7.0 Unallocated Reserve	-	2,071,000	-	**2,388,800**	**317,800**	**15.3%**	9,007,300
Total Other Categories	75,398,730	79,173,400	53,064,250	**73,842,000**	**(5,331,400)**	**-6.7%**	84,170,800
Total Centralized Services (Operating Area C)	**$ 113,847,020**	**$ 118,980,200**	**$ 80,667,551**	**$ 117,387,600**	**$ (1,592,600)**	**-1.3%**	**$ 129,214,300**

Five-Year Financial Plan

Five Year Financial Plan by Expense Category

	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
2.1 Salaries & Wages	$ 25,186,892	$ 26,017,200	**$ 28,256,800**	$ 29,286,600	$ 31,280,900	$ 31,411,600	$ 31,411,600
2.2 Workforce Development	562,033	521,300	**1,386,500**	1,404,700	1,404,700	1,404,700	1,404,700
2.3 Overtime	2,698,288	2,568,700	**2,700,200**	2,711,800	2,735,100	2,735,100	2,735,100
2.4 Employee Benefits	8,756,953	9,504,300	**9,994,100**	10,428,900	11,212,100	11,340,600	11,426,100
2.5 Transition Services	1,059,849	1,037,600	**1,033,600**	1,033,600	1,033,600	1,033,600	1,033,600
Total Personnel Costs	38,264,016	39,649,100	**43,371,200**	44,865,600	47,666,400	47,925,600	48,011,100
3.1 Electric	182,178	154,900	**171,600**	175,100	178,600	182,200	186,300
3.2 Gas	178	200	**200**	200	200	200	300
3.3 Sewage Service	1,583	2,000	**2,000**	2,000	2,000	2,000	2,400
3.4 Water Service	335	600	**600**	600	600	600	700
Total Utility Costs	184,275	157,700	**174,400**	177,900	181,400	185,000	189,700
4.2 Supplies & Other	12,846,784	19,531,100	**17,139,900**	18,246,300	16,406,100	16,614,200	16,866,900
4.3 Contractual Services	65,945,633	59,157,900	**55,935,900**	58,596,500	53,664,400	53,744,100	55,599,300
5.1 Capital Program Allocation	(257,272)	(217,600)	**(212,200)**	(212,700)	(213,100)	(213,600)	(214,000)
5.2 Shared Services	(1,331,029)	(1,369,000)	**(1,410,400)**	(1,466,600)	(1,510,400)	(1,570,900)	(1,631,700)
5.5 Intergovermental Agreement	(1,805,387)	-	**-**	-	-	-	-
7.0 Unallocated Reserve	-	2,071,000	**2,388,800**	9,007,300	11,149,400	11,191,300	11,191,300
Total Other Categories	75,398,730	79,173,400	**73,842,000**	84,170,800	79,496,400	79,765,100	81,811,800
Total Centralized Services (Operating Area C)	**$ 113,847,020**	**$ 118,980,200**	**$ 117,387,600**	**$ 129,214,300**	**$ 127,344,200**	**$ 127,875,700**	**$ 130,012,600**

Cost Allocation

Centralized Services expenses are allocated to the water and wastewater operating areas 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. 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 occur and when new vendor contracts are executed.

The following tables present the dollar amount allocated to each system based on the analysis of expenses by cost center for both the biennial and five-year budget periods.

Biennial Cost Allocation Summary

	FY 2024	FY 2025		FY 2026			FY 2027
Operations Area	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Centralized Services							
Water	$ 56,346,242	$ 58,567,000	$ 40,072,250	**$ 61,003,500**	**$ 2,436,500**	**4.2%**	$ 67,983,800
Wastewater	57,500,777	60,413,200	40,595,301	**56,384,100**	**(4,029,100)**	**-6.7%**	61,230,500
Grand Total	**$ 113,847,019**	**$ 118,980,200**	**$ 80,667,551**	**$ 117,387,600**	**$ (1,592,600)**	**-1.3%**	**$ 129,214,300**

Five Year Cost Allocation Summary

	Actual	Amended Budget	Proposed Budget		Projected		
Operations Area	FY 2024	FY 2025	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Centralized Services							
Water	$ 56,346,242	$ 58,567,000	**$ 61,003,500**	$ 67,983,800	$ 66,910,900	$ 67,023,100	$ 67,450,600
Wastewater	57,500,777	60,413,200	**56,384,100**	61,230,500	60,433,300	60,852,600	62,562,000
Grand Total	**$ 113,847,019**	**$ 118,980,200**	**$ 117,387,600**	**$ 129,214,300**	**$ 127,344,200**	**$ 127,875,700**	**$ 130,012,600**

The following table presents the projected allocation percentages for the five-year period 2026 through 2030.

Five Year Projected Cost Allocated Percentages

	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget		Projected		
Operations Area	FY 2024	FY 2025	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Centralized Services	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Water	49.5%	49.2%	49.7%	**52.0%**	52.6%	52.5%	52.4%	51.9%
Wastewater	50.5%	50.8%	50.3%	**48.0%**	47.4%	47.5%	47.6%	48.1%

Go to TOC

The following tables list the Centralized Services significant contracts and cost centers that receive specific water and/or sewer accounting treatment as noted in Step One above.

Centralized Services Water Specific Contracts – 100% allocation to Water

Cost Center	Contract	Vendor	Description of Service	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Allocation
Asset Management	1902659	HDR Michigan	Linear System Integrity Program	$ 909,500	$ 907,500	$ 907,500	$ 1,000,000	$ 1,000,000	Water
Energy, Research & Innovation	2102864	University of Michigan	Data-Driven Decision-Making Framework for Risk Management of the GLWA Water Transmission System	130,000	110,000	-	-	-	Water
	2203501	Michigan State University	Development of Risk-Based Framework for prioritization of Containments in Drinking Water	135,000	114,000	-	-	-	Water
	2301009	Michigan State University	Drinking Water Pathogen Analysis	48,000	-	-	-	-	Water
	2104064	Wayne State University	Pilot Plant Research and Collaboration at Water Works Park	135,000	95,000	-	-	-	Water
	2303476	Wayne State University	Water Industry Workforce Development and Pipe Management Program	150,000	150,000	-	-	-	Water
Field Service Operations	1802745	Ric-Man Construction Inc	Water Transmission Main Repair	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	Water
	2003730	Lakeshore Global	Water Transmission Main Repair	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	Water
Member Services	12772	Aquasight	Water Performance Monitoring	530,000	530,000	530,000	530,000	530,000	Water
	1905080	TWN Consulting	Project Management Services	30,000	30,000	80,000	30,000	30,000	Water
Water Analytics, Planning & Metering	N/A	TBD	Units of Service (Phase) II D+ Region	334,400	347,800	358,200	365,400	372,700	Water
	N/A	TBD	Water Master Plan Update	450,000	450,000	450,000	-	-	Water
	N/A	TBD	Water Transient Study	-	250,000	250,000	-	-	Water
Total				**$ 5,651,900**	**$ 5,784,300**	**$ 5,375,700**	**$ 4,725,400**	**$ 4,732,700**	

Centralized Services Sewer Specific Contracts – 100% allocation to Sewer

Cost Center	Contract	Vendor	Description of Service	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Allocation
Asset Management	1902659	HDR Michigan	Linear System Integrity Program	$ 100,000	$ 112,500	$ 112,500	$ 150,000	$ 150,000	Sewer
Energy, Research & Innovation	2203703	University of Michigan	Optimization of WRRF Performance	73,000	73,000	-	-	-	Sewer
	2300721	University of Michigan	Simulation Tool	138,000	142,000	-	-	-	Sewer
	2202732	University of Wisconson	Spatial Analysis of Rainfall in GLWA Service Area	116,000	39,000	-	-	-	Sewer
Systems Operations Control	2003901	USGS	Detroit River Survey	484,600	509,000	534,500	499,600	510,000	Sewer
Systems Resillency	Pending	TBD	Regional Flood Mitigation Study	500,000	500,000	500,000	500,000	530,000	Sewer
Wastewater Analytics, Planning & Metering	CS-236	Applied Science	Meter Dye Testing	500,000	355,400	355,400	355,400	355,400	Sewer
	N/A	TBD	Good Sewer Metering	760,000	720,200	722,200	720,200	698,700	Sewer
	N/A	TBD	Various Professional Support	151,000	310,600	-	-	-	Sewer
	N/A	TBD	Wastewater Master Plan Update	-	-	-	-	3,000,000	Sewer
	CON-179	PCI	Staffing Augmentation	801,900	801,900	801,900	801,900	801,900	Sewer
	CON-179	PCI	Sewer Meter Support	400,000	400,000	400,000	400,000	400,000	Sewer
Total				**$ 4,024,500**	**$ 3,963,600**	**$ 3,426,500**	**$ 3,427,100**	**$ 6,446,000**	

The following table is net of any contracts that are allocated 100% to specific water or sewer contracts in these cost centers.

Centralized Services Water/Sewer Specific Cost Center Allocations

Center	Cost Center Description	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Allocation
881202	Hazmat	$ 1,937,500	$ 1,944,200	$ 1,951,100	$ 1,958,100	$ 1,965,100	Sewer 100%
882301	Systems Operations Control	$ 13,077,800	$ 13,471,900	$ 13,007,400	$ 12,969,900	$ 12,753,500	W/S - 60/40%
886100	Metering	$ 1,565,500	$ 1,985,400	$ 1,927,900	$ 1,926,700	$ 3,156,100	Sewer 100%
886401	Water Analytics & Metering	$ 4,406,600	$ 4,563,900	$ 4,870,600	$ 4,881,600	$ 4,892,600	W/S - 80/20%

System Resiliency

The focus of GLWA's Office of Resiliency is to assess, and improve, where necessary, GLWA's people, operations, assets, and our ability to withstand and recover from disruptions of all types. The Office of Resiliency will engage a nationally recognized expert/author on utility resilience and schedule seminars for the Resiliency Council, Group Leadership Team, and member partners to establish GLWA as a resilient utility thought leader.

Strategic Initiatives

For the FY 2026 to FY 2030 budget period, the following areas of focus were developed in consultations with GLWA's Executive Leadership Team and Resiliency Council.

- **Successfully Transition People – (Ongoing)**
  Working to ensure the successful transition of Field Services into water and wastewater components by providing expert advice and support.
- **People Development – Skilled Trades – (Ongoing)**
  Develop and implement an OJT training program for team leaders.
- **Reassess Current and Aging Assets –(Ongoing)**
  Reviewing historical and current CIPs, along with available condition assessments, to determine urgent issues that must be addressed until CIP funding becomes available. Initially for the water booster pump stations.
- **GLWA Infrastructure Reporting – (Ongoing)**
  Develop an online "Equipment Status Report" that conveys and analyzes system capacity based on maintenance, repairs, replacements, and other factors that accurately summarize the water and wastewater systems readiness relative to capacity or level of service.
- **Southeast Michigan Flood Resiliency – (Ongoing)**
  Support and lead the development of the United States Army Corps of Engineers (USACE) flood mitigation project.
- **Linear System Integrity Program (LSIP) – (Ongoing)**
  In collaboration with the Planning team, co-lead the effort to work across business units to ensure LSIP is well coordinated with CIP, engineering, operations, and maintenance.
- **Power Resiliency – (Ongoing)**
  Develop a strategic approach for GLWA to ensure the viability of electrical service to critical facilities.

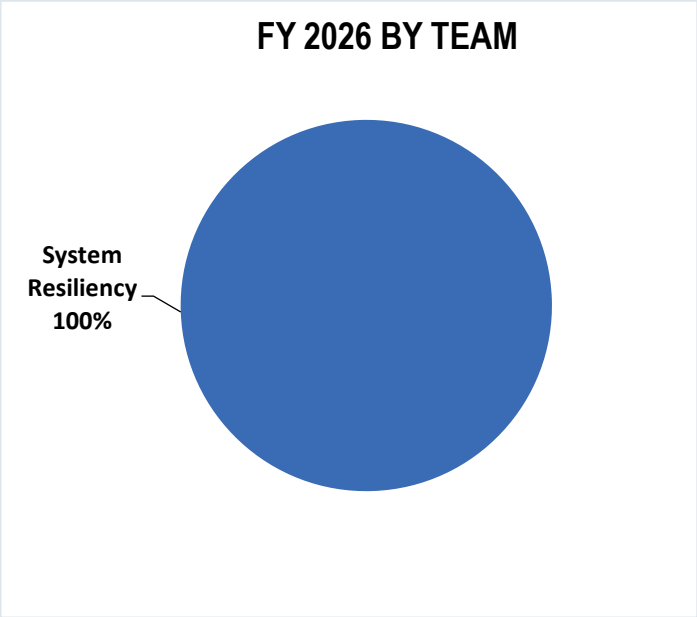
The following table shows how the System Resiliency strategic initiatives relate to the organizational strategic goals:

		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
System Resiliency Strategic Initiatives	Successfully Transition People			x	x	x	x		x	x	x	x
	People Development - Skilled Trades			x	x	x	x	x	x	x	x	x
	Reassess Current & Aging Assets	x	x	x	x	x	x	x	x			x
	GLWA Infrastructure Reporting	x	x	x	x	x	x	x	x	x	x	x
	Southeast Michigan Flood Resiliency			x	x	x	x	x	x	x	x	x
	Linear System Integrity Program (LSIP)	x	x	x	x	x	x	x		x		x
	Power Resiliency			x	x	x	x	x	x	x		x

Go to TOC

Organization

The System Resiliency area has one team.

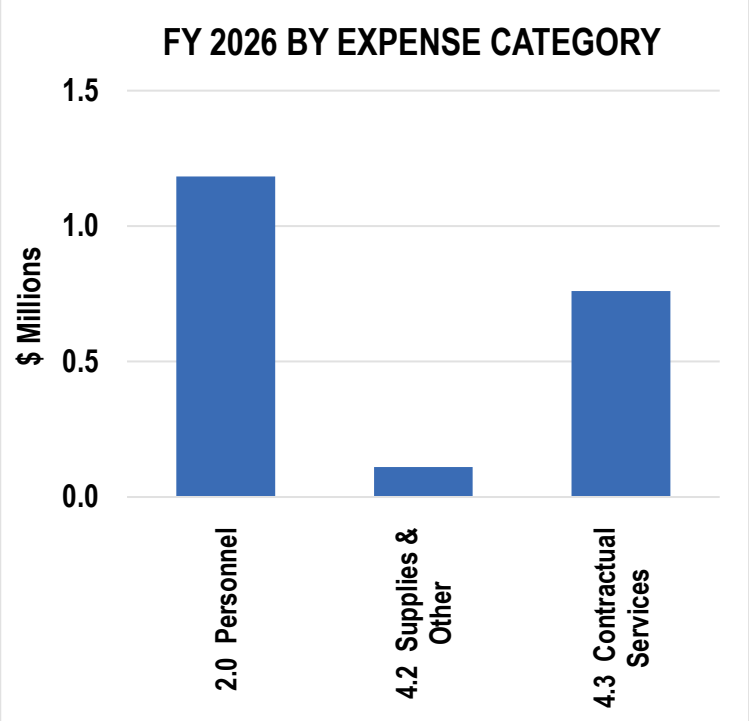


Expense Categories

The System Resiliency area has three expense categories:

- Personnel
- Supplies & Other
- Contractual Services

Based upon the nature of this service area, the largest category of expense is personnel. The second largest, Contractual Services, is budgeted to conduct studies and consult industry experts to align with the System Resiliency area's strategic initiatives.



Go to TOC

Biennial Budget Request

System Resiliency is a newer cost center that was established late in the 4th quarter of FY 2023. The biennial budget reflects an overall increase of $183,000, or 9.8%. The primary reason for the increase is highlighted below.

- ❖ Contractual Services – increased contractual services primarily for media content creation projects with the vendor Project Innovations. The contract is shared between System Resiliency and the Chief Executive Officer cost centers.

Biennial Budget Request by Expense Category

Expense Category	FY 2024 Actual	FY 2025 Amended Budget	FY 2025 Activity as of 02.28.2025	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
2.0 Personnel	$ 1,107,655	$ 1,160,900	$ 802,426	**$ 1,183,200**	**$ 22,300**	**1.9%**	$ 1,218,200
4.2 Supplies & Other	17,963	109,700	118,555	**110,900**	**1,200**	**1.1%**	112,100
4.3 Contractual Services	-	600,000	48,323	**760,000**	**160,000**	**26.7%**	764,400
5.1 Capital Program Allocation	(16,902)	-	-	**-**	**-**	**0.0%**	-
Grand Total	**$ 1,108,716**	**$ 1,870,600**	**$ 969,304**	**$ 2,054,100**	**$ 183,500**	**9.8%**	**$ 2,094,700**

Biennial Budget Request by Team

Team	FY 2024 Actual	FY 2025 Amended Budget	FY 2025 Activity as of 02.28.2025	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
System Resiliency	$ 1,108,716	$ 1,870,600	$ 969,304	**$ 2,054,100**	**$ 183,500**	**9.8%**	$ 2,094,700
Grand Total	**$ 1,108,716**	**$ 1,870,600**	**$ 969,304**	**$ 2,054,100**	**$ 183,500**	**9.8%**	**$ 2,094,700**

Personnel 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. There was no staffing plan for FY 2024 as the department did not exist at the time the FY 2024 budget was approved.

Staffing Plan – Number of Positions

Operating Area and Team	Staffing Plan FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
System Resiliency	0.00	8.00	8.00	8.00	8.00	8.00	8.00
Grand Total	**0.00**	**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. For this budget area, the Staffing Plan and the FTEs are consistent.

Full Time Equivalents

Operating Area and Team	Full Time Equivalents (FTEs)						
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
System Resiliency	0.00	7.25	6.75	7.00	7.50	7.50	7.50
Grand Total	**0.00**	**7.25**	**6.75**	**7.00**	**7.50**	**7.50**	**7.50**

Personnel Budget - The following tables present the System Resiliency 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 Centralized Services Operating Area which is shown in detail in Section 5 - Operating Financial Plans by Service Area.

Personnel – Biennial Budget Request by Expense Category

Expense Category	FY 2024	FY 2025		FY 2026			FY 2027
	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.1 Salaries & Wages	$ 888,449	$ 905,700	$ 647,113	**$ 925,800**	**$ 20,100**	**2.2%**	$ 951,400
2.4 Employee Benefits	219,206	255,200	155,313	**257,400**	**2,200**	**0.9%**	266,800
Grand Total	**$ 1,107,655**	**$ 1,160,900**	**$ 802,426**	**$ 1,183,200**	**$ 22,300**	**1.9%**	**$ 1,218,200**

Personnel – Biennial Budget Request by Team

Team	FY 2024	FY 2025		FY 2026			FY 2027
	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
System Resiliency	$ 1,107,655	$ 1,160,900	$ 802,426	**$ 1,183,200**	**$ 22,300**	**1.9%**	$ 1,218,200
Grand Total	**$ 1,107,655**	**$ 1,160,900**	**$ 802,426**	**$ 1,183,200**	**$ 22,300**	**1.9%**	**$ 1,218,200**

Personnel – Five-Year Financial Plan by Expense Category

Expense Category	Actual	Amended Budget	Proposed Budget		Projected		
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
2.1 Salaries & Wages	$ 888,449	$ 905,700	**$ 925,800**	$ 951,400	$ 1,003,100	$ 1,003,100	$ 1,003,100
2.4 Employee Benefits	219,206	255,200	**257,400**	266,800	284,300	286,000	287,700
Grand Total	**$ 1,107,655**	**$ 1,160,900**	**$ 1,183,200**	**$ 1,218,200**	**$ 1,287,400**	**$ 1,289,100**	**$ 1,290,800**

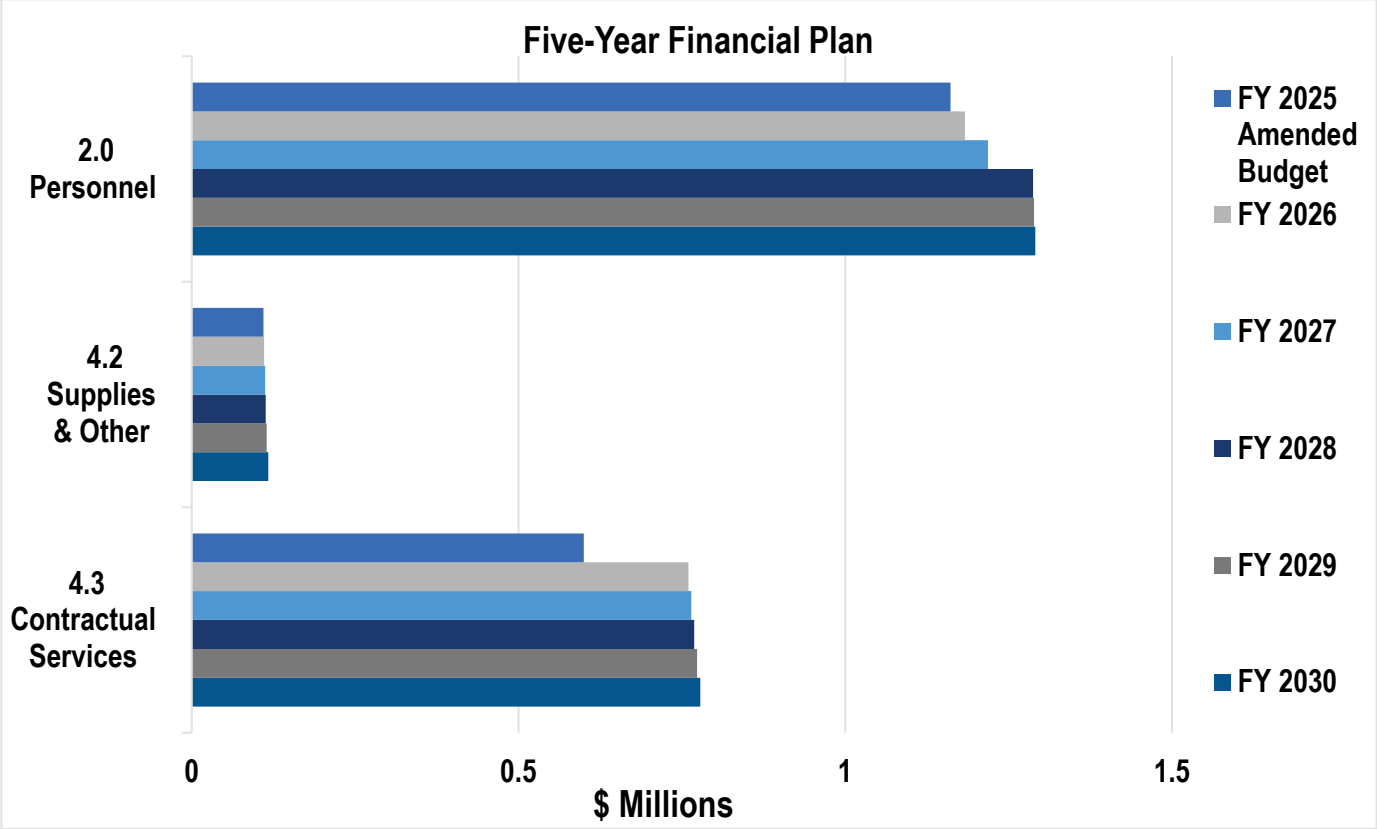
Personnel – Five-Year Financial Plan by Team

Team	Actual	Amended Budget	Proposed Budget		Projected		
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
System Resiliency	$ 1,107,655	$ 1,160,900	**$ 1,183,200**	$ 1,218,200	$ 1,287,400	$ 1,289,100	$ 1,290,800
Grand Total	**$ 1,107,655**	**$ 1,160,900**	**$ 1,183,200**	**$ 1,218,200**	**$ 1,287,400**	**$ 1,289,100**	**$ 1,290,800**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
2.0 Personnel	$ 1,107,655	$ 1,160,900	**$ 1,183,200**	$ 1,218,200	$ 1,287,400	$ 1,289,100	$ 1,290,800
4.2 Supplies & Other	17,963	109,700	**110,900**	112,100	113,300	114,500	116,900
4.3 Contractual Services	-	600,000	**760,000**	764,400	768,900	773,500	778,100
5.1 Capital Program Allocation	(16,902)	-	**-**	-	-	-	-
Grand Total	**$ 1,108,716**	**$ 1,870,600**	**$ 2,054,100**	**$ 2,094,700**	**$ 2,169,600**	**$ 2,177,100**	**$ 2,185,800**

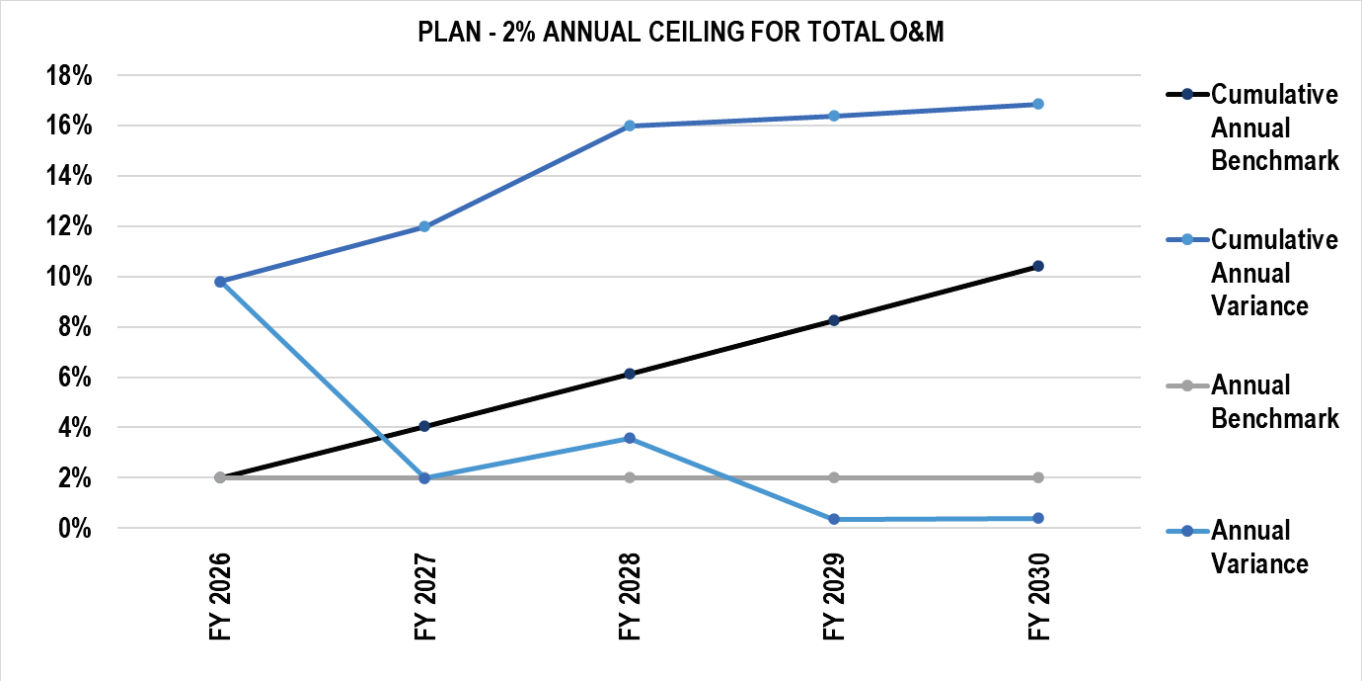


Five-Year Financial Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
System Resiliency	$ 1,108,716	$ 1,870,600	**$ 2,054,100**	$ 2,094,700	$ 2,169,600	$ 2,177,100	$ 2,185,800
Grand Total	**$ 1,108,716**	**$ 1,870,600**	**$ 2,054,100**	**$ 2,094,700**	**$ 2,169,600**	**$ 2,177,100**	**$ 2,185,800**

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

The System Resiliency area financial plan reflects a five-year overall increase of 16.9% 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 System Resiliency area.

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is listed below. 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	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
881301 System Resiliency							
2.1 Salaries & Wages	**888,449**	**905,700**	**925,800**	**951,400**	**1,003,100**	**1,003,100**	**1,003,100**
2.4 Employee Benefits	**219,206**	**255,200**	**257,400**	**266,800**	**284,300**	**286,000**	**287,700**
4.2 Supplies & Other	**17,963**	**109,700**	**110,900**	**112,100**	**113,300**	**114,500**	**116,900**
Memberships, Licenses & Subscriptions	1,292	8,200	8,400	8,600	8,800	9,000	9,000
Office Supplies	901	1,000	1,000	1,000	1,000	1,000	1,000
Operating Supplies	40	-	-	-	-	-	-
Software Repairs & Maintenance	-	50,000	50,000	50,000	50,000	50,000	50,000
Training and Internal Meetings	3,627	20,400	20,800	21,200	21,600	22,000	22,400
Travel	12,103	28,100	30,700	31,300	31,900	32,500	34,500
Tuition Refund	-	2,000	-	-	-	-	-
4.3 Contractual Services	**-**	**600,000**	**760,000**	**764,400**	**768,900**	**773,500**	**778,100**
Services	-	100,000	220,000	224,400	228,900	233,500	238,100
Contractual Professional	-	500,000	500,000	500,000	500,000	500,000	500,000
Contractual Professional	-	-	40,000	40,000	40,000	40,000	40,000
5.1 Capital Program Allocation	**(16,902)**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total	**$ 1,108,716**	**$ 1,870,600**	**$ 2,054,100**	**$ 2,094,700**	**$ 2,169,600**	**$ 2,177,100**	**$ 2,185,800**

Go to TOC

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 metering technology for both Water and Wastewater 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 (LSIP) – (Ongoing)**
  Assess the risk to the water delivery infrastructure through the physical inspection of the transmission system to ensure reliability of service to member partners. Our strategic partner for this initiative is HDR of Michigan and this will be their fifth year of program management.
- **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 – (Beginning FY 2026)**
  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 with limited consulting service assistance.
- **Units of Service for Non-Master Meter Members 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 losses. This program has now transitioned into its second phase, providing analysis and analytical support for GLWA and our non-metered customers as, "GLWA System Water Audit and Analytical Support Services".

Wastewater System Programs:

- **Wastewater Master Plan & Update – (Beginning FY 2029)**
  Not budgeted until FY 2029. A thorough and detailed analysis of the existing regional wastewater plan and its effectiveness in meeting the levels of service 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. We have selected the vendor, Wade Trim to assist with this effort.
- **Linear System Integrity Program (LSIP) – (Ongoing)**
  While the LSIP effort focuses almost entirely on the Water side of GLWA operations, this program will also provide the framework to optimize wastewater interceptor inspection, maintenance, and renewal. Again, we team with vendor HDR Michigan for this program.

- **Meter Dye Testing – (Ongoing)**
  This program ensures the accuracy of the sewer meters through review, repair, and calibration. We team with local vendor, Applied Science in this effort.
- **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. We team with vendor Precision Control Instruments (PCI) in this important effort.

Both Systems (GLWA Wide) Initiatives:

- **Capital Improvement Plan (CIP) – (Ongoing)**
  In May 2019, GLWA's Board of Directors approved a partnership with AECOM to provide capital improvement program management services. This partnership provides GLWA with tools and resources to manage a best-in-class CIP program. In FY 2023, the original four-year contract was extended by three-years to ensure support services continued while a new project management information system is being implemented. We anticipate this effort continuing with minimal vendor support through 2030 either with AECOM or another vendor while we finalize completion of our internal CIP processes. The original scope of the capital improvement program management services is segmented into the following 10 tasks outlined in the table below:

Capital Improvement Program Task	Purpose	Status
1. CIP Business Process Improvements	General GLWA CIP business & process improvements.	100% Complete
2. CIP Delivery Standard Operating Procedure Development		100% Complete
3. CIP Delivery Resource Evaluation	Identify and secure the human resources necessary to execute the CIP.	100% Complete
4. Development of Project Management Information System (PMIS)	Identify and select technology solutions necessary to support the new CIP business processes.	50% Complete
5A. Project Controls and Reporting Support (O&M)	Identify, valicate and implement project controls necessary for a well-managed CIP.	80% Complete
5B. Project Controls and Reporting Support (Capital)		80% Complete
6. CIP Validation		100% Complete
7A. Engineering & Construction Staff Augmentation (O&M)	Staff augmentation to execute the CIP and supplemental resources to meet the needs of the organization while existing internal processes are being re-engineered.	40% Complete
7B. Engineering & Construction Staff Augmentation (Capital)		40% Complete
8. Other Staff Augmentation as Required		100 % Complete
9. Advanced Facilities Planning (Capital)	Support the creation of reliable and sustainable projects	80% Complete
10. Enterprise-Wide Energy Optimization & Sustainability Planning	Task not pursued	0% Complete

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 three years of the agreement, we are indeed observing this expected expenditure shift as presented in the significant contract schedules below. GLWA CIP staffing is now almost totally complete (as will be seen in the numbers below) with the GLWA team running most of the program at this time.

- **Strategic Asset Management Plan Update (SAMP) - (Completion Date June 2028)**
  An ongoing effort through FY 2028, the SAMP identifies the timing of key corporate asset management initiatives, uses asset management related information to drive prudent Capital Improvement Plan (CIP) expenditures and operations and maintenance activities, and will ultimately provide a long-term, 10-year, roadmap to execute various asset management and CIP initiatives.
- **Member Outreach**
  Working with our vendors, Bridgeport Consulting, Wade Trim and TWN we keep our member / partner base fully informed and involved via regular outreach activity. Our members participate directly in a number of our strategic planning efforts.

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
Strategic Initiatives	Linear System Integrity Program (LSIP)				x		x					
	Water Performance Monitoring			x		x		x		x		x
	Water Master Plan Update				x	x	x			x		
	Units of Service for Non-Metered 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
Strategic Initiatives	Water Master Plan & Update				x	x	x		x	x		
	Good Sewer Metering Practice Analysis & Support				x	x	x		x	x		
	Meter Dye Testing				x	x				x		
	Professional and Technical Sewer Support Services				x					x		

Go to TOC

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
Strategic Initiatives	Capital Improvement Plan				x	x	x			x		
	Strategic Asset Management Plan Update				x	x	x					
	Member Outreach							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 following tables include 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	Linear System Integrety Program (LSIP)	Water Performance Monitoring	Water Master Plan Update	Units of Service for Non-Master Meter Customers I	Units of Service for Non-Master Meter Customers II	Project Management Services	Water System Transient Study	Total of Significant Water Only Contracts
Prime Consultant or Supplier	HDR	Aquasight	TBD	Black & Veatch	TBD	TWN Consulting	TBD	
Contract #	1902659	2102026	TBD	GLWA-CS-039	TBD	1905080	TBD	
Workday Contract #	SCN-0000418	SCN-0000196	TBD	NA	TBD	SCN-0000227	TBD	
Contract Amount	$ 29,012,900	$ 1,217,500	TBD	$ 740,800	TBD	$ 200,000	TBD	
Contract End Date	08/31/27	In Renewal	TBD	06/30/23	TBD	In Renewal	TBD	
Cost Center Name	Asset Management	Member Services	Water Analytics, Planning & Metering	Water Analytics, Planning & Metering	Water Analytics, Planning & Metering	Member Services	Water Analytics, Planning & Metering	
Expense Category	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	
Pre-FY 2024 Spend	$ 3,635,900	$ 712,600	$ -	$ 2,063,800	$ -	$ 123,900	$ -	
Pre-FY 2024 Average Spend (*)	2,423,900	475,100	-	436,600	-		-	
FY 2024 Spend	1,622,000	483,700	-	-	-		-	$ 2,105,700
FY 2025 Amended	1,014,500	530,000		-	337,700	30,000		$ 1,912,200
FY 2026	**909,500**	**530,000**	**450,000**	**-**	**334,400**	**30,000**		**$ 2,253,900**
FY 2027	907,500	530,000	450,000	-	347,800	30,000	250,000	$ 2,515,300
FY 2028	907,500	530,000	450,000	-	358,200	80,000	250,000	$ 2,575,700
FY 2029	1,000,000	530,000		-	365,400	30,000		$ 1,925,400
FY 2030	1,000,000	530,000		-	372,700	30,000		$ 1,932,700
Total	**$ 10,996,900**	**$ 4,376,300**	**$ 1,350,000**	**$ 2,063,800**	**$ 2,116,200**	**$ 353,900**	**$ 500,000**	**$ 21,757,100**

Note: HDR Michigan (1902659) has a total contract award of $29.0 million with approximately $20.3 million projected as capital spend.

Go to TOC

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	Good Sewer Metering Practice Analysis & Support	Meter Dye Testing	Professional and Technical Sewer Support Services	Wastewater Analytics, Planning & Metering Engineering Support	Linear System Integrity Program (LSIP)	Total of Significant Wastewater Contracts
Prime Consultant or Supplier	CDM Smith or Other	Wade Trim or Other	Applied Science	PCI LLC	Wade Trim or Other	HDR	
Contract #	GLWA-CS-036	TBD	2003785	GLWA-CS-179	20000092	1902659	
Workday Contract #	NA	TBD	SCN-0000357	SCN-0000431	SCN-0000343	SCN-0000418	
Contract Amount	$ 9,022,700	TBD	$ 2,634,900	$ 6,465,800	$ 996,800	$ 29,012,900	
Contract End Date	In Renewal	TBD	05/11/26	08/31/25	In Renewal	08/31/27	
Cost Center Name	Wastewater Analytics, Planning & Metering	Wastewater Analytics, Planning & Metering	Wastewater Analytics, Planning & Metering	Water Analytics, Planning & Metering	Wastewater Analytics, Planning & Metering	Asset Management	
Expense Category	Contract Services	Contract Services	Contract Services	Contract Services	Contract Services	Contract Services	
Pre-FY 2024 Spend	$ 9,022,700	$ 2,429,500	$ 2,061,800	$ 1,905,700	$ 978,600	$ 34,400	
Pre-FY 2024 Average Spend (*)	2,225,700	607,400	274,900	635,200	559,200	22,900	
FY 2024 Spend	-	-	274,800	1,211,900	437,400	7,100	$ 1,931,200
FY 2025 Amended	-	700,000	500,000	958,400	250,000	403,800	$ 2,812,200
FY 2026	**-**	**760,000**	**500,000**	**1,201,900**	**151,000**	**100,000**	**$ 2,712,900**
FY 2027	-	720,200	355,400	1,201,900	310,600	112,500	$ 2,700,600
FY 2028	-	722,200	355,400	1,201,900	-	112,500	$ 2,392,000
FY 2029	-	720,200	355,400	1,201,900	-	150,000	$ 2,427,500
FY 2030	3,000,000	698,700	355,400	1,201,900	-	150,000	$ 5,406,000
Total	**$ 12,022,700**	**$ 6,750,800**	**$ 4,758,200**	**$ 10,085,500**	**$ 2,127,600**	**$ 1,070,300**	**$ 36,815,100**

Go to TOC

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.

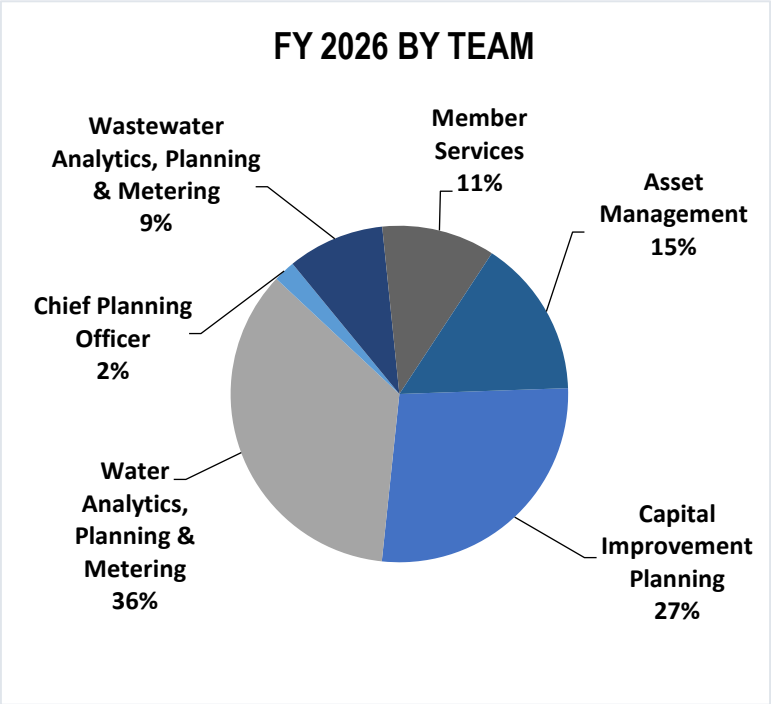
Combined System (GLWA Wide) Programs Significant Contracts

Project Description	Member Outreach	Asset Management Planning	Capital Improvement Planning	Total of Significant Combined System Contracts
Prime Consultant or Supplier	Bridgeport Consulting	Jacobs Engineering or Other	AECOM	
Contract #	GLWA-CS-216	GLWA-CS-198	GLWA-CS-272	
Workday Contract #	SCN-0000422	NA	SCN-0000359	
Contract Amount	$ 6,680,400	$ 4,370,900	$ 21,667,700	
Contract End Date	12/31/27	In Renewal	05/19/26	
Cost Center Name	Member Services	Asset Management	Capital Improvement Planning	
Expense Category	Contractual Services	Contractual Services	Contractual Services	
Pre-FY 2024 Spend	$ 3,313,100	$ 4,414,900	$ 14,155,100	
Pre-FY 2024 Average Spend (*)	828,300	883,000	3,538,800	
FY 2024 Spend	535,500	-	2,598,000	$ 3,133,500
FY 2025 Amended	700,000	200,000	3,570,000	$ 4,470,000
FY 2026	**750,000**	**100,000**	**3,100,000**	**$ 3,950,000**
FY 2027	800,000	100,000	1,000,000	$ 1,900,000
FY 2028	750,000	100,000	500,000	$ 1,350,000
FY 2029	750,000	-	250,000	$ 1,000,000
FY 2030	750,000	-	500,000	$ 1,250,000
Total	**$ 8,348,600**	**$ 4,914,900**	**$ 25,673,100**	**$ 38,936,600**

Note: The AECOM (CS-272) total contract award was $58.6 million. Of this total, $21.7 million is allocated to the O&M budget and the remainder of $36.9 million is allocated to the capital improvement program over the life of the program.

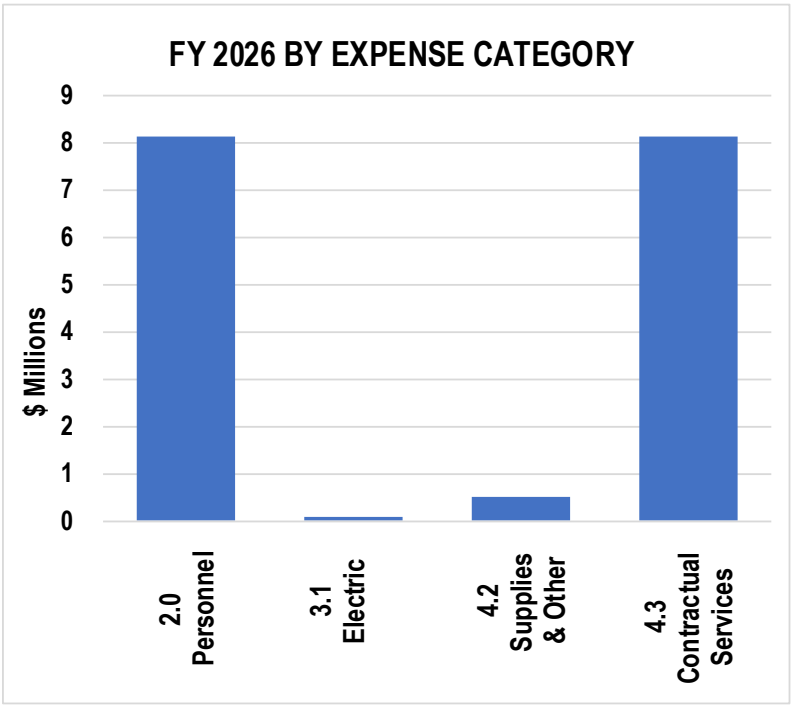
Organization

The GLWA System Planning Area consists of six teams. During FY 2025 teams were realigned, therefore data for FY 2025 is classified based on new team configuration.



- **Office of the Chief Planning Officer**
  Administration and oversight of GLWA's planning efforts with current and prospective member partners.
- **Wastewater Analytics, Planning & Metering**
  This team limits the reliance on external engineering and consulting firms related to creating and updating the wastewater master plan and flow modeling. This team is also responsible for metering sewage flows throughout GLWA's service area. The team will develop an in-house group that can perform modeling, evaluate potential service extension to new customers as well as various other updates.
- **Asset Management**
  Responsible for leading the enterprise-wide asset management strategy at GLWA. The Asset Management team is also responsible for overseeing the Linear System Inspection Program (LSIP) which assesses the overall condition of our water delivery system. The Asset Management team was a key player in the implementation of GLWA's new asset tracking and management system, NEXGEN.
- **Member Services**
  Responsible for internal and external strategic planning, outreach and coordination with member partners. This team also provides member partners with Aquasight water flow analysis dashboard technology enabling them to monitor and evaluate water usage in real time.
- **Capital Improvement Planning (CIP)**
  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. With staffing almost complete, the CIP Team is now running mostly stand alone with limited external vendor support.
- **Water Analytics, Planning & Metering**
  Responsible for maintaining meter operations and analyzing flow data for water, some wastewater flow, and for administrating the Wholesale Automatic Meter Reading (WAMR) system. This team will be leading GLWA's strategic water master plan.

Expense Categories



Contractual Services and Personnel costs are the two major expense categories in the Planning Services operations and maintenance budget.

Contractual Services is the largest expense category with strategic initiatives spanning almost all areas of the authority. Significant efforts include the Linear System Pipe Integrity Program (utilizing HDR Michigan) and the Capital Improvement Plan (utilizing AECOM). Other notable efforts include contractual services supporting meter operations, data analytics, asset management, flood mitigation, real time flow data and member partner outreach. To optimize member partner engagement, the Planning Services team employs the services of Bridgeport Consulting, TWN Consulting and Wade Trim Consulting who specialize in efficient group facilitation and project management assuring that GLWA member partners are fully engaged in making decisions that affect the region today and in the future. As we continue to fill staffing positions, the need for contractual services support continues to diminish being replaced by direct GLWA staff (discussed below).

The Planning Services area has been in existence for nine years. Given the breadth of assignments, recruiting and retaining top talent is a high priority. Accordingly, personnel costs represent the second largest expense category. To help reduce the requirement for the contractual services support noted above, staff increases will be implemented to support a more in-house approach to planning and modeling activities. The Capital Improvement Planning team has led the way in this transition by identifying key positions and activities for supporting the Capital Improvement Plan (CIP) and has actively recruited staff to manage the transition of efforts currently performed by our key CIP vendor, AECOM. These staffing updates are now almost complete. This updated staffing approach will be evident in the financial and personnel charts that follow.

Other expenditures for electric, supplies & other (training and other miscellaneous expense) round out the departmental budget request.

Biennial Budget Request

The FY 2026 biennial operations and maintenance budget reflects a $0.2 million increase, or 1.2%, primarily driven by a focus on capital oriented work on the Linear System Inspection Program (LSIP) and significantly reduced spend with our Capital Improvement Plan vendor AECOM.

Personnel increased $1.1 million in FY 2026 as we near completion of the filling of our staffing goals. Approximately $0.3 million of this is in workforce development category as can be seen in the detailed personnel tables. The Asset Management and CIP departments are increasing the use of summer interns. These staffing increases are offset by sharp reductions in contract services costs as GLWA staff takes on this effort previously performed by outside service providers.

- The Water Analytics & Metering team increase of $0.4 million is driven by increases in metering services provided by our vendor, PCI. This additional support will primarily perform meter maintenance operation and repair / upgrade activities throughout the region.
- Wastewater Analytics & Metering projects an increase of $0.2 million. Departmental efforts will continue to focus on sewer metering and maintenance activities. This department will drive the wastewater master plan though that effort has been pushed to FY 2029.
- Member Services is projecting a FY 2026 spending decrease of $0.2 million primarily driven by decreased member outreach activity (Bridgeport Consulting). Outreach activities have been reduced since Covid.
- The Capital Improvement Plan team is projecting a spending decrease of $0.14 million as GLWA personnel continue to take more of the CIP development work from AECOM.
- The Asset Management Team projects a spend decrease of $0.05 million as the Linear System Inspection Program's efforts continue to be mostly capital in FY 2026.

Biennial Budget Request by Expense Category

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.0 Personnel	$ 6,552,692	$ 7,032,900	$ 4,592,065	$ 8,127,400	$ 1,094,500	15.6%	$ 8,606,500
3.1 Electric	98,152	82,900	76,428	98,200	15,300	18.5%	100,200
4.2 Supplies & Other	421,041	659,800	306,093	492,600	(167,200)	-25.3%	502,100
4.3 Contractual Services	7,207,281	8,930,700	3,941,460	8,138,800	(791,900)	-9%	6,641,600
5.1 Capital Program Allocation	-	(47,600)	-	-	47,600	-100.0%	-
Grand Total	$ 14,279,165	$ 16,658,700	$ 8,916,047	$ 16,857,000	$ 198,300	1.2%	$ 15,850,400

Biennial Budget Request by Team

	FY 2024	FY 2025		FY 2026			FY 2027
Team	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Chief Planning Officer	$ 340,189	$ 330,500	$ 234,826	$ 352,000	$ 21,500	6.5%	$ 352,600
Wastewater Analytics, Planning & Metering	403,390	1,374,400	577,687	1,565,500	191,100	13.9%	1,985,400
Member Services	1,599,702	2,036,000	1,148,069	1,830,300	(205,700)	-10.1%	1,985,900
Asset Management	2,343,254	2,612,800	1,685,362	2,564,400	(48,400)	-1.9%	2,969,000
Water Analytics, Planning & Metering	5,448,691	5,574,500	3,374,599	5,956,600	382,100	6.9%	5,863,900
Capital Improvement Planning	4,143,939	4,730,500	1,895,504	4,588,200	(142,300)	-3.0%	2,693,600
Grand Total	$ 14,279,165	$ 16,658,700	$ 8,916,047	$ 16,857,000	$ 198,300.00	1.2%	$ 15,850,400

Personnel Budget

The staffing plan provides for 77 positions for FY 2026. In 2027 we plan to add three more staff (2 in Capital Improvement Planning and 1 in Member Services) to reach our planned staffing of 80 positions.

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

	Staffing Plan						
Operating Area and Team	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**
Chief Planning Officer	**71.00**	**72.00**	**77.00**	**80.00**	**80.00**	**80.00**	**80.00**
Chief Planning Officer	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Wastewater Analytics, Planning & Metering	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Member Services	4.00	4.00	3.00	4.00	4.00	4.00	4.00
Asset Management	11.00	11.00	15.00	15.00	15.00	15.00	15.00
Water Analytics, Planning & Metering	37.00	38.00	40.00	40.00	40.00	40.00	40.00
Capital Improvement Planning	13.00	13.00	13.00	15.00	15.00	15.00	15.00

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 will level off to "full" in FY 2028 and beyond.

Full Time Equivalents

	Full Time Equivalents (FTE's)						
Operating Area and Team	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**
Chief Planning Officer	**58.50**	**60.75**	**70.25**	**74.25**	**80.00**	**80.00**	**80.00**
Chief Planning Officer	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Wastewater Analytics, Planning & Metering	3.00	2.50	4.00	4.00	4.00	4.00	4.00
Member Services	3.50	4.00	3.00	3.25	4.00	4.00	4.00
Asset Management	7.00	6.50	12.75	13.50	15.00	15.00	15.00
Water Analytics, Planning & Metering	34.50	36.50	36.25	37.50	40.00	40.00	40.00
Capital Improvement Planning	8.50	9.25	12.25	14.00	15.00	15.00	15.00

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 Section 5 - Operating Financial Plans by Service Area.

Personnel – Biennial Budget Request by Expense Category

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.1 Salaries & Wages	$ 4,229,327	$ 4,629,100	$ 3,132,664	$ 5,087,100	$ 458,000	9.9%	$ 5,434,700
2.2 Workforce Development	46,869	45,700	58,428	353,500	307,800	673.5%	353,500
2.3 Overtime	161,016	221,500	99,239	178,500	(43,000)	-19.4%	182,600
2.4 Employee Benefits	1,359,279	1,578,200	1,024,831	1,706,400	128,200	8.1%	1,833,800
2.5 Transition Services	756,201	558,400	276,900	801,900	243,500	43.6%	801,900
Grand Total	$ 6,552,692	$ 7,032,900	$ 4,592,062	$ 8,127,400	$ 1,094,500	15.6%	$ 8,606,500

Personnel – Biennial Budget Request by Team

	FY 2024	FY 2025		FY 2026			FY 2027
Team	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Chief Planning Officer	$ 332,232	$ 320,900	$ 232,176	$ 341,200	$ 20,300	6.3%	$ 341,600
Wastewater Analytics, Planning & Metering	180,096	364,400	251,651	589,900	225,500	61.9%	590,700
Member Services	407,790	521,200	297,545	429,300	(91,900)	-17.6%	459,900
Asset Management	798,318	875,000	732,619	1,309,400	434,400	49.6%	1,400,100
Water Analytics, Planning & Metering	3,827,278	3,758,300	2,319,249	3,981,900	223,600	5.9%	4,135,500
Capital Improvement Planning	1,006,977	1,193,100	758,826	1,475,700	282,600	23.7%	1,678,700
Grand Total	$ 6,552,692	$ 7,032,900	$ 4,592,065	$ 8,127,400	$ 1,094,500	15.6%	$ 8,606,500

Personnel - Five-Year Financial Plan by Expense Category

	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
2.1 Salaries & Wages	$ 4,229,327	$ 4,629,100	$ 5,087,100	$ 5,434,700	$ 5,940,700	$ 5,940,700	$ 5,940,700
2.2 Workforce Development	46,869	45,700	353,500	353,500	353,500	353,500	353,500
2.3 Overtime	161,016	221,500	178,500	182,600	190,900	190,900	190,900
2.4 Employee Benefits	1,359,279	1,578,200	1,706,400	1,833,800	2,014,900	2,029,700	2,044,400
2.5 Transition Services	756,201	558,400	801,900	801,900	801,900	801,900	801,900
Grand Total	$ 6,552,692	$ 7,032,900	$ 8,127,400	$ 8,606,500	$ 9,301,900	$ 9,316,700	$ 9,331,400

Personnel - Five-Year Financial Plan by Team

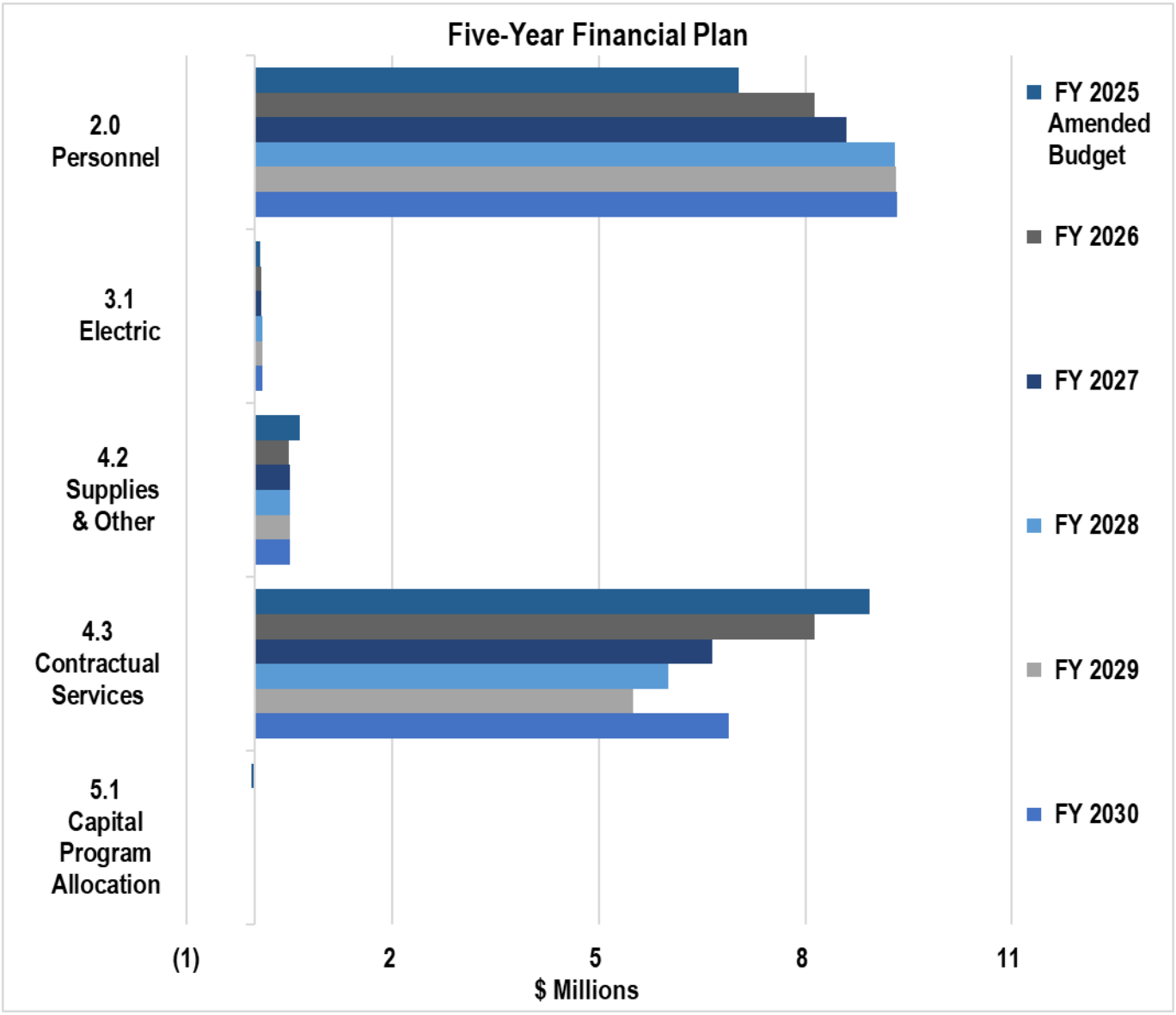
	Actual	Amended Budget	Proposed Budget		Projected		
Team	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Chief Planning Officer	$ 332,232	$ 320,900	$ 341,200	$ 341,600	$ 342,000	$ 342,500	$ 342,900
Wastewater Analytics, Planning & Metering	180,096	364,400	589,900	590,700	591,600	592,400	593,300
Member Services	407,790	521,200	429,300	459,900	549,900	550,800	551,600
Asset Management	798,318	875,000	1,309,400	1,400,100	1,581,200	1,583,500	1,585,900
Water Analytics, Planning & Metering	3,827,278	3,758,300	3,981,900	4,135,500	4,438,900	4,446,400	4,453,900
Capital Improvement Planning	1,006,977	1,193,100	1,475,700	1,678,700	1,798,300	1,801,100	1,803,800
Grand Total	$ 6,552,692	$ 7,032,900	$ 8,127,400	$ 8,606,500	$ 9,301,900	$ 9,316,700	$ 9,331,400

Go to TOC

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
2.0 Personnel	$ 6,552,692	$ 7,032,900	$ 8,127,400	$ 8,606,500	$ 9,301,900	$ 9,316,700	$ 9,331,400
3.1 Electric	98,152	82,900	98,200	100,200	102,200	104,200	106,300
4.2 Supplies & Other	421,041	659,800	492,600	502,100	506,800	512,200	516,200
4.3 Contractual Services	7,207,281	8,930,700	8,138,800	6,641,600	6,007,900	5,501,300	6,887,100
5.1 Capital Program Allocation	0	(47,600)	0	0	0	0	0
Grand Total	$ 14,279,165	$ 16,658,700	$ 16,857,000	$ 15,850,400	$ 15,918,800	$ 15,434,400	$ 16,841,000



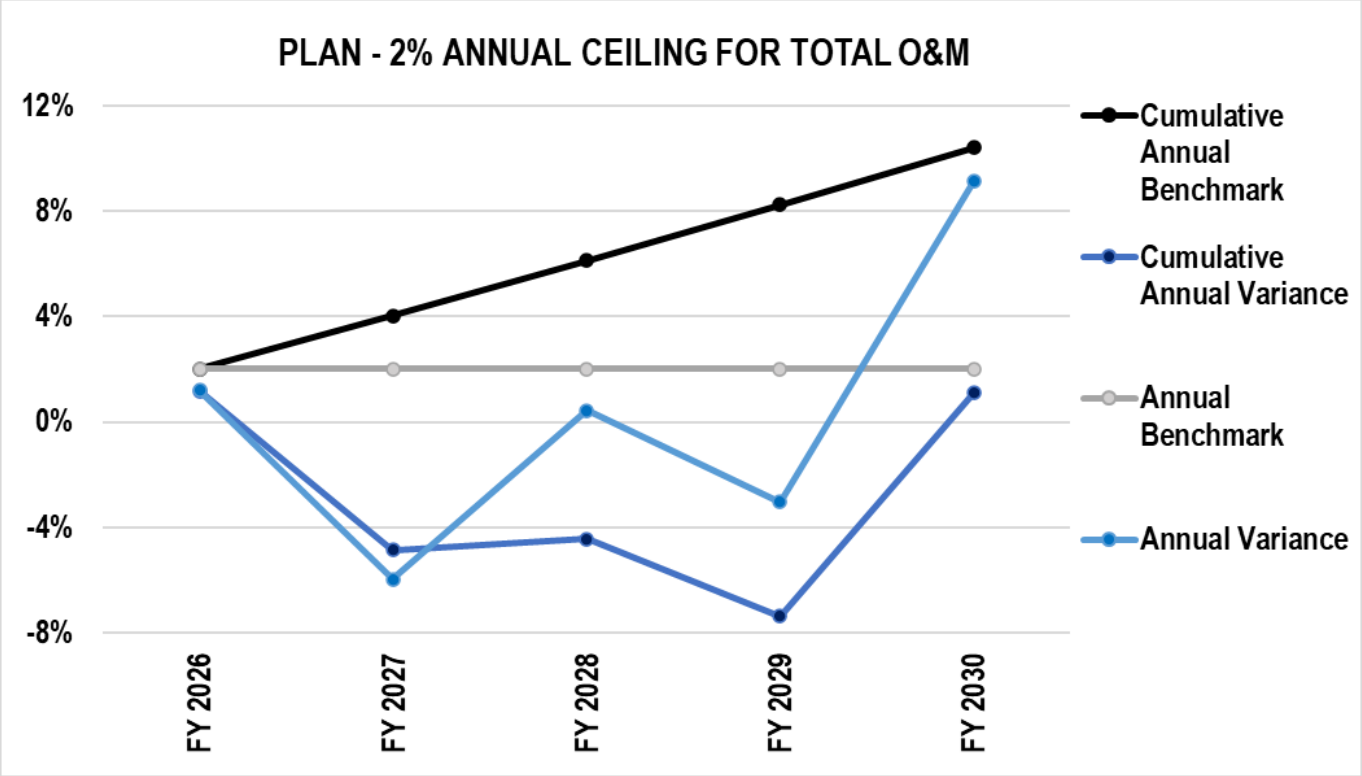
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Five Year Financial Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Chief Planning Officer	$ 340,189	$ 330,500	$ 352,000	$ 352,600	$ 353,100	$ 354,000	$ 354,500
Wastewater Analytics, Planning & Metering	403,390	1,374,400	1,565,500	1,985,400	1,927,900	1,926,700	3,156,100
Member Services	1,599,702	2,036,000	1,830,300	1,985,900	2,000,900	1,951,800	1,952,600
Asset Management	2,343,254	2,612,800	2,564,400	2,969,000	3,153,100	3,288,800	3,193,700
Water Analytics, Planning & Metering	5,448,691	5,574,500	5,956,600	5,863,900	6,170,600	5,847,000	5,865,300
Capital Improvement Planning	4,143,939	4,730,500	4,588,200	2,693,600	2,313,200	2,066,100	2,318,800
Grand Total	$ 14,279,165	$ 16,658,700	$ 16,857,000	$ 15,850,400	$ 15,918,800	$ 15,434,400	$ 16,841,000

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

The Planning Services area financial plan reflects a five-year overall increase of 1.1% 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 lower overall increase is driven primarily by the Capital Improvement Planning Team as they continue to transition vendor based efforts in house.



Go to TOC

Capital Outlay

Planning Services capital outlay is funded by the Improvement and Extension (I&E) budget. Significant components of the FY 2025 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	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Meter Maintenance - Tools, Shop & Warehouse	$ 294,200	$ 296,400	$ 298,700	$ 300,000	$ 300,000	$ 300,000
Meter Pit Upgrade & Rehabilitation	400,000	400,000	400,000	400,000	400,000	400,000
Grand Total	$ 694,200	$ 696,400	$ 698,700	$ 700,000	$ 700,000	$ 700,000

Five-Year Capital Outlay Plan by Funding Source

Funding Source	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Improvement & Extension - Water	$ 14,425	$ -	$ -	$ -	$ -	$ -	$ -
Improvement & Extension - Wastewater	285,715	694,200	696,400	698,700	700,000	700,000	700,000
Grand Total	$ 300,140	$ 694,200	$ 696,400	$ 698,700	$ 700,000	$ 700,000	$ 700,000

Five-Year Capital Outlay Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Chief Planning Officer	$ 14,425	$ -	$ -	$ -	$ -	$ -	$ -
Water Analytics, Planning & Metering	285,715	694,200	696,400	698,700	700,000	700,000	700,000
Grand Total	$ 300,140	$ 694,200	$ 696,400	$ 698,700	$ 700,000	$ 700,000	$ 700,000

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 expenses over time and/or plan for annual fluctuations.

	Actual	Amended Budget	Proposed Budget		Projected		
Cost Center & Expense Category	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**
886001 Chief Planning Officer	**340,189**	**330,500**	**352,000**	**352,600**	**353,100**	**354,000**	**354,500**
2.1 Salaries & Wages	**262,733**	**250,400**	**268,900**	**268,900**	**268,900**	**268,900**	**268,900**
2.3 Overtime	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.4 Employee Benefits	**69,500**	**70,500**	**72,300**	**72,700**	**73,100**	**73,600**	**74,000**
4.2 Supplies & Other	**7,667**	**9,000**	**10,500**	**10,700**	**10,800**	**11,200**	**11,300**
Memberships, Licenses & Subscriptions	-	1,000	500	500	500	500	500
Mileage and Parking	39	-	-	-	-	-	-
Office Supplies	1,539	1,000	1,000	1,000	1,000	1,100	1,100
Operating Supplies	-	-	-	-	-	-	-
Training and Internal Meetings	2,795	1,000	3,000	3,100	3,100	3,200	3,200
Travel	3,295	6,000	6,000	6,100	6,200	6,400	6,500
4.3 Contractual Services	**290**	**600**	**300**	**300**	**300**	**300**	**300**
Contractual Operating Services	290	600	300	300	300	300	300
886100 Wastewater Analytics, Planning & Metering	**403,390**	**1,374,400**	**1,565,500**	**1,985,400**	**1,927,900**	**1,926,700**	**3,156,100**
2.1 Salaries & Wages	**142,620**	**269,100**	**456,600**	**456,600**	**456,600**	**456,600**	**456,600**
2.3 Overtime	**-**	**14,000**	**-**	**-**	**-**	**-**	**-**
2.4 Employee Benefits	**37,476**	**81,300**	**133,300**	**134,100**	**135,000**	**135,800**	**136,700**
4.2 Supplies & Other	**1,195**	**60,000**	**6,600**	**8,400**	**8,700**	**8,700**	**8,700**
Capital Outlay less than $5,000	-	50,000	-	-	-	-	-
Memberships, Licenses & Subscriptions	35	2,500	600	900	1,200	1,200	1,200
Mileage and Parking	-	1,000	1,000	1,000	1,000	1,000	1,000
Office Supplies	-	2,000	1,000	1,000	1,000	1,000	1,000
Operating Supplies	87	-	-	-	-	-	-
Training and Internal Meetings	750	2,000	1,000	1,000	1,000	1,000	1,000
Travel	323	2,500	3,000	4,500	4,500	4,500	4,500
4.3 Contractual Services	**222,099**	**950,000**	**969,000**	**1,386,300**	**1,327,600**	**1,325,600**	**2,554,100**
Contractual Operating Services All Sewer	-	950,000	969,000	1,386,300	1,327,600	1,325,600	2,554,100
Contractual Professional Services All Sewer	123,169	-	-	-	-	-	-
Contractual Professional Services All Water	98,930	-	-	-	-	-	-
886101 Member Services	**1,599,702**	**2,036,000**	**1,830,300**	**1,985,900**	**2,000,900**	**1,951,800**	**1,952,600**
2.1 Salaries & Wages	**316,052**	**398,600**	**331,300**	**354,000**	**421,300**	**421,300**	**421,300**
2.3 Overtime	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.4 Employee Benefits	**91,738**	**122,600**	**98,000**	**105,900**	**128,600**	**129,500**	**130,300**
4.2 Supplies & Other	**53,115**	**104,800**	**91,000**	**91,000**	**91,000**	**91,000**	**91,000**
Memberships, Licenses & Subscriptions	35	1,500	1,500	1,500	1,500	1,500	1,500
Mileage and Parking	-	1,300	500	500	500	500	500
Office Supplies	178	2,000	2,000	2,000	2,000	2,000	2,000
Operating Supplies	49,182	85,000	75,000	75,000	75,000	75,000	75,000
Postage	322	-	-	-	-	-	-
Printing	-	-	-	-	-	-	-
Training and Internal Meetings	300	3,000	3,000	3,000	3,000	3,000	3,000
Travel	3,099	12,000	9,000	9,000	9,000	9,000	9,000
4.3 Contractual Services	**1,138,797**	**1,410,000**	**1,310,000**	**1,435,000**	**1,360,000**	**1,310,000**	**1,310,000**
Contractual Professional Services	681,446	850,000	750,000	800,000	750,000	750,000	750,000
Contractual Professional Services All Sewer	33,462	-	-	-	-	-	-
Contractual Professional Services All Water	423,889	560,000	560,000	635,000	610,000	560,000	560,000

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Go to TOC

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

Cost Center & Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
886201 Asset Management	**2,343,254**	**2,612,800**	**2,564,400**	**2,969,000**	**3,153,100**	**3,288,800**	**3,193,700**
2.1 Salaries & Wages	**612,761**	**671,500**	**888,600**	**955,600**	**1,090,600**	**1,090,600**	**1,090,600**
2.2 Workforce Development	**9,038**	**-**	**149,100**	**149,100**	**149,100**	**149,100**	**149,100**
2.3 Overtime	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.4 Employee Benefits	**176,519**	**203,500**	**271,700**	**295,400**	**341,500**	**343,800**	**346,200**
4.2 Supplies & Other	**24,870**	**44,500**	**45,500**	**48,900**	**51,900**	**55,300**	**57,800**
Memberships, Licenses & Subscriptions	798	2,400	2,400	2,400	2,400	2,800	2,800
Mileage and Parking	1,190	2,500	3,000	3,500	3,500	4,000	4,000
Miscellaneous Expense	-	-	-	-	-	-	-
Office Supplies	7,143	4,600	4,600	5,000	5,500	6,000	6,500
Operating Supplies	5,353	5,000	7,000	7,500	8,000	10,000	12,000
Postage	491	-	-	-	-	-	-
Training and Internal Meetings	7,379	12,000	16,000	18,000	20,000	20,000	20,000
Travel	2,517	16,000	12,000	12,000	12,000	12,000	12,000
Tuition Refund	-	2,000	500	500	500	500	500
4.3 Contractual Services	**1,520,065**	**1,693,300**	**1,209,500**	**1,520,000**	**1,520,000**	**1,650,000**	**1,550,000**
Contractual Professional Services	161,892	275,000	200,000	500,000	500,000	500,000	400,000
Contractual Professional Services All Sewer	24,465	403,800	100,000	112,500	112,500	150,000	150,000
Contractual Professional Services All Water	1,333,709	1,014,500	909,500	907,500	907,500	1,000,000	1,000,000
886401 Water Analytics, Planning & Metering	**5,448,691**	**5,574,500**	**5,956,600**	**5,863,900**	**6,170,600**	**5,847,000**	**5,865,300**
2.1 Salaries & Wages	**2,115,640**	**2,135,500**	**2,065,500**	**2,172,500**	**2,388,200**	**2,388,200**	**2,388,200**
2.2 Workforce Development	**37,830**	**36,900**	**128,400**	**128,400**	**128,400**	**128,400**	**128,400**
2.3 Overtime	**161,016**	**207,500**	**178,500**	**182,600**	**190,900**	**190,900**	**190,900**
2.4 Employee Benefits	**756,591**	**820,000**	**807,600**	**850,100**	**929,500**	**937,000**	**944,500**
2.5 Transition Services	**756,201**	**558,400**	**801,900**	**801,900**	**801,900**	**801,900**	**801,900**
Contractual Transition Services	-	558,400	801,900	801,900	801,900	801,900	801,900
Contractual Transition Services All Sewer	756,201	-	-	-	-	-	-
3.1 Electric	**98,152**	**82,900**	**98,200**	**100,200**	**102,200**	**104,200**	**106,300**
4.2 Supplies & Other	**321,511**	**426,500**	**326,500**	**328,200**	**329,500**	**331,000**	**332,400**
Capital Outlay less than $5,000	164,656	205,400	190,000	190,000	190,000	190,000	190,000
Equipment Repairs & Maintenance	46,998	149,500	68,000	69,400	70,700	72,200	73,600
Hardware Repairs & Maintenance	4,307	10,000	10,000	10,000	10,000	10,000	10,000
Memberships, Licenses & Subscriptions	1,344	2,500	2,500	2,500	2,500	2,500	2,500
Mileage and Parking	1,415	2,500	2,500	2,500	2,500	2,500	2,500
Miscellaneous Repairs & Maintenance	9,569	10,000	10,000	10,000	10,000	10,000	10,000
Office Supplies	5,429	9,000	7,000	7,000	7,000	7,000	7,000
Operating Supplies	16,149	16,000	16,000	16,000	16,000	16,000	16,000
Postage	218	-	-	-	-	-	-
Training and Internal Meetings	59,982	5,100	5,100	5,100	5,100	5,100	5,100
Travel	2,371	2,700	2,700	2,700	2,700	2,700	2,700
Tuition Refund	-	2,000	500	500	500	500	500
Uniforms, Laundry, Cleaning	9,074	11,800	12,200	12,500	12,500	12,500	12,500
4.3 Contractual Services	**1,201,750**	**1,306,800**	**1,550,000**	**1,300,000**	**1,300,000**	**965,400**	**972,700**
Contract Services-Information Technology	50,002	79,000	-	-	-	-	-
Contractual Operating Services All Sewer	1,080,074	900,000	900,000	400,000	400,000	400,000	400,000
Contractual Professional Services	-	-	-	-	-	-	-
Contractual Professional Services All Sewer	83,773	-	-	-	-	-	-
Contractual Professional Services All Water	(12,100)	327,800	650,000	900,000	900,000	565,400	572,700

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

Cost Center & Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
886601 Capital Improvement Planning	**4,143,939**	**4,730,500**	**4,588,200**	**2,693,600**	**2,313,200**	**2,066,100**	**2,318,800**
2.1 Salaries & Wages	**779,522**	**904,000**	**1,076,200**	**1,227,100**	**1,315,100**	**1,315,100**	**1,315,100**
2.2 Workforce Development	**-**	**8,800**	**76,000**	**76,000**	**76,000**	**76,000**	**76,000**
2.3 Overtime	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.4 Employee Benefits	**227,455**	**280,300**	**323,500**	**375,600**	**407,200**	**410,000**	**412,700**
4.2 Supplies & Other	**12,682**	**15,000**	**12,500**	**14,900**	**14,900**	**15,000**	**15,000**
Memberships, Licenses & Subscriptions	1,049	2,500	2,500	2,600	2,600	2,600	2,600
Mileage and Parking	50	1,000	1,000	300	300	300	300
Office Supplies	6,522	2,000	2,000	2,000	2,000	2,100	2,100
Operating Supplies	458	-	-	-	-	-	-
Training and Internal Meetings	2,713	2,000	2,000	5,000	5,000	5,000	5,000
Travel	1,890	7,500	5,000	5,000	5,000	5,000	5,000
4.3 Contractual Services	**3,124,280**	**3,570,000**	**3,100,000**	**1,000,000**	**500,000**	**250,000**	**500,000**
Contractual Professional Services	3,124,280	3,570,000	3,100,000	1,000,000	500,000	250,000	500,000
5.1 Capital Program Allocation	**-**	**(47,600)**	**-**	**-**	**-**	**-**	**-**
Capital Program: Employee Benefits	-	(11,600)	-	-	-	-	-
Capital Program: Salaries & Wages-Direct	-	(36,000)	-	-	-	-	-
Grand Total	**$ 14,279,165**	**$ 16,658,700**	**$ 16,857,000**	**$ 15,850,400**	**$ 15,918,800**	**$ 15,434,400**	**$ 16,841,000**

Go to TOC

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 systems are controlled by an award-winning state of the art Supervisory Control and Data Acquisition (SCADA) system. Operators remotely control the pumps and valves that allow the system to deliver water to, and receive wastewater from, our member partner communities. Access to real-time data from 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.
  - Recruit and develop staff to ensure institutional knowledge is retained, transferred, and improved over time.
  - Invest in opportunities for professional and leadership development.
  - Establish a senior leadership team to improve organizational collaboration, learning improvement and innovation.

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					

Go to TOC

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 dates are estimates for future study updates, or subsequent implementation of a program. These services would generally require a separate procurement process. The chart below includes the key contracts for these services. It should be noted that contract 2004889 is shared with other departments.

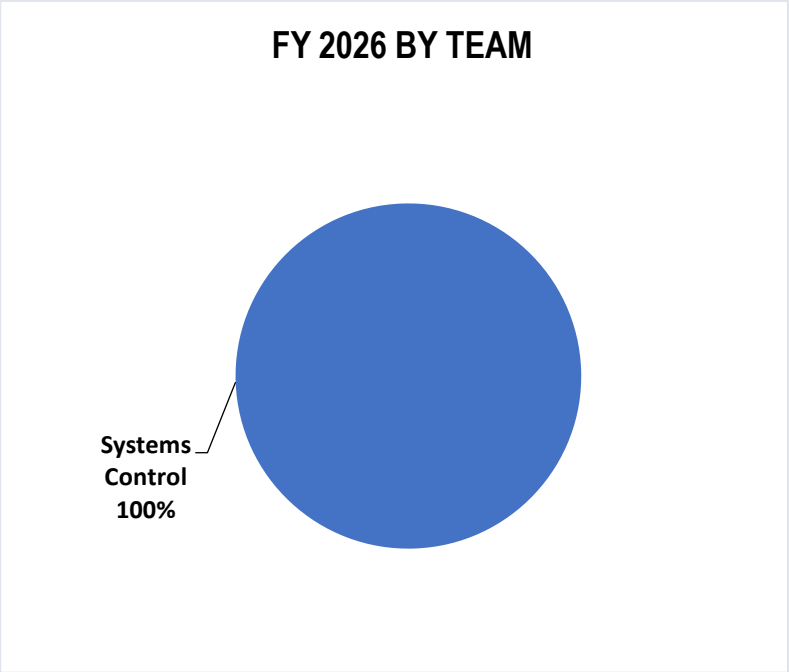
Significant Contracts

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	Ovation Upgrade Contract	Total of Significant Contracts
Prime Consultant or Supplier	Lakeshore Global Corp	PCI LLC	Lakeshore Global Corp	U.S. Geological Survey	Emerson Process Management	
Contract #	2004889	2102983	2004773	2003901	2101167	
Workday Contract #	SCN-0000354	SCN-0000332	SCN-0000098	SCN-0000433	SCN-0000347	
Contract Amount	$ 17,083,698	$ 6,894,869	$ 5,639,560	$ 1,365,000	$ 6,855,868	
Contract End Date	3/312026	12/31/25	07/18/25	09/30/28	03/12/26	
Cost Center Name	Systems Operations Control	Systems Operations Control	Systems Operations Control	Systems Operations Control	Systems Operations Control	
Expense Category	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	
Water/Sewer	Combined	Combined	Combined	Sewer	Combined	
Pre-FY 2024 Spend	$ 22,949,973	$ 12,341,145	$ 10,274,035	$ 949,458	$ -	
Pre-FY 2024 Average Spend (*)	3,824,996	$ 1,702,227	$ 1,988,523	$ 345,257	$ -	
FY 2024 Spend	4,477,436	1,837,552	1,535,323	400,958		8,251,269
FY 2025 Amended	3,000,000	2,500,000	1,800,000	470,400	1,505,400	9,275,800
FY 2026	**1,823,000**	**1,900,000**	**1,800,000**	**484,600**	**862,000**	**6,869,600**
FY 2027	1,823,000	1,900,000	1,800,000	509,000	1,043,000	7,075,000
FY 2028	1,823,000	1,900,000	1,800,000	534,500	180,000	6,237,500
FY 2029	1,823,000	1,900,000	1,800,000	499,600	180,000	6,202,600
FY 2030	1,823,000	1,900,000	1,800,000	510,000	-	6,033,000
Total	**$ 39,542,409**	**$ 26,178,697**	**$ 22,609,359**	**$ 4,358,516**	**$ 3,770,400**	**$ 96,459,381**

Go to TOC

Organization

The Systems Control area has one team.



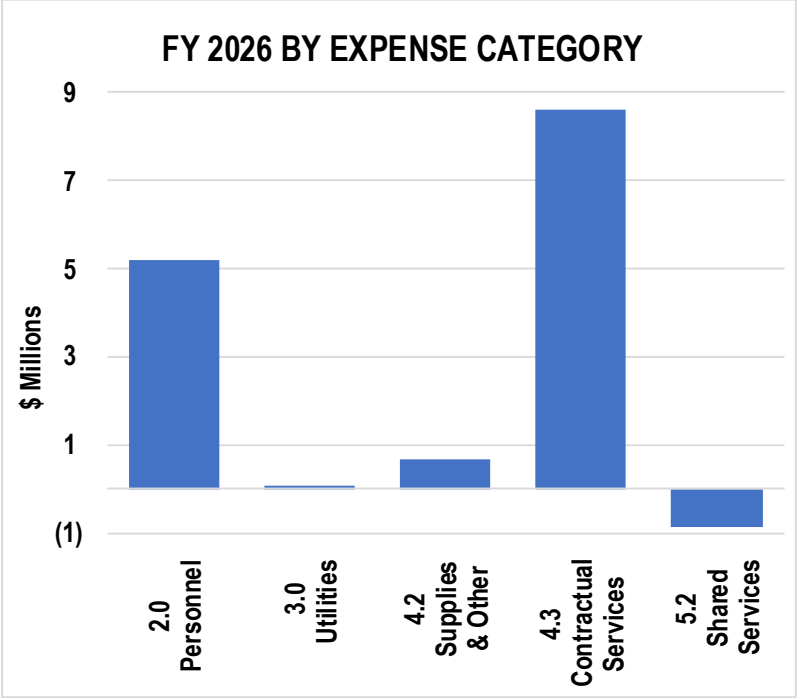
Expense Categories

The two major categories of Systems Control expenses in the operations and maintenance budget are:

- Contractual Services
- Personnel

Contractual Services are the highest expense category 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.



Go to TOC

Biennial Budget Request

The biennial budget reflects a decrease of $1.3 million or 8.9% for FY 2026. Key factors that impact the FY 2026 budget include the following:

- Contractual Services decreased by $1.7 million due to $0.6 million for the Emerson Ovation Upgrade project 2101167, and $1.1 million for Lakeshore Specialized Services contract for water plant expenditures which were moved to the Water Operations budget.
- Personnel increased $193,000 due to one Apprentice Electrical Instrumentation Control Technician added, promotions, compensation increases and right-sizing of overtime budget.
- Capital Program Allocation decrease of $151,600 as no costs are anticipated to be allocated to CIP projects.
- Shared Services reimbursements increased $30,500 based on prior year's spend and anticipated utilization.

Biennial Budget Request by Expense Category

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.0 Personnel	$ 4,968,765	$ 5,014,200	$ 3,634,796	**$ 5,207,200**	**$ 193,000**	**3.8%**	$ 5,463,900
3.0 Utilities	86,123	74,800	83,068	**76,200**	**1,400**	**1.9%**	77,700
4.2 Supplies & Other	348,725	676,900	277,743	**676,900**	**-**	**0.0%**	676,900
4.3 Contractual Services	12,759,310	10,256,400	10,976,372	**8,605,200**	**(1,651,200)**	**-16.1%**	8,810,600
5.1 Capital Program Allocation	(49,765)	(151,600)	-	**-**	**151,600**	**-100.0%**	-
5.2 Shared Services	(1,177,087)	(822,600)	(479,850)	**(853,100)**	**(30,500)**	**3.7%**	(898,200)
Grand Total	$ 16,936,071	$ 15,048,100	$ 14,492,128	**$ 13,712,400**	**$ (1,335,700)**	**-8.9%**	$ 14,130,900

Biennial Budget Request by Team

	FY 2024	FY 2025		FY 2026			FY 2027
Team	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Systems Control	$ 16,936,071	$ 15,048,100	$ 14,492,128	**$ 13,712,400**	**$ (1,335,700)**	**-8.9%**	$ 14,130,900
Grand Total	**$ 16,936,071**	**$ 15,048,100**	**$ 14,492,128**	$ 13,712,400	$ (1,335,700)	**-8.9%**	**$ 14,130,900**

Personnel Budget

Systems Control personnel consist of 43 positions for FY 2026. The staffing plan is reduced from FY 2025 due to the anticipated filled date of Systems Control director position in FY 2027. In addition, a second SCADA director position is added to FY 2027. 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. The staffing plan includes three apprentice positions which 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

	Staffing Plan						
Operating Area and Team	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Systems Operations Control	44.00	44.00	43.00	45.00	45.00	45.00	45.00
Grand Total	44.00	44.00	43.00	45.00	45.00	45.00	45.00

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

	Full Time Equivalents (FTEs)						
Operating Area and Team	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Systems Operations Control	39.75	40.00	39.25	41.50	45.00	45.00	45.00
Grand Total	39.75	40.00	39.25	41.50	45.00	45.00	45.00

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 the 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 Section 5 - Operating Financial Plans by Service Area.

Personnel – Biennial Budget Request by Expense Category

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.1 Salaries & Wages	$ 2,692,978	$ 2,723,200	$ 2,006,080	**$ 2,760,300**	**$ 37,100**	**1.4%**	$ 2,946,000
2.2 Workforce Development	26,229	46,100	94,033	**123,900**	**77,800**	**168.8%**	123,900
2.3 Overtime	1,162,750	1,150,000	729,164	**1,210,000**	**60,000**	**5.2%**	1,210,000
2.4 Employee Benefits	1,086,808	1,094,900	805,519	**1,113,000**	**18,100**	**1.7%**	1,184,000
Grand Total	**$ 4,968,765**	**$ 5,014,200**	**$ 3,634,796**	**$ 5,207,200**	**$ 193,000**	**3.8%**	**$ 5,463,900**

Personnel – Biennial Budget Request by Team

	FY 2024	FY 2025		FY 2026			FY 2027
Team	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Systems Control	$ 4,968,765	$ 5,014,200	$ 3,634,796	**$ 5,207,200**	**$ 193,000**	**3.8%**	$ 5,463,900
Grand Total	**$ 4,968,765**	**$ 5,014,200**	**$ 3,634,796**	**$ 5,207,200**	**$ 193,000**	**3.8%**	**$ 5,463,900**

Personnel – Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
2.1 Salaries & Wages	$ 2,692,978	$ 2,723,200	**$ 2,760,300**	$ 2,946,000	$ 3,263,300	$ 3,263,300	$ 3,263,300
2.2 Workforce Development	26,229	46,100	**123,900**	123,900	123,900	123,900	123,900
2.3 Overtime	1,162,750	1,150,000	**1,210,000**	1,210,000	1,210,000	1,210,000	1,210,000
2.4 Employee Benefits	1,086,808	1,094,900	**1,113,000**	1,184,000	1,296,200	1,305,800	1,315,400
Grand Total	**$ 4,968,765**	**$ 5,014,200**	**$ 5,207,200**	**$ 5,463,900**	**$ 5,893,400**	**$ 5,903,000**	**$ 5,912,600**

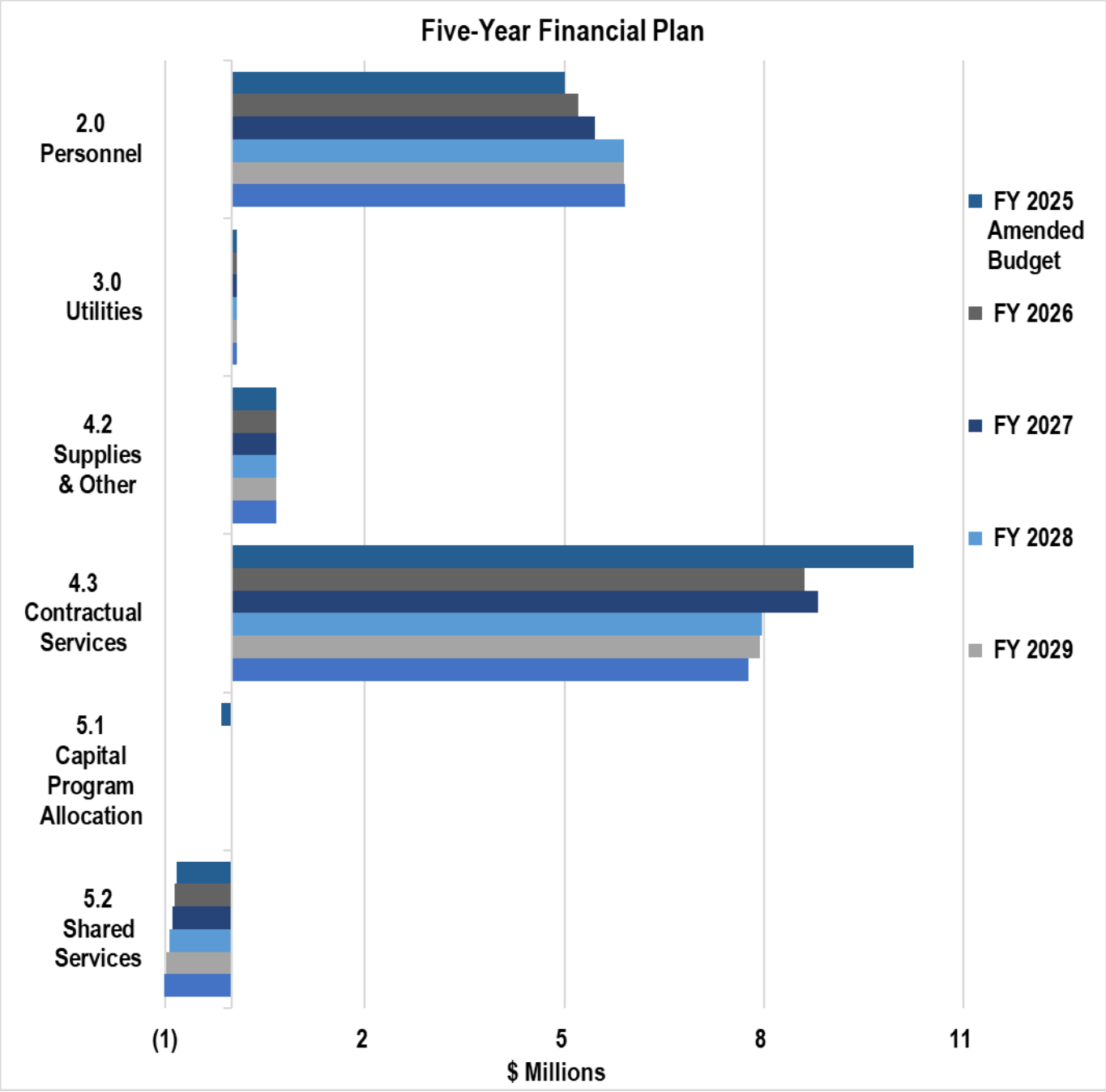
Personnel – Five-Year Financial Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Systems Control	$ 4,968,765	$ 5,014,200	$ 5,207,200	$ 5,463,900	$ 5,893,400	$ 5,903,000	$ 5,912,600
Grand Total	**$ 4,968,765**	**$ 5,014,200**	**$ 5,207,200**	**$ 5,463,900**	**$ 5,893,400**	**$ 5,903,000**	**$ 5,912,600**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
2.0 Personnel	$ 4,968,765	$ 5,014,200	**$ 5,207,200**	$ 5,463,900	$ 5,893,400	$ 5,903,000	$ 5,912,600
3.0 Utilities	86,123	74,800	**76,200**	77,700	79,200	80,800	83,400
4.2 Supplies & Other	348,725	676,900	**676,900**	676,900	676,900	676,900	676,900
4.3 Contractual Services	12,759,310	10,256,400	**8,605,200**	8,810,600	7,973,100	7,938,200	7,769,000
5.1 Capital Program Allocation	(49,765)	(151,600)	**-**	-	-	-	-
5.2 Shared Services	(1,177,087)	(822,600)	**(853,100)**	(898,200)	(930,700)	(979,400)	(1,028,400)
Grand Total	**$ 16,936,071**	**$ 15,048,100**	**$ 13,712,400**	**$ 14,130,900**	**$ 13,691,900**	**$ 13,619,500**	**$ 13,413,500**



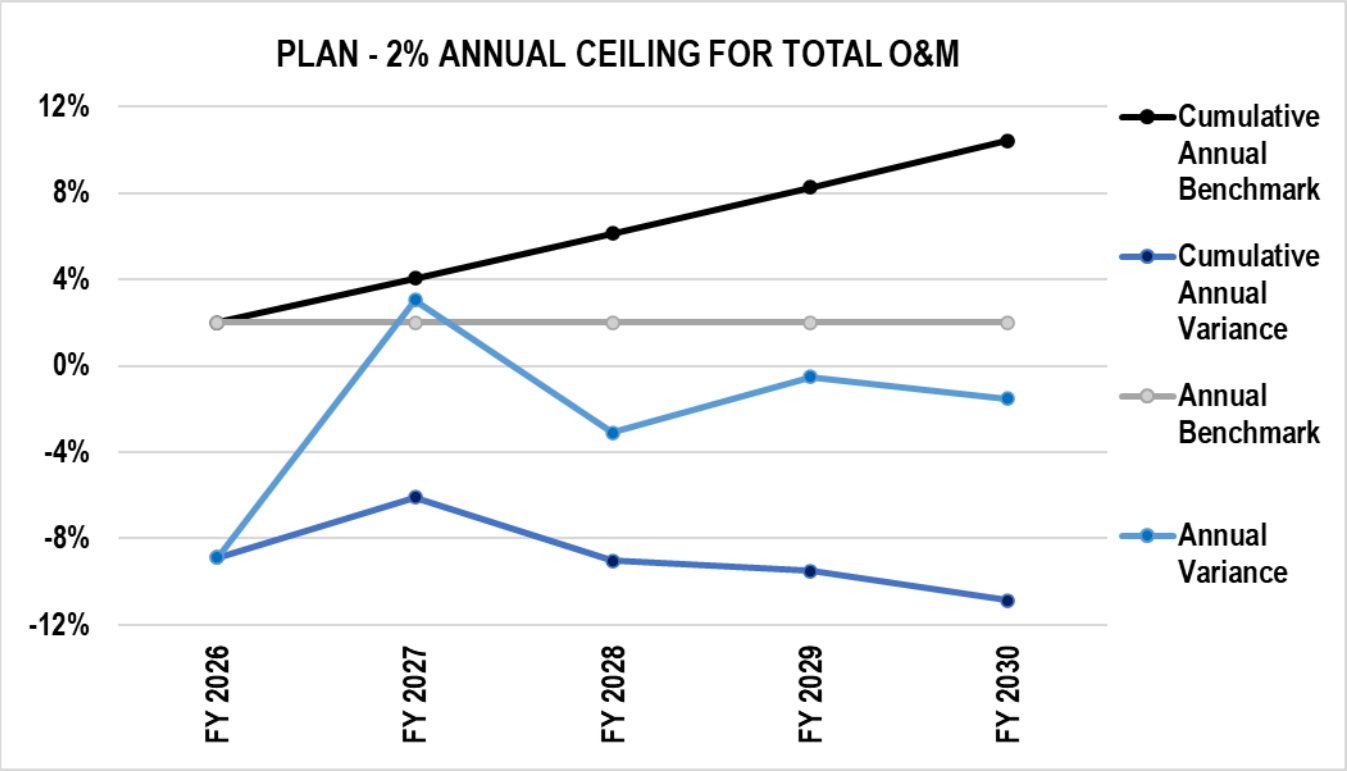
Five-Year Financial Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Systems Control	$ 16,936,071	$ 15,048,100	**$ 13,712,400**	$ 14,130,900	$ 13,691,900	$ 13,619,500	$ 13,413,500
Grand Total	**$ 16,936,071**	**$ 15,048,100**	**$ 13,712,400**	**$ 14,130,900**	**$ 13,691,900**	**$ 13,619,500**	**$ 13,413,500**

Go to TOC

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

The Systems Control Group's financial plan reflects a five-year overall decrease of 10.9% 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 capital outlay is funded by the Improvement & Extension (I&E) budget.

Five-Year Capital Outlay Plan by Asset

Asset Category	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Information Technology	**$ 75,000**	**$ 75,000**	**$ 150,000**	**$ 150,000**	**$ 150,000**	**$ 150,000**
Software	75,000	75,000	150,000	150,000	150,000	150,000
Machinery & Equipment	**2,803,100**	**3,125,000**	**2,025,000**	**4,225,000**	**4,075,000**	**4,075,000**
Controls & Communication	2,128,100	2,450,000	375,000	2,575,000	2,575,000	2,575,000
Furniture & Fixtures	-	-	150,000	150,000	-	-
Pipes, Gates & Valves	300,000	300,000	600,000	600,000	600,000	600,000
Process Equipment/Treatment	-	-	150,000	150,000	150,000	150,000
Pumps & Motors	375,000	375,000	750,000	750,000	750,000	750,000
Grand Total	**$ 2,878,100**	**$ 3,200,000**	**$ 2,175,000**	**$ 4,375,000**	**$ 4,225,000**	**$ 4,225,000**

Five-Year Capital Outlay Plan by Funding Source

Fuding Source	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Improvement & Extension	$ 2,386,444	$ 2,878,100	**$ 3,200,000**	$ 2,175,000	$ 4,375,000	$ 4,225,000	$ 4,225,000
Grand Total	**$ 2,386,444**	**$ 2,878,100**	**$ 3,200,000**	**$ 2,175,000**	**$ 4,375,000**	**$ 4,225,000**	**$ 4,225,000**

Five-Year Capital Outlay Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Systems Control	$ 2,386,444	$ 2,878,100	**$ 3,200,000**	$ 2,175,000	$ 4,375,000	$ 4,225,000	$ 4,225,000
Grand Total	**$ 2,386,444**	**$ 2,878,100**	**$ 3,200,000**	**$ 2,175,000**	**$ 4,375,000**	**$ 4,225,000**	**$ 4,225,000**

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is shown below. 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.

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
882301 Systems Operations Control	**$ 16,936,071**	**$ 15,048,100**	**$ 13,712,400**	**$ 14,130,900**	**$ 13,691,900**	**$ 13,619,500**	**$ 13,413,500**
2.1 Salaries & Wages	**2,692,978**	**2,723,200**	**2,760,300**	**2,946,000**	**3,263,300**	**3,263,300**	**3,263,300**
2.2 Workforce Development	**26,229**	**46,100**	**123,900**	**123,900**	**123,900**	**123,900**	**123,900**
2.3 Overtime	**1,162,750**	**1,150,000**	**1,210,000**	**1,210,000**	**1,210,000**	**1,210,000**	**1,210,000**
2.4 Employee Benefits	**1,086,808**	**1,094,900**	**1,113,000**	**1,184,000**	**1,296,200**	**1,305,800**	**1,315,400**
3.1 Electric	**84,026**	**72,000**	**73,400**	**74,900**	**76,400**	**78,000**	**80,000**
3.2 Gas	**178**	**200**	**200**	**200**	**200**	**200**	**300**
3.3 Sewage Service	**1,583**	**2,000**	**2,000**	**2,000**	**2,000**	**2,000**	**2,400**
3.4 Water Service	**335**	**600**	**600**	**600**	**600**	**600**	**700**
4.2 Supplies & Other	**348,725**	**676,900**	**676,900**	**676,900**	**676,900**	**676,900**	**676,900**
Buildings	22,619	34,500	34,500	34,500	34,500	34,500	34,500
Capital Outlay less than $5,000	35,865	50,000	50,000	50,000	50,000	50,000	50,000
Employee Uniform Expense	12,267	25,000	25,000	25,000	25,000	25,000	25,000
Equipment Repairs & Maintenance	27,622	170,000	348,300	348,300	348,300	348,300	348,300
Hardware Repairs & Maintenance	20,693	104,000	-	-	-	-	-
Janitorial	2,205	1,000	1,000	1,000	1,000	1,000	1,000
Memberships, Licenses & Subscriptions	10,605	29,400	29,400	29,400	29,400	29,400	29,400
Mileage and Parking	38	4,000	4,000	4,000	4,000	4,000	4,000
Office Supplies	9,231	12,200	12,200	12,200	12,200	12,200	12,200
Operating Supplies	54,790	130,000	130,000	130,000	130,000	130,000	130,000
Property Taxes	39,888	5,000	5,000	5,000	5,000	5,000	5,000
Software Repairs & Maintenance	24,310	74,300	-	-	-	-	-
Training and Internal Meetings	78,644	26,000	26,000	26,000	26,000	26,000	26,000
Travel	9,950	10,000	10,000	10,000	10,000	10,000	10,000
Tuition Refund	-	1,500	1,500	1,500	1,500	1,500	1,500
4.3 Contractual Services	**12,759,310**	**10,256,400**	**8,605,200**	**8,810,600**	**7,973,100**	**7,938,200**	**7,769,000**
Contract Services-Information Technology	319,171	1,505,400	862,000	1,043,000	180,000	180,000	-
Contractual Buildings & Grounds Maint	2,855	8,600	8,600	8,600	8,600	8,600	9,000
Contractual Operating Services	4,258,961	2,902,000	2,837,800	2,837,800	2,837,800	2,837,800	2,837,800
Contractual Professional Services	5,462,218	4,900,000	4,262,200	4,262,200	4,262,200	4,262,200	4,262,200
Contractual Professional Services All Sewer	2,716,104	940,400	634,600	659,000	684,500	649,600	660,000
5.1 Capital Program Allocation	**(49,765)**	**(151,600)**	**-**	**-**	**-**	**-**	**-**
Capital Program: Employee Benefits	(14,117)	(32,600)	-	-	-	-	-
Capital Program: Salaries & Wages-Direct	(35,648)	(119,000)	-	-	-	-	-
5.2 Shared Services	**(1,177,087)**	**(822,600)**	**(853,100)**	**(898,200)**	**(930,700)**	**(979,400)**	**(1,028,400)**
Shared Services : Salaries & Wages Reimb	(231,173)	(179,500)	(186,200)	(196,000)	(203,100)	(213,800)	(224,500)
Shared Services Reimbursement	(879,432)	(571,300)	(592,400)	(623,800)	(646,400)	(680,100)	(714,100)
Shared Services: Employee Benefit Reimb	(66,482)	(71,800)	(74,500)	(78,400)	(81,200)	(85,500)	(89,800)
Grand Total	**$ 16,936,071**	**$ 15,048,100**	**$ 13,712,400**	**$ 14,130,900**	**$ 13,691,900**	**$ 13,619,500**	**$ 13,413,500**

Go to TOC

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 roofs, elevators, overhead doors, door hardware, locks and keys, 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.
- **Ensure life safety, security and health & welfare of employees and visitors (Ongoing)**
  All facility systems must operate properly to provide a clean and safe working environment.

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 efficiency		x		x	x	x					
	Ensure life safety, security and health & welfare of employees and visitors		x		x	x	x					

Go to TOC

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. The following table lists the key contracts for the Facility Operations area. 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 GDI Services commercial janitorial services contract is shared across multiple cost centers.

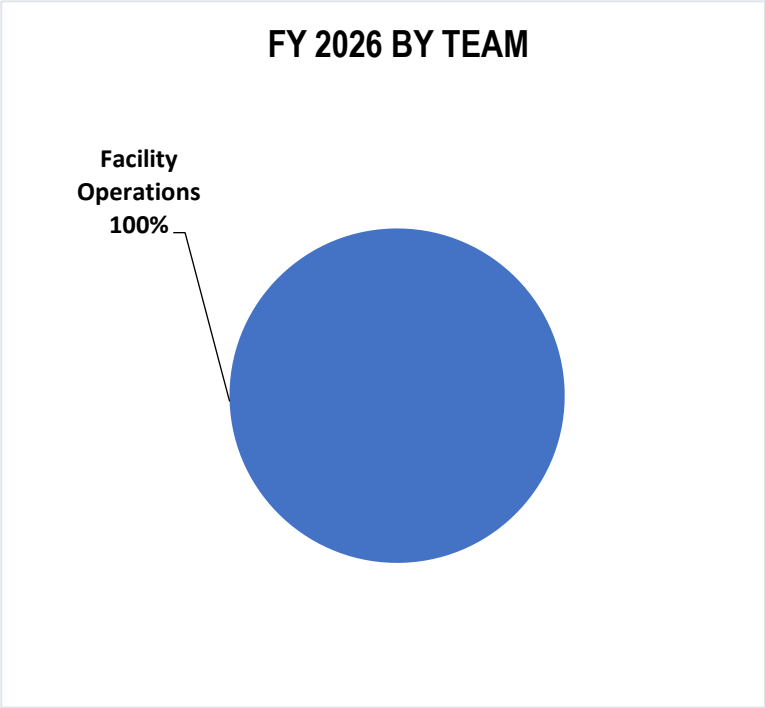
Significant Contracts

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	Landscape Services, Inc	KONE Inc	Waste Management	OPS-006 DWSD Shared Service	
Contract #	1904332	2301775	2204058	2100340	1902536		
Workday Contract #	SCN-0000248	SCN-0000408	SCN-0000395	SCN-0000315	SCN-0000163		
Contract Amount	$ 3,285,537	$ 2,874,204	$ 4,496,865	$ 6,519,345	$ 324,330	N/A	
Contract End Date	04/05/25	05/17/27	12/31/26	10/31/26	12/15/23		
Cost Center Name	Various	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 2024 Spend	$ 10,830,620	$ 2,214,985	$ 6,904,290	$ 2,958,575	$ 958,263	$ 15,758,370	
Pre-FY 2024 Average Spend (*)	1,477,574	$ 302,181	$ 986,327	$ 403,626	$ 130,732	$ 2,101,116	
FY 2024 Spend	1,215,594	329,663	930,812	498,940	79,167	2,489,601	5,543,776
FY 2025 Amended	1,367,700	500,000	1,033,000	750,000	100,000	2,639,400	6,390,100
FY 2026	**1,380,200**	**500,000**	**1,600,000**	**750,000**	**100,000**	**2,590,200**	**6,920,400**
FY 2027	1,380,600	500,000	1,600,000	750,000	100,000	2,642,000	6,972,600
FY 2028	1,381,100	500,000	1,600,000	750,000	100,000	2,694,800	7,025,900
FY 2029	1,381,600	500,000	1,600,000	750,000	100,000	2,748,700	7,080,300
FY 2030	1,382,000	500,000	1,600,000	750,000	100,000	2,803,700	7,135,700
Total	**$ 20,319,413**	**$ 5,544,647**	**$ 16,868,102**	**$ 7,957,516**	**$ 1,637,430**	**$ 34,366,771**	**$ 86,693,880**

Go to TOC

Organization

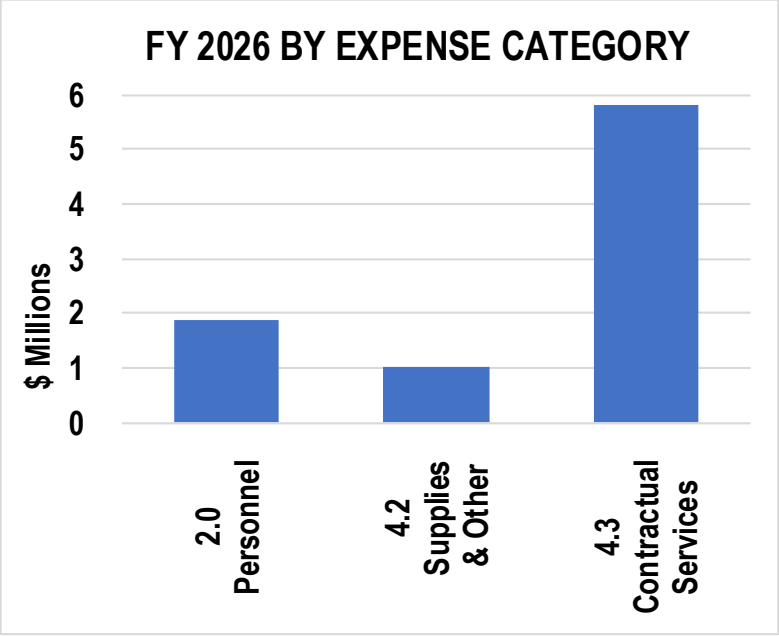
The Facility Operations area has one team.



Expense Categories

The two major categories of Facility Operations expenses in the operations and maintenance budget are:

- Contractual Services
- Personnel



Contractual Services is the largest 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 represent the second largest expense category.

Go to TOC

Biennial Budget Request

The biennial budget reflects an increase of $699,700, or 8.7%, in FY 2026.

- Personnel Expense decreased $68,100 due to a decrease in the number of staff positions that have not been filled positions.
- Supplies & Other increased $150,000 due to buildings & ground repairs and maintenance.
- Increase of $617,800 to Contractual Services due to significantly higher rate with Landscape Services, Inc for grounds maintenance.

Biennial Budget Request by Expense Category

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.0 Personnel	$ 1,872,651	$ 1,968,700	$ 1,212,874	**$ 1,900,600**	**$ (68,100)**	**-3.5%**	$ 2,006,500
4.2 Supplies & Other	1,121,643	874,000	774,701	**1,024,000**	**150,000**	**17.2%**	1,024,000
4.3 Contractual Services	4,152,835	5,183,900	3,444,330	**5,801,700**	**617,800**	**11.9%**	5,853,500
Grand Total	**$ 7,147,128**	**$ 8,026,600**	**$ 5,431,906**	**$ 8,726,300**	**$ 699,700**	**8.7%**	**$ 8,884,000**

Biennial Budget Request by Team

	FY 2024	FY 2025		FY 2026			FY 2027
Team	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Facility Operations	$ 7,147,128	$ 8,026,600	$ 5,431,906	**$ 8,726,300**	**$ 699,700**	**8.7%**	$ 8,884,000
Grand Total	**$ 7,147,128**	**$ 8,026,600**	**$ 5,431,906**	**$ 8,726,300**	**$ 699,700**	**8.7%**	**$ 8,884,000**

Personnel Budget

Facility Operations personnel consist of 20 positions for FY 2026 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

	Staffing Plan						
Operating Area and Team	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Facility Operations	**23.00**	**23.00**	**20.00**	**20.00**	**22.00**	**22.00**	**22.00**
Grand Total	**23.00**	**23.00**	**20.00**	**20.00**	**22.00**	**22.00**	**22.00**

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

Operating Area and Team	Full Time Equivalents (FTEs)						
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Facility Operations	18.00	18.50	15.50	17.00	21.50	22.00	22.00
Grand Total	18.00	18.50	15.50	17.00	21.50	22.00	22.00

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 Section 5 - Operating Financial Plans by Service Area.

Personnel – Biennial Budget Request by Expense Category

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.1 Salaries & Wages	$ 1,311,600	$ 1,441,700	$ 867,944	**$ 1,342,600**	**$ (99,100)**	**-6.9%**	$ 1,413,000
2.3 Overtime	115,089	30,000	58,629	**110,000**	**80,000**	**266.7%**	110,000
2.4 Employee Benefits	445,961	497,000	286,301	**448,000**	**(49,000)**	**-9.9%**	483,500
Grand Total	**$ 1,872,651**	**$ 1,968,700**	**$ 1,212,874**	**$ 1,900,600**	**$ (68,100)**	**-3.5%**	**$ 2,006,500**

Personnel – Biennial Budget Request by Team

	FY 2024	FY 2025		FY 2026			FY 2027
Team	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Facility Operations	$ 1,872,651	$ 1,968,700	$ 1,212,874	**$ 1,900,600**	**$ (68,100)**	**-3.5%**	$ 2,006,500
Grand Total	**$ 1,872,651**	**$ 1,968,700**	**$ 1,212,874**	**$ 1,900,600**	**$ (68,100)**	**-3.5%**	**$ 2,006,500**

Personnel – Five-Year Financial Plan by Expense Category

	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
2.1 Salaries & Wages	$ 1,311,600	$ 1,441,700	**$ 1,342,600**	$ 1,413,000	$ 1,650,500	$ 1,677,900	$ 1,677,900
2.3 Overtime	115,089	30,000	**110,000**	110,000	110,000	110,000	110,000
2.4 Employee Benefits	445,961	497,000	**448,000**	483,500	589,300	605,500	610,200
Grand Total	**$ 1,872,651**	**$ 1,968,700**	**$ 1,900,600**	**$ 2,006,500**	**$ 2,349,800**	**$ 2,393,400**	**$ 2,398,100**

Personnel – Five-Year Financial Plan by Team

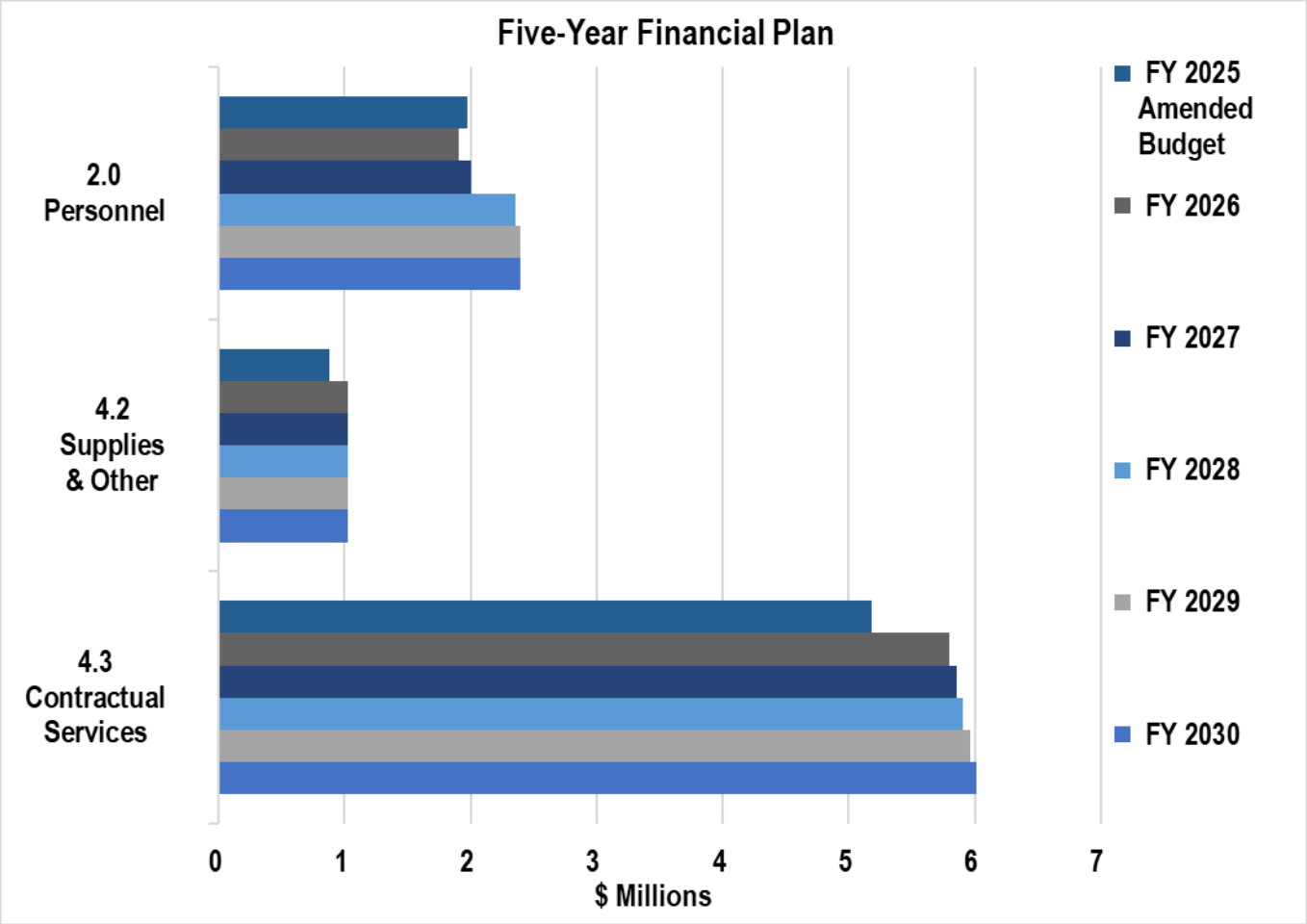
	Actual	Amended Budget	Proposed Budget		Projected		
Team	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Facility Operations	$ 1,872,651	$ 1,968,700	$ 1,900,600	$ 2,006,500	$ 2,349,800	$ 2,393,400	$ 2,398,100
Grand Total	**$ 1,872,651**	**$ 1,968,700**	**$ 1,900,600**	**$ 2,006,500**	**$ 2,349,800**	**$ 2,393,400**	**$ 2,398,100**

Go to TOC

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
2.0 Personnel	$ 1,872,651	$ 1,968,700	**$ 1,900,600**	$ 2,006,500	$ 2,349,800	$ 2,393,400	$ 2,398,100
4.2 Supplies & Other	1,121,643	874,000	**1,024,000**	1,024,000	1,024,000	1,024,000	1,024,000
4.3 Contractual Services	4,152,835	5,183,900	**5,801,700**	5,853,500	5,906,300	5,960,200	6,015,200
Grand Total	**$ 7,147,128**	**$ 8,026,600**	**$ 8,726,300**	**$ 8,884,000**	**$ 9,280,100**	**$ 9,377,600**	**$ 9,437,300**



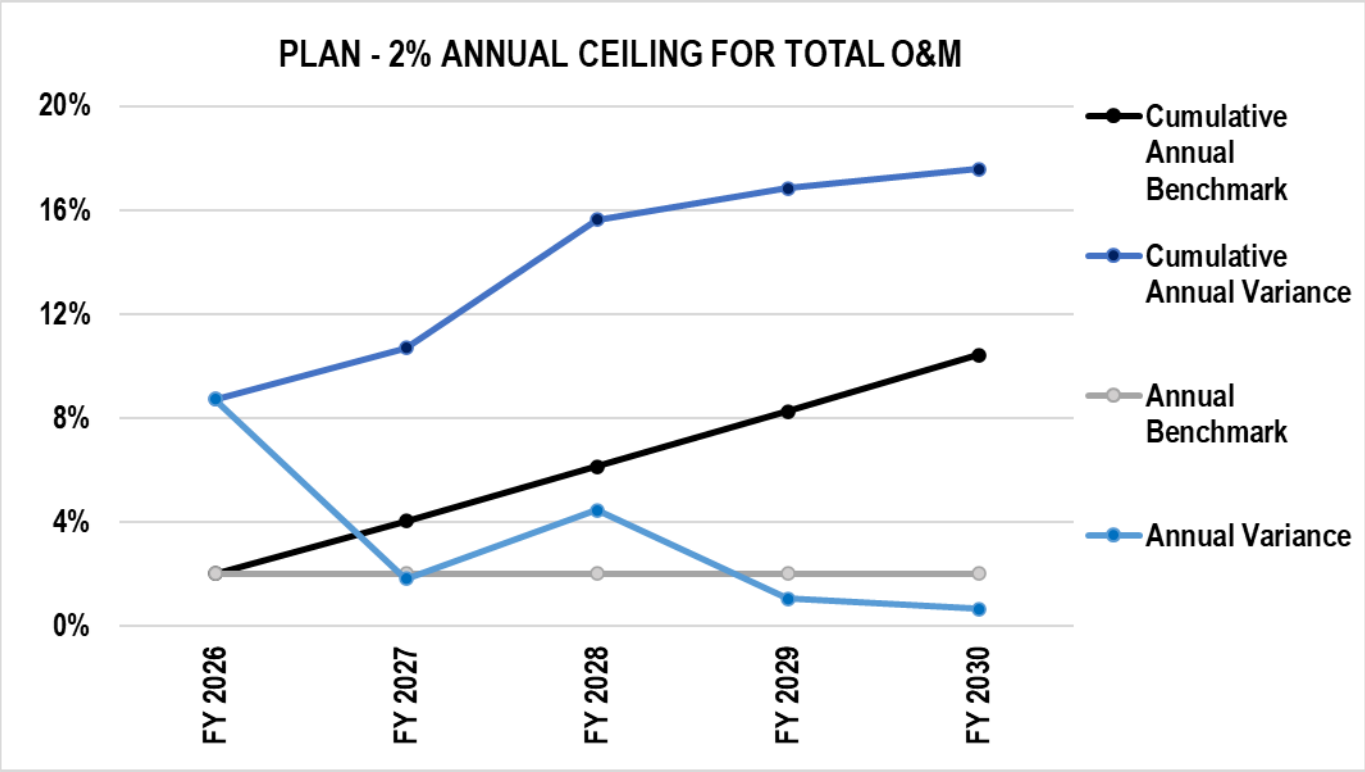
Five-Year Financial Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Facility Operations	$ 7,147,128	$ 8,026,600	**$ 8,726,300**	$ 8,884,000	$ 9,280,100	$ 9,377,600	$ 9,437,300
Grand Total	**$ 7,147,128**	**$ 8,026,600**	**$ 8,726,300**	**$ 8,884,000**	**$ 9,280,100**	**$ 9,377,600**	**$ 9,437,300**

Go to TOC

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 17.6%. This 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 largest increase is in FY 2026 (8.7%) which was explained above. The average increase for the remaining years is 2%.



Capital Outlay

Facility Operations five-year capital outlay is funded by the Improvement & Extension (I&E) budget.

Five-Year Capital Outlay Plan by Asset Category

Asset Category	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Leasehold Improvements	$ -	$ 91,800	$ 91,800	$ 91,800	$ 91,800	$ 91,800
Machinery & Equipment	90,000	-	-	-	-	-
Grand Total	$ 90,000	$ 91,800	$ 91,800	$ 91,800	$ 91,800	$ 91,800

Go to TOC

Five-Year Capital Outlay Plan by Funding Source

Fuding Source	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Improvement & Extension	$ 41,621	$ 90,000	$ 91,800	$ 91,800	$ 91,800	$ 91,800	$ 91,800
Grand Total	**$ 41,621**	**$ 90,000**	**$ 91,800**	**$ 91,800**	**$ 91,800**	**$ 91,800**	**$ 91,800**

Five-Year Capital Outlay Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Facility Operations	$ 41,621	$ 90,000	$ 91,800	$ 91,800	$ 91,800	$ 91,800	$ 91,800
Grand Total	**$ 41,621**	**$ 90,000**	**$ 91,800**	**$ 91,800**	**$ 91,800**	**$ 91,800**	**$ 91,800**

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is shown below. 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.

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
882421 Facility Operations	**$ 7,147,128**	**$ 8,026,600**	**$ 8,726,300**	**$ 8,884,000**	**$ 9,280,100**	**$ 9,377,600**	**$ 9,437,300**
2.1 Salaries & Wages	**1,311,600**	**1,441,700**	**1,342,600**	**1,413,000**	**1,650,500**	**1,677,900**	**1,677,900**
2.3 Overtime	**115,089**	**30,000**	**110,000**	**110,000**	**110,000**	**110,000**	**110,000**
2.4 Employee Benefits	**445,961**	**497,000**	**448,000**	**483,500**	**589,300**	**605,500**	**610,200**
4.2 Supplies & Other	**1,121,643**	**874,000**	**1,024,000**	**1,024,000**	**1,024,000**	**1,024,000**	**1,024,000**
Buildings & Ground Repairs & Maintenance	853,600	548,000	698,000	698,000	698,000	698,000	698,000
Capital Outlay less than $5,000	-	50,000	50,000	50,000	50,000	50,000	50,000
Employee Uniform Expense	9,715	10,000	10,000	10,000	10,000	10,000	10,000
Facilities Repairs & Maintenance	-	-	-	-	-	-	-
Inspection and Permit Fees	-	12,000	12,000	12,000	12,000	12,000	12,000
Janitorial	11,368	13,000	13,000	13,000	13,000	13,000	13,000
Memberships, Licenses & Subscriptions	470	2,000	2,000	2,000	2,000	2,000	2,000
Mileage and Parking	-	500	500	500	500	500	500
Office Supplies	6,799	8,000	8,000	8,000	8,000	8,000	8,000
Operating Supplies	239,691	225,000	225,000	225,000	225,000	225,000	225,000
Training and Internal Meetings	-	2,000	2,000	2,000	2,000	2,000	2,000
Travel	-	2,500	2,500	2,500	2,500	2,500	2,500
Tuition Refund	-	1,000	1,000	1,000	1,000	1,000	1,000
4.3 Contractual Services	**4,152,835**	**5,183,900**	**5,801,700**	**5,853,500**	**5,906,300**	**5,960,200**	**6,015,200**
Contractual Buildings & Grounds Maint	1,857,005	2,544,500	3,111,500	3,111,500	3,111,500	3,111,500	3,111,500
Contractual Buildings & Grounds Maint-All	(88,486)	-	-	-	-	-	-
Contractual Operating Services	2,384,316	2,639,400	2,690,200	2,742,000	2,794,800	2,848,700	2,903,700
Grand Total	**$ 7,147,128**	**$ 8,026,600**	**$ 8,726,300**	**$ 8,884,000**	**$ 9,280,100**	**$ 9,377,600**	**$ 9,437,300**

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Fleet Operations

The Fleet Operations area is responsible for maintaining and managing all vehicles, such as 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 monthly.

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	

Go to TOC

Fleet Operations Contracts

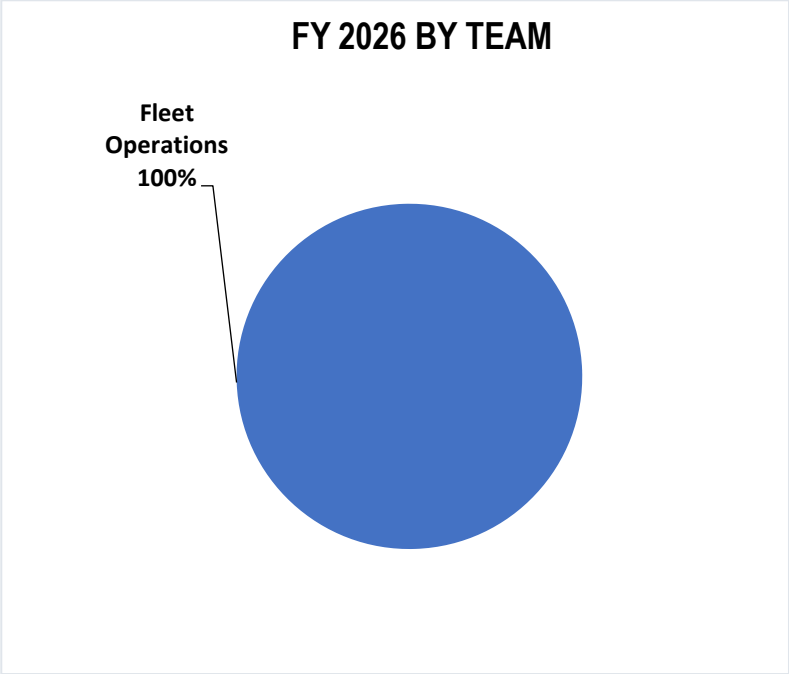
The Fleet Operations budget contains several contractual services to ensure that vehicles are in safe, operable conditions while controlling costs, productivity, and fuel management. The table below includes the key contracts for these services. Budgeted amounts beyond contract date are estimates for 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	
Workday Contract #	SCN-0000140	SCN-0000123	SCN-0000082	SCN-0000075	
Contract Amount	$ 13,548,000	$ 2,300,000	$ 466,560	$ 375,000	
Contract End Date	02/04/25	09/29/24	06/30/25	06/30/24	
Cost Center Name	Fleet Operations	Fleet Operations	Fleet Operations	Fleet Operations	
Expense Category	Contractual Services	Supplies & Other	Contractual Services	Contractual Services	
Water/Sewer	Combined	Combined	Combined	Combined	
Pre-FY 2024 Spend	$ 2,530,938	$ 3,218,085	$ 1,236,826	$ 303,258	
Pre-FY 2024 Average Spend (*)	760,041	$ 439,029	$ 168,735	$ 101,086	
FY 2024 Spend	904,009	657,506	201,203	97,502	1,860,219
FY 2025 Amended	760,000	700,000	233,000	130,000	1,823,000
FY 2026	**760,000**	**700,000**	**233,000**	**130,000**	**1,823,000**
FY 2027	760,000	700,000	233,000	130,000	1,823,000
FY 2028	760,000	700,000	233,000	130,000	1,823,000
FY 2029	760,000	700,000	233,000	130,000	1,823,000
FY 2030	760,000	700,000	233,000	130,000	1,823,000
Total	**$ 7,994,947**	**$ 8,075,591**	**$ 2,836,029**	**$ 1,180,759**	**$ 20,087,326**

Organization

The Fleet Operations area has one team.

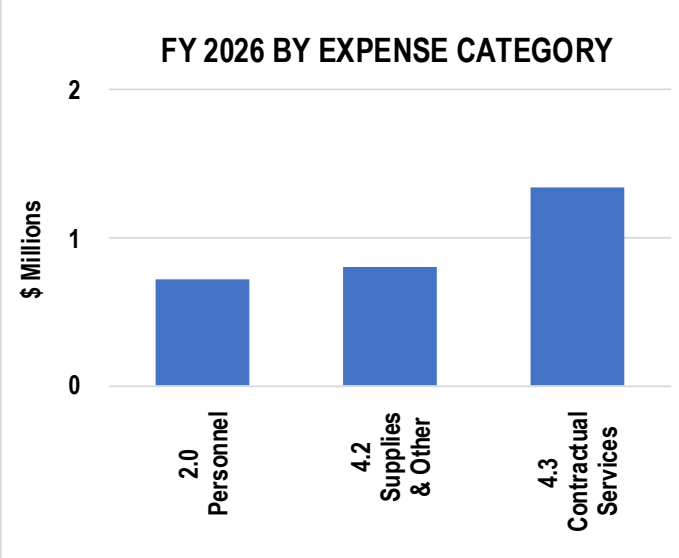


Expense Categories

The three major categories of Fleet Operations expenses in the operations and maintenance budget are:

- Personnel
- Supplies & Other
- Contractual Services

Contractual Services is the largest expense category for Fleet Operations. The level of contractual services reflects the on-going contract with Enterprise Fleet Management, as well as various small contracts implemented for other automotive and equipment maintenance services.



Go to TOC

Biennial Budget Request

The biennial budget reflects an increase of $112,300 or 4.1%, in FY 2026. Key Factors that are impacting the increase include the following:

- ❖ Personnel increased by $70,300 primarily due to merit adjustments and progression.
- ❖ Contractual Services increased by $42,000 based on the expected spend.

Biennial Budget Request by Expense Category

Expense Category	FY 2024 Actual	FY 2025 Amended Budget	FY 2025 Activity as of 02.28.2025	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
2.0 Personnel	$ 579,262	$ 646,300	$ 475,428	**$ 716,600.00**	**$ 70,300**	**10.9%**	$ 734,100.00
4.2 Supplies & Other	748,314	803,500	489,504	**803,500**	**-**	**0.0%**	803,500
4.3 Contractual Services	1,559,601	1,302,100	1,857,393	**1,344,100**	**42,000**	**3.2%**	1,347,000
5.1 Capital Program Allocation	(433)	-	-	**-**	**-**	**n/a**	-
Grand Total	**$ 2,886,743**	**$ 2,751,900**	**$ 2,822,326**	**$ 2,864,200**	**$ 112,300**	**4.1%**	**$ 2,884,600**

Biennial Budget Request by Team

Team	FY 2024 Actual	FY 2025 Amended Budget	FY 2025 Activity as of 02.28.2025	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
Fleet Operations	$ 2,886,743	$ 2,751,900	$ 2,822,326	**$ 2,864,200**	**$ 112,300**	**4.1%**	$ 2,884,600
Grand Total	**$ 2,886,743**	**$ 2,751,900**	**$ 2,822,326**	**$ 2,864,200**	**$ 112,300**	**4.1%**	**$ 2,884,600**

Personnel Budget

Fleet Operations personnel consists of seven positions for FY 2026.

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 hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions

Operating Area and Team	Staffing Plan FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Fleet Operations	6.00	7.00	7.00	7.00	7.00	7.00	7.00
Grand Total	**6.00**	**7.00**	**7.00**	**7.00**	**7.00**	**7.00**	**7.00**

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

Operating Area and Team	Full Time Equivalents (FTEs) FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Fleet Operations	5.50	6.00	6.25	6.50	7.00	7.00	7.00
Grand Total	**5.50**	**6.00**	**6.25**	**6.50**	**7.00**	**7.00**	**7.00**

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 Section 5 - Operating Financial Plans by Service Area.

Personnel – Biennial Budget Request by Expense Category

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.0 Personnel	$ 579,262	$ 646,300	$ 475,428	**$ 716,600**	**$ 70,300**	**10.9%**	$ 734,100
2.1 Salaries & Wages	445,881	472,300	358,666	**538,700**	**66,400**	**14.1%**	549,700
2.3 Overtime	31	-	455	**1,000**	**1,000**	**100.0%**	1,000
2.4 Employee Benefits	133,350	174,000	116,308	**176,900**	**2,900**	**1.7%**	183,400
Grand Total	**$ 579,262**	**$ 646,300**	**$ 475,428**	**$ 716,600**	**$ 70,300**	**10.9%**	**$ 734,100**

Personnel – Biennial Budget Request by Team

	FY 2024	FY 2025		FY 2026			FY 2027
Team	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Fleet Operations	$ 579,262	$ 646,300	$ 475,428	**$ 716,600**	**$ 70,300**	**10.9%**	$ 734,100
Grand Total	**$ 579,262**	**$ 646,300**	**$ 475,428**	**$ 716,600**	**$ 70,300**	**10.9%**	**$ 734,100**

Personnel – Five-Year Financial Plan by Expense Category

	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
2.1 Salaries & Wages	$ 445,881	$ 472,300	**$ 538,700**	$ 549,700	$ 572,100	$ 572,100	$ 572,100
2.3 Overtime	31	-	**1,000**	1,000	1,000	1,000	1,000
2.4 Employee Benefits	133,350	174,000	**176,900**	183,400	195,400	196,900	198,400
Grand Total	**$ 579,262**	**$ 646,300**	**$ 716,600**	**$ 734,100**	**$ 768,500**	**$ 770,000**	**$ 771,500**

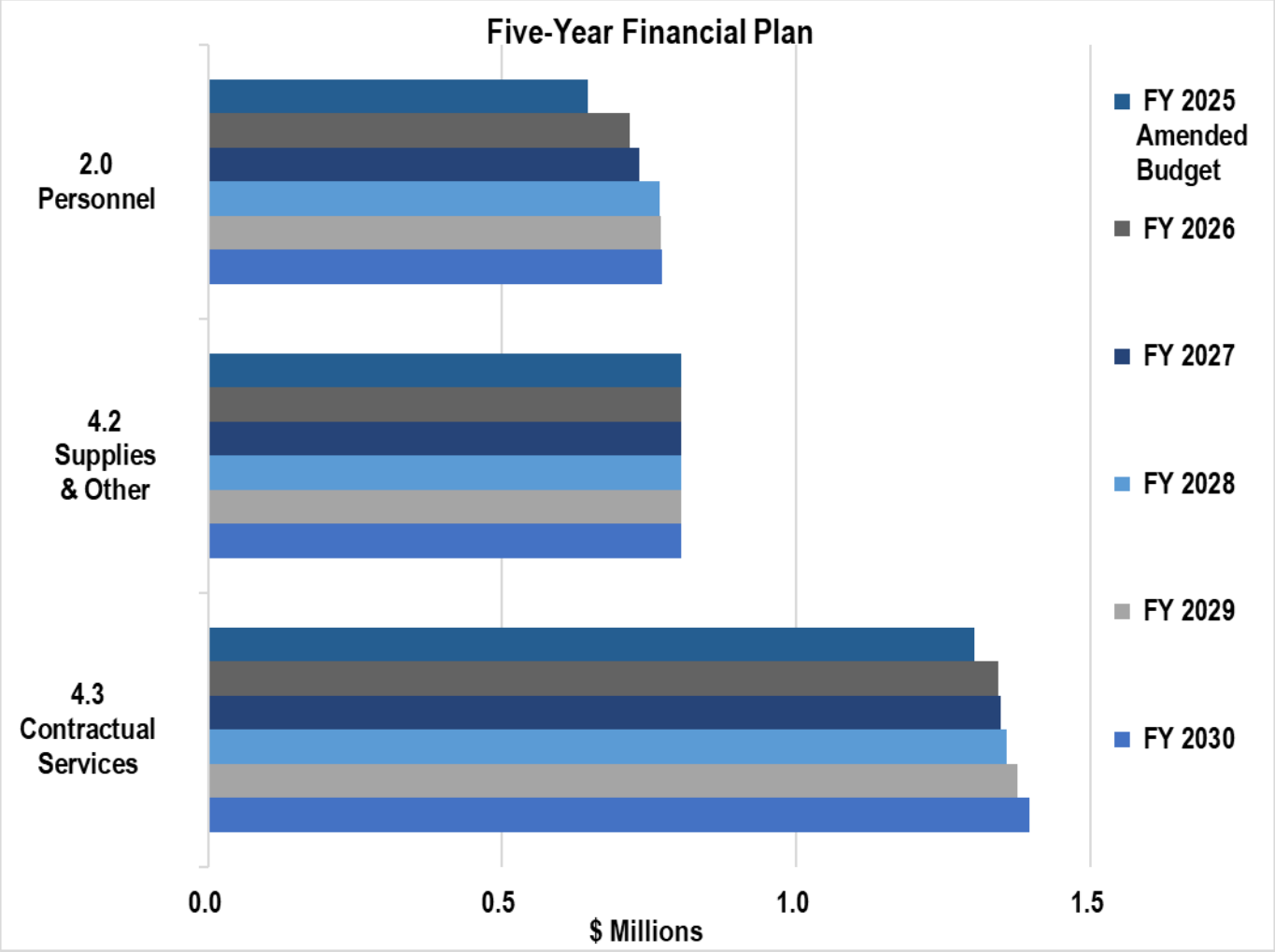
Personnel – Five-Year Financial Plan by Team

	Actual	Amended Budget	Proposed Budget		Projected		
Team	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Fleet Operations	$ 579,262	$ 646,300	$ 716,600	$ 734,100	$ 768,500	$ 770,000	$ 771,500
Grand Total	**$ 579,262**	**$ 646,300**	**$ 716,600**	**$ 734,100**	**$ 768,500**	**$ 770,000**	**$ 771,500**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
2.0 Personnel	$ 579,262	$ 646,300	**$ 716,600**	$ 734,100	$ 768,500	$ 770,000	$ 771,500
4.2 Supplies & Other	748,314	803,500	**803,500**	803,500	803,500	803,500	803,500
4.3 Contractual Services	1,559,601	1,302,100	**1,344,100**	1,347,000	1,357,000	1,377,000	1,397,000
5.1 Capital Program Allocation	(433)	-	**-**	-	-	-	-
Grand Total	**$ 2,886,743**	**$ 2,751,900**	**$ 2,864,200**	**$ 2,884,600**	**$ 2,929,000**	**$ 2,950,500**	**$ 2,972,000**



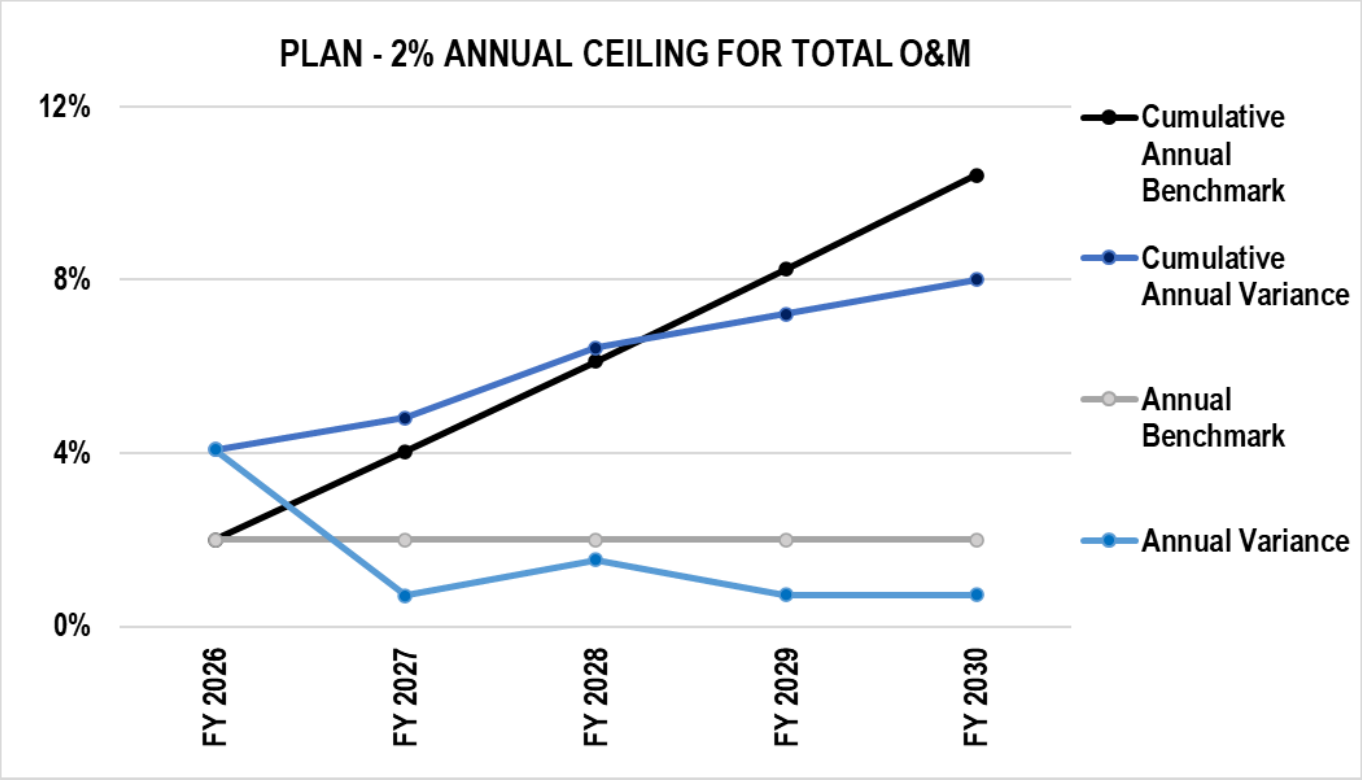
Five-Year Financial Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Fleet Operations	$ 2,886,743	$ 2,751,900	**$ 2,864,200**	$ 2,884,600	$ 2,929,000	$ 2,950,500	$ 2,972,000
Grand Total	**$ 2,886,743**	**$ 2,751,900**	**$ 2,864,200**	**$ 2,884,600**	**$ 2,929,000**	**$ 2,950,500**	**$ 2,972,000**

Go to TOC

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 8%, 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).



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	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Vehicles	**$ 3,000,000**	**$ 2,980,000**	**$ 3,000,000**	**$ 3,000,000**	**$ 3,000,000**	**$ 3,000,000**
Heavy Truck	600,000	1,660,000	1,560,000	1,560,000	1,560,000	1,560,000
Light Truck	1,360,000	480,000	240,000	240,000	240,000	240,000
Utility Vehicle	200,000	360,000	720,000	720,000	720,000	720,000
Van	840,000	480,000	480,000	480,000	480,000	480,000
Grand Total	**$ 3,000,000**	**$ 2,980,000**	**$ 3,000,000**	**$ 3,000,000**	**$ 3,000,000**	**$ 3,000,000**

Go to TOC

Five-Year Capital Outlay Plan by Funding Source

Fuding Source	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Improvement & Extension	$ 2,394,046	$ 3,000,000	**$ 2,980,000**	$ 3,000,000	$ 3,000,000	$ 3,000,000	$ 3,000,000
Grand Total	**$ 2,394,046**	**$ 3,000,000**	**$ 2,980,000**	**$ 3,000,000**	**$ 3,000,000**	**$ 3,000,000**	**$ 3,000,000**

Five-Year Capital Outlay Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Fleet Operations	$ 2,394,046	$ 3,000,000	**$ 2,980,000**	$ 3,000,000	$ 3,000,000	$ 3,000,000	$ 3,000,000
Grand Total	**$ 2,394,046**	**$ 3,000,000**	**$ 2,980,000**	**$ 3,000,000**	**$ 3,000,000**	**$ 3,000,000**	**$ 3,000,000**

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is shown below. 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.

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
882422 Fleet Operations	**$ 2,886,743**	**$ 2,751,900**	**$ 2,864,200**	**$ 2,884,600**	**$ 2,929,000**	**$ 2,950,500**	**$ 2,972,000**
2.1 Salaries & Wages	**445,881**	**472,300**	**538,700**	**549,700**	**572,100**	**572,100**	**572,100**
2.3 Overtime	**31**	**-**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**
2.4 Employee Benefits	**133,350**	**174,000**	**176,900**	**183,400**	**195,400**	**196,900**	**198,400**
4.2 Supplies & Other	**748,314**	**803,500**	**803,500**	**803,500**	**803,500**	**803,500**	**803,500**
Automotive Operating Supplies	25,437	11,000	**11,000**	11,000	11,000	11,000	11,000
Employee Uniform Expense	-	4,000	**4,000**	4,000	4,000	4,000	4,000
Fuel	688,963	725,000	**725,000**	725,000	725,000	725,000	725,000
Inspection and Permit Fees	1,297	1,500	**1,500**	1,500	1,500	1,500	1,500
Memberships, Licenses & Subscriptions	263	2,000	**2,000**	2,000	2,000	2,000	2,000
Office Supplies	148	2,000	**2,000**	2,000	2,000	2,000	2,000
Operating Supplies	26,122	50,000	**50,000**	50,000	50,000	50,000	50,000
Training and Internal Meetings	727	3,000	**3,000**	3,000	3,000	3,000	3,000
Travel	5,357	5,000	**5,000**	5,000	5,000	5,000	5,000
4.3 Contractual Services	**1,559,601**	**1,302,100**	**1,344,100**	**1,347,000**	**1,357,000**	**1,377,000**	**1,397,000**
Contractual Operating Services	1,405,758	1,152,100	**1,194,100**	1,197,000	1,207,000	1,227,000	1,247,000
Contractual Vehicle Services	153,842	150,000	**150,000**	150,000	150,000	150,000	150,000
5.1 Capital Program Allocation	**(433)**	-	**-**	-	-	-	-
Capital Program: Employee Benefits	(123)	-	**-**	-	-	-	-
Capital Program: Salaries & Wages-Direct	(310)	-	**-**	-	-	-	-
Grand Total	**$ 2,886,743**	**$ 2,751,900**	**$ 2,864,200**	**$ 2,884,600**	**$ 2,929,000**	**$ 2,950,500**	**$ 2,972,000**

Field Service Operations

The Field Service Operations area is responsible for ensuring reliable transmission of water and the collection of combined storm water and wastewater. Field Service Operations maintains almost 800 miles of transmission main, 19 booster pump stations, over 200 miles of trunk sewers and interceptors, and nine 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.

During FY 2026, the responsibilities of sewer interceptors and sanitary lift stations will be transferred to the Wastewater Operations team.

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 the 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

Go to TOC

Field Service Operations Contracts

The Field Service Operations budget contains several contractual services to assess the current condition of water transmission mains, repair sewers, installation, or to maintain equipment and systems. The table below details 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.

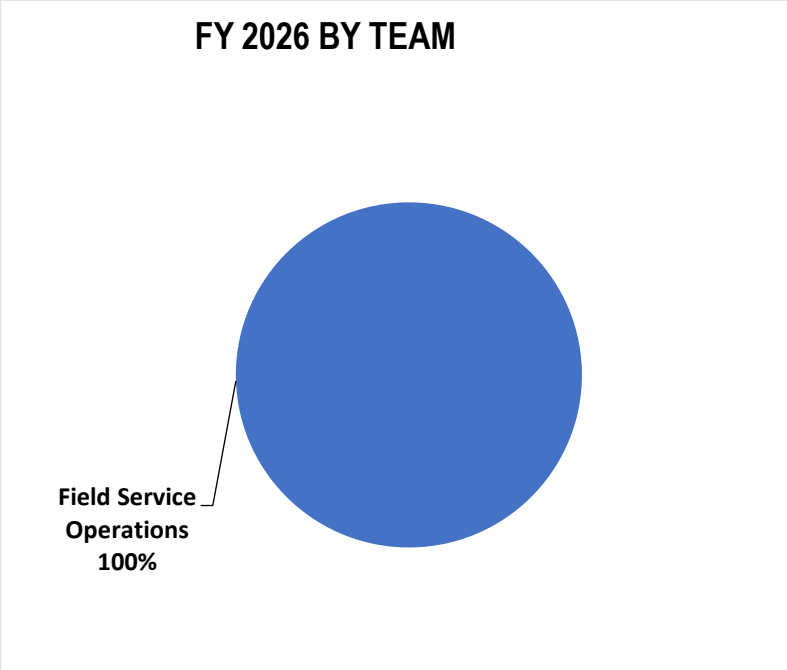
Significant Contracts

Project Description	Water Transmission Main Repair	Water Transmission Main Repair	Specialized Services (contract split w/ Systems Control)	Ovation Upgrade Contract	Total of Significant Contracts
Prime Consultant or Supplier	Ric-Man Construction Inc.	Lakeshore Global Corp	Lakeshore Global Corp	Emerson Process Management	
Contract #	1802745	2003730	2004889	2101167	
Workday Contract #	SCN-0000111	SCN-0000386	SCN-0000354	SCN-0000347	
Contract Amount	$ 22,000,000	$ 27,000,000	$ 17,083,698	$ 6,855,868	
Contract End Date	08/26/24	10/08/26	03/31/26	03/12/26	
Cost Center Name	Field Service Operations	Field Service Operations	Field Service Operations	Field Service Operations	
Expense Category	Contractual Services	Contractual Services	Contractual Services	Contractual Services	
Water/Sewer	Water	Water	Combined	Combined	
Pre-FY 2024 Spend	$ 4,970,411	$ 10,274,563	$ 11,909,739	$ 1,058,412	
Pre-FY 2024 Average Spend (*)	736,357	$ 2,163,066	$ 2,381,948	$ 846,730	
FY 2024 Spend	390,014	4,599,787	3,956,400	1,058,412	10,004,614
FY 2025 Amended	2,400,000	2,400,000	2,818,200	-	7,618,200
FY 2026	**1,400,000**	**1,400,000**	**2,094,400**	**816,390**	**5,710,790**
FY 2027	1,400,000	1,400,000	3,594,400	816,390	7,210,790
FY 2028	1,400,000	1,400,000	3,594,400	-	6,394,400
FY 2029	1,400,000	1,400,000	3,594,400	-	6,394,400
FY 2030	1,400,000	1,400,000	3,594,400	-	6,394,400
Total	**$ 14,760,425**	**$ 24,274,350**	**$ 35,156,339**	**$ 3,749,604**	**$ 77,940,719**

Go to TOC

Organization

The Field Services Operations area has one team.

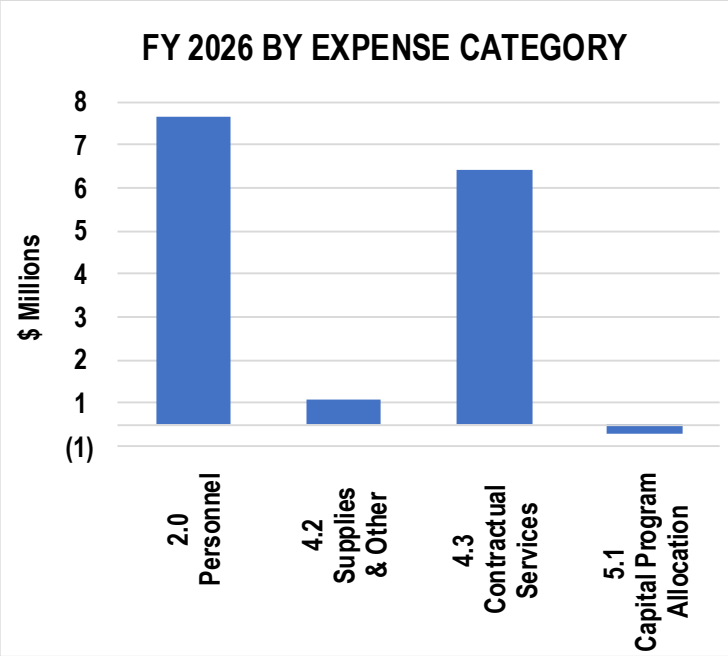


Expense Categories

The two major expense categories of Field Service Operations expenses in the operations and maintenance budget are:

- Contractual Services
- Personnel

Contractual Services is the largest 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.



Go to TOC

Biennial Budget Request

The biennial budget reflects an overall decrease of $5.6 million, or 29.6% for FY 2026. Key Factors impacting FY 2026 include the following:

- ❖ Contractual Services decreased by $5.9 million due to the transfer to Wastewater Operations of a contract for sewer linear infrastructure repairs and maintenance with Inland Waters Pollution Control, Inc., and a new internal valve exercising program that will replace the contract with Hydromax USA LLC.
- ❖ Personnel costs increased by $432,000 due to promotions and compensation increases.
- ❖ Capital Program Allocation increased by $193,800 due to more CIP project work expected.

Biennial Budget Request by Expense Category

Expense Category	FY 2024 Actual	FY 2025 Amended Budget	FY 2025 Activity as of 02.28.2025	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
2.0 Personnel	$ 6,680,813	$ 6,735,300	$ 4,761,469	**$ 7,167,400**	**$ 432,100**	**6.4%**	$ 7,425,200
4.2 Supplies & Other	520,034	567,600	322,991	**567,600**	**-**	**0.0%**	567,600
4.3 Contractual Services	12,007,915	11,769,100	5,743,251	**5,893,300**	**(5,875,800)**	**-49.9%**	7,393,300
5.1 Capital Program Allocation	(190,171)	(18,400)	(97,289)	**(212,200)**	**(193,800)**	**1053.3%**	(212,700)
5.2 Shared Services	17,688	-	(68,550)	**-**	**-**	**n/a**	-
5.5 Intergovermental Agreement	(1,805,387)	-	178,030	**-**	**-**	**n/a**	-
Grand Total	$ 17,230,892	$ 19,053,600	$ 10,839,902	**$ 13,416,100**	**$ (5,637,500)**	**-29.6%**	$ 15,173,400

Biennial Budget Request by Team

Team	FY 2024 Actual	FY 2025 Amended Budget	FY 2025 Activity as of 02.28.2025	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
Field Service Operations	$ 17,230,892	$ 19,053,600	$ 10,839,902	**$ 13,416,100**	**$ (5,637,500)**	**-29.6%**	$ 15,173,400
Grand Total	**$ 17,230,892**	**$ 19,053,600**	**$ 10,839,902**	**$ 13,416,100**	**$ (5,637,500)**	**-29.6%**	**$ 15,173,400**

Personnel Budget

Field Service Operations personnel consists of 68 positions for FY 2026. 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 seven apprentice positions and additional support for the appropriate evaluation of decommissioning transmission mains. The apprenticeship positions show 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

	Staffing Plan						
Operating Area and Team	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Field Service Operations	71.00	71.00	68.00	73.00	73.00	73.00	73.00
Grand Total	71.00	71.00	68.00	73.00	73.00	73.00	73.00

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

	Full Time Equivalents (FTEs)						
Operating Area and Team	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Field Service Operations	66.25	68.00	63.50	66.25	73.00	73.00	73.00
Grand Total	66.25	68.00	63.50	66.25	73.00	73.00	73.00

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 Section 5 - Operating Financial Plans by Service Area.

Personnel – Biennial Budget Request by Expense Category

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.1 Salaries & Wages	$ 3,842,776	$ 3,958,900	$ 2,912,267	**$ 4,181,800**	**$ 222,900**	**5.6%**	$ 4,351,700
2.2 Workforce Development	399,382	374,000	235,252	**500,300**	**126,300**	**33.8%**	500,300
2.3 Overtime	806,646	700,000	447,273	**772,500**	**72,500**	**10.4%**	780,000
2.4 Employee Benefits	1,632,010	1,702,400	1,166,677	**1,712,800**	**10,400**	**0.6%**	1,793,200
Grand Total	**$ 6,680,813**	**$ 6,735,300**	**$ 4,761,469**	**$ 7,167,400**	**$ 432,100**	**6.4%**	**$ 7,425,200**

Personnel – Biennial Budget Request by Team

	FY 2024	FY 2025		FY 2026			FY 2027
Team	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Field Service Operations	$ 6,680,813	$ 6,735,300	$ 4,761,469	**$ 7,167,400**	**$ 432,100**	**6.4%**	$ 7,425,200
Grand Total	**$ 6,680,813**	**$ 6,735,300**	**$ 4,761,469**	**$ 7,167,400**	**$ 432,100**	**6.4%**	**$ 7,425,200**

Personnel – Five-Year Financial Plan by Expense Category

	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
2.1 Salaries & Wages	$ 3,842,776	$ 3,958,900	**$ 4,181,800**	$ 4,351,700	$ 4,769,400	$ 4,769,400	$ 4,769,400
2.2 Workforce Development	399,382	374,000	**500,300**	500,300	500,300	500,300	500,300
2.3 Overtime	806,646	700,000	**772,500**	780,000	795,000	795,000	795,000
2.4 Employee Benefits	1,632,010	1,702,400	**1,712,800**	1,793,200	1,972,800	1,988,400	2,004,000
Grand Total	**$ 6,680,813**	**$ 6,735,300**	**$ 7,167,400**	**$ 7,425,200**	**$ 8,037,500**	**$ 8,053,100**	**$ 8,068,700**

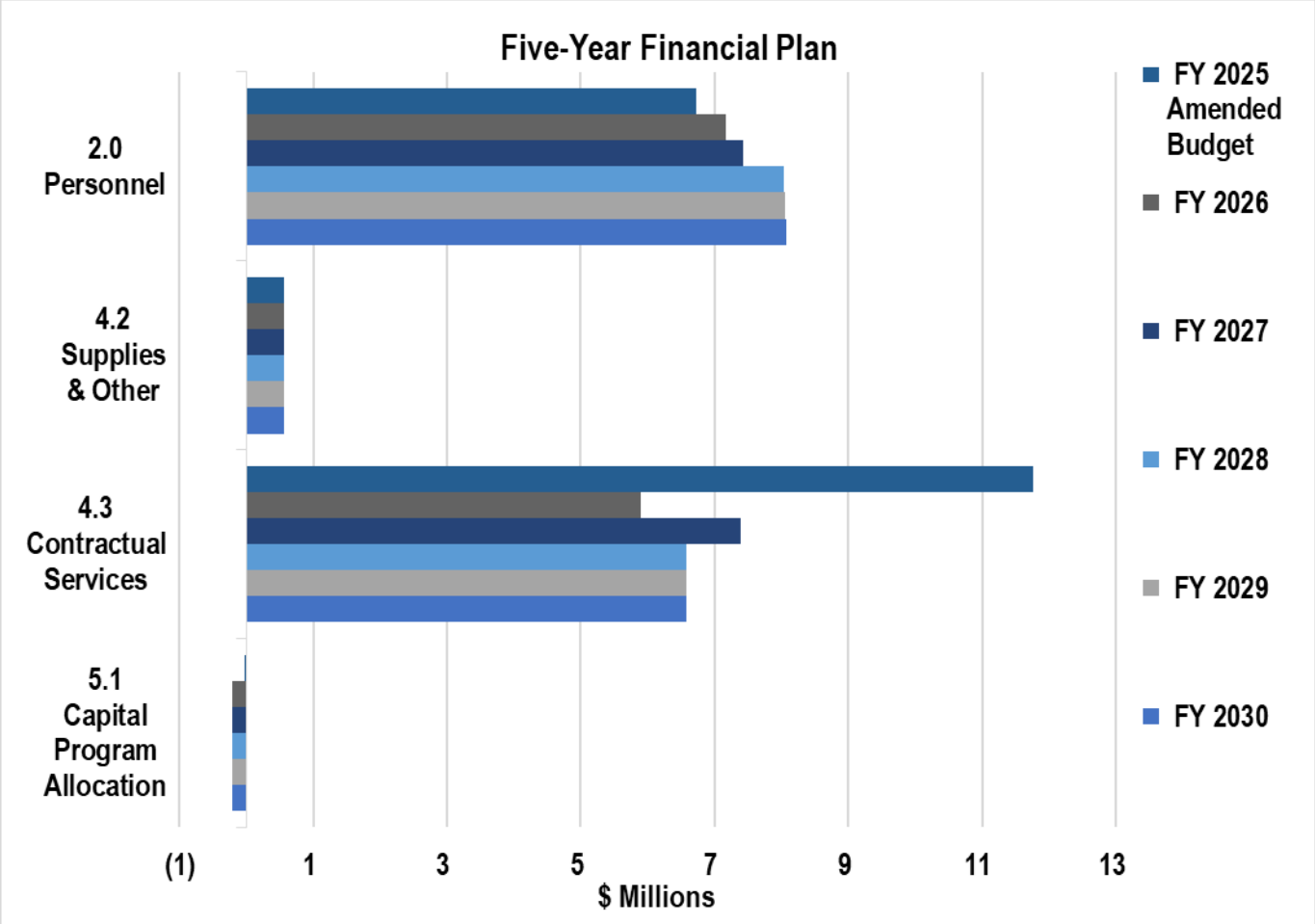
Personnel – Five-Year Financial Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Field Service Operations	$ 6,680,813	$ 6,735,300	$ 7,167,400	$ 7,425,200	$ 8,037,500	$ 8,053,100	$ 8,068,700
Grand Total	**$ 6,680,813**	**$ 6,735,300**	**$ 7,167,400**	**$ 7,425,200**	**$ 8,037,500**	**$ 8,053,100**	**$ 8,068,700**

Five Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
2.0 Personnel	$ 6,680,813	$ 6,735,300	**$ 7,167,400**	$ 7,425,200	$ 8,037,500	$ 8,053,100	$ 8,068,700
4.2 Supplies & Other	520,034	567,600	**567,600**	567,600	567,600	567,600	567,600
4.3 Contractual Services	12,007,915	11,769,100	**5,893,300**	7,393,300	6,576,900	6,576,900	6,576,900
5.1 Capital Program Allocation	(190,171)	(18,400)	**(212,200)**	(212,700)	(213,100)	(213,600)	(214,000)
5.2 Shared Services	17,688	-	**-**	-	-	-	-
5.5 Intergovermental Agreement	(1,805,387)	-	**-**	-	-	-	-
Grand Total	**$ 17,230,892**	**$ 19,053,600**	**$ 13,416,100**	**$ 15,173,400**	**$ 14,968,900**	**$ 14,984,000**	**$ 14,999,200**



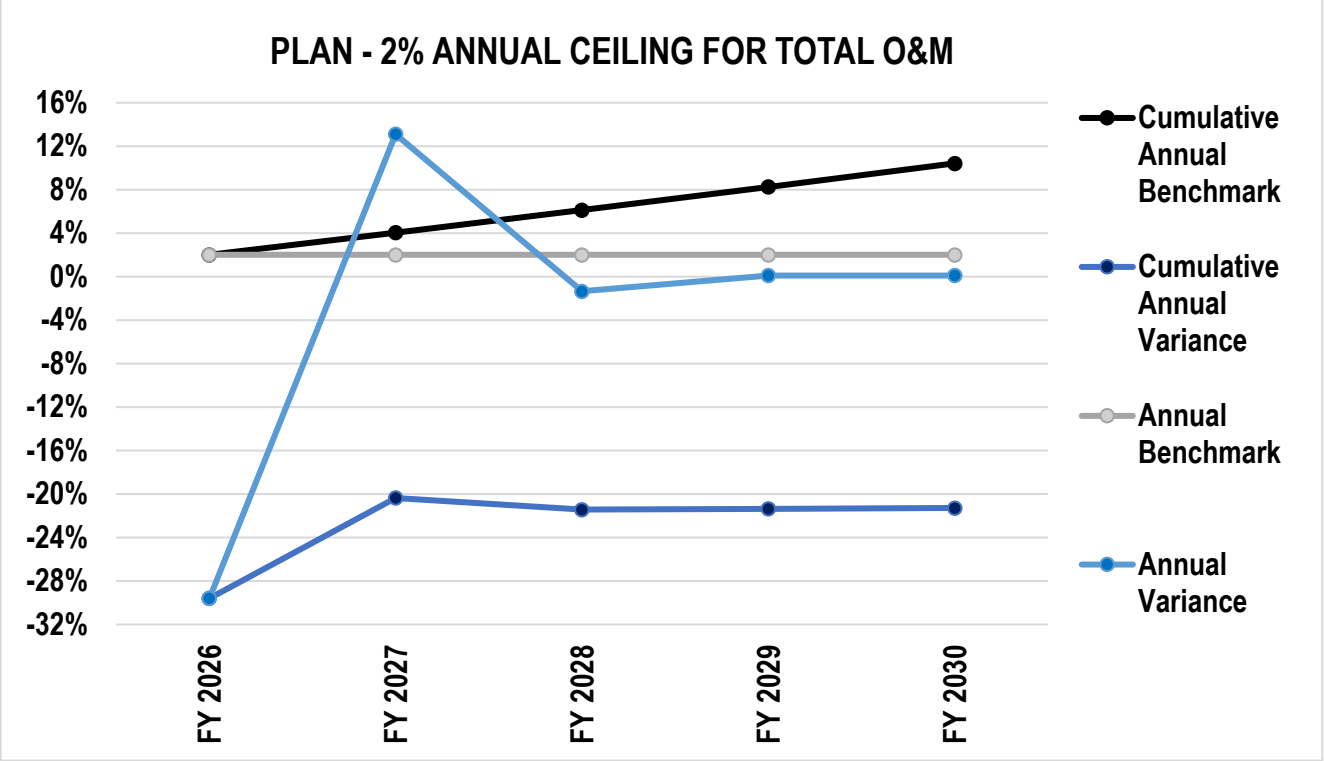
Go to TOC

Five-Year Financial Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Field Service Operations	$ 17,230,892	$ 19,053,600	**$ 13,416,100**	$ 15,173,400	$ 14,968,900	$ 14,984,000	$ 14,999,200
Grand Total	**$ 17,230,892**	**$ 19,053,600**	**$ 13,416,100**	**$ 15,173,400**	**$ 14,968,900**	**$ 14,984,000**	**$ 14,999,200**

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

The Field Service Operations Group's financial plan reflects a five-year overall decrease of 21.3% 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). Part of this decrease is due to the shifting of responsibilities to the Water Operations area in 2026.



Go to TOC

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	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Machinery & Equipment	**$ 100,000**	**$ 2,496,200**	**$ 155,000**	**$ 155,000**	**$ 165,000**	**$ 165,000**
Controls & Communication	-	2,196,200	-	-	-	-
Furniture & Fixtures	10,000	50,000	10,000	10,000	10,000	10,000
Heavy Equipment & Misc	90,000	-	-	-	-	-
Pipes, Gates & Valves	-	250,000	145,000	145,000	155,000	155,000
Projects & Programs	**2,398,500**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**
Grand Total	**$ 2,498,500**	**$ 2,516,200**	**$ 175,000**	**$ 175,000**	**$ 185,000**	**$ 185,000**

Five-Year Capital Outlay Plan by Funding Source

Fuding Source	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Improvement & Extension	$ 5,145,606	$ 2,368,500	**$ 2,516,200**	$ 175,000	$ 175,000	$ 185,000	$ 185,000
Grand Total	**$ 5,145,606**	**$ 2,368,500**	**$ 2,516,200**	**$ 175,000**	**$ 175,000**	**$ 185,000**	**$ 185,000**

Five-Year Capital Outlay Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Field Service Operations	$ 5,145,606	$ 2,368,500	**$ 2,516,200**	$ 175,000	$ 175,000	$ 185,000	$ 185,000
Grand Total	**$ 5,145,606**	**$ 2,368,500**	**$ 2,516,200**	**$ 175,000**	**$ 175,000**	**$ 185,000**	**$ 185,000**

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is shown 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.

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
882431 Field Service Operations	**$ 17,230,892**	**$ 19,053,600**	**$ 13,416,100**	**$ 15,173,400**	**$ 14,968,900**	**$ 14,984,000**	**$ 14,999,200**
2.1 Salaries & Wages	**3,842,776**	**3,958,900**	**4,181,800**	**4,351,700**	**4,769,400**	**4,769,400**	**4,769,400**
2.2 Workforce Development	**399,382**	**374,000**	**500,300**	**500,300**	**500,300**	**500,300**	**500,300**
2.3 Overtime	**806,646**	**700,000**	**772,500**	**780,000**	**795,000**	**795,000**	**795,000**
2.4 Employee Benefits	**1,632,010**	**1,702,400**	**1,712,800**	**1,793,200**	**1,972,800**	**1,988,400**	**2,004,000**
4.2 Supplies & Other	**520,034**	**567,600**	**567,600**	**567,600**	**567,600**	**567,600**	**567,600**
Capital Outlay less than $5,000	74,326	65,000	65,000	65,000	65,000	65,000	65,000
Employee Uniform Expense	50,587	40,000	40,000	40,000	40,000	40,000	40,000
Inspection and Permit Fees	78,010	32,000	32,000	32,000	32,000	32,000	32,000
Janitorial	-	-	-	-	-	-	-
Memberships, Licenses & Subscriptions	33,300	63,100	63,100	63,100	63,100	63,100	63,100
Mileage and Parking	5	500	500	500	500	500	500
Office Supplies	11,296	17,000	17,000	17,000	17,000	17,000	17,000
Operating Supplies	180,025	273,500	273,500	273,500	273,500	273,500	273,500
Training and Internal Meetings	77,389	55,000	55,000	55,000	55,000	55,000	55,000
Travel	14,645	20,000	20,000	20,000	20,000	20,000	20,000
Tuition Refund	450	1,500	1,500	1,500	1,500	1,500	1,500
4.3 Contractual Services	**12,007,915**	**11,769,100**	**5,893,300**	**7,393,300**	**6,576,900**	**6,576,900**	**6,576,900**
Contractual Operating Services	2,549,138	1,250,700	998,900	998,900	182,500	182,500	182,500
Contractual Operating Services All Sewer	2,128,504	4,018,400	-	-	-	-	-
Contractual Operating Services All Water	5,673,898	4,800,000	4,894,400	6,394,400	6,394,400	6,394,400	6,394,400
Contractual Professional Services	1,676,220	1,700,000	-	-	-	-	-
Contractual Svcs–Flood Events -All Sewer	(19,845)	-	-	-	-	-	-
5.1 Capital Program Allocation	**(190,171)**	**(18,400)**	**(212,200)**	**(212,700)**	**(213,100)**	**(213,600)**	**(214,000)**
Capital Program: Employee Benefits	(53,945)	(3,900)	(53,000)	(53,500)	(53,900)	(54,400)	(54,800)
Capital Program: Salaries & Wages-Direct	(136,226)	(14,500)	(159,200)	(159,200)	(159,200)	(159,200)	(159,200)
5.2 Shared Services	**17,688**	**-**	**-**	**-**	**-**	**-**	**-**
Shared Services : Salaries & Wages Reimb	11,196	-	-	-	-	-	-
Shared Services Reimbursement	1,896	-	-	-	-	-	-
Shared Services: Employee Benefit Reimb	4,596	-	-	-	-	-	-
5.5 Intergovermental Agreement	**(1,805,387)**	**-**	**-**	**-**	**-**	**-**	**-**
Intergovernmental Agreement	-	-	-	-	-	-	-
Intergovernmental Agreement - All Sewer	(178,030)	-	-	-	-	-	-
Intergovernmental Agreement - All Water	(1,627,356)	-	-	-	-	-	-
Report Order - Detailed (Uncategorized)	-	-	-	-	-	-	-
Variable Payroll Benefit Allocation	-	-	-	-	-	-	-
Grand Total	**$ 17,230,892**	**$ 19,053,600**	**$ 13,416,100**	**$ 15,173,400**	**$ 14,968,900**	**$ 14,984,000**	**$ 14,999,200**

Go to TOC

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. Energy-focused efforts address the technology and processes needed to assess, evaluate, and improve energy use and energy efficiency across our systems. Research efforts involve small, but focused, projects helping to address complex operational and engineering issues relevant to GLWA operations. 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

- **Pursue Research of Treatment & Monitoring (Ongoing)**
  - Treatment techniques for emerging contaminates of concern (such as PFAS and microplastics)
  - Innovative monitoring tools for microbial and chemical measurement and tracking
  - Development and validation of pipeline condition assessment, evaluation, and renewal technologies
  - Biosolids treatment, waste to energy, treatment of pollutants
  - Management of phosphorus and solids loading at the WRRF
- **Research: Emerging Risks**
  - Treatment techniques for emerging contaminates of concern (such as PFAS and microplastics)
  - Resiliency of electrical supplies
  - Climate-driven aspects such as extreme wind and rainfall events
- **Research: Asset Condition Assessment and Renewal**
  - Development and validation of pipeline condition assessment, evaluation, and renewal technologies
  - Improved statistical methods

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	Research: Treatment & Monitoring		x	x	x	x	x	x	x	x		x
	Research: Emerging Risks		x	x	x	x			x	x		
	Research: Asset Condition Assessment and Renewal		x		x	x	x	x		x		x

Energy, Research & Innovation Contracts

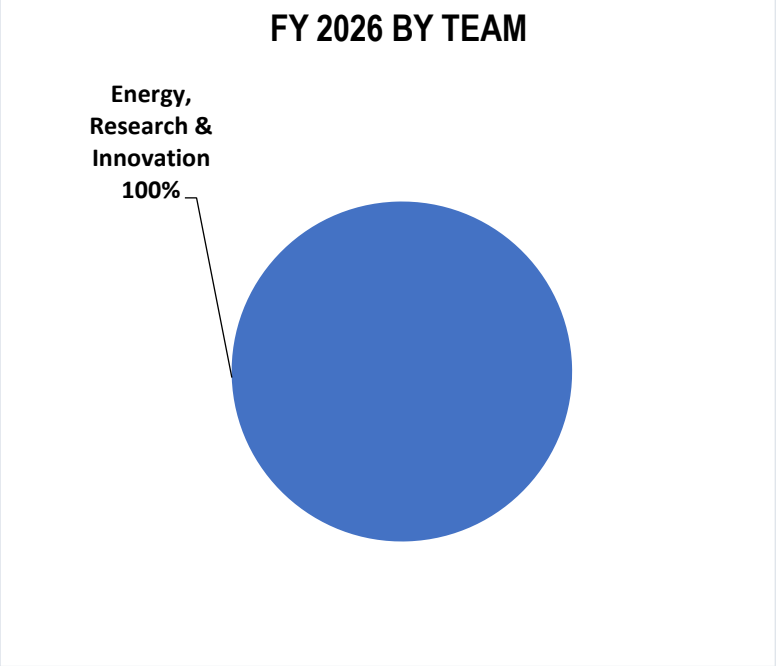
The Energy, Research & Innovation budget contains several contractual services to assess the current innovation environment. Programs are tailored to organizational expectations and resources of GLWA. The following table shows some of the contracts for these services. Budgeted amounts beyond contract 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	Assisting Optimizing WRRF Performance	Development of WRRF Simulation Tool	Distribution System Asssessment and Renewal	Drinking Water Contaminant Prioritization Framework	Surveillance of Detroit Wastewater for Disease	Pilot Plant Research and Collaboration Services	Pipe Managment Program	Spatial Rainfall Analysis	Total of Significant Contracts
Prime Consultant or Supplier	Regents of the University of Michigan	Regents of the University of Michigan	Regents of the University of Michigan	Michigan State University	Michigan State University	Wayne State University	Wayne State University	University of Wisconsin	
Contract #	2203703	2300721	2102864	2203501	2301009	2104064	2303476	2202732	
Contract Amount	$ 280,000	$ 497,919	$ 723,600	$ 519,254	$ 295,199	$ 719,114	$ 481,234	$ 346,751	
Contract End Date	06/01/27	08/31/27	06/30/26	01/31/27	12/30/26	02/28/26	06/30/26	07/13/26	
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	
Pre-FY 2024 Spend	$ -		$ 291,059	$ 20,590	$ -	$ 127,076	$ -	$ -	
Pre-FY 2024 Average Spend (*)	-	-	48,500	3,400	-	21,200	-	-	
FY 2024 Spend	72,000	95,919	70,041	122,164	102,199	227,038	31,234	75,751	$ 796,346
FY 2025 Amended	62,000	122,000	122,500	127,500	145,000	135,000	150,000	116,000	$ 980,000
FY 2026	**73,000**	**138,000**	**130,000**	**135,000**	**48,000**	**135,000**	**150,000**	**116,000**	**$ 925,000**
FY 2027	73,000	142,000	110,000	114,000	-	95,000	150,000	39,000	$ 723,000
FY 2028	-	-	-	-	-	-	-	-	$ -
FY 2029	-	-	-	-	-	-	-	-	$ -
FY 2030	-	-	-	-	-	-	-	-	$ -
Total	**$ 280,000**	**$ 497,919**	**$ 723,600**	**$ 519,254**	**$ 295,199**	**$ 719,114**	**$ 481,234**	**$ 346,751**	**$ 3,424,346**

Organization

The Energy, Research & Innovation area has one team.

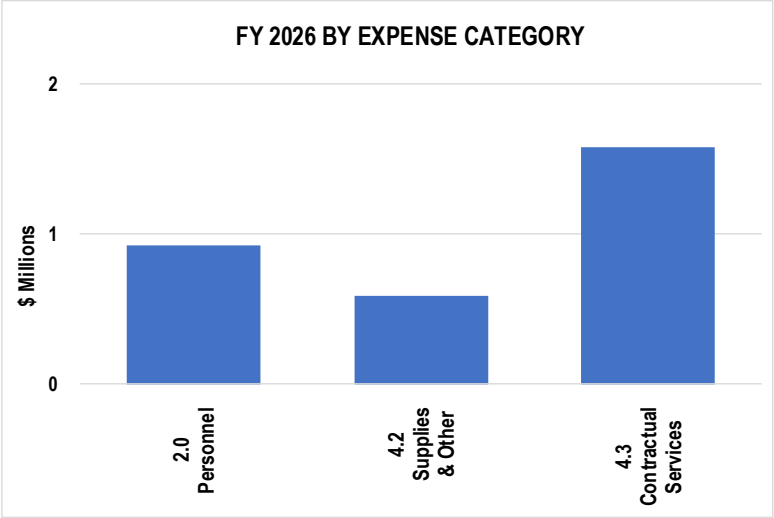


Go to TOC

Expense Categories

The two major categories of the Energy, Research & Innovation operations and maintenance budget are:

- Contractual Services
- Personnel



Contractual Services represent the largest 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 continues to strive for a steady state in staffing. As a result of progress in staff placement, there was a restructuring of current positions to accommodate the higher level of expertise required, to continue to support the day-to-day operational decision-making needs, and to reduce the utilization of contracts. Accordingly, personnel costs remain the second largest expense category.

Biennial Budget Request

The biennial budget reflects an increase of $386,900 or 14.3% for FY 2026 based on the key factors listed below:

- Increase in Personnel cost of $195,800 due to increase in internship positions and growth of the internship program.
- Contractual Services increased $191,100 based on the current open projects.

Biennial Budget Request by Expense Category

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.0 Personnel	$ 664,174	$ 725,700	$ 528,280	**$ 921,500**	**$ 195,800**	**27.0%**	$ 1,008,200
4.2 Supplies & Other	561,456	586,100	339,571	**586,100**	**-**	**0.0%**	586,100
4.3 Contractual Services	2,069,936	1,392,900	1,516,128	**1,584,000**	**191,100**	**13.7%**	1,793,200
Grand Total	**$ 3,295,565**	**$ 2,704,700**	**$ 2,383,979**	**$ 3,091,600**	**$ 386,900**	**14.3%**	**$ 3,387,500**

Go to TOC

Biennial Budget Request by Team

Team	FY 2024 Actual	FY 2025 Amended Budget	FY 2025 Activity as of 02.28.2025	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
Energy, Research & Innovation	$ 3,295,565	$ 2,704,700	$ 2,383,979	$ 3,091,600	$ 386,900	14.3%	$ 3,387,500
Grand Total	**$ 3,295,565**	**$ 2,704,700**	**$ 2,383,979**	**$ 3,091,600**	**$ 386,900**	**14.3%**	**$ 3,387,500**

Personnel Budget

Energy, Research & Innovation personnel consist of thirteen positions for FY 2026 and is largely comprised of staffing and interns that will provide ongoing monitoring of developments to allow new research priorities to be set and phase out topics that are no longer relevant. The increase in positions is the result of the growing internship program.

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

Operating Area and Team	Staffing Plan FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Energy, Research & Innovation	9.00	9.00	5.00	13.00	13.00	14.00	15.00	15.00
Grand Total	**9.00**	**9.00**	**5.00**	**13.00**	**13.00**	**14.00**	**15.00**	**15.00**

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

Operating Area and Team	Full Time Equivalents (FTEs) FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Energy, Research & Innovation	8.25	7.50	5.00	11.50	12.50	13.50	14.50	14.50
Grand Total	**8.25**	**7.50**	**5.00**	**11.50**	**12.50**	**13.50**	**14.50**	**14.50**

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 Section 5 - Operating Financial Plans by Service Area.

Personnel – Biennial Budget Request by Expense Category

Expense Category	FY 2024 Actual	FY 2025 Amended Budget	FY 2025 Activity as of 02.28.2025	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
2.0 Personnel	$ 664,174	$ 725,700	$ 528,280	**$ 921,500**	**$ 195,800**	**27.0%**	$ 1,008,200
2.1 Salaries & Wages	449,656	514,100	349,263	**509,600**	**(4,500)**	**-0.9%**	561,300
2.2 Workforce Development	68,602	55,500	42,921	**262,800**	**207,300**	**373.5%**	281,000
2.3 Overtime	-	-	328	**-**	**-**	**n/a**	-
2.4 Employee Benefits	145,916	156,100	135,769	**149,100**	**(7,000)**	**-4.5%**	165,900
Grand Total	**$ 664,174**	**$ 725,700**	**$ 528,280**	**$ 921,500**	**$ 195,800**	**27.0%**	**$ 1,008,200**

Personnel – Biennial Budget Request by Team

Team	FY 2024 Actual	FY 2025 Amended Budget	FY 2025 Activity as of 02.28.2025	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
Energy, Research & Innovation	$ 664,174	$ 725,700	$ 528,280	**$ 921,500**	**$ 195,800**	**27%**	$ 1,008,200
Grand Total	**$ 664,174**	**$ 725,700**	**$ 528,280**	**$ 921,500**	**$ 195,800**	**27%**	**$ 1,008,200**

Personnel – Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
2.1 Salaries & Wages	$ 449,656	$ 514,100	**$ 509,600**	$ 561,300	$ 664,600	$ 767,900	$ 767,900
2.2 Workforce Development	68,602	55,500	**262,800**	281,000	281,000	281,000	281,000
2.3 Overtime	-	-	**-**	-	-	-	-
2.4 Employee Benefits	145,916	156,100	**149,100**	165,900	198,700	232,000	233,500
Grand Total	**$ 664,174**	**$ 725,700**	**$ 921,500**	**$ 1,008,200**	**$ 1,144,300**	**$ 1,280,900**	**$ 1,282,400**

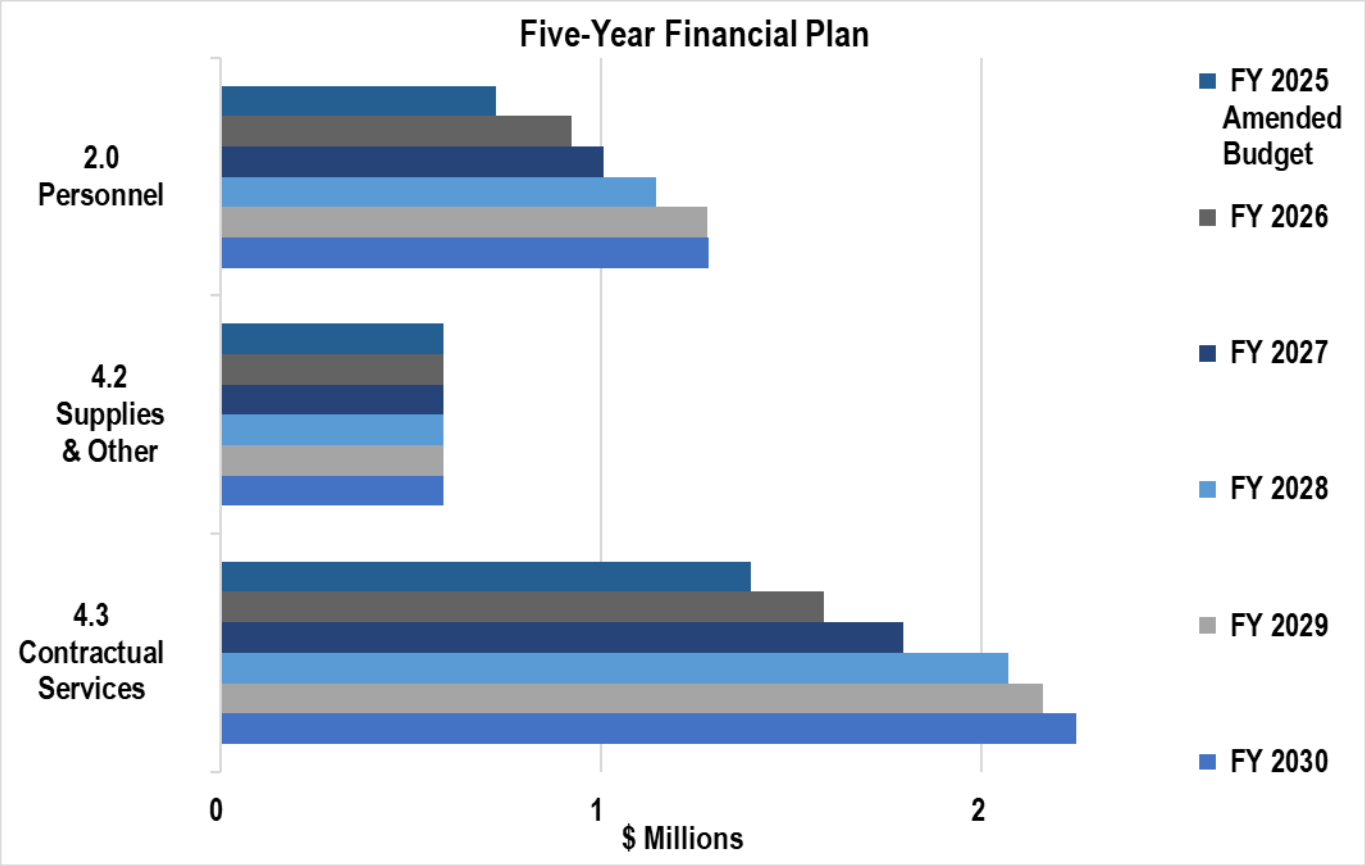
Personnel – Five-Year Financial Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Energy, Research & Innovation	$ 664,174	$ 725,700	**$ 921,500**	$ 1,008,200	$ 1,144,300	$ 1,280,900	$ 1,282,400
Grand Total	**$ 664,174**	**$ 725,700**	**$ 921,500**	**$ 1,008,200**	**$ 1,144,300**	**$ 1,280,900**	**$ 1,282,400**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
2.0 Personnel	$ 664,174	$ 725,700	**$ 921,500**	$ 1,008,200	$ 1,144,300	$ 1,280,900	$ 1,282,400
4.2 Supplies & Other	561,456	586,100	**586,100**	586,100	586,100	586,100	586,100
4.3 Contractual Services	2,069,936	1,392,900	**1,584,000**	1,793,200	2,070,000	2,160,000	2,250,000
Grand Total	**$ 3,295,565**	**$ 2,704,700**	**$ 3,091,600**	**$ 3,387,500**	**$ 3,800,400**	**$ 4,027,000**	**$ 4,118,500**

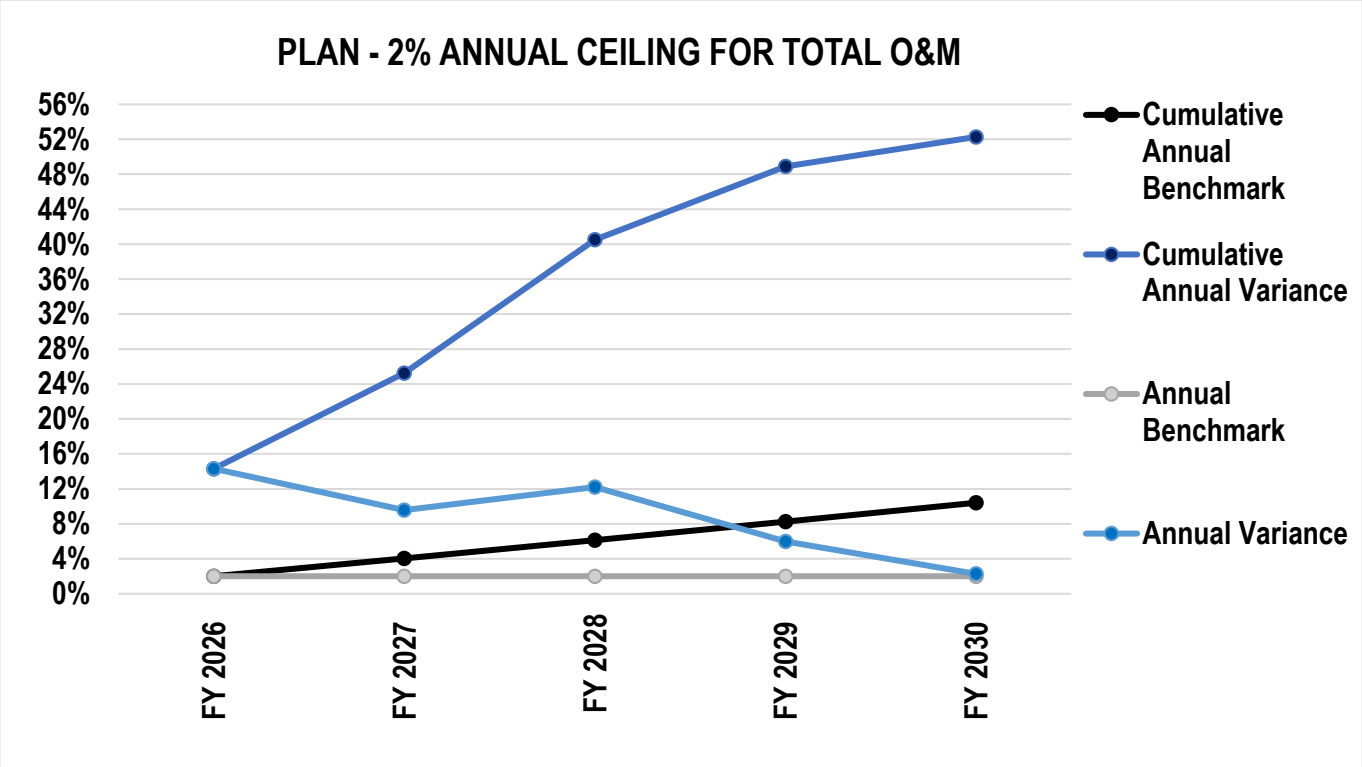


Five-Year Financial Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Energy, Research & Innovation	$ 3,295,565	$ 2,704,700	**$ 3,091,600**	$ 3,387,500	$ 3,800,400	$ 4,027,000	$ 4,118,500
Grand Total	**$ 3,295,565**	**$ 2,704,700**	**$ 3,091,600**	**$ 3,387,500**	**$ 3,800,400**	**$ 4,027,000**	**$ 4,118,500**

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 52.3% primarily due to increased budget in contractual services for future projects, along with increase in internship hires driving personnel costs, 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).



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	Amended Budget FY2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Machinery & Equipment	**$ 50,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**
Laboratory	50,000	50,000	50,000	50,000	50,000	50,000
Grand Total	**$ 50,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**

Five-Year Capital Outlay Plan by Funding Source

Fuding Source	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Improvement & Extension	$ 41,137	$ 50,000	**$ 50,000**	$ 50,000	$ 50,000	$ 50,000	$ 50,000
Grand Total	**$ 41,137**	**$ 50,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**

Go to TOC

Five-Year Capital Outlay Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Energy, Research & Innovation	$ 41,137	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000
Grand Total	**$ 41,137**	**$ 50,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is shown below. 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	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
882501 Energy, Research & Innovation	**$ 3,295,565**	**$ 2,704,700**	**$ 3,091,600**	**$ 3,387,500**	**$ 3,800,400**	**$ 4,027,000**	**$ 4,118,500**
2.1 Salaries & Wages	**449,656**	**514,100**	**509,600**	**561,300**	**664,600**	**767,900**	**767,900**
2.2 Workforce Development	**68,602**	**55,500**	**262,800**	**281,000**	**281,000**	**281,000**	**281,000**
2.3 Overtime	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.4 Employee Benefits	**145,916**	**156,100**	**149,100**	**165,900**	**198,700**	**232,000**	**233,500**
4.2 Supplies & Other	**561,456**	**586,100**	**586,100**	**586,100**	**586,100**	**586,100**	**586,100**
Capital Outlay less than $5,000	25,158	30,000	30,000	30,000	30,000	30,000	30,000
Capital Outlay over $5k(O&M-NonCapitlzd)	52,430	-	-	-	-	-	-
Flood Events	3,377	-	-	-	-	-	-
Memberships, Licenses & Subscriptions	401,742	425,000	425,000	425,000	425,000	425,000	425,000
Mileage and Parking	382	2,000	2,000	2,000	2,000	2,000	2,000
Office Supplies	2,922	7,100	7,100	7,100	7,100	7,100	7,100
Operating Supplies	24,059	75,000	75,000	75,000	75,000	75,000	75,000
Postage	1,986	2,000	2,000	2,000	2,000	2,000	2,000
Training and Internal Meetings	16,515	15,000	15,000	15,000	15,000	15,000	15,000
Travel	32,884	30,000	30,000	30,000	30,000	30,000	30,000
4.3 Contractual Services	**2,069,936**	**1,392,900**	**1,584,000**	**1,793,200**	**2,070,000**	**2,160,000**	**2,250,000**
Grand Total	**$ 3,295,565**	**$ 2,704,700**	**$ 3,091,600**	**$ 3,387,500**	**$ 3,800,400**	**$ 4,027,000**	**$ 4,118,500**

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 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 work and refine the workplace, while boosting team member morale.

- **Root Cause Analysis/Practical Methods & Techniques for Solving Problems (Ongoing)** The Transformation team works 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 help to 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.

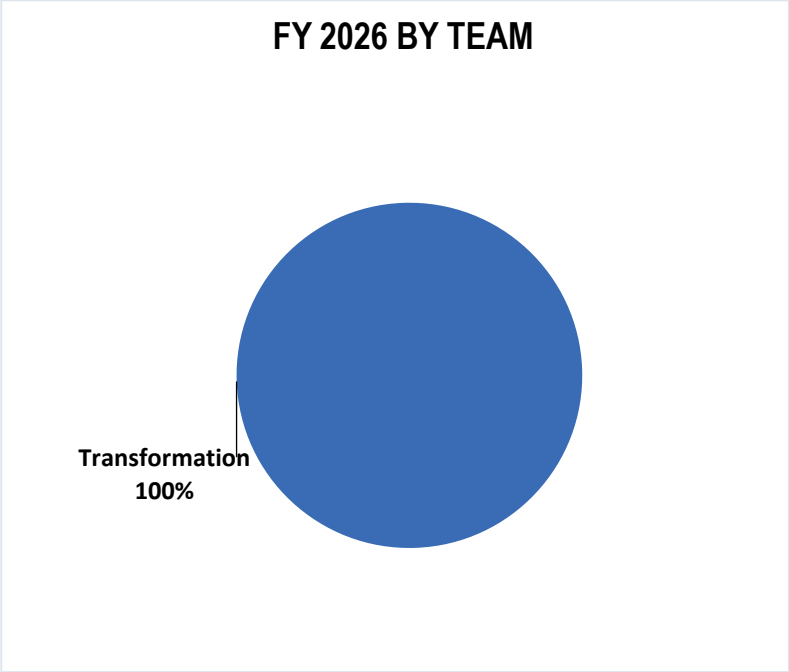
The table below shows how the Transformation area's initiatives relate to the organizational strategic goals:

		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				

Go to TOC

Organization

The Transformation area has one team.

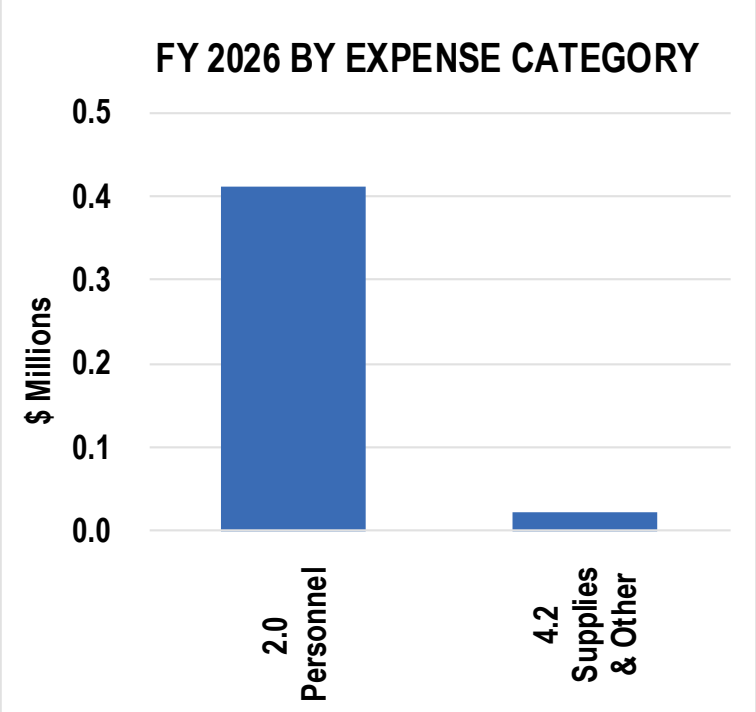


Expense Categories

The Transformation area consists of two expense categories:

- Personnel
- Supplies & Other

Based upon the nature of this service area, the largest expense category is salaries. Supplies & Other expense includes operating supplies and training.



Go to TOC

Biennial Budget Request

The biennial budget reflects a decrease of $20,300, or 4.9%, in FY 2026. Note that FY 2025 activity for contractual services relates to the fire extinguisher sign project that was expected to be completed in FY 2024.

- Personnel increase of $20,000 is due to compensation increases.
- Small increase of $300 in the Supplies and Other expense category.

Biennial Budget Request by Expense Category

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.0 Personnel	$ 409,600	$ 391,400	$ 242,906	**$ 411,400**	**$ 20,000**	**5.1%**	$ 412,100
4.2 Supplies & Other	37,765	22,400	3,048	**22,700**	**300**	**1.3%**	23,300
4.3 Contractual Services	123,495	-	270,160	**-**	**-**	**n/a**	-
Grand Total	**$ 570,860**	**$ 413,800**	**$ 516,114**	**$ 434,100**	**$ 20,300**	**4.9%**	**$ 435,400**

Biennial Budget Request by Team

	FY 2024	FY 2025		FY 2026			FY 2027
Team	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Transformation	$ 570,860	$ 413,800	$ 516,114	**$ 434,100**	**$ 20,300**	**4.9%**	$ 435,400
Grand Total	**$ 570,860**	**$ 413,800**	**$ 516,114**	**$ 434,100**	**$ 20,300**	**4.9%**	**$ 435,400**

Personnel Budget

The staffing plan provides for a total of three positions in FY 2026. 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

	Staffing Plan							
Operating Area and Team	FY 2024	FY 2025	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Transformation	5.00	5.00	3.00	3.00	3.00	3.00	3.00	3.00
Grand Total	5.00	5.00	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

	Full Time Equivalents (FTEs)						
Operating Area and Team	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Transformation	5.00	3.00	3.00	3.00	3.00	3.00	3.00
Grand Total	5.00	3.00	3.00	3.00	3.00	3.00	3.00

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 Section 5 - Operating Financial Plans by Service Area.

Personnel – Biennial Budget Request by Expense Category

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.1 Salaries & Wages	$ 270,466	$ 299,400	$ 183,116	**$ 316,200**	**$ 16,800**	**5.6%**	$ 316,200
2.4 Employee Benefits	74,726	92,000	59,789	**95,200**	**3,200**	**3.5%**	95,900
2.5 Transition Services	64,408	-	-	**-**	**-**	**n/a**	-
Grand Total	**$ 409,600**	**$ 391,400**	**$ 242,906**	**$ 411,400**	**$ 20,000**	**5.1%**	**$ 412,100**

Personnel – Biennial Budget Request by Team

	FY 2024	FY 2025		FY 2026			FY 2027
Team	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Transformation	$ 409,600	$ 391,400	$ 242,906	**$ 411,400**	**$ 20,000**	**5.1%**	$ 412,100
Grand Total	**$ 409,600**	**$ 391,400**	**$ 242,906**	**$ 411,400**	**$ 20,000**	**5.1%**	**$ 412,100**

Personnel – Five-Year Financial Plan by Expense Category

	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
2.1 Salaries & Wages	$ 270,466	$ 299,400	**$ 316,200**	$ 316,200	$ 316,200	$ 316,200	$ 316,200
2.4 Employee Benefits	74,726	92,000	**95,200**	95,900	96,500	97,100	97,800
2.5 Transition Services	64,408	-	**-**	-	-	-	-
Grand Total	**$ 409,600**	**$ 391,400**	**$ 411,400**	**$ 412,100**	**$ 412,700**	**$ 413,300**	**$ 414,000**

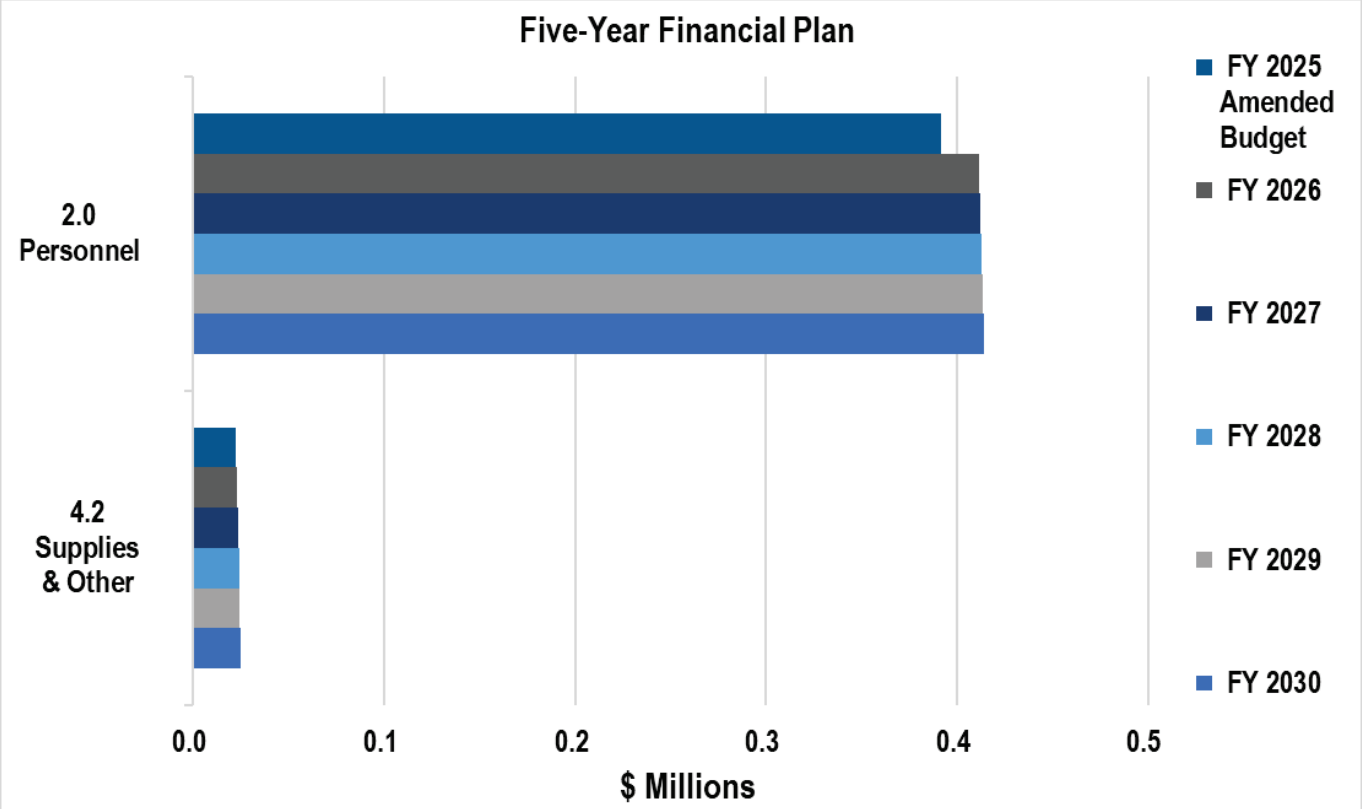
Personnel – Five-Year Financial Plan by Team

	Actual	Amended Budget	Proposed Budget		Projected		
Team	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Transformation	$ 409,600	$ 391,400	$ 411,400	$ 412,100	$ 412,700	$ 413,300	$ 414,000
Grand Total	**$ 409,600**	**$ 391,400**	**$ 411,400**	**$ 412,100**	**$ 412,700**	**$ 413,300**	**$ 414,000**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
2.0 Personnel	$ 409,600	$ 391,400	**$ 411,400**	$ 412,100	$ 412,700	$ 413,300	$ 414,000
4.2 Supplies & Other	37,765	22,400	**22,700**	23,300	23,900	24,400	24,900
4.3 Contractual Services	123,495	-	**-**	-	-	-	-
Grand Total	**$ 570,860**	**$ 413,800**	**$ 434,100**	**$ 435,400**	**$ 436,600**	**$ 437,700**	**$ 438,900**

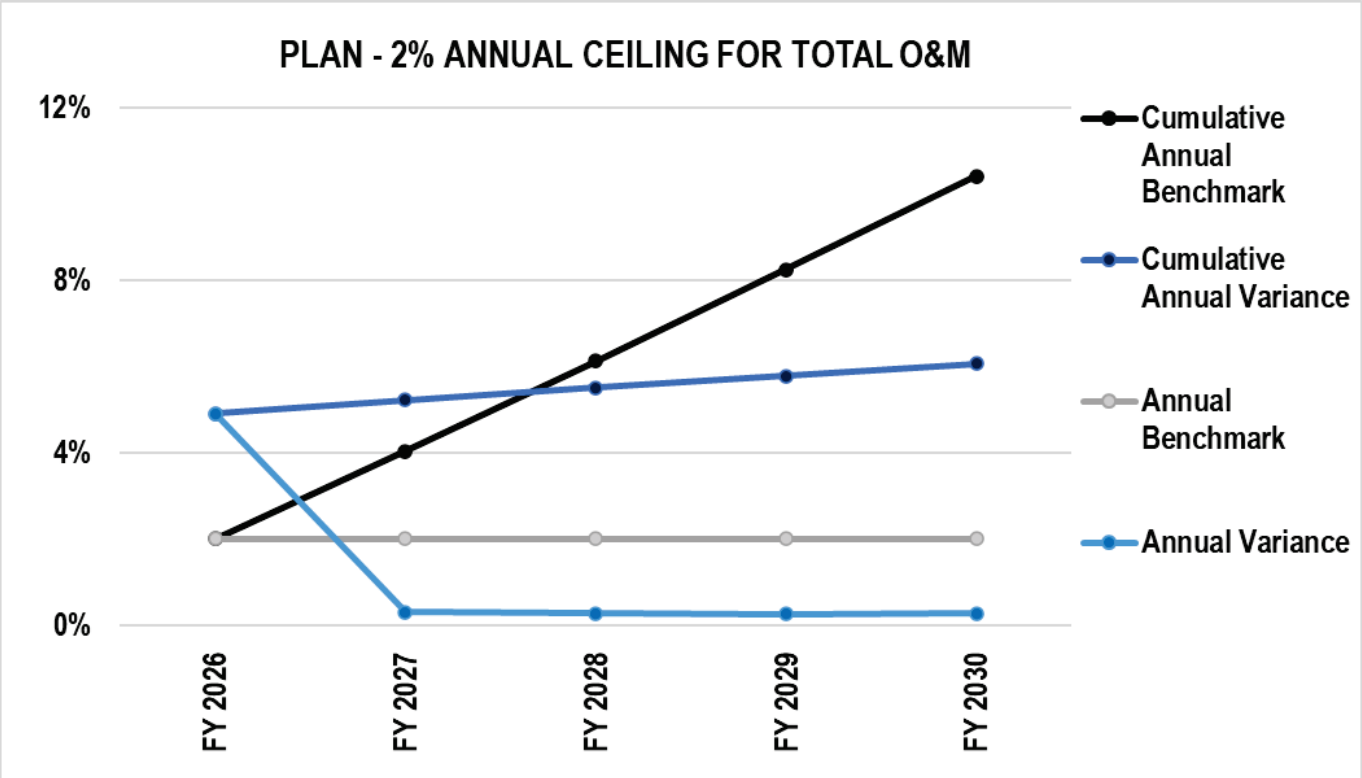


Five-Year Financial Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Transformation	$ 570,860	$ 413,800	**$ 434,100**	$ 435,400	$ 436,600	$ 437,700	$ 438,900
Grand Total	**$ 570,860**	**$ 413,800**	**$ 434,100**	**$ 435,400**	**$ 436,600**	**$ 437,700**	**$ 438,900**

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

The Transformation area's financial plan reflects a five-year overall increase of 6.1% 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

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 extend multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
882511 Transformation	**$ 570,860**	**$ 413,800**	**$ 434,100**	**$ 435,400**	**$ 436,600**	**$ 437,700**	**$ 438,900**
2.1 Salaries & Wages	**270,466**	**299,400**	**316,200**	**316,200**	**316,200**	**316,200**	**316,200**
2.4 Employee Benefits	**74,726**	**92,000**	**95,200**	**95,900**	**96,500**	**97,100**	**97,800**
2.5 Transition Services	**64,408**	**-**	**-**	**-**	**-**	**-**	**-**
Contractual Transition Services	64,408	-	-	-	-	-	-
4.2 Supplies & Other	**37,765**	**22,400**	**22,700**	**23,300**	**23,900**	**24,400**	**24,900**
Memberships, Licenses & Subscriptions	50	2,100	2,200	2,200	2,200	2,200	2,200
Mileage and Parking	-	500	500	600	600	600	600
Office Supplies	827	1,100	1,100	1,100	1,100	1,100	1,100
Operating Supplies	34,498	10,400	10,600	10,900	11,500	12,000	12,500
Training and Internal Meetings	-	5,200	5,200	5,300	5,300	5,300	5,300
Travel	2,390	3,100	3,100	3,200	3,200	3,200	3,200
4.3 Contractual Services	**123,495**	-	**-**	-	-	-	-
Contractual Operating Services	123,495	-	-	-	-	-	-
Grand Total	**$ 570,860**	**$ 413,800**	**$ 434,100**	**$ 435,400**	**$ 436,600**	**$ 437,700**	**$ 438,900**

Go to TOC

Information Technology

A center of excellence that provides reliable, modern, and integrated technology to securely support GLWA's dedication to efficiently deliver the nation's best water and wastewater services to our member partner communities.

Strategic Initiatives

- **Project Management Information System (PMIS) (Completion by FY 2027)**
  A PMIS is needed to replace a custom-built Capital Improvement Program (CIP) Portal and the use of SharePoint sites to manage GLWA's capital improvement program and projects. The selected PMIS, Kahua, will improve the efficiency and processes of planning and executing GLWA's CIP, primarily supporting Planning Services as well as Water and Wastewater Engineering and Construction. Phase 1 of the PMIS implementation project will focus on Capital Improvement Planning and is expected to go live in FY 2026 and Phase 2, Program and Program Management, is expected to go live in FY 2027.
- **Cyber Security Posture Improvements (Multi-year)**
  Robust cybersecurity is critical in protecting GLWA's information, systems, and operations. On an ongoing basis, GLWA IT will improve the cybersecurity posture through modernization, leveraging the most current technology to keep pace with ever-present and emerging cyber-threats. We are further securing cloud apps and onsite access by continuing to roll out Multi Factor Authentication (MFA) and other tools. Implementing Mobile Device Management (MDM) tools to all GLWA laptops, tablets, and phones will enhance the protection of GLWA and its team members from cyber-security vulnerabilities.
- **Infrastructure Resiliency (Completion by 2028)**
  A new multiyear roadmap has been created to build upon the foundation created by the previous roadmap, completed in 2025. This new roadmap contains initiatives to mitigate risks and provide infrastructure resiliency by building on previous advancements to sustain a secure, compliant, robust, and reliable IT infrastructure as the foundation to support GLWA's core enterprise technology needs. This includes the migration and modernization of the network infrastructure with continued emphasis on the adoption of cloud-based platforms. Wireless access will be improved within GLWA facilities to enable greater mobility and safety for team members who will be able to use their mobile devices for their work throughout our facilities.
- **Emerging Technology (Multi-year)**
  Strategically explore and pilot emerging technologies (e.g. Artificial Intelligence, Machine Learning, Augmented Reality, Data Warehousing, Digital Twins, etc.) for applicability to GLWA's operations for information accessibility, analysis, and optimization and enhanced IT security. This initiative includes a council and governance for researching, prioritizing, piloting, emerging technology. The Emerging Technology Council develops emerging technology use cases, a prioritized plan along with a return on investment analysis, and piloting of selected emerging technology to validate its benefits and potential for implementation at scale.

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	Project Management Information System (PMIS)		X	X	X	X	X	X		X		X
	Cyber Security Posture Improvements	X	X		X	X	X	X				
	Infrastructure Resiliency	X			X	X	X	X				
	Emerging Technology			X		X		X			X	

Go to TOC

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 contract is with AT&T for Telecom, Managed Security & Network Services, who operates, updates, and maintains the wide area network, local area network, phone services, internet, and managed network security. The table below includes the key contracts for these services:

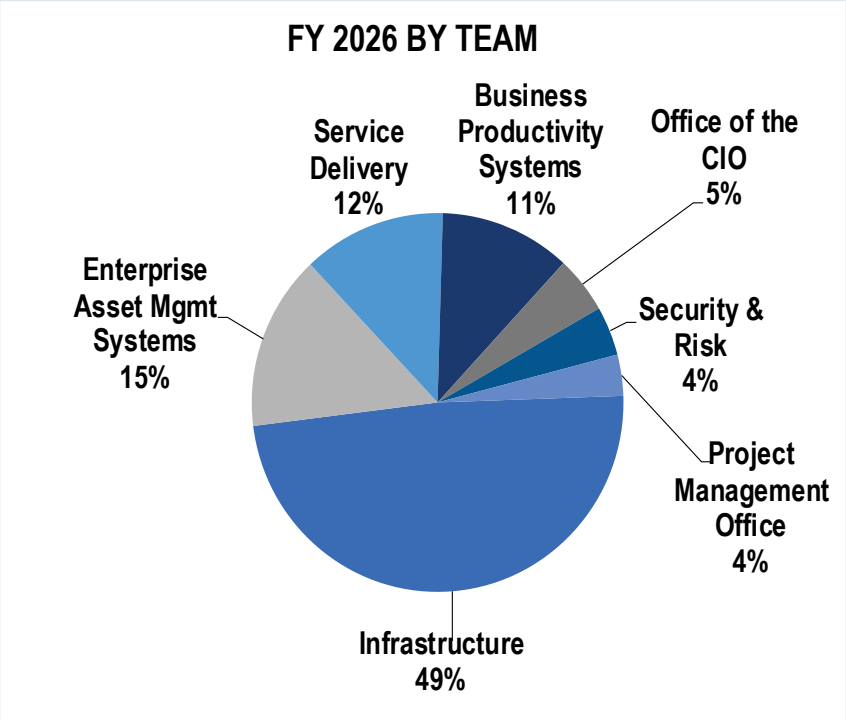
Significant Contracts

Project Description	Telecom, Managed Security & Networks	Disaster Recovery Services	Telecom, Managed Security & Networks	Repair & Maint Software/ Contractual Op Svcs	Repairs & Maintenance - Software	Repairs & Maintenance - Software	Professional Services	Total of Significant Contracts
Prime Consultant or Supplier	AT&T	VMWARE Cloud Disaster Recovery as a	Verizon	ERP Subscription - Workday	EAM Subscription- NEXGEN	PMIS - Kahua Inc	DXC - WAM	
Contract #	CS-1689	2200346	1801674	2000274-2	1904219-2	SCN-0000540	CS-119	
Contract Amount	$ 60,000,000	$ 1,605,755	$ 500,000	$ 6,265,747	$ 1,731,624	$ 4,780,757	$ 7,000,000	
Contract End Date	TBD	5/8/2025	TBD	5/31/2030	11/20/2028	12/31/2031	6/30/2024	
Contract End Date	TBD	5/8/2025	TBD	5/31/2030	11/20/2028	12/31/2031	6/30/2024	
Cost Center Name	Infrastructure	Infrastructure	IT Service Delivery	IT Business Applications	IT Enterprise Applications	IT Enterprise Applications	IT Enterprise Applications	
Expense Category	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	
Pre-FY 2024 Spend	51,377,800	-	2,816,900	-	-	-	9,777,458	
Pre-FY 2024 Average Spend (*)	10,275,560	-	563,380	-	-	-	2,959,700	
FY 2024 Budget	14,065,200	416,100	600,000	748,600	440,000	-	2,550,000	18,819,900
FY 2025 Amended	**13,846,500**	**1,300,000**	**812,000**	**766,900**	**300,000**	**-**	**1,300,000**	**18,325,400**
FY 2026	14,123,400	1,326,000	828,200	782,200	300,000	1,500,000	-	18,859,800
FY 2027	14,405,900	1,352,500	844,800	797,800	350,000	656,100	-	18,407,100
FY 2028	14,694,000	1,379,600	861,700	813,800	350,000	656,100	-	18,755,200
FY 2029	14,987,900	1,407,200	878,900	830,100	350,000	656,100	-	19,110,200
FY 2030	14,987,900	1,407,200	878,900	830,100	350,000	656,100	-	19,110,200
Total	**$ 152,488,600**	**$ 8,588,600**	**$ 8,521,400**	**$ 5,569,500**	**$ 2,440,000**	**$ 4,124,400**	**$ 13,627,458**	**$ 131,387,800**

Go to TOC

Organization

The GLWA Information Technology (IT) Group consists of seven teams.



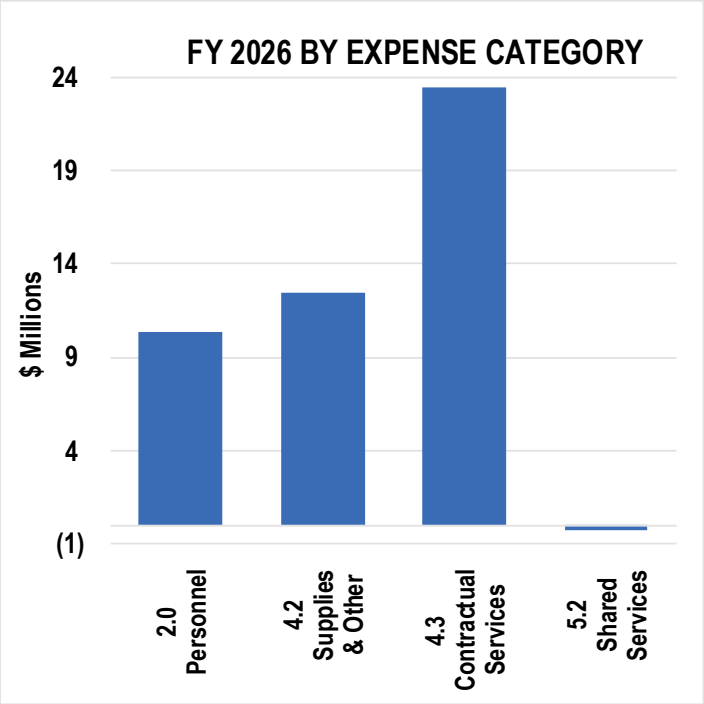
- **Office of the Chief Information Officer**
  Provides strategic direction and administrative support for all IT functions.
- **Project Management Office**
  Fosters collaboration, support and oversees the execution of technology initiatives.
- **Security & Risk**
  Responsible for deploying security solutions and monitoring the 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 four categories of Information Technology expenses in the operations and maintenance budget as listed below:

- Personnel
- Supplies & Other
- Contractual Services
- Shared Services

Contractual Services is the largest expense category for FY 2026. 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 $2, 902,900 or a 6.7% decrease in FY 2026.

- Personnel increased by $1,295,300 in FY 2026 due to an infrastructure administrator position added to the Security & Risk team, and a director position for Office of the Chief Information Officer and an Applications Analyst budgeted as full-time employees for FY 2026.
- Supplies & other decreased by $2.3 M million in FY 2026. The ERP and EAM implementation cost were properly reclassified between Software and Contractual Services in FY 2026.
- Contractual services increased by $3.9 million. In addition to the $2.3 million reclass noted above, there will be an increase of $1.6M for contractual support staff. Cyber security initiatives, systems support continued consultation to support the organization in post GO-Live environment of the new EAM system and ERP enterprise projects. The other factors include right-sizing contractual support for projects with Smart Water Technology, Trimble, Magnolia Rivers, and GIS OnDemand support.

Biennial Budget Request by Expense Category

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.0 Personnel	$ 8,953,671	$ 9,050,600	$ 6,413,679	**$ 10,345,900**	**$ 1,295,300**	**14.3%**	$ 10,538,600
4.2 Supplies & Other	8,813,813	14,769,600	7,011,955	**12,440,700**	**(2,328,900)**	**-15.8%**	13,476,700
4.3 Contractual Services	25,766,734	19,518,200	15,929,392	**23,460,100**	**3,941,900**	**20.2%**	25,566,400
5.2 Shared Services	100,346	(271,400)	(180,928)	**(276,800)**	**(5,400)**	**2.0%**	(282,300)
Grand Total	**$ 43,634,564**	**$ 43,067,000**	**$ 29,174,098**	**$ 45,969,900**	**$ 2,902,900**	**6.7%**	**$ 49,299,400**

Biennial Budget Request by Team

Team	FY 2024 Actual	FY 2025 Amended Budget	FY 2025 Activity as of 02.28.2025	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
Office of the CIO	1,950,461	1,527,600	1,153,273	**2,247,500**	**719,900**	**47.1%**	3,161,600
Project Management Office	1,489,245	1,514,200	985,772	**1,616,300**	**102,100**	**6.7%**	1,619,400
Service Delivery	4,836,010	4,224,600	2,529,113	**5,725,000**	**1,500,400**	**35.5%**	5,812,100
Infrastructure	19,179,066	20,490,800	12,992,132	**22,328,100**	**1,837,300**	**9.0%**	23,178,500
Business Productivity Systems	8,017,912	5,457,300	2,475,735	**5,237,400**	**(219,900)**	**-4.0%**	5,666,700
Enterprise Asset Mgmt Systems	7,339,816	9,092,800	8,161,856	**6,886,500**	**(2,206,300)**	**-24.3%**	7,904,900
Security & Risk	822,053	759,700	876,217	**1,929,100**	**1,169,400**	**153.9%**	1,956,200
Grand Total	**$ 43,634,564**	**$ 43,067,000**	**$ 29,174,098**	**$ 45,969,900**	**$ 2,902,900**	**6.7%**	**$ 49,299,400**

Personnel Budget

Information Technology personnel consist of 81 positions for FY 2026. Three positions were added for 2026: a director position with Office of the CIO, an Infrastructure Administrator for Security & Risk and an Applications Analyst.

The Information Technology Group is currently exploring an apprenticeship program that may add up to three FTEs depending on the identified need. Because of the preliminary nature of this opportunity, this additional headcount is not 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

Staffing Plan by Team	Staffing Plan						
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Office of the CIO	7.00	7.00	**8.00**	8.00	8.00	8.00	8.00
Project Management Office	11.00	11.00	**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
Business Productivity Systems	12.00	12.00	**12.00**	12.00	12.00	12.00	12.00
Enterprise Asset Mgmt Systems	17.00	17.00	**18.00**	18.00	18.00	18.00	18.00
Security & Risk	3.00	3.00	**4.00**	4.00	4.00	4.00	4.00
Grand Total	**78.00**	**78.00**	**81.00**	**81.00**	**81.00**	**81.00**	**81.00**

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

FTE by Team	Full Time Equivalents (FTEs)						
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Office of the CIO	6.00	5.50	**6.50**	7.00	8.00	8.00	8.00
Project Management Office	11.00	11.00	**11.00**	11.00	11.00	11.00	11.00
Service Delivery	14.00	15.00	**15.00**	15.00	15.00	15.00	15.00
Infrastructure	13.00	12.25	**13.00**	13.00	13.00	13.00	13.00
Business Productivity Systems	9.50	9.00	**9.75**	10.50	12.00	12.00	12.00
Enterprise Asset Mgmt Systems	16.00	15.75	**18.00**	18.00	18.00	18.00	18.00
Security & Risk	2.00	3.00	**4.00**	4.00	4.00	4.00	4.00
Grand Total	**71.50**	**71.50**	**77.25**	**78.50**	**81.00**	**81.00**	**81.00**

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 Section 5 - Operating Financial Plans by Service Area.

Personnel – Biennial Budget Request by Category

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.1 Salaries & Wages	$ 6,763,942	$ 6,515,300	$ 4,875,084	**$ 7,728,700**	**$ 1,213,400**	**18.6%**	$ 7,864,600
2.2 Workforce Development	-	-	-	**36,500**	**36,500**	**0.0%**	36,500
2.3 Overtime	1,743	-	1,456	**-**	**-**	**0.0%**	-
2.4 Employee Benefits	1,948,747	2,056,100	1,446,699	**2,349,000**	**292,900**	**14.2%**	2,405,800
2.5 Transition Services	239,240	479,200	90,440	**231,700**	**(247,500)**	**-51.6%**	231,700
Grand Total	**$ 8,953,671**	**$ 9,050,600**	**$ 6,413,679**	**$ 10,345,900**	**$ 1,295,300**	**14.3%**	**$ 10,538,600**

Personnel - Biennial Budget Request by Team

	FY 2024	FY 2025		FY 2026			FY 2027
Team	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Office of the CIO	$ 829,557	$ 868,300	$ 586,227	**$ 1,147,300**	**$ 279,000**	**32.1%**	$ 1,231,400
Project Management Office	1,407,280	1,473,000	976,619	**1,577,500**	**104,500**	**7.1%**	1,579,800
Service Delivery	1,521,753	1,418,600	1,040,423	**1,542,500**	**123,900**	**8.7%**	1,545,800
Infrastructure	1,548,385	1,493,200	1,134,465	**1,701,000**	**207,800**	**13.9%**	1,703,700
Business Productivity Systems	1,177,889	1,376,900	845,266	**1,464,900**	**88,000**	**6.4%**	1,560,700
Enterprise Asset Mgmt Systems	2,007,364	1,968,900	1,446,540	**2,292,200**	**323,300**	**16.4%**	2,295,800
Security & Risk	461,443	451,700	384,141	**620,500**	**168,800**	**37.4%**	621,400
Grand Total	**$ 8,953,671**	**$ 9,050,600**	**$ 6,413,679**	**$ 10,345,900**	**$ 1,295,300**	**14.3%**	**$ 10,538,600**

Personnel – Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
2.1 Salaries & Wages	$ 6,763,942	$ 6,515,300	**$ 7,728,700**	$ 7,864,600	$ 8,138,500	$ 8,138,500	$ 8,138,500
2.2 Workforce Development	-	-	**36,500**	36,500	36,500	36,500	36,500
2.3 Overtime	1,743	-	**-**	-	-	-	-
2.4 Employee Benefits	1,948,747	2,056,100	**2,349,000**	2,405,800	2,504,400	2,521,300	2,538,300
2.5 Transition Services	239,240	479,200	**231,700**	231,700	231,700	231,700	231,700
Grand Total	**$ 8,953,671**	**$ 9,050,600**	**$ 10,345,900**	**$ 10,538,600**	**$ 10,911,100**	**$ 10,928,000**	**$ 10,945,000**

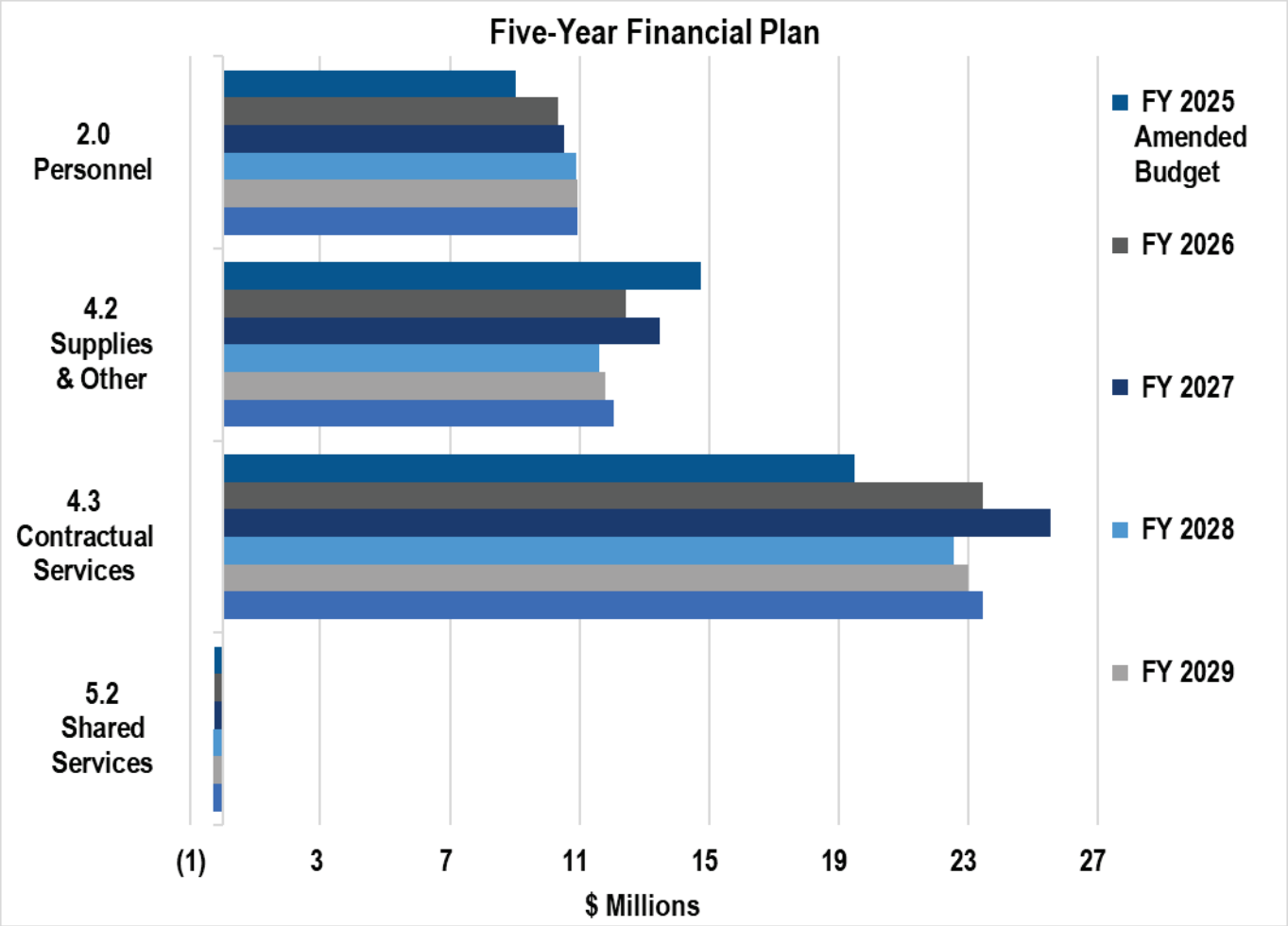
Personnel – Five-Year Financial Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Office of the CIO	$ 829,557	$ 868,300	**$ 1,147,300**	$ 1,231,400	$ 1,399,600	$ 1,401,300	$ 1,403,100
Project Management Office	1,407,280	1,473,000	**1,577,500**	1,579,800	1,582,200	1,584,500	1,586,900
Service Delivery	1,521,753	1,418,600	**1,542,500**	1,545,800	1,549,000	1,552,200	1,555,400
Infrastructure	1,548,385	1,493,200	**1,701,000**	1,703,700	1,706,500	1,709,300	1,712,100
Business Productivity Systems	1,177,889	1,376,900	**1,464,900**	1,560,700	1,752,200	1,754,500	1,756,900
Enterprise Asset Mgmt Systems	2,007,364	1,968,900	**2,292,200**	2,295,800	2,299,400	2,303,100	2,306,700
Security & Risk	461,443	451,700	**620,500**	621,400	622,200	623,100	623,900
Grand Total	**$ 8,953,671**	**$ 9,050,600**	**$ 10,345,900**	**$ 10,538,600**	**$ 10,911,100**	**$ 10,928,000**	**$ 10,945,000**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
2.0 Personnel	$ 8,953,671	$ 9,050,600	**$ 10,345,900**	$ 10,538,600	$ 10,911,100	$ 10,928,000	$ 10,945,000
4.2 Supplies & Other	8,813,813	14,769,600	**12,440,700**	13,476,700	11,620,600	11,812,200	12,048,200
4.3 Contractual Services	25,766,734	19,518,200	**23,460,100**	25,566,400	22,569,300	23,013,300	23,473,500
5.2 Shared Services	100,346	(271,400)	**(276,800)**	(282,300)	(287,900)	(293,800)	(299,700)
Grand Total	**$ 43,634,564**	**$ 43,067,000**	**$ 45,969,900**	**$ 49,299,400**	**$ 44,813,100**	**$ 45,459,700**	**$ 46,167,000**

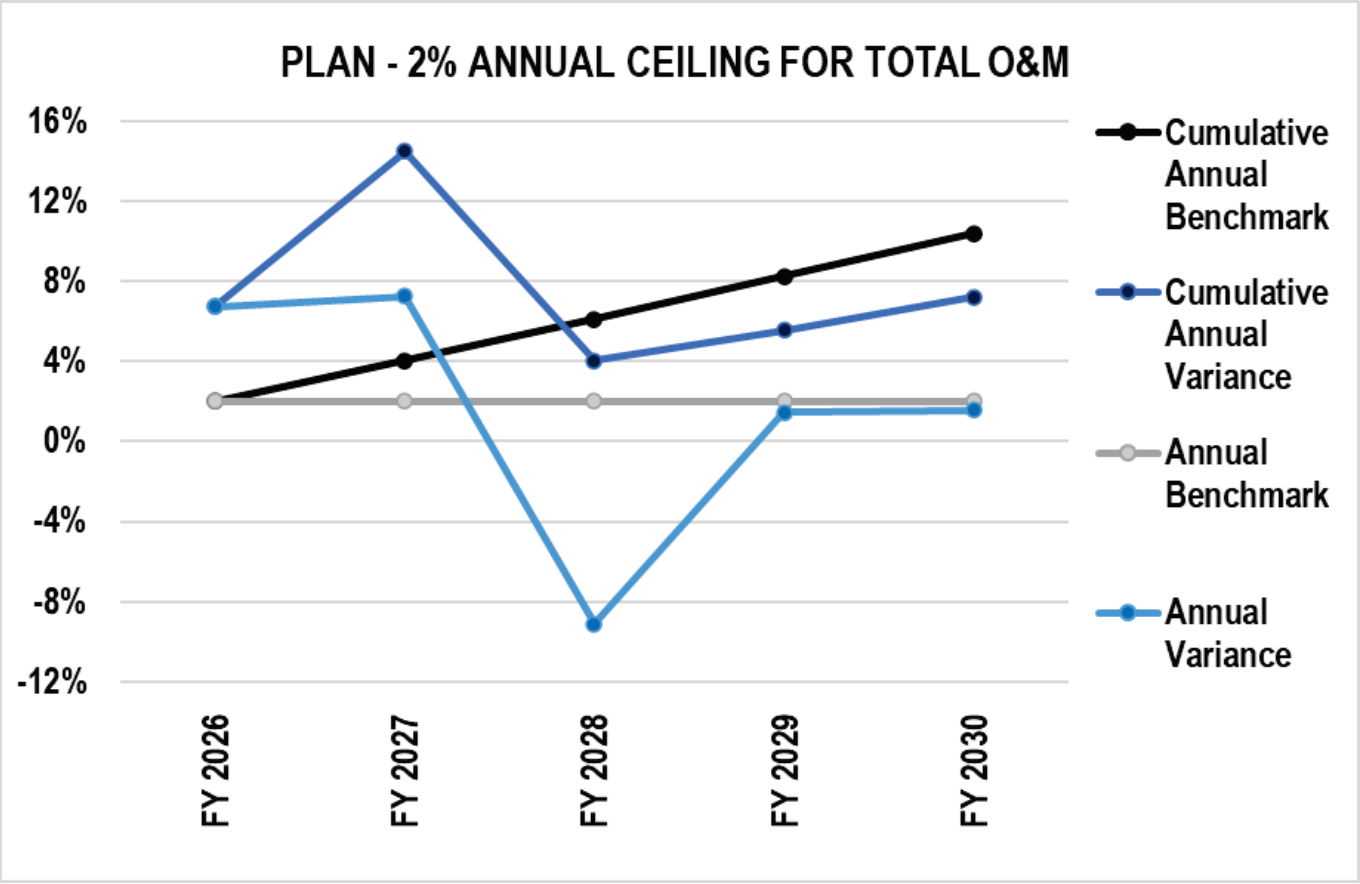


Five-Year Financial Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Office of the CIO	$ 1,950,461	$ 1,527,600	**$ 2,247,500**	$ 3,161,600	$ 2,516,400	$ 2,541,000	$ 2,565,700
Project Management Office	1,489,245	1,514,200	**1,616,300**	1,619,400	1,626,100	1,629,300	1,632,600
Service Delivery	4,836,010	4,224,600	**5,725,000**	5,812,100	4,506,800	4,569,100	4,632,600
Infrastructure	19,179,066	20,490,800	**22,328,100**	23,178,500	21,420,800	21,787,000	22,191,300
Business Productivity Systems	8,017,912	5,457,300	**5,237,400**	5,666,700	4,950,900	5,014,700	5,082,200
Enterprise Asset Mgmt Systems	7,339,816	9,092,800	**6,886,500**	7,904,900	7,895,600	8,001,200	8,118,600
Security & Risk	822,053	759,700	**1,929,100**	1,956,200	1,896,500	1,917,400	1,944,000
Grand Total	**$ 43,634,564**	**$ 43,067,000**	**$ 45,969,900**	**$ 49,299,400**	**$ 44,813,100**	**$ 45,459,700**	**$ 46,167,000**

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

The IT financial plan reflects a five-year overall decrease of 7.2% due to the wind down of implementation costs for the new ERP systems (NexGen and Workday), 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 the Operations & Maintenance budget. The amount funded by O&M is included in the 4.2 Supplies and Other expense category.

Five-Year Capital Outlay Plan by Asset Category

	Amended Budget	Proposed Budget		Projected		
Asset Category	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Operations & Maintenance	**$ 3,221,900**	**$ 3,221,900**	**$ 3,279,600**	**$ 2,674,500**	**$ 2,719,800**	**$ 2,774,100**
Hardware	1,015,900					
Software	2,206,000	3,221,900	3,279,600	2,674,500	2,719,800	2,774,100
Grand Total	**$ 3,221,900**	**$ 3,221,900**	**$ 3,279,600**	**$ 2,674,500**	**$ 2,719,800**	**$ 2,774,100**

Five-Year Capital Outlay Plan by Funding Source

Funding Source	Actuals FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Operations & Maintenance	1,725,363	2,543,300	**3,221,900**	3,279,600	2,674,500	2,719,800	2,774,100
Grand Total	**$ 1,725,363**	**$ 2,543,300**	**$ 3,221,900**	**$ 3,279,600**	**$ 2,674,500**	**$ 2,719,800**	**$ 2,774,100**

Five-Year Capital Outlay Plan by Team

Team	Actuals FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Service Delivery	$ 1,162,139	$ 1,303,400	**$ 2,000,000**	$ 2,040,000	$ 1,383,200	$ 1,410,800	$ 1,439,000
Infrastructure	312,839	765,500	**772,900**	788,400	787,900	795,600	811,500
Enterprise Asset Mgmt Systems	250,385	449,500	**350,400**	350,600	477,000	486,500	496,200
Security & Risk	-	24,900	**98,600**	100,600	26,400	26,900	27,400
Grand Total	**$ 1,725,363**	**$ 2,543,300**	**$ 3,221,900**	**$ 3,279,600**	**$ 2,674,500**	**$ 2,719,800**	**$ 2,774,100**

Significant IT Initiatives

As overall improvements and enhancements to the backbone of the IT infrastructure are completed under the Data Center Modernization Program, will be funded through the Operations & Maintenance budget as they are related to implementation, physical hardware, and software items. Additional components are related subscription and other cloud services which will also be funded from IT's Operations & Maintenance budget.

The tables below contain the budget details by fiscal year.

Software & Subscription Services funded by Operations & Maintenance Funds

Project Description	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Endpoint Protection (Sentinel One)	$ 90,000	**$ 90,900**	$ 91,800	$ 92,700	$ 93,600	$ 95,500
DRaaS Subscription Services	426,739	**431,000**	435,300	439,700	444,100	453,000
Amazon Web Services (Storage and Server Costs)	100,000	**101,000**	102,000	103,000	104,000	106,100
Cybersecurity Monitoring Solution	225,000	**227,300**	229,600	231,900	234,200	238,900
Hybrid Cloud Migration/NSX-T	-	**-**	-	-	-	-
Veeam Licensing (Back Up)	386,000	**397,600**	401,600	405,600	409,700	417,900
Network Cisco Switch Replacement/Upgrade	500,000	**-**	-	-	-	-
AD Migration	169,700	**174,800**	176,500	178,300	180,100	183,700
Total	**$ 1,897,439**	**$ 1,422,600**	**$ 1,436,800**	**$ 1,451,200**	**$ 1,465,700**	**$ 1,495,100**

Line-Item Budget and 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	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
883301 Office of the CIO	**$ 1,950,461**	**$ 1,527,600**	**$ 2,247,500**	**$ 3,161,600**	**$ 2,516,400**	**$ 2,541,000**	**$ 2,565,700**
2.1 Salaries & Wages	**657,529**	**676,600**	**903,500**	**968,100**	**1,098,200**	**1,098,200**	**1,098,200**
2.3 Overtime	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.4 Employee Benefits	**172,028**	**191,700**	**243,800**	**263,300**	**301,400**	**303,100**	**304,900**
4.2 Supplies & Other	**144,800**	**114,400**	**139,300**	**142,100**	**121,600**	**124,100**	**126,600**
Fuel	-	-	-	-	-	-	-
Inspection and Permit Fees	-	-	-	-	-	-	-
Memberships, Licenses & Subscriptions	114,436	82,100	100,000	102,000	87,200	89,000	90,800
Mileage and Parking	-	-	-	-	-	-	-
Office Supplies	10,710	13,000	13,300	13,600	13,900	14,200	14,500
Operating Supplies	2,677	500	1,000	1,000	500	500	500
Training and Internal Meetings	10,219	9,500	13,000	13,300	10,100	10,300	10,500
Travel	6,758	9,300	12,000	12,200	9,900	10,100	10,300
4.3 Contractual Services	**976,104**	**544,900**	**960,900**	**1,788,100**	**995,200**	**1,015,600**	**1,036,000**
Contract Services-Information Technology	**974,779**	**542,900**	**558,800**	**1,378,000**	**576,100**	**587,600**	**599,400**
Contractual Operating Services	1,325	2,000	2,100	2,100	2,900	3,500	3,600
Contractual Professional Services	-	-	400,000	408,000	416,200	424,500	433,000
883311 Info Technology Project Management Off	**1,489,245**	**1,514,200**	**1,616,300**	**1,619,400**	**1,626,100**	**1,629,300**	**1,632,600**
2.1 Salaries & Wages	**1,092,457**	**1,129,800**	**1,217,800**	**1,217,800**	**1,217,800**	**1,217,800**	**1,217,800**
2.4 Employee Benefits	**314,822**	**343,200**	**359,700**	**362,000**	**364,400**	**366,700**	**369,100**
4.2 Supplies & Other	**81,548**	**40,600**	**38,200**	**39,000**	**43,300**	**44,200**	**45,100**
Memberships, Licenses & Subscriptions	14,927	14,600	15,200	15,500	15,500	15,800	16,100
Software Repairs & Maintenance	49,999	-	-	-	-	-	-
Training and Internal Meetings	3,974	18,000	8,000	8,200	19,200	19,600	20,000
Travel	12,648	8,000	15,000	15,300	8,600	8,800	9,000
4.3 Contractual Services	**418**	**600**	**600**	**600**	**600**	**600**	**600**
Contractual Operating Services	418	600	600	600	600	600	600
883321 Info Technology Service Delivery	**4,836,010**	**4,224,600**	**5,725,000**	**5,812,100**	**4,506,800**	**4,569,100**	**4,632,600**
2.1 Salaries & Wages	**1,152,361**	**1,040,600**	**1,144,900**	**1,144,900**	**1,144,900**	**1,144,900**	**1,144,900**
2.3 Overtime	**1,743**	**-**	**-**	**-**	**-**	**-**	**-**
2.4 Employee Benefits	**367,650**	**378,000**	**397,600**	**400,900**	**404,100**	**407,300**	**410,500**
4.2 Supplies & Other	**2,497,629**	**2,153,200**	**2,814,900**	**2,871,300**	**2,233,800**	**2,278,600**	**2,324,200**
Capital Outlay less than $5,000	626,649	106,100	108,200	110,400	112,600	114,900	117,200
Capital Outlay over $5k(O&M-NonCapitlzd)	1,100,463	1,303,400	2,000,000	2,040,000	1,383,200	1,410,800	1,439,000
Hardware Repairs & Maintenance	-	48,200	-	-	-	-	-
Memberships, Licenses & Subscriptions	44,115	5,600	5,700	5,800	5,900	6,000	6,100
Mileage and Parking	-	-	-	-	-	-	-
Office Supplies	1,763	8,000	5,000	5,100	8,600	8,800	9,000
Printing	157,885	318,200	342,600	349,500	337,700	344,500	351,400
Software Repairs & Maintenance	565,300	326,900	333,400	340,100	346,900	353,900	361,000
Training and Internal Meetings	413	20,000	10,000	10,200	21,200	21,600	22,000
Travel	1,041	16,800	10,000	10,200	17,700	18,100	18,500
4.3 Contractual Services	**975,108**	**812,000**	**1,530,000**	**1,560,600**	**892,900**	**910,700**	**928,900**
Contract Services-Information Technology	-	-	30,000	30,600	31,200	31,800	32,400
Telecom, Managed Security & Network Svcs	975,108	812,000	1,500,000	1,530,000	861,700	878,900	896,500
5.2 Shared Services	**(158,480)**	**(159,200)**	**(162,400)**	**(165,600)**	**(168,900)**	**(172,400)**	**(175,900)**
Shared Services : Salaries & Wages Reimb	(53,808)	(54,700)	(55,800)	(56,900)	(58,000)	(59,200)	(60,400)
Shared Services Reimbursement	(83,487)	(82,800)	(84,500)	(86,200)	(87,900)	(89,700)	(91,500)
Shared Services: Employee Benefit Reimb	(21,185)	(21,700)	(22,100)	(22,500)	(23,000)	(23,500)	(24,000)

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

883331 Info Technology Infrastructure	**19,179,066**	**20,490,800**	**22,328,100**	**23,178,500**	**21,420,800**	**21,787,000**	**22,191,300**
2.1 Salaries & Wages	**1,199,047**	**1,133,500**	**1,300,800**	**1,300,800**	**1,300,800**	**1,300,800**	**1,300,800**
2.4 Employee Benefits	**349,338**	**359,700**	**400,200**	**402,900**	**405,700**	**408,500**	**411,300**
4.2 Supplies & Other	**2,455,715**	**4,010,900**	**3,193,500**	**3,257,400**	**3,101,500**	**3,132,900**	**3,195,500**
Capital Outlay less than $5,000	143,564	-	-	-	-	-	-
Capital Outlay over $5k(O&M-NonCapitlzd)	735	765,500	772,900	788,400	787,900	795,600	811,500
Hardware Repairs & Maintenance	974,238	1,632,900	793,000	808,900	1,663,800	1,674,400	1,707,900
Memberships, Licenses & Subscriptions	16,124	-	-	-	-	-	-
Software Repairs & Maintenance	1,317,043	1,582,500	1,597,000	1,628,900	618,000	630,500	643,100
Training and Internal Meetings	2,643	15,000	15,300	15,600	15,900	16,200	16,500
Travel	1,368	15,000	15,300	15,600	15,900	16,200	16,500
4.3 Contractual Services	**14,916,906**	**15,098,900**	**17,548,000**	**18,334,100**	**16,731,800**	**17,066,200**	**17,407,500**
Contract Services-Information Technology	30,479	63,000	414,100	422,400	66,300	67,400	68,700
Contractual Operating Services	671,423	1,189,400	2,460,500	2,944,800	1,555,300	1,586,400	1,618,100
Contractual Professional Services	18,851	-	400,000	408,000	416,200	424,500	433,000
Telecom, Managed Security & Network Svcs	14,196,153	13,846,500	14,273,400	14,558,900	14,694,000	14,987,900	15,287,700
5.2 Shared Services	**258,061**	**(112,200)**	**(114,400)**	**(116,700)**	**(119,000)**	**(121,400)**	**(123,800)**
Shared Services : Salaries & Wages Reimb	72,173	(80,100)	(81,700)	(83,300)	(85,000)	(86,700)	(88,400)
Shared Services Reimbursement	183,896	-	-	-	-	-	-
Shared Services: Employee Benefit Reimb	1,992	(32,100)	(32,700)	(33,400)	(34,000)	(34,700)	(35,400)
883341 Info Technology Business Productivity Systems	**8,017,912**	**5,457,300**	**5,237,400**	**5,666,700**	**4,950,900**	**5,014,700**	**5,082,200**
2.1 Salaries & Wages	**736,267**	**685,400**	**950,400**	**1,021,700**	**1,165,500**	**1,165,500**	**1,165,500**
2.4 Employee Benefits	**202,383**	**212,300**	**282,800**	**307,300**	**355,000**	**357,300**	**359,700**
2.5 Transition Services	**239,240**	**479,200**	**231,700**	**231,700**	**231,700**	**231,700**	**231,700**
Contractual Transition Services	239,240	479,200	231,700	231,700	231,700	231,700	231,700
4.2 Supplies & Other	**2,161,783**	**3,248,900**	**2,613,100**	**2,679,700**	**2,322,400**	**2,368,300**	**2,415,600**
Hardware Repairs & Maintenance	**6,150**	**-**	**-**	**-**	**-**	**-**	**-**
Memberships, Licenses & Subscriptions	**26,754**	**-**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**
Mileage and Parking	**-**	**-**	**300**	**300**	**300**	**300**	**300**
Software Repairs & Maintenance	**2,114,999**	**3,218,900**	**2,586,800**	**2,653,400**	**2,289,300**	**2,334,600**	**2,381,300**
Training and Internal Meetings	**10,428**	**15,000**	**15,000**	**15,000**	**15,900**	**16,200**	**16,500**
Travel	**3,451**	**15,000**	**10,000**	**10,000**	**15,900**	**16,200**	**16,500**
4.3 Contractual Services	**4,678,240**	**831,500**	**1,159,400**	**1,426,300**	**876,300**	**891,900**	**909,700**
Contract Services-Information Technology	307,876	831,500	1,159,400	1,426,300	876,300	891,900	909,700
Contractual Operating Services	75,540	-	-	-	-	-	-
Contractual Professional Services	4,294,824	-	-	-	-	-	-

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

883351 Info Technology Enterprise Asset Mgmt	**7,339,816**	**9,092,800**	**6,886,500**	**7,904,900**	**7,895,600**	**8,001,200**	**8,118,600**
2.1 Salaries & Wages	**1,563,979**	**1,498,900**	**1,727,600**	**1,727,600**	**1,727,600**	**1,727,600**	**1,727,600**
2.2 Workforce Development	**-**	**-**	**36,500**	**36,500**	**36,500**	**36,500**	**36,500**
2.4 Employee Benefits	**443,385**	**470,000**	**528,100**	**531,700**	**535,300**	**539,000**	**542,600**
4.2 Supplies & Other	**1,453,255**	**5,169,800**	**2,609,300**	**3,434,100**	**2,799,900**	**2,846,000**	**2,902,800**
Capital Outlay over $5k(O&M-NonCapitlzd)	250,385	449,500	350,400	350,600	477,000	486,500	496,200
Memberships, Licenses & Subscriptions	842	500	1,000	1,000	500	500	500
Mileage and Parking	116	800	500	500	800	800	800
Software Repairs & Maintenance	1,186,077	4,688,600	2,232,400	3,057,000	2,289,400	2,325,400	2,371,900
Training and Internal Meetings	9,730	15,200	15,000	15,000	16,100	16,400	16,700
Travel	6,105	15,200	10,000	10,000	16,100	16,400	16,700
4.3 Contractual Services	**3,878,431**	**1,954,100**	**1,985,000**	**2,175,000**	**2,796,300**	**2,852,100**	**2,909,100**
Contract Services-Information Technology	2,269,852	1,954,100	335,000	290,000	975,600	995,000	1,014,900
Contractual Operating Services	134,777	-	-	-	-	-	-
Contractual Professional Services	1,473,803	-	1,650,000	1,885,000	1,820,700	1,857,100	1,894,200
5.2 Shared Services	**765**	**-**	**-**	**-**	**-**	**-**	**-**
Shared Services : Salaries & Wages Reimb	352	-	-	-	-	-	-
Shared Services Reimbursement	115	-	-	-	-	-	-
Shared Services: Employee Benefit Reimb	298	-	-	-	-	-	-
883361 Info Technology Security & Risk	**822,053**	**759,700**	**1,929,100**	**1,956,200**	**1,896,500**	**1,917,400**	**1,944,000**
2.1 Salaries & Wages	**362,302**	**350,500**	**483,700**	**483,700**	**483,700**	**483,700**	**483,700**
2.4 Employee Benefits	**99,141**	**101,200**	**136,800**	**137,700**	**138,500**	**139,400**	**140,200**
4.2 Supplies & Other	**19,082**	**31,800**	**1,032,400**	**1,053,100**	**998,100**	**1,018,100**	**1,038,400**
Capital Outlay less than $5,000	12,472	-	-	-	-	-	-
Capital Outlay over $5k(O&M-NonCapitlzd)	-	24,900	98,600	100,600	26,400	26,900	27,400
Memberships, Licenses & Subscriptions	940	3,900	4,000	4,100	4,200	4,300	4,400
Mileage and Parking	94	-	-	-	-	-	-
Operating Supplies	71	-	-	-	-	-	-
Software Repairs & Maintenance	-	-	926,700	945,300	964,200	983,500	1,003,200
Training and Internal Meetings	2,556	2,000	2,100	2,100	2,200	2,300	2,300
Travel	2,948	1,000	1,000	1,000	1,100	1,100	1,100
4.3 Contractual Services	**341,527**	**276,200**	**276,200**	**281,700**	**276,200**	**276,200**	**281,700**
Contract Services-Information Technology	163,400	-	-	-	-	-	-
Contractual Operating Services	178,127	276,200	276,200	281,700	276,200	276,200	281,700
Grand Total	**$ 43,634,564**	**$ 43,067,000**	**$ 45,969,900**	**$ 49,299,400**	**$ 44,813,100**	**$ 45,459,700**	**$ 46,167,000**

Security & Integrity

The Security & Integrity area provides high quality, professional security operations and technical intelligence for the organization and its valued customers throughout the state of Michigan.

Strategic Initiatives

- **Water Act 2018 Threat and Vulnerability Assessments (Ongoing)**
  Continue to assess all GLWA facilities for threats and vulnerabilities to meet the five-year requirements of the Water Act of 2018. 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" (Ongoing/Completion in FY 2026)**
  The Security and Integrity area will work 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 started in FY 2020 with the initial purchase of a truck and a trailer and is 80% complete. This process will be complete once recruitment and training of the Disaster Response Team is accomplished.
  - **Phase Two -** Coordinate with the State of Michigan and Federal Emergency Management Agency 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 team members and the minimum number to be deployed. This phase will be completed in FY 2025/26.
  - **Phase Five -** Identify policies and standard operating guidelines. This phase will be completed in FY 2025/26 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 2025/26.
- **Conduct a Cyber-Security related Tabletop (Ongoing)**
  The Security & Integrity Group through the Office of Emergency Preparedness has worked with the Cybersecurity and Infrastructure Security Agency, to create a Cyber Security Tabletop Exercise that is Department of Homeland Security approved. Listed below is the proposed Tabletop Exercise:
  - Tabletop will be centered around ransomware.
  - IT, OD, Legal, Finance and other departments will be required participants in this tabletop, as all departments would be affected.
- **Implement CAD System (Completion FY 2025/26)**
  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 visual pertinent information of where the call is coming from and in many cases who the caller is, as well as

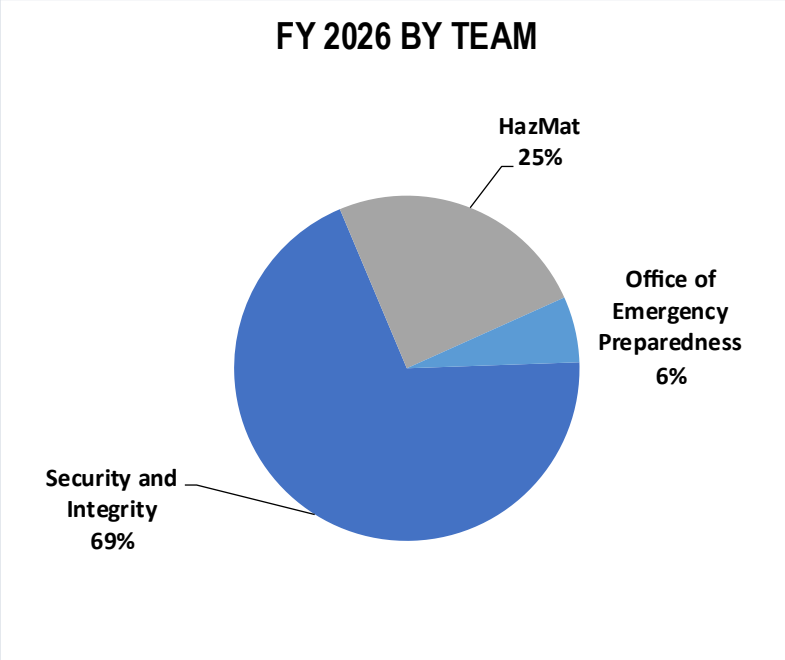
any notes on the caller and/or location (i.e., special needs and/or call history, hazardous materials, access). The visual information will allow the call-taker to focus on the information the caller is giving about the emergency, making response times faster. Having any special information about the 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 FY 2026.

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		
	Conduct a Cyber-Security Tabletop									x	x	
	Implement CAD System				x	x	x	x	x			

Organization

The Security and Integrity area consists of three teams.



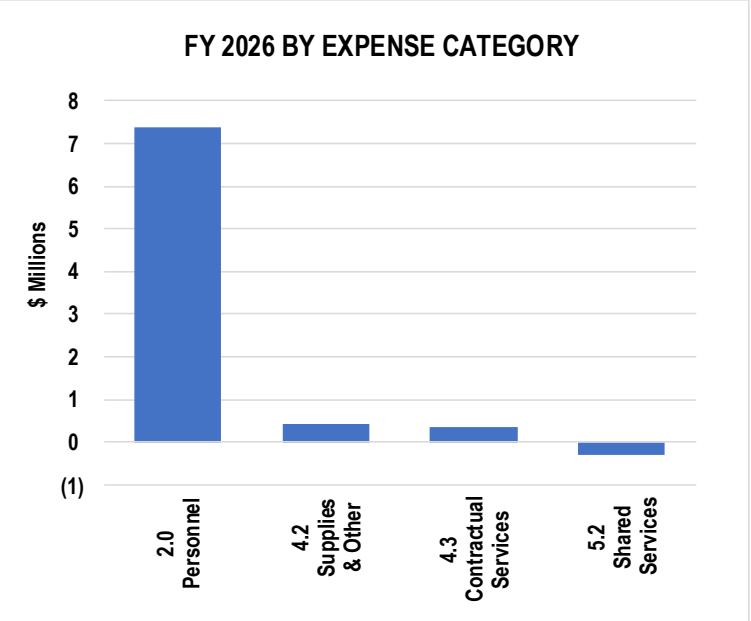
- **Security and Integrity**
  Provides high quality, professional security operations and technical intelligence for the organization and its valued customers throughout the state of Michigan.
- **HazMat**
  An in-house delivery service within the Security & Integrity Group that performs immediate response to all Level (1) Hazmat calls on the property of Water Resource Recovery Facility (WRRF). This team provides three main services: immediate response to 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 assesses 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 largest expense category for the Security and Integrity area.



Go to TOC

Biennial Budget Request

The biennial budget reflects an overall increase of $558,900 or 7.6%, in FY 2026.

- The Personnel category increased by $466,900, due to four positions budgeted as full-time personnel for FY26, including benefits. Projected overtime based on vacancies and current use are components of the increase.
- The $46,600 decrease in Supplies & Other is due to rightsizing of operating expense and projected training sessions to complement staffing count with compliance and industry standards.
- Contractual Services increased by $144,100 due to inflation costs and the use of contractual services with DA Central for building maintenance.
- The decrease of $5,500 is due to a true-up of prior year's activity with DSWD.

Biennial Budget Request by Expense Category

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.0 Personnel	$ 6,474,733	$ 6,923,100	$ 4,780,303	**$ 7,390,000**	**$ 466,900**	**6.7%**	$ 7,452,300
4.2 Supplies & Other	256,030	461,500	150,269	**414,900**	**(46,600)**	**-10.1%**	474,000
4.3 Contractual Services	298,527	204,600	248,585	**348,700**	**144,100**	**70.4%**	426,500
5.2 Shared Services	(271,975)	(275,000)	(183,328)	**(280,500)**	**(5,500)**	**2.0%**	(286,100)
Grand Total	**$ 6,757,315**	**$ 7,314,200**	**$ 4,995,828**	**$ 7,873,100**	**$ 558,900**	**7.6%**	**$ 8,066,700**

Biennial Budget Request by Team

	FY 2024	FY 2025		FY 2026			FY 2027
Team	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Security and Integrity	$ 4,743,947	$ 4,957,700	$ 3,488,109	**$ 5,449,700**	**$ 492,000**	**9.9%**	$ 5,634,300
HazMat	1,623,519	1,882,000	1,227,134	**1,937,500**	**55,500**	**2.9%**	1,944,200
Office of Emergency Preparedness	389,849	474,500	280,586	**485,900**	**11,400**	**2.4%**	488,200
Grand Total	**$ 6,757,315**	**$ 7,314,200**	**$ 4,995,828**	**$ 7,873,100**	**$ 558,900**	**7.6%**	**$ 8,066,700**

Personnel Budget

The Security and Integrity area consists of 89 positions in FY 2026. Three Security Officer positions were added to facilitate the need at Water Operations. The HAZMAT Sargeant position transferred to Security and Security also added an Office Support Specialist for FY 2026. 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

Staffing Plan by Team	Staffing Plan						
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Security and Integrity	60.00	61.00	**66.00**	66.00	66.00	66.00	66.00
HazMat	19.00	21.00	**20.00**	20.00	20.00	20.00	20.00
Office of Emergency Preparedness	3.00	3.00	**3.00**	3.00	3.00	3.00	3.00
Grand Total	**82.00**	**85.00**	**89.00**	**89.00**	**89.00**	**89.00**	**89.00**

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

FTE by Team	Full Time Equivalents (FTEs)						
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Security and Integrity	57.50	60.25	**64.50**	65.00	66.00	66.00	66.00
HazMat	18.50	19.50	**20.00**	20.00	20.00	20.00	20.00
Office of Emergency Preparedness	2.50	3.00	**3.00**	3.00	3.00	3.00	3.00
Grand Total	**78.50**	**82.75**	**87.50**	**88.00**	**89.00**	**89.00**	**89.00**

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 Section 5 - Operating Financial Plans by Service Area.

Personnel Biennial Budget Request by Expense Category

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.1 Salaries & Wages	$ 4,291,816	$ 4,557,500	$ 3,069,125	**$ 4,866,000**	**$ 308,500**	**6.8%**	$ 4,898,000
2.2 Workforce Development	20,952	-	15,269	**109,500**	**109,500**	**0.0%**	109,500
2.3 Overtime	451,014	467,200	347,924	**428,200**	**(39,000)**	**-8.3%**	428,200
2.4 Employee Benefits	1,710,951	1,898,400	1,347,985	**1,986,300**	**87,900**	**4.6%**	2,016,600
Grand Total	**$ 6,474,733**	**$ 6,923,100**	**$ 4,780,303**	**$ 7,390,000**	**$ 466,900**	**6.7%**	**$ 7,452,300**

Personnel Biennial Budget Request by Team

	FY 2024	FY 2025		FY 2026			FY 2027
Team	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Security and Integrity	$ 4,509,217	$ 4,791,900	$ 3,306,945	**$ 5,177,400**	**$ 385,500**	**8.0%**	$ 5,234,800
HazMat	1,580,927	1,753,000	1,198,159	**1,809,100**	**56,100**	**3.2%**	1,813,300
Office of Emergency Preparedness	384,589	378,200	275,199	**403,500**	**25,300**	**6.7%**	404,200
Grand Total	**$ 6,474,733**	**$ 6,923,100**	**$ 4,780,303**	**$ 7,390,000**	**$ 466,900**	**6.7%**	**$ 7,452,300**

Personnel – Five-Year Financial Plan by Expense Category

Expense Category	FY 2024 Actual	FY 2025 Amended Budget	FY 2025 Activity as of 02.28.2025	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
2.1 Salaries & Wages	$ 4,291,816	$ 4,557,500	$ 3,069,125	**$ 4,866,000**	**$ 308,500**	**6.8%**	$ 4,898,000
2.2 Workforce Development	20,952	-	15,269	**109,500**	**109,500**	**0.0%**	109,500
2.3 Overtime	451,014	467,200	347,924	**428,200**	**(39,000)**	**-8.3%**	428,200
2.4 Employee Benefits	1,710,951	1,898,400	1,347,985	**1,986,300**	**87,900**	**4.6%**	2,016,600
Grand Total	**$ 6,474,733**	**$ 6,923,100**	**$ 4,780,303**	**$ 7,390,000**	**$ 466,900**	**6.7%**	**$ 7,452,300**

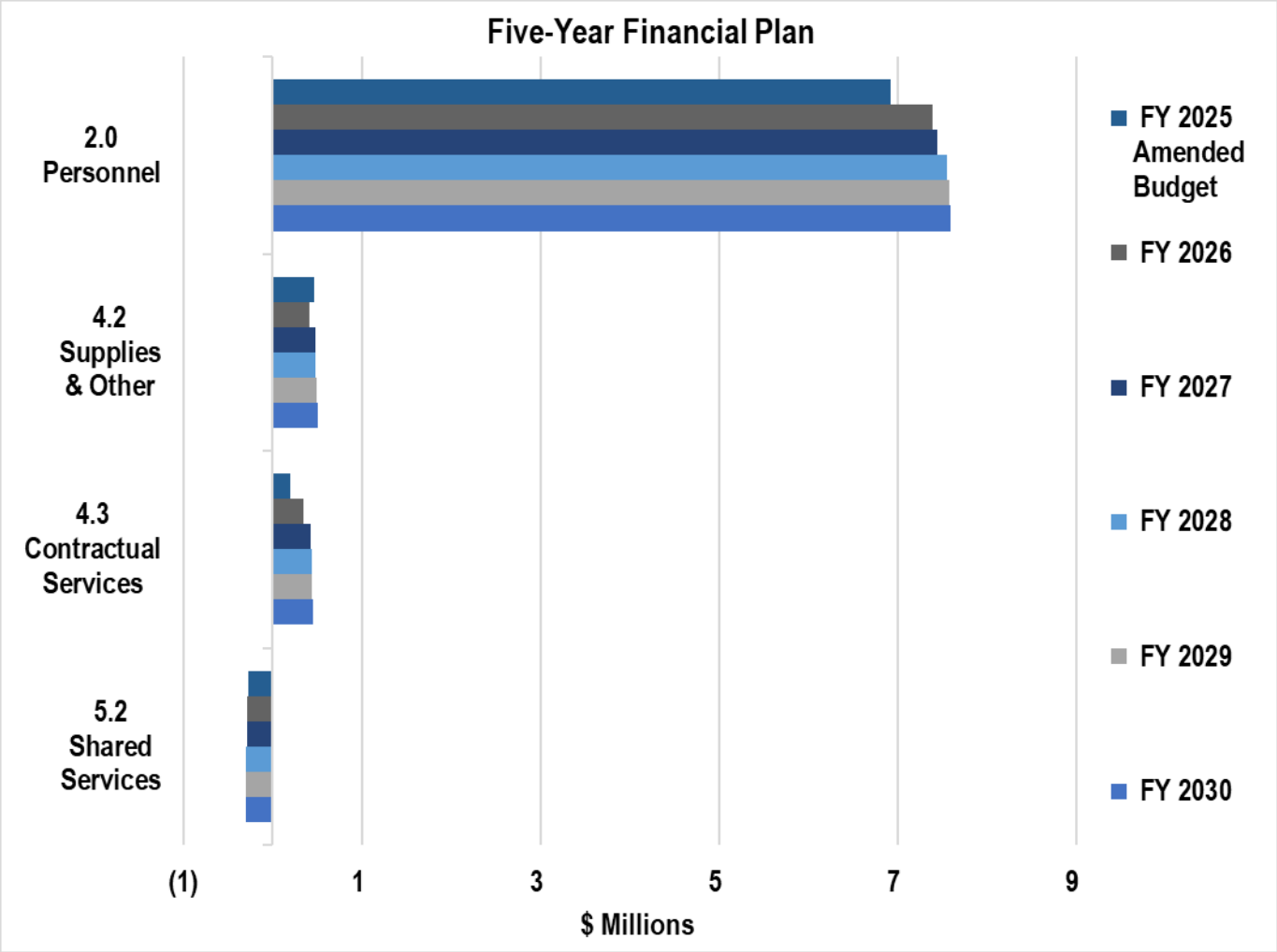
Personnel – Five-Year Financial Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Security and Integrity	$ 4,509,217	$ 4,791,900	**$ 5,177,400**	$ 5,234,800	$ 5,337,400	$ 5,350,800	$ 5,364,300
HazMat	1,580,927	1,753,000	**1,809,100**	1,813,300	1,817,600	1,821,900	1,826,200
Office of Emergency Preparedness	384,589	378,200	**403,500**	404,200	404,800	405,400	406,100
Grand Total	**$ 6,474,733**	**$ 6,923,100**	**$ 7,390,000**	**$ 7,452,300**	**$ 7,559,800**	**$ 7,578,100**	**$ 7,596,600**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
2.0 Personnel	$ 6,474,733	$ 6,923,100	**$ 7,390,000**	$ 7,452,300	$ 7,559,800	$ 7,578,100	$ 7,596,600
4.2 Supplies & Other	256,030	461,500	**414,900**	474,000	483,400	492,800	502,600
4.3 Contractual Services	298,527	204,600	**348,700**	426,500	435,000	443,700	452,500
5.2 Shared Services	(271,975)	(275,000)	**(280,500)**	(286,100)	(291,800)	(297,700)	(303,600)
Grand Total	**$ 6,757,315**	**$ 7,314,200**	**$ 7,873,100**	**$ 8,066,700**	**$ 8,186,400**	**$ 8,216,900**	**$ 8,248,100**



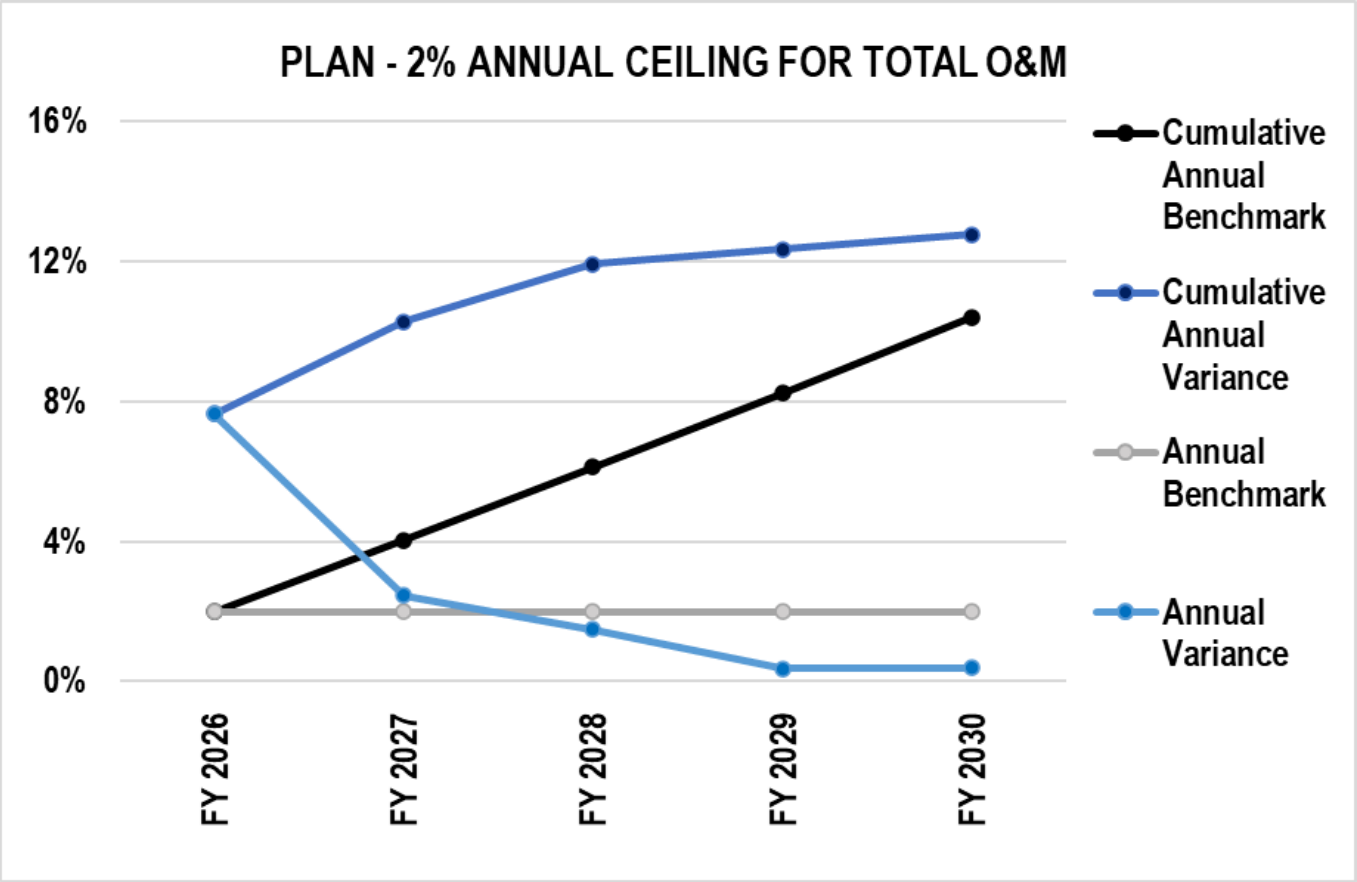
Five-Year Financial Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Security and Integrity	$ 4,743,947	$ 4,957,700	**$ 5,449,700**	$ 5,634,300	$ 5,744,900	$ 5,766,200	$ 5,788,000
HazMat	1,623,519	1,882,000	**1,937,500**	1,944,200	1,951,100	1,958,100	1,965,100
Office of Emergency Preparedness	389,849	474,500	**485,900**	488,200	490,400	492,600	495,000
Grand Total	**$ 6,757,315**	**$ 7,314,200**	**$ 7,873,100**	**$ 8,066,700**	**$ 8,186,400**	**$ 8,216,900**	**$ 8,248,100**

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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 12.8%, 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 main driver of the increase above the entity-wide goal is due to an increase in full-time equivalent staff as noted earlier.



Capital Outlay

The Security and Integrity area capital outlay is funded by the Improvement & Extension (I&E) budget. Ongoing efforts to upgrade and update Access Readers and Security Gates across the facilities of the organization. Prior year costs were funded through Operation & Maintenance.

Five-Year Capital Outlay by Asset Category

	Amended Budget	Proposed Budget		Projected		
Asset Category	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Hardware	-	120,000	-	-	-	-
Grand Total	$ -	$ 120,000	$ -	$ -	$ -	$ -

Go to TOC

Five-Year Capital Outlay by Funding Source

	Actuals	Amended Budget	Proposed Budget		Projected		
Funding Source	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**
Improvement & Extension	105,428	-	120,000	-	-	-	-
Grand Total	**$ 105,428**	**$ -**	**$ 120,000**	**$ -**	**$ -**	**$ -**	**$ -**

Five-Year Capital Outlay by Team

	Actuals	Amended Budget	Proposed Budget		Projected		
Team	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**
Security & Integrity	105,428	-	120,000	-	-	-	-
Grand Total	**$ 105,428**	**$ -**	**$ 120,000**	**$ -**	**$ -**	**$ -**	**$ -**

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 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	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
881201 Security and Integrity	**$ 4,743,947**	**$ 4,957,700**	**$ 5,449,700**	**$ 5,634,300**	**$ 5,744,900**	**$ 5,766,200**	**$ 5,788,000**
2.1 Salaries & Wages	**2,975,595**	**3,107,900**	**3,347,300**	**3,379,300**	**3,443,800**	**3,443,800**	**3,443,800**
2.2 Workforce Development	**20,952**	**-**	**109,500**	**109,500**	**109,500**	**109,500**	**109,500**
2.3 Overtime	**300,739**	**342,100**	**310,400**	**310,400**	**310,400**	**310,400**	**310,400**
2.4 Employee Benefits	**1,211,931**	**1,341,900**	**1,410,200**	**1,435,600**	**1,473,700**	**1,487,100**	**1,500,600**
4.2 Supplies & Other	**208,177**	**268,300**	**232,800**	**288,400**	**294,200**	**299,900**	**305,900**
Capital Outlay less than $5,000	5,700	53,000	54,000	55,000	56,200	57,200	58,300
Employee Uniform Expense	74,654	56,800	68,500	69,900	71,300	72,700	74,200
Memberships, Licenses & Subscriptions	42,368	16,900	21,500	21,900	22,300	22,700	23,200
Mileage and Parking	-	200	200	200	200	200	200
Office Supplies	3,819	13,900	14,200	14,500	14,800	15,100	15,400
Operating Supplies	42,102	78,500	30,000	81,600	83,200	84,900	86,600
Training and Internal Meetings	15,186	10,000	15,200	15,500	15,800	16,100	16,400
Travel	22,348	25,000	25,500	26,000	26,500	27,000	27,500
Tuition Refund	2,000	3,600	3,700	3,800	3,900	4,000	4,100
Uniforms, Laundry, Cleaning	-	10,400	-	-	-	-	-
4.3 Contractual Services	**298,527**	**172,500**	**320,000**	**397,200**	**405,100**	**413,200**	**421,400**
Contractual Operating Services	298,527	161,300	308,600	385,600	393,300	401,200	409,200
Contractual Security Services	-	11,200	11,400	11,600	11,800	12,000	12,200
5.2 Shared Services	**(271,975)**	**(275,000)**	**(280,500)**	**(286,100)**	**(291,800)**	**(297,700)**	**(303,600)**
Shared Services : Salaries & Wages Reimbursement	(178,306)	(154,200)	(60,400)	(61,600)	(62,800)	(64,100)	(65,400)
Shared Services Reimbursement	(22,351)	(59,200)	(157,300)	(160,400)	(163,600)	(166,900)	(170,200)
Shared Services: Employee Benefit Reimbursement	(71,318)	(61,600)	(62,800)	(64,100)	(65,400)	(66,700)	(68,000)
881202 HazMat	**1,623,519**	**1,882,000**	**1,937,500**	**1,944,200**	**1,951,100**	**1,958,100**	**1,965,100**
2.1 Salaries & Wages	**1,019,294**	**1,161,400**	**1,209,200**	**1,209,200**	**1,209,200**	**1,209,200**	**1,209,200**
2.3 Overtime	**150,275**	**125,100**	**117,800**	**117,800**	**117,800**	**117,800**	**117,800**
2.4 Employee Benefits	**411,358**	**466,500**	**482,100**	**486,300**	**490,600**	**494,900**	**499,200**
4.2 Supplies & Other	**42,592**	**129,000**	**128,400**	**130,900**	**133,500**	**136,200**	**138,900**
Capital Outlay less than $5,000	-	32,500	33,200	33,900	34,600	35,300	36,000
Employee Uniform Expense	14,882	9,000	16,000	16,300	16,600	16,900	17,200
Equipment Repairs & Maintenance	2,096	16,700	17,000	17,300	17,600	18,000	18,400
Memberships, Licenses & Subscriptions	885	1,500	1,500	1,500	1,500	1,500	1,500
Office Supplies	-	9,100	5,000	5,100	5,200	5,300	5,400
Operating Supplies	12,582	38,000	32,000	32,600	33,300	34,000	34,700
Training and Internal Meetings	11,510	17,200	17,700	18,100	18,500	18,900	19,300
Travel	636	5,000	6,000	6,100	6,200	6,300	6,400
881203 Office of Emergency Preparedness	**389,849**	**474,500**	**485,900**	**488,200**	**490,400**	**492,600**	**495,000**
2.1 Salaries & Wages	**296,927**	**288,200**	**309,500**	**309,500**	**309,500**	**309,500**	**309,500**
2.4 Employee Benefits	**87,662**	**90,000**	**94,000**	**94,700**	**95,300**	**95,900**	**96,600**
4.2 Supplies & Other	**5,260**	**64,200**	**53,700**	**54,700**	**55,700**	**56,700**	**57,800**
Memberships, Licenses & Subscriptions	190	12,000	8,500	8,700	8,900	9,100	9,300
Office Supplies	1,032	1,000	2,000	2,000	2,000	2,000	2,000
Operating Supplies	-	8,500	6,500	6,600	6,700	6,800	6,900
Training and Internal Meetings	1,083	35,600	25,500	26,000	26,500	27,000	27,500
Travel	2,955	7,100	7,200	7,300	7,400	7,500	7,700
Tuition Refund	-	-	4,000	4,100	4,200	4,300	4,400
4.3 Contractual Services	**-**	**32,100**	**28,700**	**29,300**	**29,900**	**30,500**	**31,100**
Contractual Operating Services	-	32,100	28,700	29,300	29,900	30,500	31,100
Grand Total	**$ 1,657,848**	**$ 1,772,600**	**$ 1,956,700**	**$ 1,994,800**	**$ 2,081,500**	**$ 2,100,700**	**$ 2,120,400**

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Go to TOC

GLWA
Great Lakes Water Authority

Section 5D

Administrative Services

Go to TOC

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Go to TOC

Administrative Services

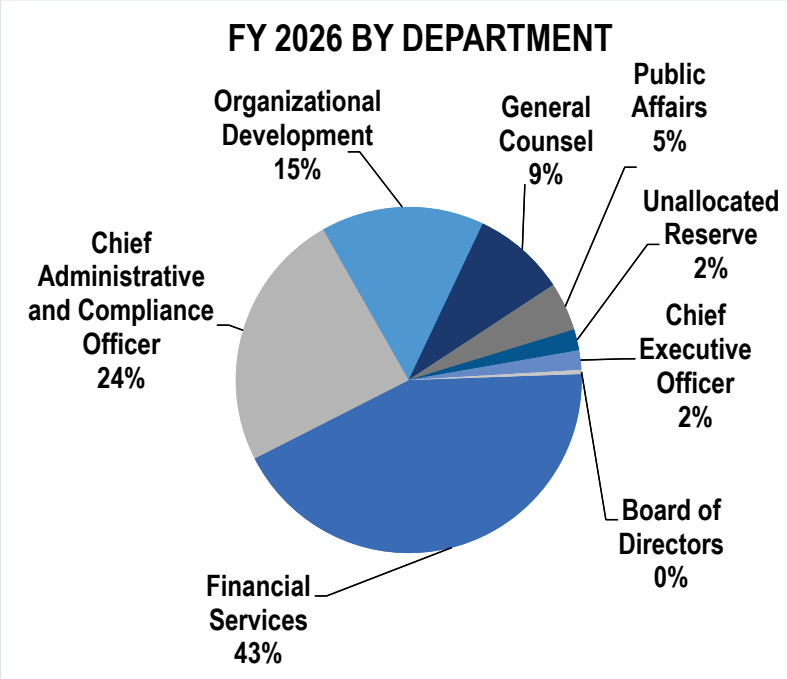
The Administrative Services operating area serves both water and wastewater operations. The following departments are included in the Administrative Services operating area:

- Board of Directors
- Chief Executive Officer
- Chief Administrative and Compliance Officer (includes Risk Management & Safety and Insurance Fund)
- 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)

Biennial Budget Request

Administrative Services is shown as operating area D in Schedules 2C and 2D in Section 2 - Core Financial Plan Schedules.

The following tables consolidate the department budgets presented in this section for an overall view of the Administrative Services operating area compared to the FY 2025 Amended Budget. A comparison to the FY 2025 Adopted Budget is shown in Schedule 2K and 2L in Section 2 – Core Financial Plan Schedules.



Go to TOC

Biennial Budget Request by Expense Category

Expense Category	FY 2024 Actual	FY 2025 Amended Budget	FY 2025 Activity as of 02.28.2025	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
2.1 Salaries & Wages	$ 16,639,927	$ 16,891,400	$ 12,110,584	**$ 18,251,100**	**$ 1,359,700**	**8.0%**	$ 18,788,900
2.2 Workforce Development	43,832	57,200	35,247	**197,100**	**139,900**	**244.6%**	197,100
2.3 Overtime	12,231	12,400	3,426	**5,700**	**(6,700)**	**-54.0%**	5,800
2.4 Employee Benefits	5,028,730	5,455,300	3,675,561	**5,652,600**	**197,300**	**3.6%**	5,864,600
2.5 Transition Services	154,423	91,100	40,290	**129,500**	**38,400**	**42.2%**	167,200
Total Personnel Costs	21,879,143	22,507,400	15,865,109	**24,236,000**	**1,728,600**	**7.7%**	25,023,600
3.1 Electric	96,195	102,000	62,801	**114,400**	**12,400**	**12.2%**	116,700
3.2 Gas	50,636	51,500	30,601	**55,800**	**4,300**	**8.3%**	56,900
3.3 Sewage Service	3,182	22,400	1,300	**25,100**	**2,700**	**12.1%**	25,600
3.4 Water Service	2,331	15,600	711	**10,900**	**(4,700)**	**-30.1%**	11,100
Total Utility Costs	152,343	191,500	95,413	**206,200**	**14,700**	**7.7%**	210,300
4.2 Supplies & Other	2,356,480	2,456,600	1,464,192	**2,666,800**	**210,200**	**8.6%**	2,670,400
4.3 Contractual Services	12,780,043	13,967,600	8,535,288	**15,321,400**	**1,353,800**	**9.7%**	15,218,500
5.2 Shared Services	(167,320)	(211,300)	(123,941)	**(184,400)**	**26,900**	**-12.7%**	(187,600)
7.0 Unallocated Reserve	-	752,000	-	**847,800**	**95,800**	**12.7%**	1,335,800
Total Other Categories	14,969,203	16,964,900	9,875,538	**18,651,600**	**1,686,700**	**9.9%**	19,037,100
Total Administrative Services (Operating Area D)	**$ 37,000,689**	**$ 39,663,800**	**$ 25,836,061**	**$ 43,093,800**	**$ 3,430,000**	**8.6%**	**$ 44,271,000**

Five-Year Financial Plan

Five Year Financial Plan by Expense Category

Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
2.1 Salaries & Wages	$ 16,639,927	$ 16,891,400	**$ 18,251,100**	$ 18,788,900	$ 19,921,300	$ 19,985,600	$ 19,985,600
2.2 Workforce Development	43,832	57,200	**197,100**	197,100	197,100	197,100	197,100
2.3 Overtime	12,231	12,400	**5,700**	5,800	6,000	6,000	6,000
2.4 Employee Benefits	5,028,730	5,455,300	**5,652,600**	5,864,600	6,268,300	6,333,000	6,377,300
2.5 Transition Services	154,423	91,100	**129,500**	167,200	243,300	243,300	243,300
Total Personnel Costs	21,879,143	22,507,400	**24,236,000**	25,023,600	26,636,000	26,765,000	26,809,300
3.1 Electric	96,195	102,000	**114,400**	116,700	119,000	121,400	123,800
3.2 Gas	50,636	51,500	**55,800**	56,900	58,000	59,200	60,400
3.3 Sewage Service	3,182	22,400	**25,100**	25,600	26,100	26,600	27,100
3.4 Water Service	2,331	15,600	**10,900**	11,100	11,300	11,500	11,700
Total Utility Costs	152,343	191,500	**206,200**	210,300	214,400	218,700	223,000
4.2 Supplies & Other	2,356,480	2,456,600	**2,666,800**	2,670,400	2,745,000	2,801,400	2,858,400
4.3 Contractual Services	12,780,043	13,967,600	**15,321,400**	15,218,500	15,551,300	15,971,100	16,183,000
5.2 Shared Services	(167,320)	(211,300)	**(184,400)**	(187,600)	(191,000)	(194,500)	(198,300)
7.0 Unallocated Reserve	-	752,000	**847,800**	1,335,800	1,846,000	2,366,500	2,866,500
Total Other Categories	14,969,203	16,964,900	**18,651,600**	19,037,100	19,951,300	20,944,500	21,709,600
Total Administrative Services (Operating Area D)	**$ 37,000,689**	**$ 39,663,800**	**$ 43,093,800**	**$ 44,271,000**	**$ 46,801,700**	**$ 47,928,200**	**$ 48,741,900**

Cost Allocation

Administrative Services expenses are allocated to the water and wastewater operating areas 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. 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 occur and when new vendor contracts are executed.

The following tables present the dollar amount allocated to each system based on the analysis of expenses by cost center for both the biennial and five-year budget periods.

Biennial Cost Allocation Summary

	FY 2024	FY 2025		FY 2026			FY 2027
Operations Area	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Administrative Services							
Water	$ 18,077,932	$ 18,388,100	$ 11,857,796	**$ 19,951,800**	**$ 1,563,700**	**8.5%**	$ 20,516,500
Wastewater	18,922,757	21,275,700	13,978,265	**23,142,000**	**1,866,300**	**8.8%**	23,754,500
Grand Total	**$ 37,000,689**	**$ 39,663,800**	**$ 25,836,061**	**$ 43,093,800**	**$ 3,430,000**	**8.6%**	**$ 44,271,000**

Five Year Cost Allocation Summary

	Actual	Amended Budget	Proposed Budget		Projected		
Operations Area	FY 2024	FY 2025	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Administrative Services							
Water	18,077,932	18,388,100	**19,951,800**	20,516,500	21,741,400	22,271,500	22,644,500
Wastewater	18,922,757	21,275,700	**23,142,000**	23,754,500	25,060,300	25,656,700	26,097,400
Grand Total	**$ 37,000,689**	**$ 39,663,800**	**$ 43,093,800**	**$ 44,271,000**	**$ 46,801,700**	**$ 47,928,200**	**$ 48,741,900**

The following table presents the projected allocation percentages for the five-year period 2026 through 2030.

Five Year Projected Cost Allocated Percentages

	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget		Projected		
Operations Area	FY 2024	FY 2025	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Administrative Services	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Water	48.9%	46.4%	45.9%	**46.3%**	46.3%	46.5%	46.5%	46.5%
Wastewater	51.1%	53.6%	54.1%	**53.7%**	53.7%	53.5%	53.5%	53.5%

Go to TOC

The following table lists the Administrative Services significant contracts and cost centers that receive specific water and/or sewer accounting treatment as noted in Step One above.

Administrative Services Water/Sewer Specific Contracts – 100% allocation to Sewer

Cost Center	Contract	Vendor	Description of Service	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Allocation
Logistics & Materials	2100822	Family Associates, LLC	Melvindale Warehouse Rental	$ 523,800	$ 535,600	$ 549,000	$ 562,700	$ 576,768	Sewer
	47003990009300	City of Melvindale	Property Taxes	5,600	5,700	5,800	5,900	6,000	Sewer
Total				**$ 529,400**	**$ 541,300**	**$ 554,800**	**$ 568,600**	**$ 582,768**	Sewer

Administrative Services Water/Sewer Specific Cost Center Allocations

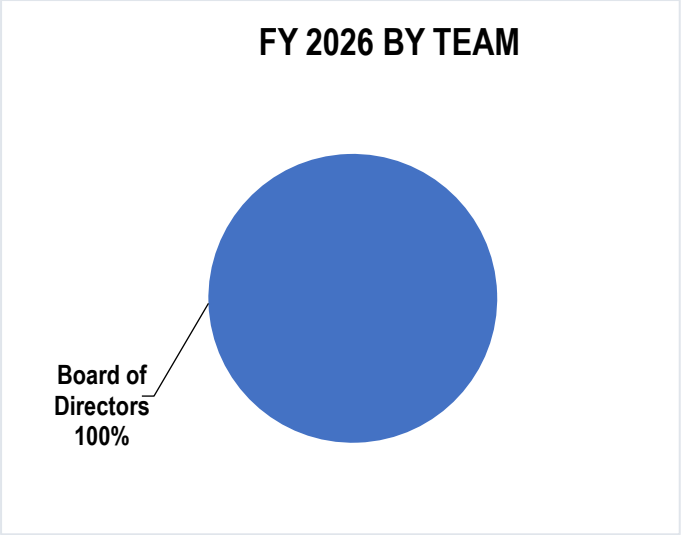
Cost Center	Cost Center Description	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Allocation
883411	Enterprise Risk Management Insurance Fund	$ 6,252,200	$ 6,337,200	$ 6,504,700	$ 6,634,800	$ 6,767,500	W/S - 30/70%

Board of Directors

The GLWA governing body is made up of representatives from the surrounding counties to set policies that help GLWA execute its mission and vision 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 they are 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.



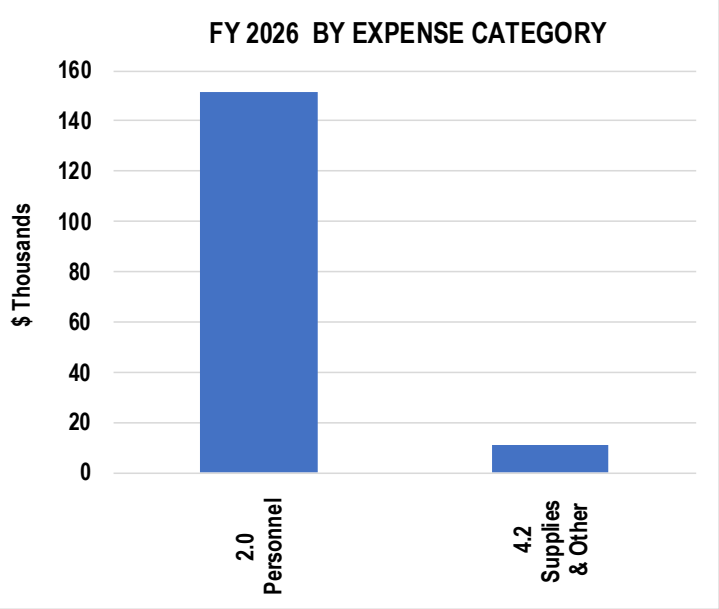
Expense Categories

The primary expense in the Board of Directors area is Personnel costs.

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



Go to TOC

Biennial Budget Request

The biennial budget reflects a decrease of $2,400, or 1.5%, in FY 2026. There is no change in the Personnel category.

- Personnel - FY 2026 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.
- Supplies & Other – The FY 2025 Budget decreased by $2,400 or 18.2% compared to the FY 2025 Amended Budget due to lower historical spending trends on memberships, licenses & subscriptions, travel, and office supplies.

Biennial Budget Request by Expense Category

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.0 Personnel	$ 157,500	$ 151,200	$ 94,500	**$ 151,200**	**$ -**	**0.0%**	$ 151,200
4.2 Supplies & Other	9,954	13,200	8,322	**10,800**	**(2,400)**	**-18.2%**	10,800
Grand Total	**$ 167,454**	**$ 164,400**	**$ 102,822**	**$ 162,000**	**$ (2,400)**	**-1.5%**	**$ 162,000**

Biennial Budget Request by Team

	FY 2024	FY 2025		FY 2026			FY 2027
Team	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Board of Directors	$ 167,454	$ 164,400	$ 102,822	**$ 162,000**	**$ (2,400)**	**-1.5%**	$ 162,000
Grand Total	**$ 167,454**	**$ 164,400**	**$ 102,822**	**$ 162,000**	**$ (2,400)**	**-1.5%**	**$ 162,000**

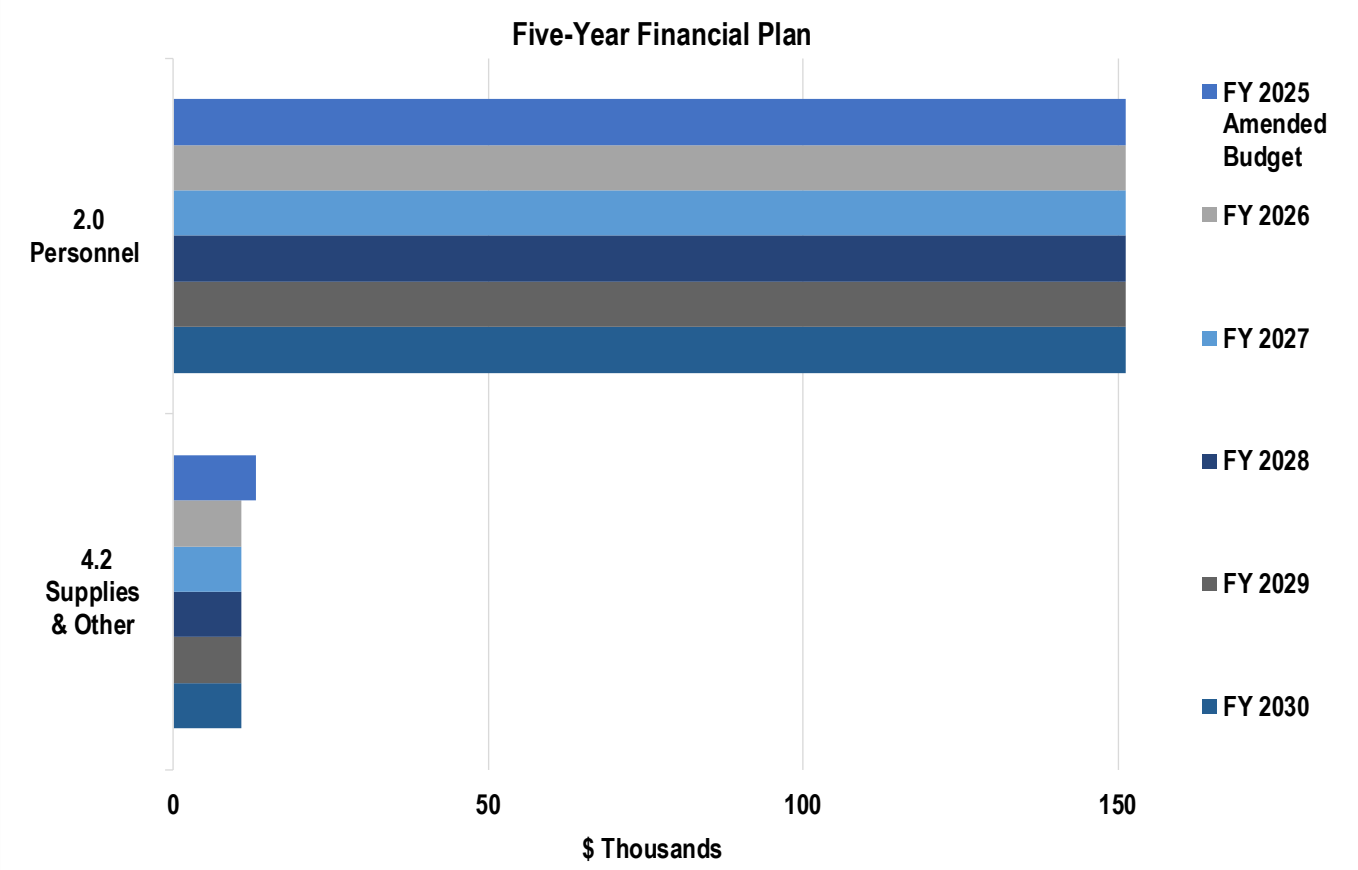
Personnel Budget

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

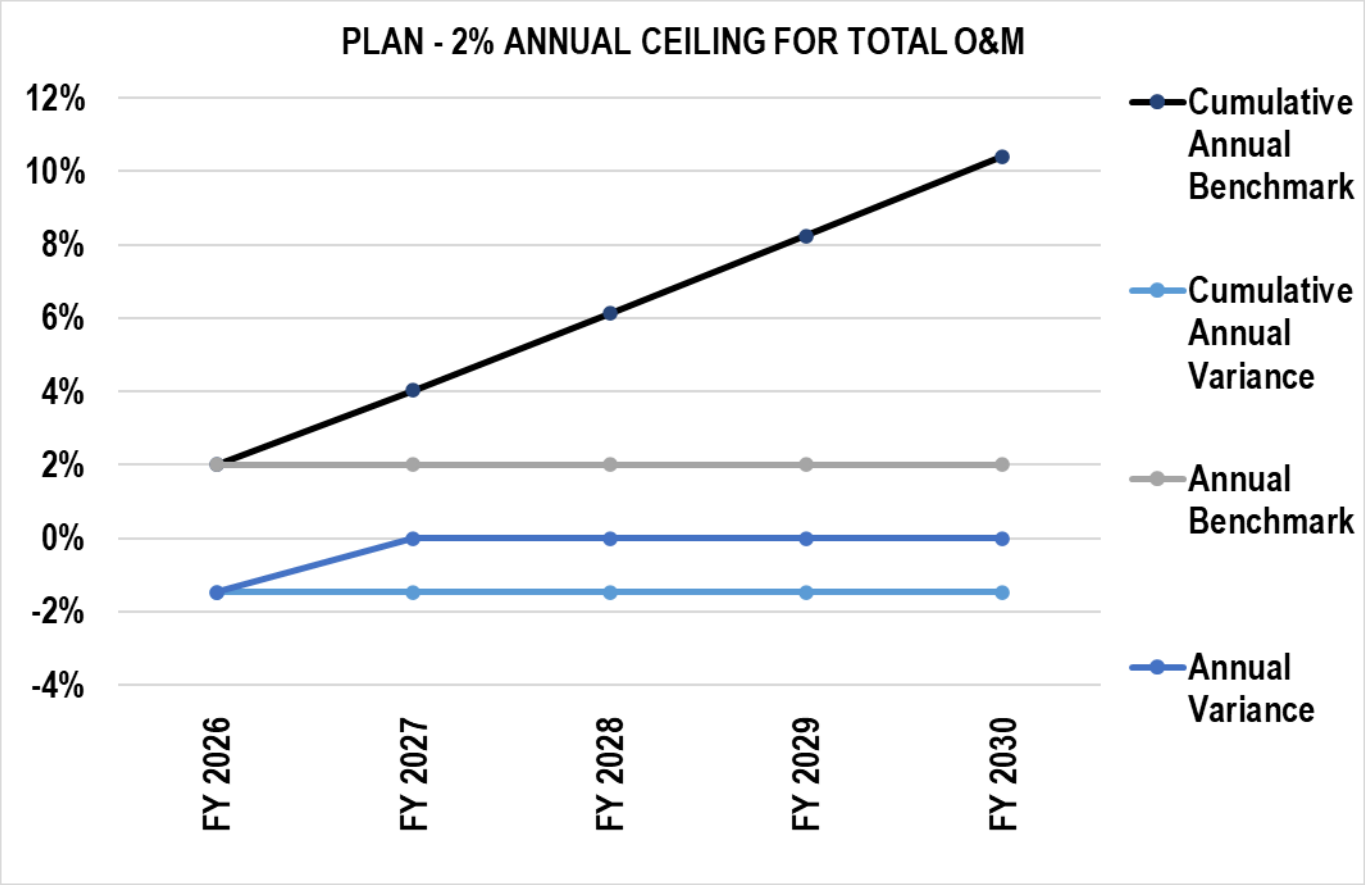
Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
2.0 Personnel	$ 157,500	$ 151,200	**$ 151,200**	$ 151,200	$ 151,200	$ 151,200	$ 151,200
4.2 Supplies & Other	9,954	13,200	**10,800**	10,800	10,800	10,800	10,800
Grand Total	**$ 167,454**	**$ 164,400**	**$ 162,000**	**$ 162,000**	**$ 162,000**	**$ 162,000**	**$ 162,000**



Five-Year Financial Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Board of Directors	$ 167,454	$ 164,400	**$ 162,000**	$ 162,000	$ 162,000	$ 162,000	$ 162,000
Grand Total	**$ 167,454**	**$ 164,400**	**$ 162,000**	**$ 162,000**	**$ 162,000**	**$ 162,000**	**$ 162,000**

Alignment with Entity-wide Annual O&M Ceiling Goal of 2%
The Board of Directors' financial plan reflects a five-year overall decrease of 1.5% 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.

Go to TOC

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 span multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

Cost Center & Expense Category	Actual FY 2024	Adopted Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
881151 Board of Directors							
2.1 Salaries & Wages	**157,500**	**151,200**	**151,200**	**151,200**	**151,200**	**151,200**	**151,200**
4.2 Supplies & Other	**9,954**	**13,200**	**10,800**	**10,800**	**10,800**	**10,800**	**10,800**
Memberships, Licenses & Subscriptions	-	2,700	1,000	1,000	1,000	1,000	1,000
Office Supplies	-	1,300	1,000	1,000	1,000	1,000	1,000
Training and Internal Meetings	4,280	4,000	4,000	4,000	4,000	4,000	4,000
Travel	5,674	5,200	4,800	4,800	4,800	4,800	4,800
Grand Total	**$ 167,454**	**$ 164,400**	**$ 162,000**	**$ 162,000**	**$ 162,000**	**$ 162,000**	**$ 162,000**

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.

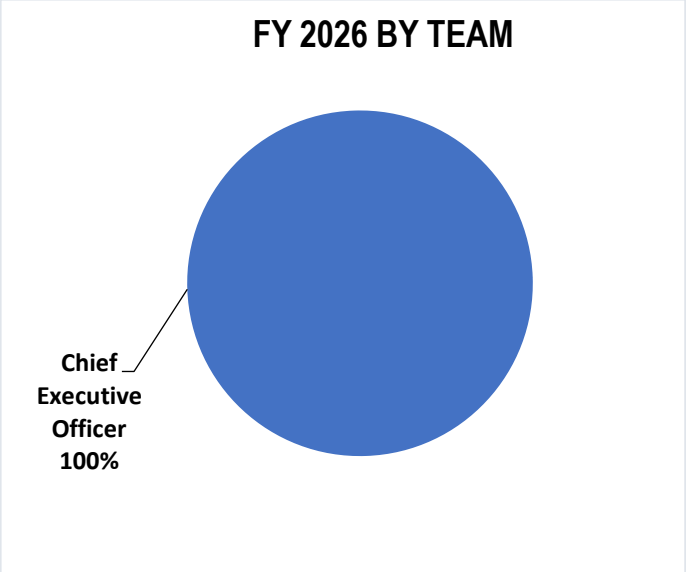
- Environmental Regulatory Compliance (Ongoing)
- Financial Resiliency and Charge Equity and Stability (Ongoing)
- Capital and Operational Utility Optimization (Ongoing)
- Member Partner Engagement and Satisfaction (Ongoing)
- GLWA Team Member Support and Retention (Ongoing)
- Commitment to Affordability, 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 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
	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.

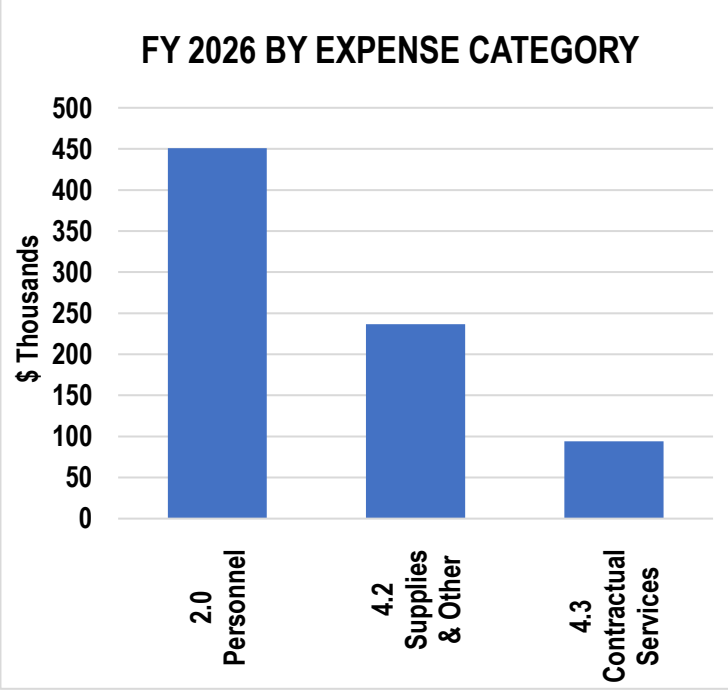


Expense Categories

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 largest expense category is Personnel costs. The second largest, Supplies & Other, includes organizational memberships, training, and includes the contract with Park Rite for parking spaces.



Go to TOC

Biennial Budget Request

The biennial budget reflects an increase of $61,900, or 8.6%, in FY 2026.

- Personnel increased 3.8 % or $16,400 for merit increases which occurred in FY 2025.
- Supplies & Other increased to cover the increase in the corporate membership fees for both the National Association of Clean Water and the Association of Metropolitan Water, as well as an increase of the monthly parking fee.
- Contractual Services increased 50.6 % or $31,600 for increases in leadership consulting and new contract for media project creation.

Biennial Budget Request by Expense Category

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.0 Personnel	$ 458,208	$ 434,500	$ 314,591	**$ 450,900**	**$ 16,400**	**3.8%**	$ 451,400
4.2 Supplies & Other	212,089	222,600	130,978	**236,500**	**13,900**	**6.2%**	241,200
4.3 Contractual Services	95,884	62,400	215,232	**94,000**	**31,600**	**50.6%**	100,000
Grand Total	**$ 766,180**	**$ 719,500**	**$ 660,801**	**$ 781,400**	**$ 61,900**	**8.6%**	**$ 792,600**

Biennial Budget Request by Team

	FY 2024	FY 2025		FY 2026			FY 2027
Team	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Chief Executive Officer	$ 766,180	$ 719,500	$ 660,801	**$ 781,400**	**$ 61,900**	**8.6%**	$ 792,600
Grand Total	**$ 766,180**	**$ 719,500**	**$ 660,801**	**$ 781,400**	**$ 61,900**	**8.6%**	**$ 792,600**

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

	Staffing Plan						
Operating Area and Team	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Chief Executive Officer	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**
Chief Executive Officer	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Grand Total	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**

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. For this budget area, the Staffing Plan and the FTEs are the same.

Full Time Equivalents

Operating Area and Team	Full Time Equivalents (FTEs)						
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Chief Executive Officer	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**
Chief Executive Officer	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Grand Total	**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 Section 5 - Operating Financial Plans by Service Area.

Personnel – Biennial Budget Request by Expense Category

Expense Category	FY 2024	FY 2025		FY 2026			FY 2027
	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.1 Salaries & Wages	$ 370,318	$ 346,700	$ 261,372	**$ 366,100**	**$ 19,400**	**5.6%**	$ 366,100
2.4 Employee Benefits	87,890	87,800	53,220	**84,800**	**(3,000)**	**-3.4%**	85,300
Grand Total	**$ 458,208**	**$ 434,500**	**$ 314,591**	**$ 450,900**	**$ 16,400**	**3.8%**	**$ 451,400**

Personnel – Biennial Budget Request by Team

Team	FY 2024	FY 2025		FY 2026			FY 2027
	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Chief Executive Officer	$ 458,208	$ 434,500	$ 314,591	**$ 450,900**	**$ 16,400**	**3.8%**	$ 451,400
Grand Total	**$ 458,208**	**$ 434,500**	**$ 314,591**	**$ 450,900**	**$ 16,400**	**3.8%**	**$ 451,400**

Personnel – Five-Year Financial Plan by Expense Category

Expense Category	Actual	Amended Budget	Proposed Budget		Projected		
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
2.1 Salaries & Wages	$ 370,318	$ 346,700	**$ 366,100**	$ 366,100	$ 366,100	$ 366,100	$ 366,100
2.4 Employee Benefits	87,890	87,800	**84,800**	85,300	85,700	86,100	86,500
Grand Total	**$ 458,208**	**$ 434,500**	**$ 450,900**	**$ 451,400**	**$ 451,800**	**$ 452,200**	**$ 452,600**

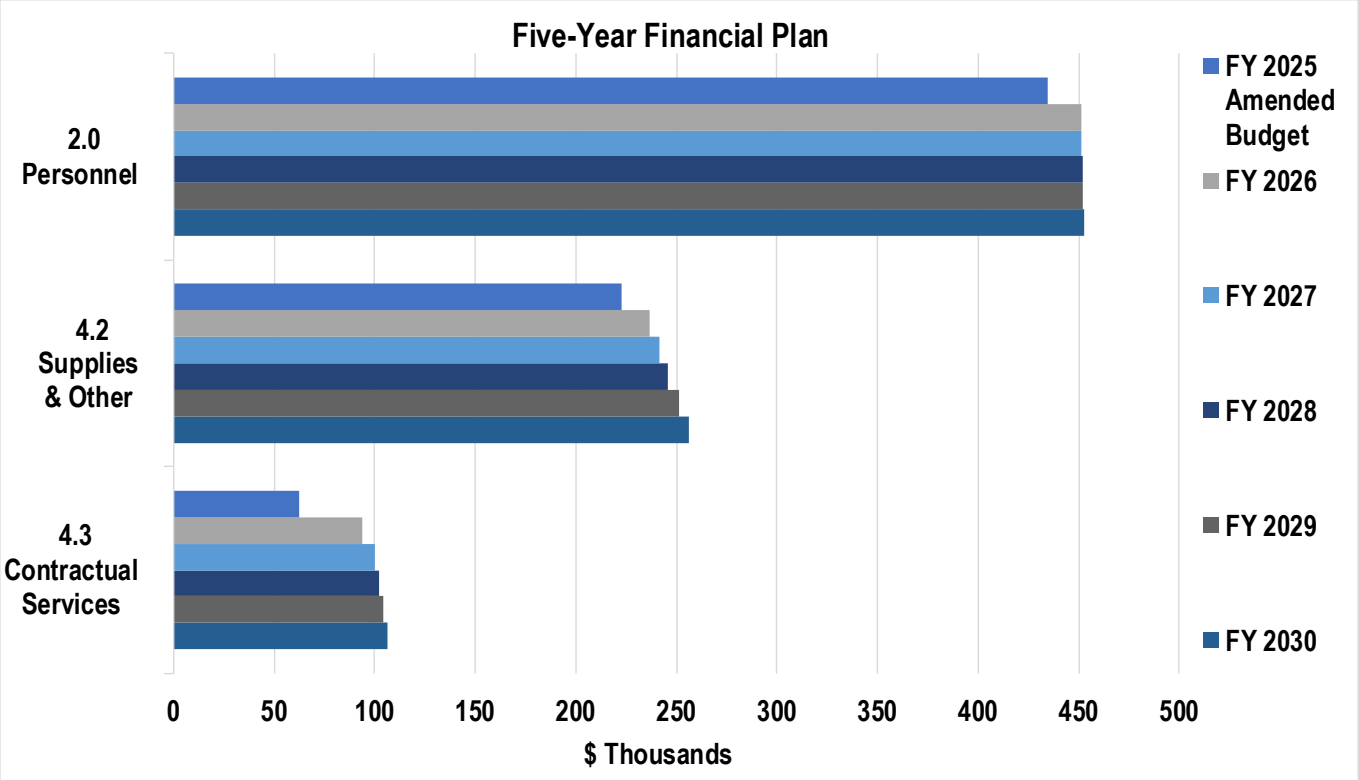
Personnel – Five-Year Financial Plan by Team

Team	Actual	Amended Budget	Proposed Budget		Projected		
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Chief Executive Officer	$ 458,208	$ 434,500	**$ 450,900**	$ 451,400	$ 451,800	$ 452,200	$ 452,600
Grand Total	**$ 458,208**	**$ 434,500**	**$ 450,900**	**$ 451,400**	**$ 451,800**	**$ 452,200**	**$ 452,600**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
2.0 Personnel	$ 458,208	$ 434,500	**$ 450,900**	$ 451,400	$ 451,800	$ 452,200	$ 452,600
4.2 Supplies & Other	212,089	222,600	**236,500**	241,200	246,000	251,000	256,000
4.3 Contractual Services	95,884	62,400	**94,000**	100,000	102,000	104,000	106,100
Grand Total	**$ 766,180**	**$ 719,500**	**$ 781,400**	**$ 792,600**	**$ 799,800**	**$ 807,200**	**$ 814,700**

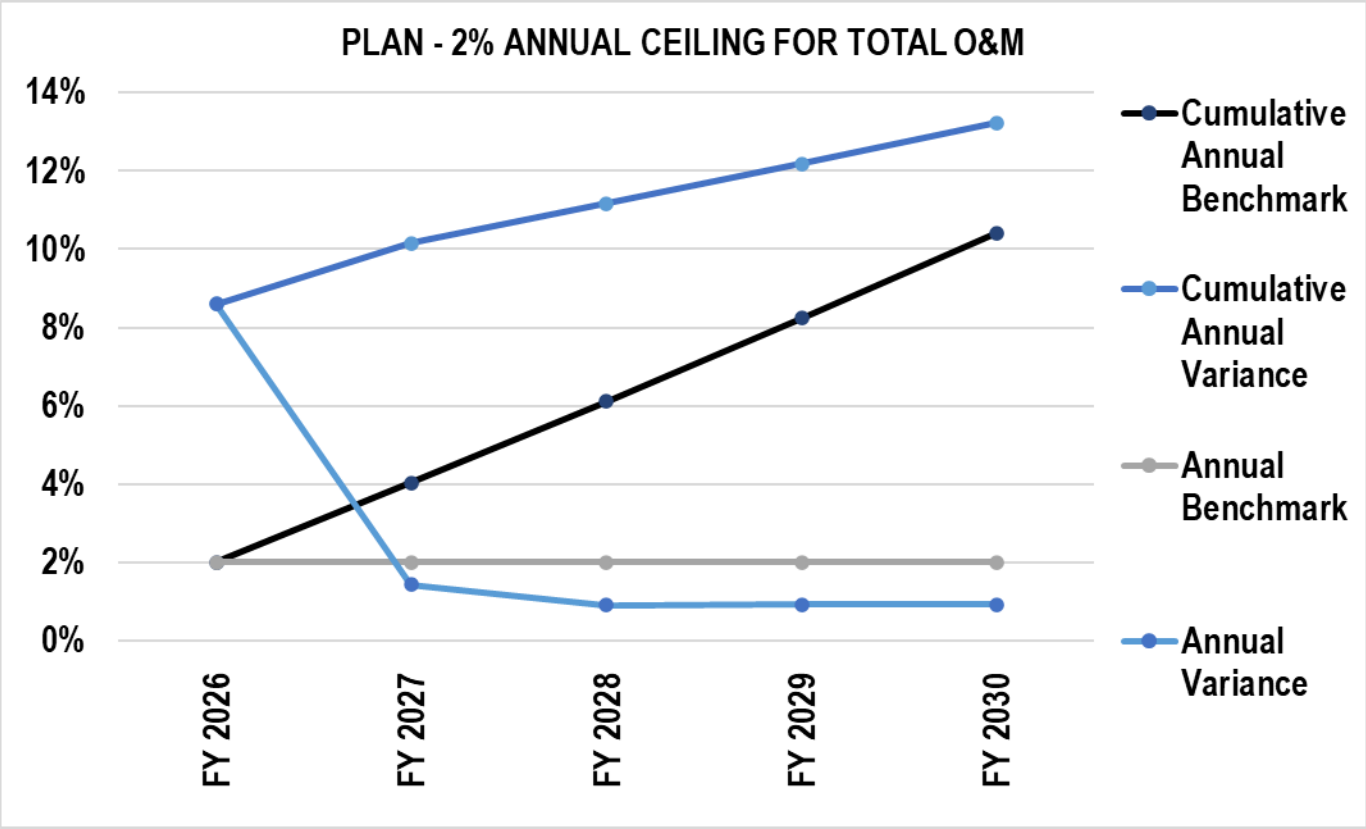


Five-Year Financial Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Chief Executive Officer	$ 766,180	$ 719,500	**$ 781,400**	$ 792,600	$ 799,800	$ 807,200	$ 814,700
Grand Total	**$ 766,180**	**$ 719,500**	**$ 781,400**	**$ 792,600**	**$ 799,800**	**$ 807,200**	**$ 814,700**

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 13.2% 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 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	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
881001 Chief Executive Officer							
2.1 Salaries & Wages	**$ 370,318**	**$ 346,700**	**$ 366,100**	**$ 366,100**	**$ 366,100**	**$ 366,100**	**$ 366,100**
2.4 Employee Benefits	**87,890**	**87,800**	**84,800**	**85,300**	**85,700**	**86,100**	**86,500**
4.2 Supplies & Other	**212,089**	**222,600**	**236,500**	**241,200**	**246,000**	**251,000**	**256,000**
Memberships, Licenses & Subscriptions	131,116	123,400	136,400	139,100	141,900	144,800	147,700
Mileage and Parking	70,400	78,600	80,200	81,800	83,400	85,100	86,800
Office Supplies	3,051	5,000	4,000	4,100	4,200	4,300	4,400
Postage	133	100	100	100	100	100	100
Training and Internal Meetings	2,622	5,500	5,600	5,700	5,800	5,900	6,000
Travel	4,767	10,000	10,200	10,400	10,600	10,800	11,000
4.3 Contractual Services	**95,884**	**62,400**	**94,000**	**100,000**	**102,000**	**104,000**	**106,100**
Contractual Professional Services	95,884	62,400	94,000	100,000	102,000	104,000	106,100
Grand Total	**$ 766,180**	**$ 719,500**	**$ 781,400**	**$ 792,600**	**$ 799,800**	**$ 807,200**	**$ 814,700**

Go to TOC

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 practice complaints.
- **Continue Build Out of Legislative Relations team (Ongoing)**
  Establish and support 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:

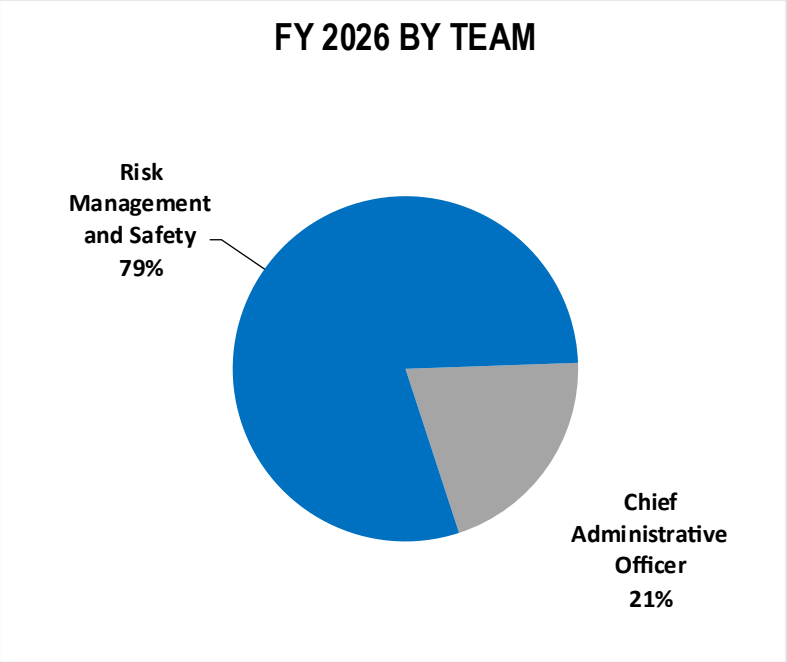
		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership 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, established 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.



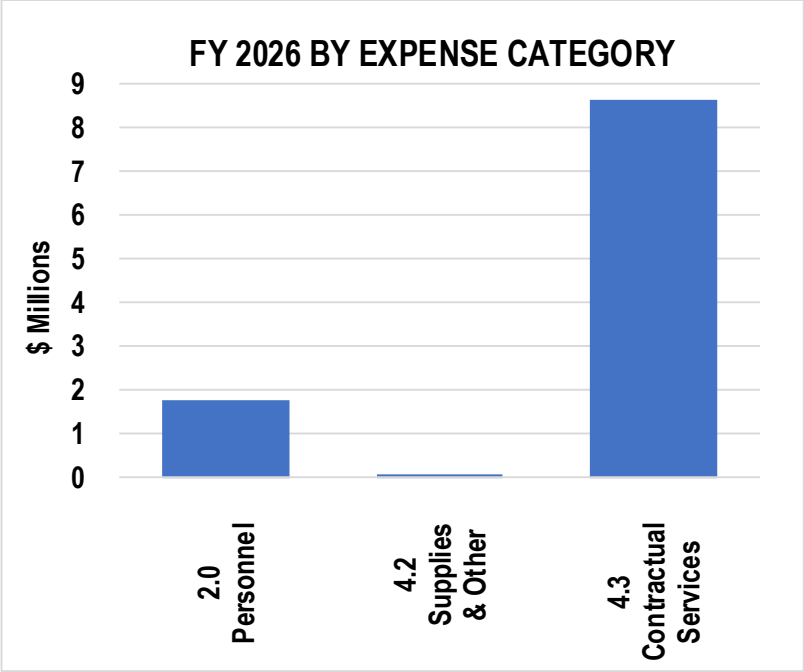
Expense Categories

There are three expense categories within the Chief Administrative and Compliance Officer area in the operations and maintenance budget:

- Personnel
- Supplies & Other
- Contractual Services

Contractual Services represent the largest expense category for FY 2026. The contractual services account encompasses three major contracts:

- government relation services
- environmental, safety, and response services, and
- staff development.



Go to TOC

Biennial Budget Request

The biennial budget reflects an overall increase of $1.5 million, or 17.6%, in FY 2026.

- Contractual services increased by $1.4 million to reflect the estimated annual premium rate increase on insurance policies and risk management policy agreements.
- Personnel increased by $170, 900 due to prior year merit increases.
- Supplies and other increased by $33,300 to invest in employee training and development.

Biennial Budget Request by Expense Category

Expense Category	FY 2024 Actual	FY 2025 Amended Budget	FY 2025 Activity as of 02.28.2025	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
2.0 Personnel	$ 1,473,380	$ 1,589,200	$ 1,025,546	**$ 1,760,100**	**$ 170,900**	**10.8%**	$ 1,942,100
4.2 Supplies & Other	49,374	41,400	12,996	**74,700**	**33,300**	**80.4%**	73,200
4.3 Contractual Services	7,161,801	7,259,700	4,865,516	**8,617,000**	**1,357,300**	**18.7%**	8,749,200
Grand Total	**$ 8,684,556**	**$ 8,890,300**	**$ 5,904,057**	**$ 10,451,800**	**$ 1,561,500**	**17.6%**	**$ 10,764,500**

Biennial Budget Request by Team

Team	FY 2024 Actual	FY 2025 Amended Budget	FY 2025 Activity as of 02.28.2025	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
Chief Administrative Officer	$ 1,543,729	$ 1,381,700	$ 653,313	**$ 2,145,800**	**$ 764,100**	**55.3%**	$ 2,290,600
Risk Management and Safety	7,140,827	7,508,600	5,250,744	**8,306,000**	**797,400**	**10.6%**	8,473,900
Grand Total	**$ 8,684,556**	**$ 8,890,300**	**$ 5,904,057**	**$ 10,451,800**	**$ 1,561,500**	**17.6%**	**$ 10,764,500**

Personnel Budget

The Chief Administrative and Compliance Officer area consists of 16 positions for FY 2025. The increase by two is for one staff position for an Environmental Health & Safety Coordinator, dedicated to CIP, and one Health and Safety Coordinator.

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

Staffing Plan by Team	Staffing Plan						
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Chief Administrative Officer	5.00	7.00	**7.00**	7.00	7.00	7.00	7.00
Enterprise Risk Management and Safety	9.00	9.00	**9.00**	9.00	9.00	9.00	9.00
Grand Total	**14.00**	**16.00**	**16.00**	**16.00**	**16.00**	**16.00**	**16.00**

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

FTE by Team	Full Time Equivalents (FTEs)						
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Chief Administrative Officer	4.50	4.75	**4.75**	5.50	7.00	7.00	7.00
Enterprise Risk Management and Safety	5.75	6.75	**7.50**	8.00	9.00	9.00	9.00
Grand Total	**10.25**	**11.50**	**12.25**	**13.50**	**16.00**	**16.00**	**16.00**

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 Section 5 - Operating Financial Plans by Service Area.

Personnel – Biennial Budget Request by Expense Category

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.1 Salaries & Wages	$ 1,102,461	$ 1,156,400	$ 809,573	**$ 1,296,700**	**$ 140,300**	**12.1%**	$ 1,435,100
2.4 Employee Benefits	301,919	341,700	215,973	**372,300**	**30,600**	**9.0%**	415,900
2.5 Transition Services	69,000	91,100	-	**91,100**	**-**	**0.0%**	91,100
Grand Total	**$ 1,473,380**	**$ 1,589,200**	**$ 1,025,546**	**$ 1,760,100**	**$ 170,900**	**10.8%**	**$ 1,942,100**

Personnel – Biennial Budget Request by Team

	FY 2024	FY 2025		FY 2026			FY 2027
Team	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Chief Administrative Officer	753,924	782,800	498,958	**839,900**	**57,100**	**7.3%**	961,600
Risk Management and Safety	719,456	806,400	526,588	**920,200**	**113,800**	**14.1%**	980,500
Grand Total	**$ 1,473,380**	**$ 1,589,200**	**$ 1,025,546**	**$ 1,760,100**	**$ 170,900**	**10.8%**	**$ 1,942,100**

Personnel – Five-Year Financial Plan by Expense Category

	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
2.1 Salaries & Wages	$ 1,102,461	$ 1,156,400	**$ 1,296,700**	$ 1,435,100	$ 1,714,100	$ 1,714,100	$ 1,714,100
2.4 Employee Benefits	301,919	341,700	**372,300**	415,900	501,700	503,700	506,900
2.5 Transition Services	69,000	91,100	**91,100**	91,100	91,100	91,100	91,100
Grand Total	**$ 1,473,380**	**$ 1,589,200**	**$ 1,760,100**	**$ 1,942,100**	**$ 2,306,900**	**$ 2,308,900**	**$ 2,312,100**

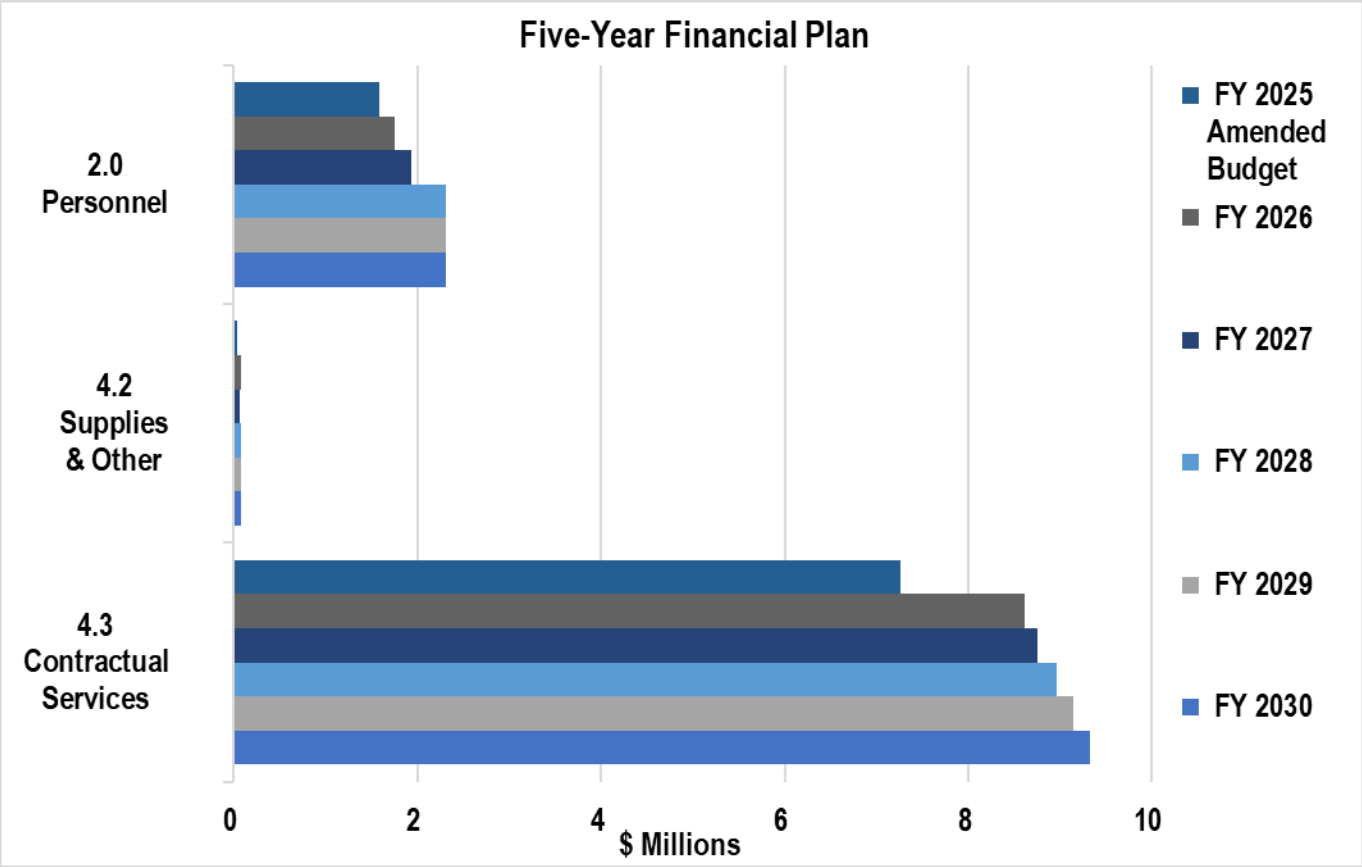
Personnel – Five-Year Financial Plan by Team

	Actual	Amended Budget	Proposed Budget		Projected		
Team	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Chief Administrative Officer	$ 753,924	$ 782,800	**$ 839,900**	$ 961,600	$ 1,206,100	$ 1,206,400	$ 1,207,900
Risk Management and Safety	719,456	806,400	**920,200**	980,500	1,100,800	1,102,500	1,104,200
Grand Total	**$ 1,473,380**	**$ 1,589,200**	**$ 1,760,100**	**$ 1,942,100**	**$ 2,306,900**	**$ 2,308,900**	**$ 2,312,100**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
2.0 Personnel	$ 1,473,380	$ 1,589,200	**$ 1,760,100**	$ 1,942,100	$ 2,306,900	$ 2,308,900	$ 2,312,100
4.2 Supplies & Other	49,374	41,400	**74,700**	73,200	74,800	76,400	78,000
4.3 Contractual Services	7,161,801	7,259,700	**8,617,000**	8,749,200	8,965,000	9,144,200	9,327,100
Grand Total	**$ 8,684,556**	**$ 8,890,300**	**$ 10,451,800**	**$ 10,764,500**	**$ 11,346,700**	**$ 11,529,500**	**$ 11,717,200**

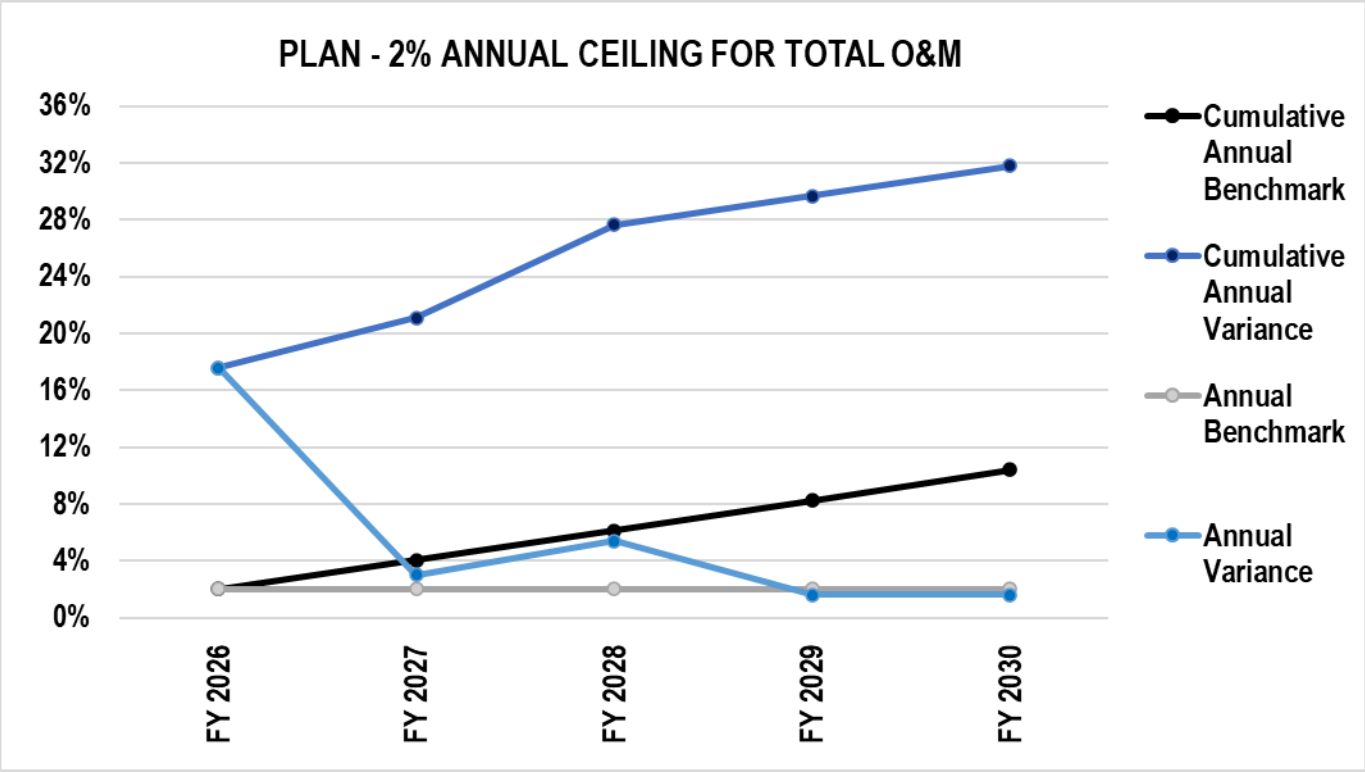


Five-Year Financial Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Chief Administrative Officer	1,543,729	1,381,700	**2,145,800**	2,290,600	2,561,800	2,589,200	2,618,400
Risk Management and Safety	7,140,827	7,508,600	**8,306,000**	8,473,900	8,784,900	8,940,300	9,098,800
Grand Total	**$ 8,684,556**	**$ 8,890,300**	**$ 10,451,800**	**$ 10,764,500**	**$ 11,346,700**	**$ 11,529,500**	**$ 11,717,200**

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 31.8% while the entity-wide goal is a cumulative 10.4% for planning purposes (based upon an annual 2% adjustment). The large increase is mainly a result of an anticipated increase in insurance premiums in FY 2026 and an increase in FTE through FY 2028.



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 extend multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

	Actual	Amended Budget	Proposed Budget		Projected		
Cost Center & Expense Category	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
883001 Chief Administrative Officer	$ 1,543,729	$ 1,381,700	$ 2,145,800	$ 2,290,600	$ 2,561,800	$ 2,589,200	$ 2,618,400
2.1 Salaries & Wages	596,090	612,200	664,400	758,400	947,900	947,900	947,900
2.4 Employee Benefits	157,834	170,600	175,500	203,200	258,200	258,500	260,000
4.2 Supplies & Other	20,289	20,200	23,500	21,000	21,500	22,000	22,500
Memberships, Licenses & Subscriptions	2,928	2,800	2,800	2,900	3,000	3,100	3,200
Office Supplies	35	2,600	2,600	2,700	2,800	2,900	3,000
Training and Internal Meetings	7,593	9,400	9,600	9,800	10,000	10,200	10,400
Travel	9,733	5,400	8,500	5,600	5,700	5,800	5,900
4.3 Contractual Services	769,516	578,700	1,282,400	1,308,000	1,334,200	1,360,800	1,388,000
Contractual Professional Services	769,516	578,700	1,282,400	1,308,000	1,334,200	1,360,800	1,388,000
883401 Enterprise Risk Management and Safety	1,235,783	1,888,800	2,053,800	2,136,700	2,280,200	2,305,500	2,331,300
2.1 Salaries & Wages	506,371	544,200	632,300	676,700	766,200	766,200	766,200
2.4 Employee Benefits	144,085	171,100	196,800	212,700	243,500	245,200	246,900
2.5 Transition Services	69,000	91,100	91,100	91,100	91,100	91,100	91,100
4.2 Supplies & Other	29,086	21,200	51,200	52,200	53,300	54,400	55,500
Memberships, Licenses & Subscriptions	-	-	5,000	5,100	5,200	5,300	5,400
Operating Supplies	28,066	7,300	32,000	32,600	33,300	34,000	34,700
Training and Internal Meetings	-	8,300	8,500	8,700	8,900	9,100	9,300
Travel	1,020	5,600	5,700	5,800	5,900	6,000	6,100
4.3 Contractual Services	487,242	1,061,200	1,082,400	1,104,000	1,126,100	1,148,600	1,171,600
Contractual Operating Services	487,242	1,061,200	1,082,400	1,104,000	1,126,100	1,148,600	1,171,600
883411 Enterprise Risk Management Insurance Fund	5,905,043	5,619,800	6,252,200	6,337,200	6,504,700	6,634,800	6,767,500
4.3 Contractual Services	5,905,043	5,619,800	6,252,200	6,337,200	6,504,700	6,634,800	6,767,500
Contractual Operating Services	5,905,043	5,619,800	6,252,200	6,337,200	6,504,700	6,634,800	6,767,500
Grand Total	$ 1,657,848	$ 1,772,600	$ 1,956,700	$ 1,994,800	$ 2,081,500	$ 2,100,700	$ 2,120,400

Go to TOC

General Counsel

General Counsel provides legal representation, strategic guidance, counseling, advice, and support to the Great Lakes Water Authority so the organization will make sound decisions and use appropriate legal processes to better provide its member partners with quality compliant water services.

Strategic Initiatives

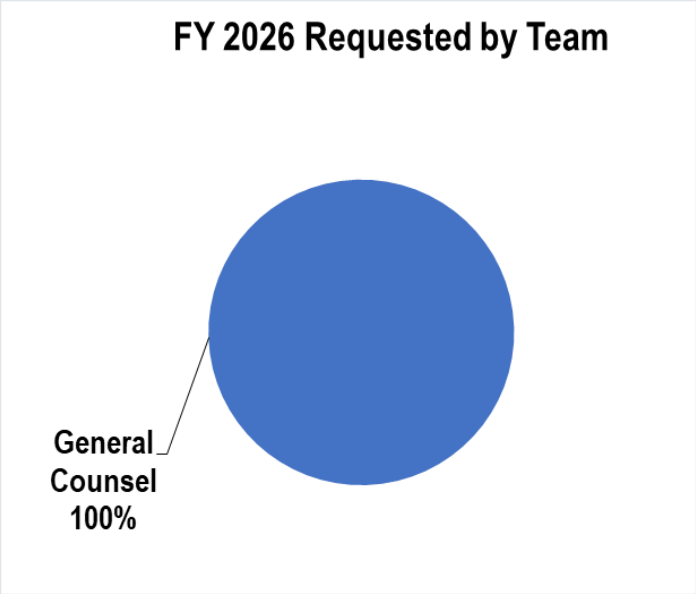
- **Work collaboratively with GLWA water member partners to reopen their water usage demands (Ongoing)**
  Ensure that all member partners with direct water service contracts have an opportunity to determine whether they want to adjust their water usage demands. The Board becomes aware of those contracts 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.
- **Defend litigation (As needed)**
  Manage lawsuits as needed.

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	GLWA water member partners to reopen their water						x	x		x		x
	Create a Best Practices Manual				x	x	x	x		x	x	
	Defend litigation (as needed).						x					

Go to TOC

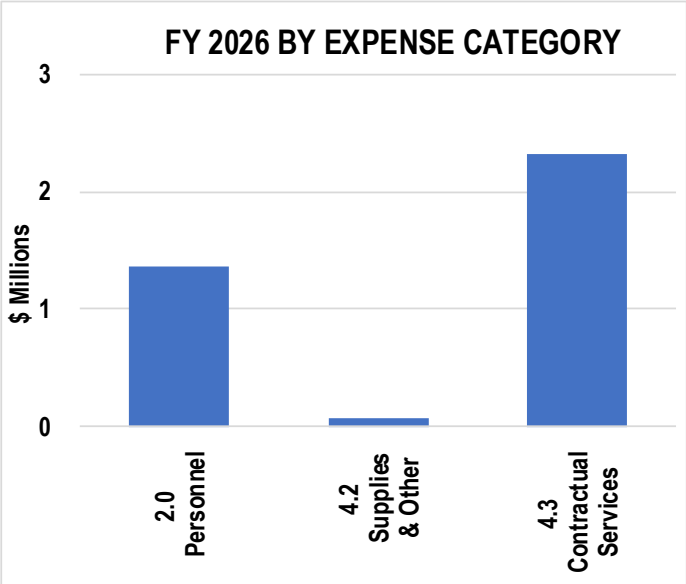
Organization
The General Counsel area has one team.



Expense Categories
The General Counsel area has three expense categories in the operations and maintenance budget:

- Personnel
- Supplies & Other
- Contractual Services

Contractual Services represents the largest 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.



Go to TOC

Biennial Budget Request

The biennial budget reflects an overall decrease of $22,100, or 0.6%, in FY 2026.

- The supplies and other account increased by $39,700. Projected expenses for training and internal meetings increased based on department initiatives.
- The contractual services account is decreasing by $83,200 due to right size spending for legal services in FY 2026.

Biennial Budget Request by Expense Category

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.0 Personnel	$ 1,126,998	$ 1,334,600	$ 983,331	**$ 1,356,000**	**$ 21,400**	**1.6%**	$ 1,398,700
4.2 Supplies & Other	26,043	34,300	10,102	**74,000**	**39,700**	**115.7%**	71,400
4.3 Contractual Services	2,508,793	2,401,500	1,390,186	**2,318,300**	**(83,200)**	**-3.5%**	2,364,700
Grand Total	**$ 3,661,835**	**$ 3,770,400**	**$ 2,383,619**	**$ 3,748,300**	**(22,100)**	**-0.6%**	**3,834,800**

Biennial Budget Request by Team

	FY 2024	FY 2025		FY 2026			FY 2027
Team	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
General Counsel	3,661,835	3,770,400	2,383,619	**3,748,300**	**(22,100)**	**-0.6%**	3,834,800
Grand Total	**$ 3,661,835**	**$ 3,770,400**	**$ 2,383,619**	**$ 3,748,300**	**$ (22,100)**	**-0.6%**	**$ 3,834,800**

Personnel Budget

General Counsel consists of ten positions for FY 2026. The following tables provide three views of the staffing plans and budget. The increase is due to the addition of two Associate General Counsel positions.

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

Staffing Plan by Team	Staffing Plan						
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
General Counsel	8.00	8.00	**10.00**	10.00	10.00	10.00	10.00
Grand Total	**8.00**	**8.00**	**10.00**	**10.00**	**10.00**	**10.00**	**10.00**

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

FTE by Team	Full Time Equivalents (FTEs)						
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
General Counsel	7.50	8.00	**8.25**	8.50	9.00	9.00	9.00
Grand Total	**7.50**	**8.00**	**8.25**	**8.50**	**9.00**	**9.00**	**9.00**

Personnel Budget - The tables below present 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 Section 5 - Operating Financial Plans by Service Area.

Personnel – Biennial Budget Request by Expense Category

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.1 Salaries & Wages	$ 861,385	$ 1,014,400	$ 784,838	**$ 1,039,000**	**$ 24,600**	**2.4%**	$ 1,071,100
2.2 Workforce Development	21,324	39,500	9,910	**40,800**	**1,300**	**3.3%**	40,800
2.4 Employee Benefits	244,289	280,700	188,583	**276,200**	**(4,500)**	**-1.6%**	286,800
Grand Total	**$ 1,126,998**	**$ 1,334,600**	**$ 983,331**	**$ 1,356,000**	**$ 21,400**	**1.6%**	**$ 1,398,700**

Personnel – Biennial Budget Request by Team

	FY 2024	FY 2025		FY 2026			FY 2027
Team	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
General Counsel	1,126,998	1,334,600	983,331	**1,356,000**	**21,400**	**1.6%**	1,398,700
Grand Total	**$ 1,126,998**	**$ 1,334,600**	**$ 983,331**	**$ 1,356,000**	**$ 21,400**	**1.6%**	**$ 1,398,700**

Personnel – Five-Year Financial Plan by Expense Category

	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
2.1 Salaries & Wages	$ 861,385	$ 1,014,400	**$ 1,039,000**	$ 1,071,100	$ 1,135,900	$ 1,135,900	$ 1,135,900
2.2 Workforce Development	21,324	39,500	**40,800**	40,800	40,800	40,800	40,800
2.4 Employee Benefits	244,289	280,700	**276,200**	286,800	306,600	308,300	310,000
Grand Total	**$ 1,126,998**	**$ 1,334,600**	**$ 1,356,000**	**$ 1,398,700**	**$ 1,483,300**	**$ 1,485,000**	**$ 1,486,700**

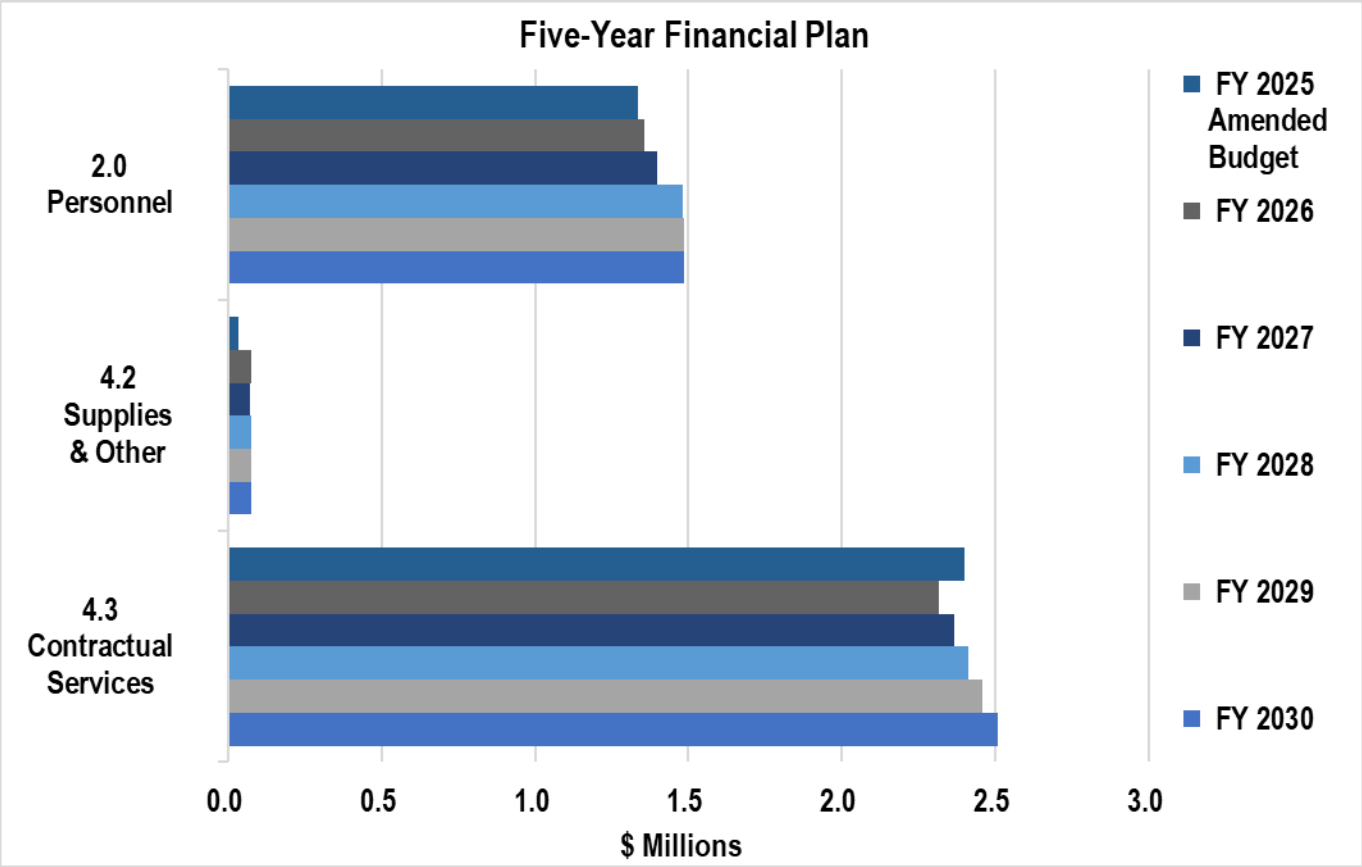
Personnel – Five Year Plan by Team

	Actual	Amended Budget	Proposed Budget		Projected		
Team	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
General Counsel	1,126,998	1,334,600	**1,356,000**	1,398,700	1,483,300	1,485,000	1,486,700
Grand Total	**$ 1,126,998**	**$ 1,334,600**	**$ 1,356,000**	**$ 1,398,700**	**$ 1,483,300**	**$ 1,485,000**	**$ 1,486,700**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
2.0 Personnel	$ 1,126,998	$ 1,334,600	**$ 1,356,000**	$ 1,398,700	$ 1,483,300	$ 1,485,000	$ 1,486,700
4.2 Supplies & Other	26,043	34,300	**74,000**	71,400	72,800	74,200	75,600
4.3 Contractual Services	2,508,793	2,401,500	**2,318,300**	2,364,700	2,411,900	2,460,100	2,509,200
Grand Total	**$ 3,661,835**	**$ 3,770,400**	**$ 3,748,300**	**$ 3,834,800**	**$ 3,968,000**	**$ 4,019,300**	**$ 4,071,500**

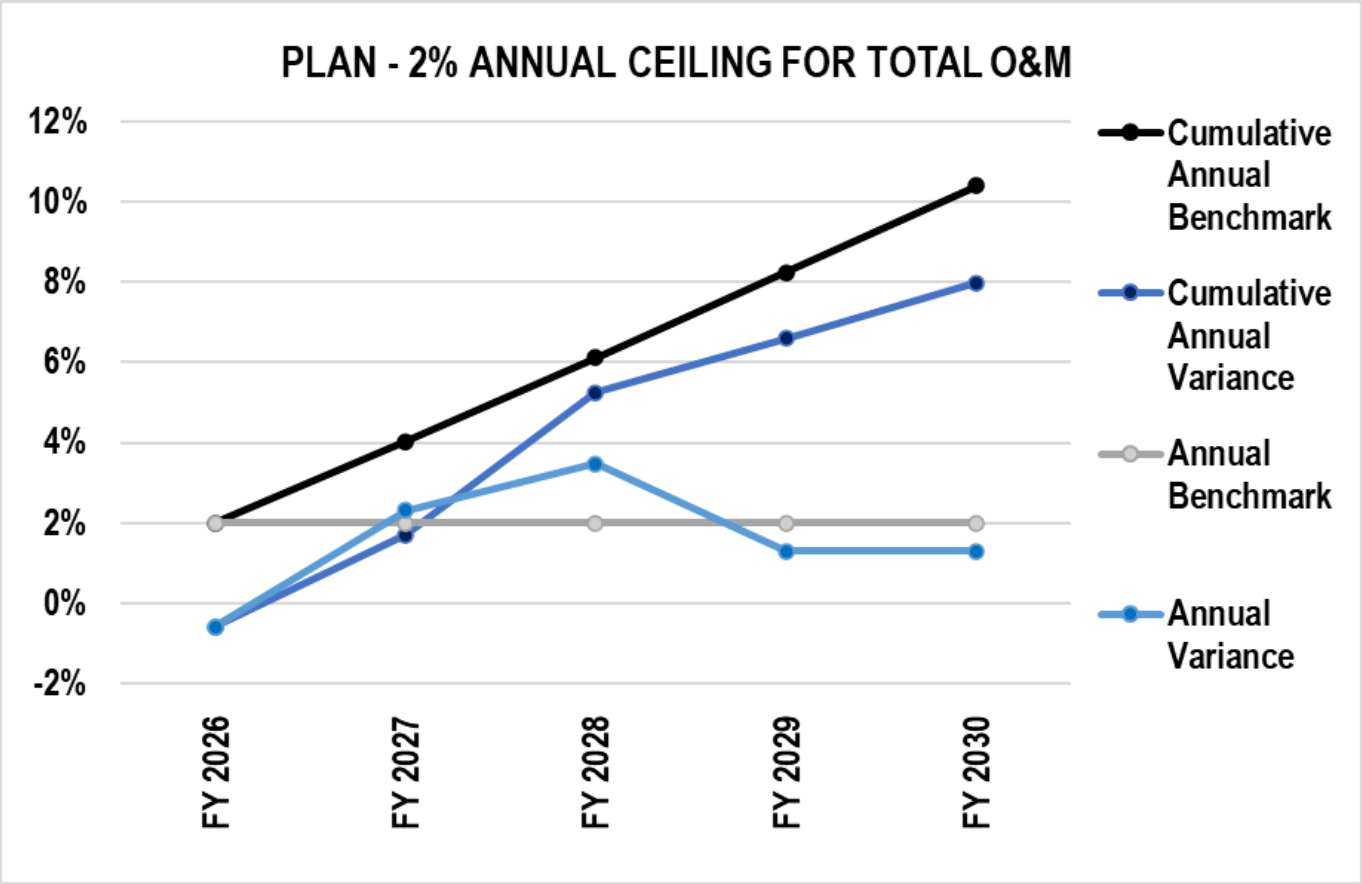


Five-Year Financial Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
General Counsel	3,661,835	3,770,400	**3,748,300**	3,834,800	3,968,000	4,019,300	4,071,500
Grand Total	**$ 3,661,835**	**$ 3,770,400**	**$ 3,748,300**	**$ 3,834,800**	**$ 3,968,000**	**$ 4,019,300**	**$ 4,071,500**

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

The General Counsel area financial plan reflects a five-year overall increase of 8.0% which is below the entity-wide goal of a cumulative 10.4% for planning purposes based upon an annual 2% adjustment.



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 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	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
883101 General Counsel	**$ 3,661,835**	**$ 3,770,400**	**$ 3,748,300**	**$ 3,834,800**	**$ 3,968,000**	**$ 4,019,300**	**$ 4,071,500**
2.1 Salaries & Wages	**861,385**	**1,014,400**	**1,039,000**	**1,071,100**	**1,135,900**	**1,135,900**	**1,135,900**
2.2 Workforce Development	**21,324**	**39,500**	**40,800**	**40,800**	**40,800**	**40,800**	**40,800**
2.4 Employee Benefits	**244,289**	**280,700**	**276,200**	**286,800**	**306,600**	**308,300**	**310,000**
4.2 Supplies & Other	**26,043**	**34,300**	**74,000**	**71,400**	**72,800**	**74,200**	**75,600**
Memberships, Licenses & Subscriptions	7,337	9,000	18,400	18,800	19,200	19,400	19,800
Office Supplies	5,969	2,000	8,000	4,200	4,200	4,400	4,400
Operating Supplies	43	-	-	-	-	-	-
Postage	-	100	200	200	200	200	200
Training and Internal Meetings	3,924	15,000	30,600	31,200	31,800	32,400	33,000
Travel	8,769	8,200	16,800	17,000	17,400	17,800	18,200
4.3 Contractual Services	**2,508,793**	**2,401,500**	**2,318,300**	**2,364,700**	**2,411,900**	**2,460,100**	**2,509,200**
Contractual Operating Services	744	1,500	1,500	1,600	1,600	1,600	1,600
Contractual Svcs–Flood Events -All Sewer	23,917	-	-	-	-	-	-
Legal	1,767,178	2,400,000	350,000	357,000	364,100	371,400	378,800
Legal - All Sewer	105,000	-	-	-	-	-	-
Legal - All Water	(10,000)	-	-	-	-	-	-
Legal - Settlement	621,954	-	1,966,800	2,006,100	2,046,200	2,087,100	2,128,800
Grand Total	**$ 3,661,835**	**$ 3,770,400**	**$ 3,748,300**	**$ 3,834,800**	**$ 3,968,000**	**$ 4,019,300**	**$ 4,071,500**

Public Affairs

The Public Affairs area 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

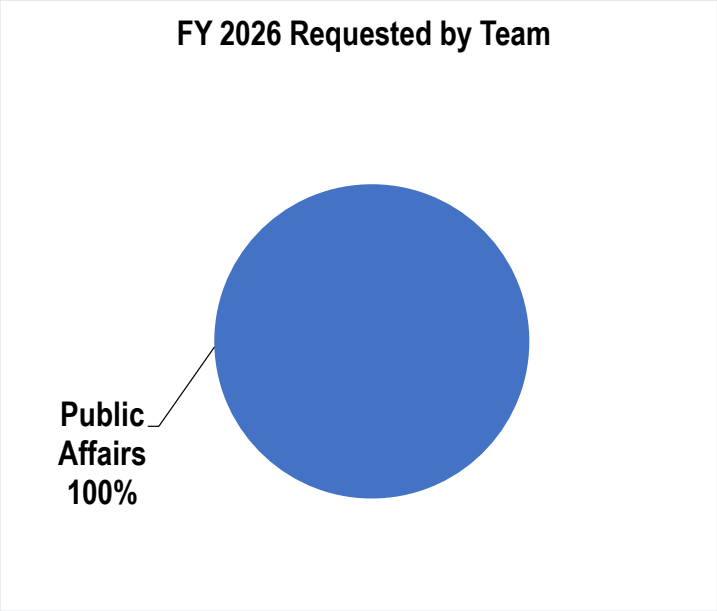
- **Build Public Trust in GLWA (Ongoing)**
  Implement a comprehensive, proactive, and transparent communications campaign to heighten knowledge of the GLWA system, its operations, the quality of the products we produce and the work GLWA does across the utility to protect public health. This initiative is tracked through a message pull through in the monthly KPI report under the stakeholder understanding category.
- **Celebration of GLWA's 10-Year Operating Anniversary**
  Celebrate GLWA's accomplishments from its first 10 years of operations through internal and external campaigns that not only highlight team members' contributions but also call out significant milestones and accomplishments of the utility. This would also include an updated public website.
- **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 include a team member recognition program and continue the Team Leader Communications Outreach as well as the regular internal communication survey. Measurement factors include Team Leader communication sent bi-weekly, CEO team member outreach event at all facilities and groups annually, and, in conjunction with OD, publicizes the annual Gallup team member satisfaction survey."

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 Public Trust in GLWA	x					x	x		x	x	x
	Celebration of GLWA's 10-Year Anniversary						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

Organization

The Public Affairs area has one team.

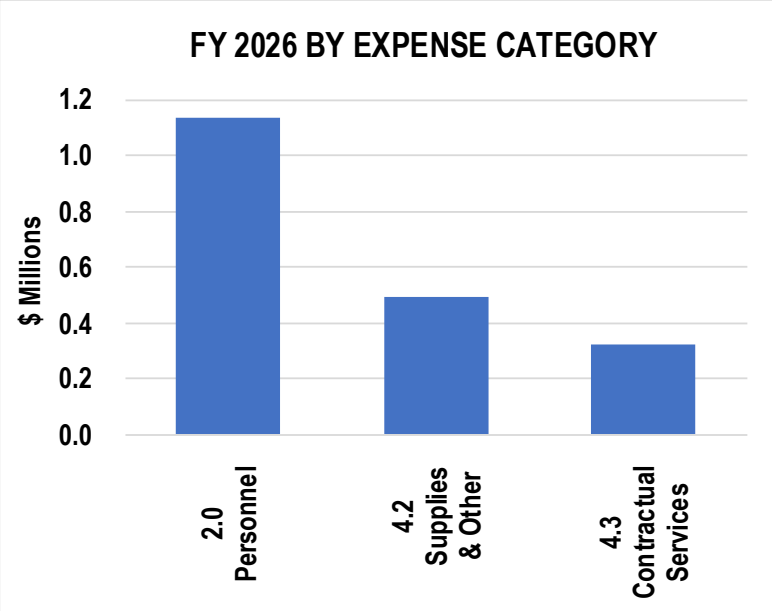


Expense Categories

There are three categories of Public Affairs expenses in the operations and maintenance budget:

- Personnel
- Supplies & Other
- Contractual Services

Personnel is the largest expense category for Public Affairs.



Biennial Budget Request

The biennial budget reflects an increase of $184,100, or 10.4%, in FY 2026.

- Personnel increased by $159,100 due to the addition of one Public Affairs specialist and FY 2025 merit increases and market adjustments.

- ❖ Supplies & Other increased by $18,600 due to the focus on GLWA Brand awareness and recruitment campaign.
- ❖ Contractual Services account increased by $6,400 due to right-size projections in several marketing/communications services.

Biennial Budget Request by Expense Category

Expense Category	FY 2024 Actual	FY 2025 Amended Budget	FY 2025 Activity as of 02.28.2025	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
2.0 Personnel	$ 999,053	$ 978,900	$ 764,185	$ 1,138,000	$ 159,100	16.3%	$ 1,163,600
4.2 Supplies & Other	429,167	474,600	335,223	493,200	18,600	3.9%	499,200
4.3 Contractual Services	229,628	319,100	116,960	325,500	6,400	2.0%	332,000
Grand Total	**$ 1,657,848**	**$ 1,772,600**	**$ 1,216,367**	**$ 1,956,700**	**$ 184,100**	**10.4%**	**$ 1,994,800**

Biennial Budget Request by Team

Team	FY 2024 Actual	FY 2025 Amended Budget	FY 2025 Activity as of 02.28.2025	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
Public Affairs	1,657,848	1,772,600	1,216,367	1,956,700	184,100	10.4%	1,994,800
Grand Total	**$ 1,657,848**	**$ 1,772,600**	**$ 1,216,367**	**$ 1,956,700**	**$ 184,100**	**10.4%**	**$ 1,994,800**

Personnel Budget

Public Affairs personnel consists of ten positions for FY 2026.

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

Staffing Plan by Team	Staffing Plan						
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Public Affairs	9.00	10.00	**10.00**	10.00	10.00	10.00	10.00
Grand Total	**9.00**	**10.00**	**10.00**	**10.00**	**10.00**	**10.00**	**10.00**

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

FTE by Team	Full Time Equivalents (FTEs)						
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Public Affairs	8.00	8.50	**9.25**	9.50	10.00	10.00	10.00
Grand Total	**8.00**	**8.50**	**9.25**	**9.50**	**10.00**	**10.00**	**10.00**

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 Section 5 - Operating Financial Plans by Service Area.

Personnel - Biennial Budget Request by Expense Category

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.1 Salaries & Wages	$ 762,263	$ 738,000	$ 588,357	$ 864,300	$ 126,300	17%	$ 881,600
2.3 Overtime	498	-	284	-	-	0%	-
2.4 Employee Benefits	236,291	240,900	175,543	273,700	32,800	14%	282,000
Grand Total	**$ 999,053**	**$ 978,900**	**$ 764,185**	**$ 1,138,000**	**$ 159,100**	**16%**	**$ 1,163,600**

Personnel - Biennial Budget Request by Team

	FY 2024	FY 2025		FY 2026			FY 2027
Team	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Public Affairs	999,053	978,900	764,185	1,138,000	159,100	16.3%	1,163,600
Grand Total	**$ 999,053**	**$ 978,900**	**$ 764,185**	**$ 1,138,000**	**$ 159,100**	**16.3%**	**$ 1,163,600**

Personnel – Five-Year Financial Plan by Expense Category

	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
2.1 Salaries & Wages	$ 762,263	$ 738,000	$ 864,300	$ 881,600	$ 916,600	$ 916,600	$ 916,600
2.3 Overtime	498	-	-	-	-	-	-
2.4 Employee Benefits	236,291	240,900	273,700	282,000	297,000	299,100	301,300
Grand Total	**$ 999,053**	**$ 978,900**	**$ 1,138,000**	**$ 1,163,600**	**$ 1,213,600**	**$ 1,215,700**	**$ 1,217,900**

Personnel – Five-Year Financial Plan by Team

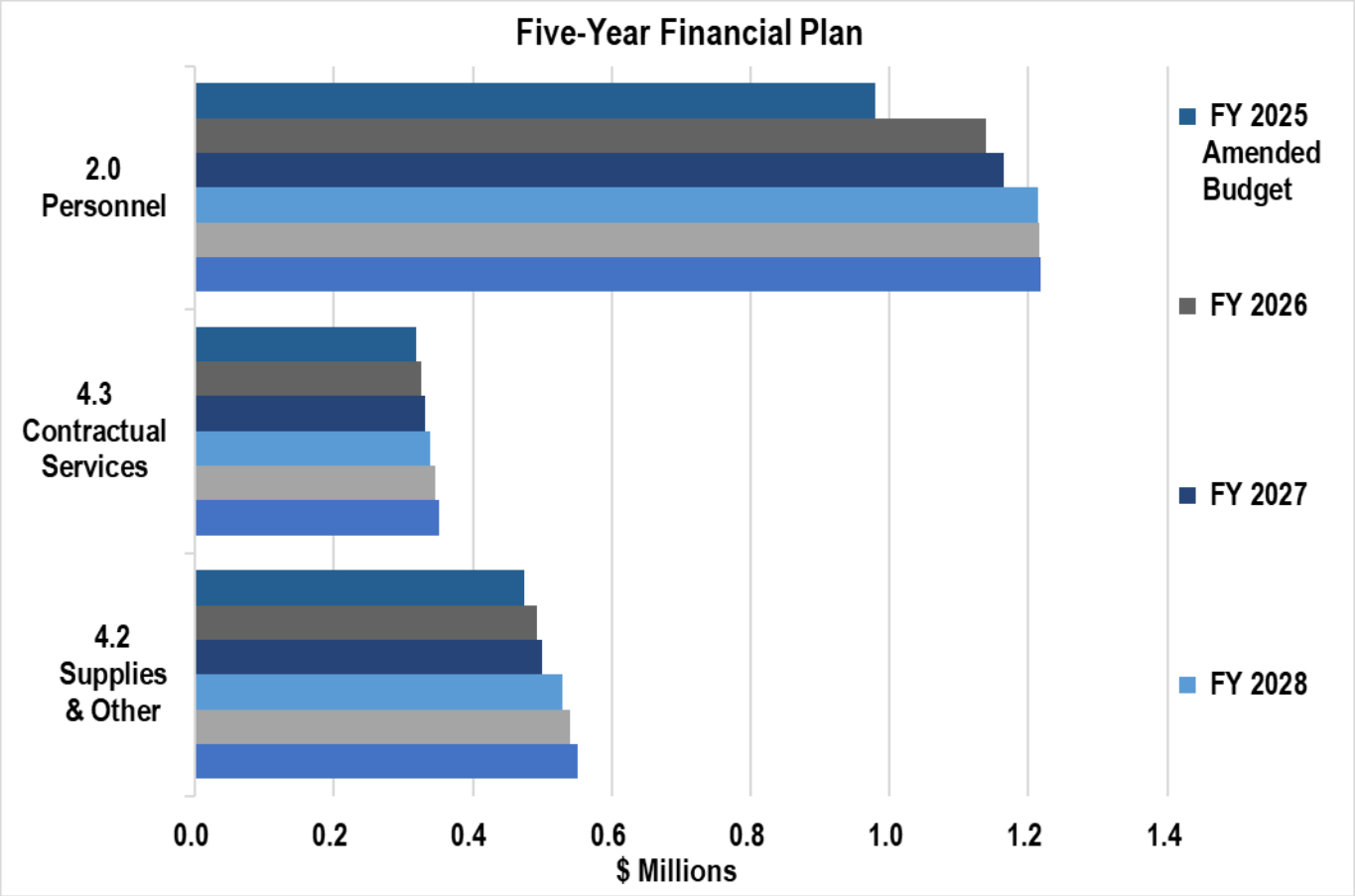
	Actual	Amended Budget	Proposed Budget		Projected		
Team	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Pubic Affairs	999,053	978,900	1,138,000	1,163,600	1,213,600	1,215,700	1,217,900
Grand Total	**$ 999,053**	**$ 978,900**	**$ 1,138,000**	**$ 1,163,600**	**$ 1,213,600**	**$ 1,215,700**	**$ 1,217,900**

Go to TOC

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
2.0 Personnel	$ 999,053	$ 978,900	**$ 1,138,000**	$ 1,163,600	$ 1,213,600	$ 1,215,700	$ 1,217,900
4.2 Supplies & Other	429,167	474,600	**493,200**	499,200	529,300	539,600	550,200
4.3 Contractual Services	229,628	319,100	**325,500**	332,000	338,600	345,400	352,300
Grand Total	**$ 1,657,848**	**$ 1,772,600**	**$ 1,956,700**	**$ 1,994,800**	**$ 2,081,500**	**$ 2,100,700**	**$ 2,120,400**

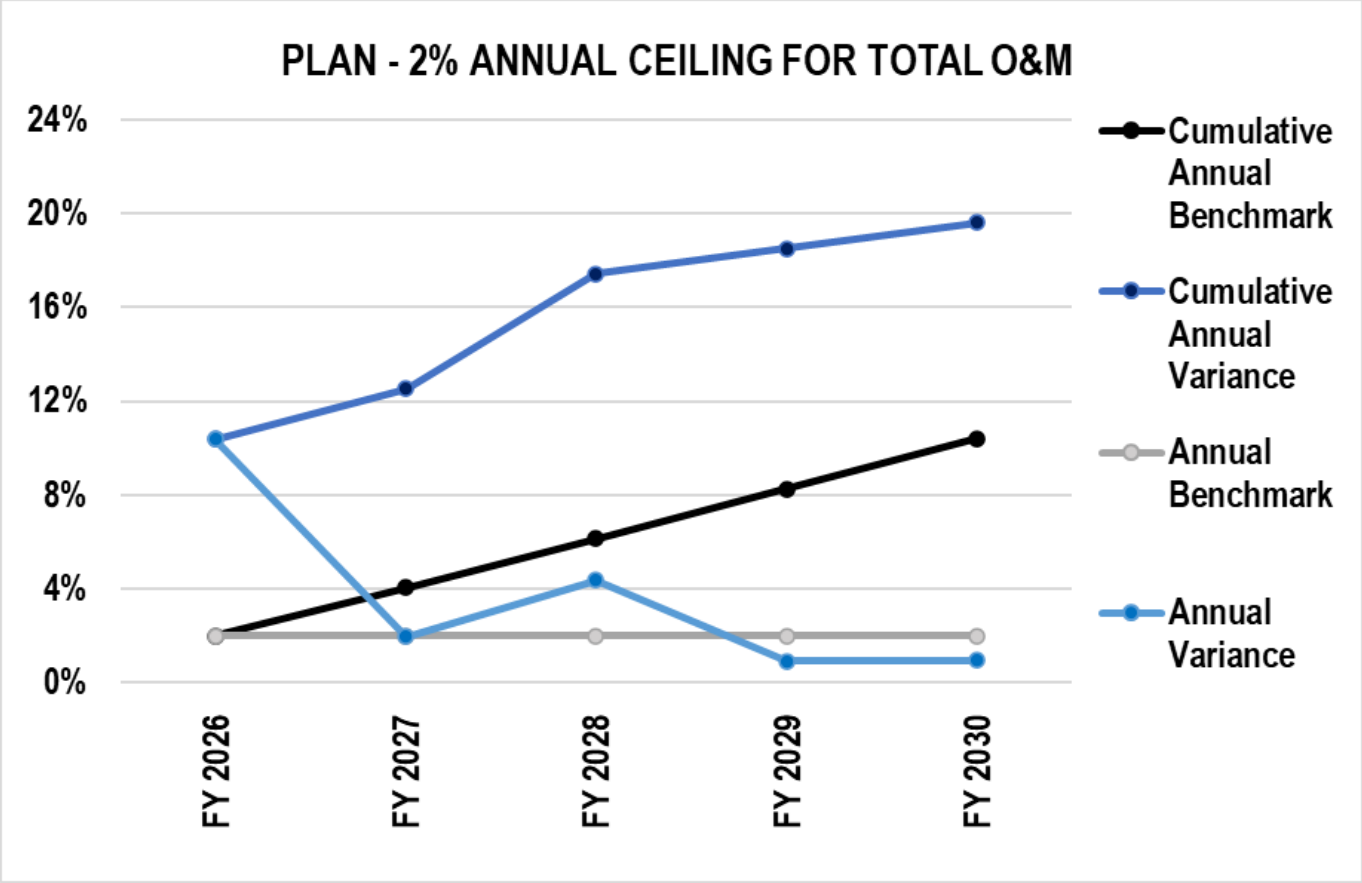


Five-Year Financial Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Pubic Affairs	1,657,848	1,772,600	**1,956,700**	1,994,800	2,081,500	2,100,700	2,120,400
Grand Total	**$ 1,657,848**	**$ 1,772,600**	**$ 1,956,700**	**$ 1,994,800**	**$ 2,081,500**	**$ 2,100,700**	**$ 2,120,400**

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

The Public Affairs area financial plan reflects a five-year overall increase of 19.6% while the entity-wide goal is a cumulative ceiling of no more than 10.4% for planning purposes based upon an annual 2% adjustment. The increase over the goal is mainly due to increases in personnel costs due to an increase in FTE each year through FY 2028.



Capital Outlay

Public Affairs capital outlay is funded by the Improvement & Extension budget. Professional high grade production equipment needed to meet department goals and initiatives.

Five-Year Capital Outlay by Asset Category

	Amended Budget	Proposed Budget		Projected		
Asset Category	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Hardware	5,000	9,000	11,000	5,000	-	-
Grand Total	**$ 5,000**	**$ 9,000**	**$ 11,000**	**$ 5,000**	**$ -**	**$ -**

Go to TOC

Five-Year Capital Outlay by Funding Source

Funding Source	Actuals FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Improvement & Extension	-	5,000	9,000	11,000	5,000	-	-
Grand Total	**$ -**	**$ 5,000**	**$ 9,000**	**$ 11,000**	**$ 5,000**	**$ -**	**$ -**

Five-Year Capital Outlay by Team

Team	Actuals FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Public Affairs	-	5,000	9,000	11,000	5,000	-	-
Grand Total	**$ -**	**$ 5,000**	**$ 9,000**	**$ 11,000**	**$ 5,000**	**$ -**	**$ -**

Line-Item Budget and Financial Plan

The five-year plan by line-item expense begins below. 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	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
881101 Public Affairs	**$ 1,657,848**	**$ 1,772,600**	**$ 1,956,700**	**$ 1,994,800**	**$ 2,081,500**	**$ 2,100,700**	**$ 2,120,400**
2.1 Salaries & Wages	**762,263**	**738,000**	**864,300**	**881,600**	**916,600**	**916,600**	**916,600**
2.3 Overtime	**498**	**-**	**-**	**-**	**-**	**-**	**-**
2.4 Employee Benefits	**236,291**	**240,900**	**273,700**	**282,000**	**297,000**	**299,100**	**301,300**
4.2 Supplies & Other	**429,167**	**474,600**	**493,200**	**499,200**	**529,300**	**539,600**	**550,200**
Advertising	170,940	248,000	233,000	238,100	263,200	268,400	273,800
Capital Outlay less than $5,000	3,072	-	-	-	-	-	-
Memberships, Licenses & Subscriptions	11,910	-	25,000	25,500	26,000	26,500	27,000
Mileage and Parking	110	1,300	1,300	1,400	1,400	1,400	1,400
Miscellaneous Expense	-	-	-	-	-	-	-
Office Supplies	5,587	6,800	6,900	7,000	7,100	7,200	7,300
Operating Supplies	167,600	158,300	136,400	164,600	167,800	171,100	174,500
Postage	-	-	-	-	-	-	-
Printing	32,975	30,000	30,600	31,200	31,800	32,400	33,000
Training and Internal Meetings	18,998	15,000	25,000	15,600	15,900	16,200	16,500
Travel	17,974	15,200	35,000	15,800	16,100	16,400	16,700
4.3 Contractual Services	**229,628**	**319,100**	**325,500**	**332,000**	**338,600**	**345,400**	**352,300**
Contractual Operating Services	229,628	319,100	325,500	332,000	338,600	345,400	352,300
Grand Total	**$ 1,657,848**	**$ 1,772,600**	**$ 1,956,700**	**$ 1,994,800**	**$ 2,081,500**	**$ 2,100,700**	**$ 2,120,400**

Organizational Development

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 2026, 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 classes that have both started and completed.
- **Enterprise Resource Management System (ERM) (Ongoing)**
  Organizational Development provides managed services for GLWA's current Workday (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 2026 GLWA will continue expanding access to the One Water Institute with the rollout of the Leadership Development and Leader-in-Me academies. In FY 2026, the One Water Institute will continue to build out its evening in-person course offerings for GLWA team members.
- **One Water Wellness (Ongoing)**
  GLWA has established a strong proactive and responsive, organizational wellness program that supports the well-being and resiliency of its team members. One Water Wellness provides resources to team members for their physical, mental, and financial well-being.

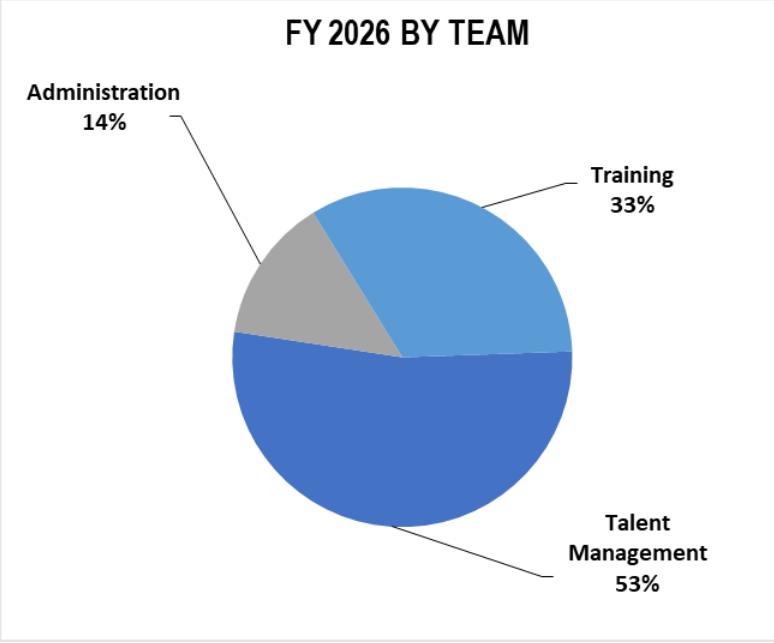
The following table shows how the Organizational Development area strategic initiatives relate to the organizational strategic goals:

		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 Instititue			x	x	x	x	x	x		x	x
	One Water Wellness										x	

Organization

The Organizational Development area consists of three teams.

- **Administration**
  Provides coordination and support to the 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,



Go to TOC

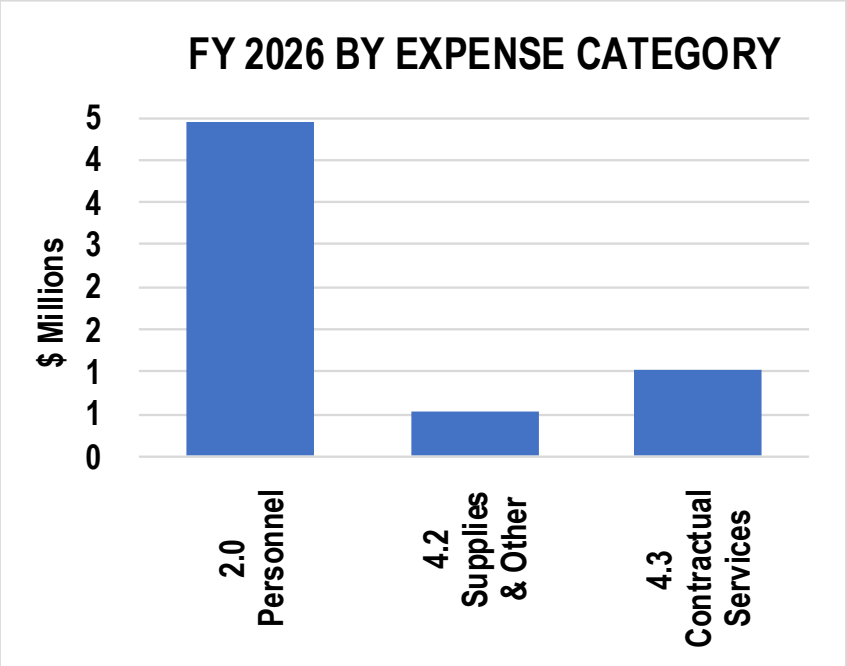
coordinating, and delivering ongoing health and safety and leadership development training to all GLWA team members. Provides training opportunities to GLWA's Member Partners through the One Water Institute.

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 largest expense category for OD.



Biennial Budget Request

The biennial budget reflects an increase of $698,600, or 11.9%, in FY 2026.

- Personnel increased $482,500 due the addition of 3 positions added to the Talent Management and Training departments and merit increases in FY 2025.
- Supplies & Other increased by $51,500 in FY 2026 due to the training programs aligned with compliance, education, and value-added skills training.
- Contractual Services increased by $164,600 to support the budget for compensation study, compliance consulting and benefits communications.

Biennial Budget Request by Expense Category

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.0 Personnel	$ 3,938,438	$ 4,243,200	$ 2,947,593	**$ 4,725,700**	**$ 482,500**	**11.4%**	$ 4,920,100
4.2 Supplies & Other	492,626	582,700	484,041	**634,200**	**51,500**	**8.8%**	606,700
4.3 Contractual Services	583,933	1,060,000	160,230	**1,224,600**	**164,600**	**15.5%**	1,125,300
5.2 Shared Services	-	-	(13,300)	**-**	**-**	**0.0%**	-
Grand Total	**$ 5,014,997**	**$ 5,885,900**	**$ 3,578,565**	**$ 6,584,500**	**$ 698,600**	**11.9%**	**$ 6,652,100**

Biennial Budget Request by Team

Team	FY 2024 Actual	FY 2025 Amended Budget	FY 2025 Activity as of 02.28.2025	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
Administration	$ 761,254	$ 722,300	$ 433,473	**$ 908,600**	**$ 186,300**	**25.8%**	$ 788,700
Talent Management	2,537,921	3,124,200	1,767,113	**3,488,200**	**364,000**	**11.7%**	3,662,600
Training	1,715,822	2,039,400	1,377,979	**2,187,700**	**148,300**	**7.3%**	2,200,800
Grand Total	**$ 5,014,997**	**$ 5,885,900**	**$ 3,578,565**	**$ 6,584,500**	**$ 698,600**	**11.9%**	**$ 6,652,100**

Personnel Budget

Organizational Development personnel consists of 48 positions for FY 2026, which shows a change of three staffing positions from FY 2025. The Talent Management department added a Manager, a Human Resource Generalist and Training department added a Professional Administrative Analyst. 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

Staffing Plan by Team	Staffing Plan						
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Organizational Development Administration	5.00	5.00	**5.00**	5.00	5.00	5.00	5.00
Organizational Development Talent Management	27.00	26.00	**28.00**	28.00	28.00	28.00	28.00
Organizational Development Training	13.00	14.00	**15.00**	15.00	15.00	15.00	15.00
Grand Total	**45.00**	**45.00**	**48.00**	**48.00**	**48.00**	**48.00**	**48.00**

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

FTE by Team	Full Time Equivalents (FTEs)						
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Organizational Development Administration	4.00	4.75	**4.25**	4.50	5.00	5.00	5.00
Organizational Development Talent Management	22.75	21.50	**22.75**	24.00	26.50	26.50	26.50
Organizational Development Training	12.50	14.00	**13.75**	14.00	14.50	14.50	14.50
Grand Total	**39.25**	**40.25**	**40.75**	**42.50**	**46.00**	**46.00**	**46.00**

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 Section 5 - Operating Financial Plans by Service Area.

Personnel – Biennial Budget Request by Expense Category

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.1 Salaries & Wages	$ 2,964,542	$ 3,141,800	$ 2,201,847	**$ 3,524,600**	**$ 382,800**	**12.2%**	$ 3,662,900
2.2 Workforce Development	10,018	-	17,303	**59,100**	**59,100**	**0.0%**	59,100
2.3 Overtime	600	2,400	639	**-**	**(2,400)**	**-100.0%**	-
2.4 Employee Benefits	944,595	1,099,000	727,803	**1,142,000**	**43,000**	**3.9%**	1,198,100
2.5 Transition Services	18,683	-	-	**-**	**-**	**0.0%**	-
Grand Total	**$ 3,938,438**	**$ 4,243,200**	**$ 2,947,593**	**$ 4,725,700**	**$ 482,500**	**11.4%**	**$ 4,920,100**

Personnel – Biennial Budget Request by Team

	FY 2024	FY 2025		FY 2026			FY 2027
Team	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Administration	$ 531,355	$ 618,000	$ 369,507	**$ 640,800**	**$ 22,800**	**3.7%**	$ 657,700
Talent Management	2,114,999	2,195,700	1,599,951	**2,539,600**	**343,900**	**15.7%**	2,696,500
Training	1,292,083	1,429,500	978,136	**1,545,300**	**115,800**	**8.1%**	1,565,900
Grand Total	**$ 3,938,438**	**$ 4,243,200**	**$ 2,947,593**	**$ 4,725,700**	**$ 482,500**	**11.4%**	**$ 4,920,100**

Personnel – Five-Year Financial Plan by Expense Category

	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
2.1 Salaries & Wages	$ 2,964,542	$ 3,141,800	**$ 3,524,600**	$ 3,662,900	$ 3,942,100	$ 3,942,100	$ 3,942,100
2.2 Workforce Development	10,018	-	**59,100**	59,100	59,100	59,100	59,100
2.3 Overtime	600	2,400	**-**	-	-	-	-
2.4 Employee Benefits	944,595	1,099,000	**1,142,000**	1,198,100	1,303,400	1,313,100	1,322,800
2.5 Transition Services	18,683	-	**-**	-	-	-	-
Grand Total	**$ 3,938,438**	**$ 4,243,200**	**$ 4,725,700**	**$ 4,920,100**	**$ 5,304,600**	**$ 5,314,300**	**$ 5,324,000**

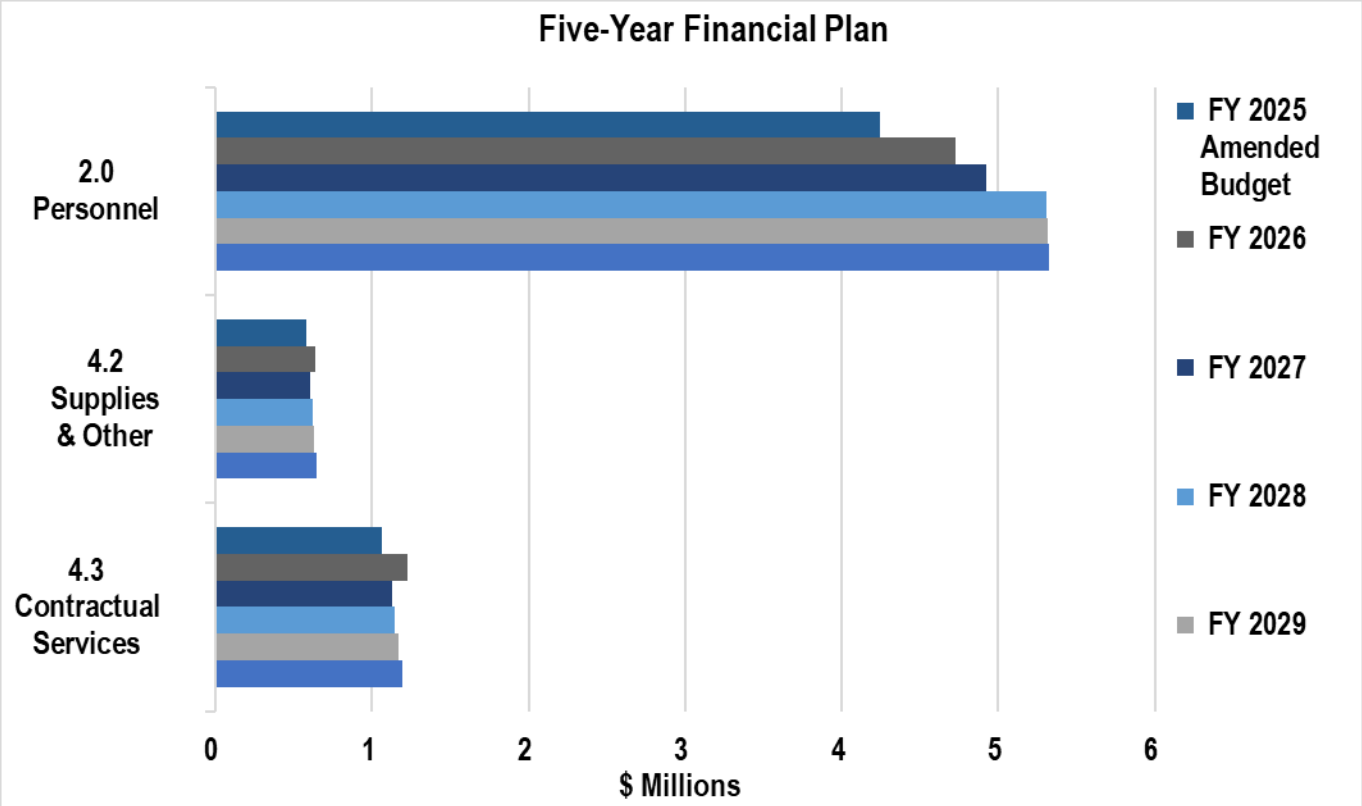
Personnel – Five-Year Financial Plan by Team

	Actual	Amended Budget	Proposed Budget		Projected		
Team	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Administration	$ 531,355	$ 618,000	**$ 640,800**	$ 657,700	$ 691,100	$ 692,200	$ 693,300
Talent Management	2,114,999	2,195,700	**2,539,600**	2,696,500	3,008,700	3,014,300	3,019,900
Training	1,292,083	1,429,500	**1,545,300**	1,565,900	1,604,800	1,607,800	1,610,800
Grand Total	**$ 3,938,438**	**$ 4,243,200**	**$ 4,725,700**	**$ 4,920,100**	**$ 5,304,600**	**$ 5,314,300**	**$ 5,324,000**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
2.0 Personnel	$ 3,938,438	$ 4,243,200	**$ 4,725,700**	$ 4,920,100	$ 5,304,600	$ 5,314,300	$ 5,324,000
4.2 Supplies & Other	492,626	582,700	**634,200**	606,700	618,600	630,900	643,500
4.3 Contractual Services	583,933	1,060,000	**1,224,600**	1,125,300	1,147,800	1,170,800	1,194,200
Grand Total	**$ 5,014,997**	**$ 5,885,900**	**$ 6,584,500**	**$ 6,652,100**	**$ 7,071,000**	**$ 7,116,000**	**$ 7,161,700**

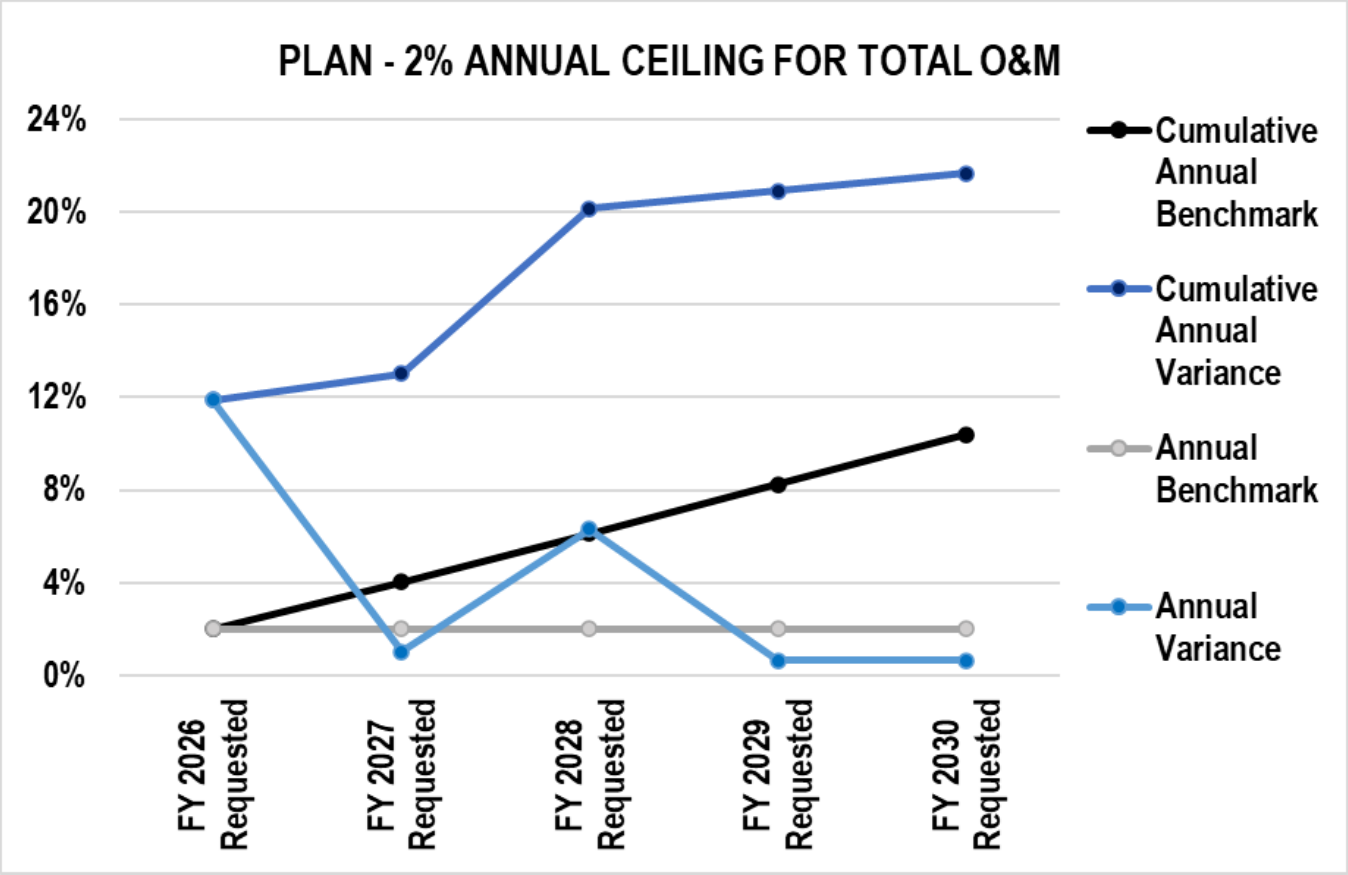


Five-Year Financial Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Administration	$ 761,254	$ 722,300	**$ 908,600**	$ 788,700	$ 824,600	$ 828,300	$ 832,200
Talent Management	2,537,921	3,124,200	**3,488,200**	3,662,600	3,994,200	4,019,400	4,045,100
Training	1,715,822	2,039,400	**2,187,700**	2,200,800	2,252,200	2,268,300	2,284,400
Grand Total	**$ 5,014,997**	**$ 5,885,900**	**$ 6,584,500**	**$ 6,652,100**	**$ 7,071,000**	**$ 7,116,000**	**$ 7,161,700**

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

The Organizational Development area financial plan reflects a five-year overall increase of 21.7% 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 due to the increase in FTE through FY 2028.



Go to TOC

Capital Outlay

Organizational Development capital outlay is funded by the Improvement & Extension budget. The tables below reflect anticipated costs for renovation of training facilities.

Five-Year Capital Outlay by Asset Category

	Amended Budget	Proposed Budget		Projected		
Asset Type	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**
Leasehold Improvements	700,000	**350,000**	200,000	-	-	-
Grand Total	**$ 700,000**	**$ 350,000**	**$ 200,000**	**$ -**	**$ -**	**$ -**

Five-Year Capital Outlay by Funding Source

	Actuals	Amended Budget	Proposed Budget		Projected		
Funding Source	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**
Improvement & Extension	141,952	700,000	**350,000**	200,000	-	-	-
Grand Total	**$ 141,952**	**$ 700,000**	**$ 350,000**	**$ 200,000**	**$ -**	**$ -**	**$ -**

Five-Year Capital Outlay by Team

	Actuals	Amended Budget	Proposed Budget		Projected		
Team	**FY 2025**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**
OD Administration	141,952	700,000	**350,000**	200,000	-	-	-
Grand Total	**$ 141,952**	**$ 700,000**	**$ 350,000**	**$ 200,000**	**$ -**	**$ -**	**$ -**

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 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	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
883201 Organizational Development Administration	**$ 761,254**	**$ 722,300**	**$ 908,600**	**$ 788,700**	**$ 824,600**	**$ 828,300**	**$ 832,200**
2.1 Salaries & Wages	**413,123**	**469,900**	**497,100**	**507,900**	**529,800**	**529,800**	**529,800**
2.4 Employee Benefits	**118,232**	**148,100**	**143,700**	**149,800**	**161,300**	**162,400**	**163,500**
4.2 Supplies & Other	**84,176**	**86,000**	**105,800**	**89,500**	**91,200**	**92,900**	**94,800**
Advertising	449	-	-	-	-	-	-
Capital Outlay less than $5,000	495	-	-	-	-	-	-
Memberships, Licenses & Subscriptions	33,813	35,000	35,700	36,400	37,100	37,800	38,600
Mileage and Parking	67	200	200	200	200	200	200
Office Supplies	9,956	21,200	21,600	22,000	22,400	22,800	23,300
Operating Supplies	3,744	1,500	4,000	1,600	1,600	1,600	1,600
Postage	29	100	100	100	100	100	100
Training and Internal Meetings	24,306	12,800	27,000	13,400	13,700	14,000	14,300
Travel	11,317	11,300	13,200	11,700	11,900	12,100	12,300
Tuition Refund	-	3,900	4,000	4,100	4,200	4,300	4,400
4.3 Contractual Services	**145,723**	**18,300**	**162,000**	**41,500**	**42,300**	**43,200**	**44,100**
Contractual Operating Services	128,898	18,300	140,000	19,100	19,500	19,900	20,300
Contractual Professional Services	16,825	-	22,000	22,400	22,800	23,300	23,800
883211 Organizational Development Talent Management	**2,537,921**	**3,124,200**	**3,488,200**	**3,662,600**	**3,994,200**	**4,019,400**	**4,045,100**
2.1 Salaries & Wages	**1,583,819**	**1,611,300**	**1,876,800**	**1,992,000**	**2,224,400**	**2,224,400**	**2,224,400**
2.2 Workforce Development	**10,018**	**-**	**40,800**	**40,800**	**40,800**	**40,800**	**40,800**
2.3 Overtime	**600**	**2,400**	**-**	**-**	**-**	**-**	**-**
2.4 Employee Benefits	**520,562**	**582,000**	**622,000**	**663,700**	**743,500**	**749,100**	**754,700**
4.2 Supplies & Other	**70,374**	**151,900**	**156,500**	**158,200**	**161,300**	**164,400**	**167,700**
Advertising	17,796	51,600	52,600	53,600	54,600	55,600	56,700
Memberships, Licenses & Subscriptions	5,900	8,000	8,200	8,500	8,700	8,900	9,100
Mileage and Parking	2,974	2,900	3,500	3,100	3,200	3,300	3,400
Office Supplies	9,411	15,000	15,300	15,600	15,900	16,200	16,500
Operating Supplies	1,052	1,200	1,200	1,200	1,200	1,200	1,200
Printing	4,908	5,000	6,100	5,200	5,300	5,400	5,500
Software Repairs & Maintenance	-	7,800	8,000	8,200	8,400	8,600	8,800
Training and Internal Meetings	14,306	40,000	40,800	41,600	42,400	43,200	44,100
Travel	14,027	18,400	18,800	19,200	19,600	20,000	20,400
Tuition Refund	-	2,000	2,000	2,000	2,000	2,000	2,000
4.3 Contractual Services	**352,548**	**776,600**	**792,100**	**807,900**	**824,200**	**840,700**	**857,500**
Contractual Operating Services	352,548	776,600	792,100	807,900	824,200	840,700	857,500
883231 Organizational Development Training	**1,715,822**	**2,039,400**	**2,187,700**	**2,200,800**	**2,252,200**	**2,268,300**	**2,284,400**
2.1 Salaries & Wages	**967,600**	**1,060,600**	**1,150,700**	**1,163,000**	**1,187,900**	**1,187,900**	**1,187,900**
2.2 Workforce Development	**-**	**-**	**18,300**	**18,300**	**18,300**	**18,300**	**18,300**
2.3 Overtime	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.4 Employee Benefits	**305,801**	**368,900**	**376,300**	**384,600**	**398,600**	**401,600**	**404,600**
2.5 Transition Services	**18,683**	**-**	**-**	**-**	**-**	**-**	**-**
Contractual Transition Services	18,683	-	-	-	-	-	-
4.2 Supplies & Other	**338,076**	**344,800**	**371,900**	**359,000**	**366,100**	**373,600**	**381,000**
Memberships, Licenses & Subscriptions	24,891	6,200	8,500	6,600	6,700	6,900	7,000
Mileage and Parking	374	1,000	1,000	1,000	1,000	1,000	1,000
Office Supplies	2,297	10,000	10,200	10,400	10,600	10,800	11,000
Operating Supplies	28,475	2,000	10,000	2,100	2,100	2,200	2,200
Training and Internal Meetings	272,057	300,000	306,000	312,100	318,300	324,700	331,200
Travel	7,831	23,000	33,500	24,000	24,500	25,000	25,500
Tuition Refund	2,150	2,600	2,700	2,800	2,900	3,000	3,100
4.3 Contractual Services	**85,663**	**265,100**	**270,500**	**275,900**	**281,300**	**286,900**	**292,600**
Contractual Operating Services	85,663	265,100	270,500	275,900	281,300	286,900	292,600
Grand Total	**$ 5,014,997**	**$ 5,885,900**	**$ 6,584,500**	**$ 6,652,100**	**$ 7,071,000**	**$ 7,116,000**	**$ 7,161,700**

Financial Services

The Financial Services Area consists of three groups. The *CFO Services* group oversees all debt management, compliance, grants, internal audit, and intergovernmental activities as well as the affordability and assistance program. 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

Financial Services Contracts

The Financial Services area budget contains several contracts for professional services needed for external auditing, financial and 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	Grants Management Support/Risk Assessment	Total of Significant Contracts
Prime Consultant or Supplier	Baker Tilly US LLP	Willdan Financial Services	PFM Asset Management LLC	PFM Financial Advisors LLC	TBD	
Contract #	TBD	2300826	SCN-0000189	2204949		
Contract Amount	TBD	$ 2,979,100	$ 2,200,000	$ 4,156,300		
Contract End Date	TBD	08/31/29	01/31/26	06/30/28	TBD	
Cost Center Name	Financial Reporting & Accounting	CFO Services and Financial Management & Planning	Treasury	CFO Services	CFO Services	
Expense Category	Auditing	Contractual Professional Services	Contractual Professional Services	Contractual Professional Services	Contractual Professional Services	
Pre-FY 2024 Spend	$ 796,300	$ -	$ 904,900	$ 507,800	$ -	
Pre-FY 2024 Average Spend (*)	201,000	-	263,000	84,600	-	
FY 2024 Spend	215,200	-	248,800	77,700	-	541,700
FY 2025 Amended	322,000	200,000	440,000	100,000	-	1,062,000
FY 2026	**326,400**	**661,800**	**440,000**	**102,100**	**150,000**	**1,680,300**
FY 2027	330,900	541,200	440,000	103,900	150,000	1,566,000
FY 2028	335,500	546,200	440,000	103,900	150,000	1,575,600
FY 2029	340,200	599,800	440,000	103,900	150,000	1,633,900
FY 2030	340,200	630,100	440,000	103,900	150,000	1,664,200
Total	**$ 3,006,700**	**$ 3,179,100**	**$ 3,793,700**	**$ 1,203,200**	**$ 750,000**	**$ 9,723,700**

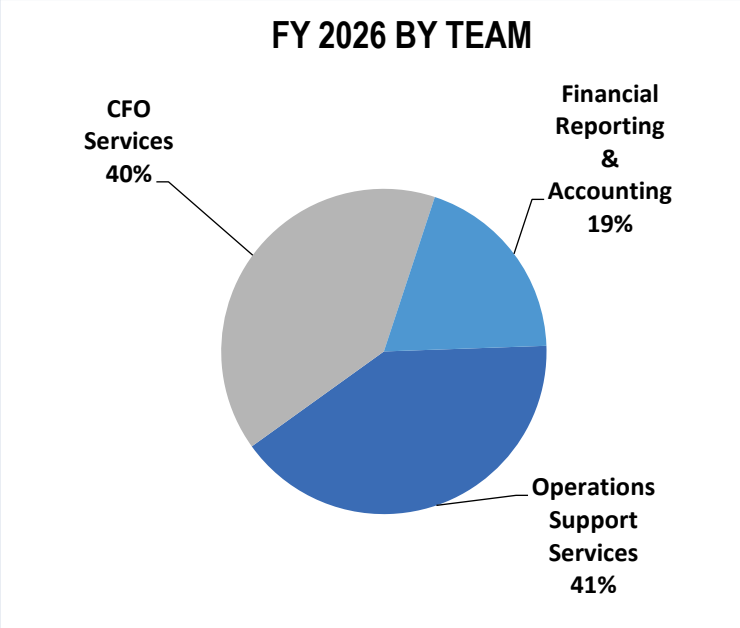
Go to TOC

Organization

The Financial Services Area includes seven teams that fall within the three group classifications.

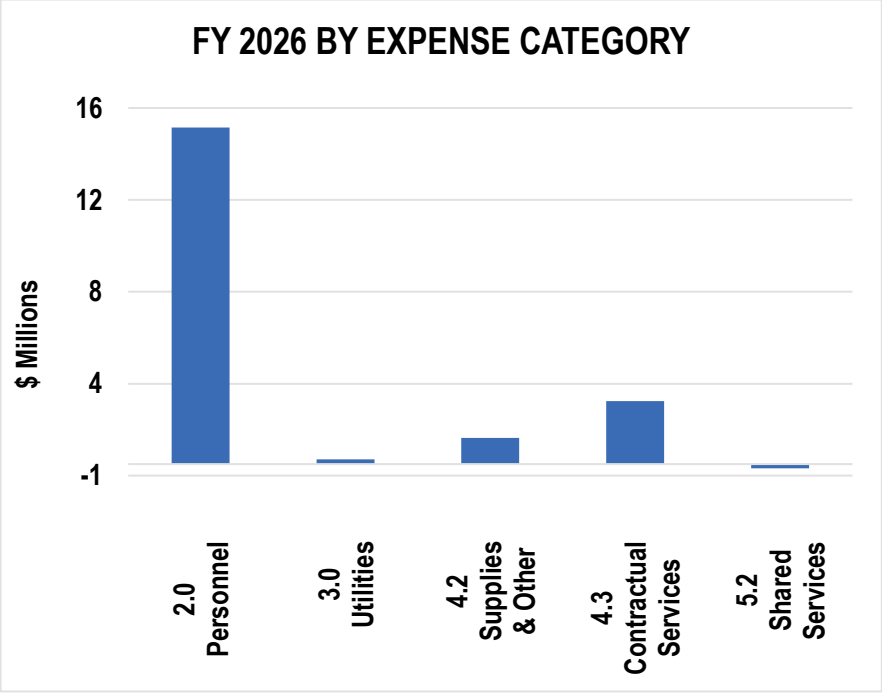
CFO Services

- **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 Financial Services is Personnel. The second largest category is Contractual Services for project management support, and other special projects, studies, and audits.



Go to TOC

Biennial Budget Request

The biennial budget reflects an overall increase of $852,600, or 4.8%. The primary reason for the increase is highlighted below.

- Personnel – The Financial Services area has increased the FTEs from 120.75 in FY 2025 to 122.00 in FY 2026 Budget. The main teams driving the increase of 1.25 is the Chief Financial Officer – 2.00. The net increase in the number of FTEs is the result of filling vacant positions. Merit increases and market adjustments have also increased the starting point for FY 2026, resulting in higher wages between FY 2025 and FY 2026.

Biennial Budget Request by Expense Category

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	Actual	Amended	Activity as of	Proposed	Dollar Variance	Percent	Proposed
2.0 Personnel	$ 13,725,566	$ 13,775,800	$ 9,734,228	**$ 14,654,100**	**$ 878,300**	**6.4%**	$ 14,996,500
3.0 Utilities	152,343	191,500	95,413	**206,200**	**14,700**	**7.7%**	210,300
4.2 Supplies & Other	1,137,227	1,087,800	482,148	**1,143,400**	**55,600**	**5.1%**	1,167,900
4.3 Contractual Services	2,200,003	2,864,900	1,763,463	**2,742,000**	**(122,900)**	**-4.3%**	2,547,300
5.1 Capital Program Allocation	-	-	-	**-**	**-**	**0.0%**	-
Grand Total	**$ 17,047,819**	**$ 17,708,700**	**$ 11,964,612**	**$ 18,561,300**	**$ 852,600**	**4.8%**	**$ 18,734,400**

Biennial Budget Request by Team

	FY 2024	FY 2025		FY 2026			FY 2027
Team	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
CFO Services	**$ 6,565,955**	**$ 7,022,200**	**$ 4,894,833**	**$ 7,423,200**	**$ 401,000**	**5.7%**	**$ 7,332,500**
Chief Financial Officer	1,223,720	1,125,400	1,438,712	**1,441,000**	**315,600**	**28.0%**	1,443,300
CFO Services	2,721,297	2,912,000	1,646,458	**2,788,800**	**(123,200)**	**-4.2%**	2,810,400
Financial Management & Planning	1,902,502	2,037,000	1,349,281	**2,234,400**	**197,400**	**9.7%**	2,116,600
Treasury	718,436	947,800	460,382	**959,000**	**11,200**	**1.2%**	962,200
Operations Support Services	**7,086,764**	**7,039,000**	**4,675,223**	**7,542,800**	**503,800**	**7.2%**	**7,722,900**
Procurement Director	3,936,268	3,952,900	2,696,854	**4,253,300**	**300,400**	**7.6%**	4,391,100
Logistics and Materials	3,150,496	3,086,100	1,978,369	**3,289,500**	**203,400**	**6.6%**	3,331,800
Financial Reporting & Accounting	**3,395,100**	**3,647,500**	**2,394,555**	**3,595,300**	**(52,200)**	**-1.4%**	**3,679,000**
Grand Total	**$ 17,047,819**	**$ 17,708,700**	**$ 11,964,612**	**$ 18,561,300**	**$ 852,600**	**4.8%**	**$ 18,734,400**

Personnel Budget

The staffing plan had a net increase of six positions to 133 in FY 2026 (1 Director and 1 Professional Administrative Analyst in Chief Financial Officer, 1 Manager and 2 Management Professionals in the CFO Services area, 1 Management Professional in Logistics & Materials). The 1.25 increase in the number of positions budgeted (FTEs) in FY 2026 was driven by promoting one manager and filling vacant positions.

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

	Staffing Plan						
Operating Area and Team	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**
Chief Financial Officer	**126.00**	**127.00**	**133.00**	**133.00**	**134.00**	**134.00**	**134.00**
Chief Financial Officer	5.00	5.00	7.00	7.00	7.00	7.00	7.00
Financial Management & Planning	12.00	12.00	11.00	11.00	12.00	12.00	12.00
Financial Reporting & Accounting	29.00	28.00	27.00	27.00	27.00	27.00	27.00
Logistics and Materials	24.00	25.00	28.00	28.00	28.00	28.00	28.00
Procurement Director	36.00	35.00	35.00	35.00	35.00	35.00	35.00
CFO Services	17.00	19.00	22.00	22.00	22.00	22.00	22.00
Treasury	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Grand Total	**126.00**	**127.00**	**133.00**	**133.00**	**134.00**	**134.00**	**134.00**

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, the number of budgeted positions, or FTEs, increased by 1.25 for FY 2026 compared to the FY 2025 Budget.

F*ull Time Equivalents*

	Full Time Equivalents (FTEs)						
Operating Area and Team	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**
Chief Financial Officer	**115.00**	**120.75**	**122.00**	**124.50**	**130.00**	**130.75**	**130.75**
Chief Financial Officer	3.50	4.50	6.50	6.50	6.50	6.50	6.50
Financial Management & Planning	10.50	12.00	11.00	11.00	11.25	12.00	12.00
Financial Reporting & Accounting	27.00	26.75	25.50	26.00	27.00	27.00	27.00
Logistics and Materials	22.00	25.00	25.00	25.25	25.75	25.75	25.75
Procurement Director	33.50	31.25	32.00	33.00	35.00	35.00	35.00
CFO Services	15.50	18.25	19.00	19.75	21.50	21.50	21.50
Treasury	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Grand Total	**115.00**	**120.75**	**122.00**	**124.50**	**130.00**	**130.75**	**130.75**

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 Section 5 - Operating Financial Plans by Service Area.

Personnel – Biennial Budget Request by Expense Category

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	**Actual**	**Amended**	**Activity as of**	**Proposed**	**Dollar**	**Percent**	**Proposed**
2.1 Salaries & Wages	$ 10,421,458	$ 10,342,900	$ 7,370,098	**$ 11,009,200**	**$ 666,300**	**6.4%**	$ 11,220,900
2.2 Workforce Development	12,489	17,700	6,898	**97,200**	**79,500**	**449.2%**	97,200
2.3 Overtime	11,133	10,000	2,503	**5,700**	**(4,300)**	**-43.0%**	5,800
2.4 Employee Benefits	3,213,746	3,405,200	2,314,439	**3,503,600**	**98,400**	**2.9%**	3,596,500
2.5 Transition Services	66,741	-	40,290	**38,400**	**38,400**	**0.0%**	76,100
Grand Total	**$ 13,725,566**	**$ 13,775,800**	**$ 9,734,228**	**$ 14,654,100**	**$ 878,300**	**6.4%**	**$ 14,996,500**

Personnel – Biennial Budget Request by Team

	FY 2024	FY 2025		FY 2026			FY 2027
Team	**Actual**	**Amended**	**Activity as of**	**Proposed**	**Dollar**	**Percent**	**Proposed**
CFO Services	**$ 4,788,035**	**$ 4,878,900**	**$ 3,525,008**	**$ 5,284,200**	**$ 405,300**	**8.3%**	**$ 5,397,000**
Chief Financial Officer	**804,416**	**753,800**	**824,194**	**1,163,600**	**409,800**	**54.4%**	**1,165,100**
CFO Services	**2,039,786**	**2,142,300**	**1,407,677**	**2,207,200**	**64,900**	**3.0%**	**2,315,500**
Financial Management & Planning	**1,532,396**	**1,609,200**	**1,028,956**	**1,531,800**	**(77,400)**	**-4.8%**	**1,534,200**
Treasury	**411,438**	**373,600**	**264,181**	**381,600**	**8,000**	**2.1%**	**382,200**
Operations Support Services	**5,832,228**	**5,779,500**	**4,047,784**	**6,186,000**	**406,500**	**7.0%**	**6,339,000**
Procurement Director	**3,684,965**	**3,663,700**	**2,553,230**	**3,979,900**	**316,200**	**8.6%**	**4,112,200**
Logistics and Materials	**2,147,264**	**2,115,800**	**1,494,554**	**2,206,100**	**90,300**	**4.3%**	**2,226,800**
Financial Reporting & Accounting	**3,105,303**	**3,117,400**	**2,161,436**	**3,183,900**	**66,500**	**2.1%**	**3,260,500**
Grand Total	**$ 13,725,566**	**$ 13,775,800**	**$ 9,734,228**	**$ 14,654,100**	**$ 878,300**	**6.4%**	**$ 14,996,500**

Personnel – Five-Year Financial Plan by Expense Category

	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**
2.1 Salaries & Wages	$ 10,421,458	$ 10,342,900	**$ 11,009,200**	$ 11,220,900	$ 11,695,300	$ 11,759,600	$ 11,759,600
2.2 Workforce Development	12,489	17,700	**97,200**	97,200	97,200	97,200	97,200
2.3 Overtime	11,133	10,000	**5,700**	5,800	6,000	6,000	6,000
2.4 Employee Benefits	3,213,746	3,405,200	**3,503,600**	3,596,500	3,773,900	3,822,700	3,849,800
2.5 Transition Services	66,741	-	**38,400**	76,100	152,200	152,200	152,200
Grand Total	**$ 13,725,566**	**$ 13,775,800**	**$ 14,654,100**	**$ 14,996,500**	**$ 15,724,600**	**$ 15,837,700**	**$ 15,864,800**

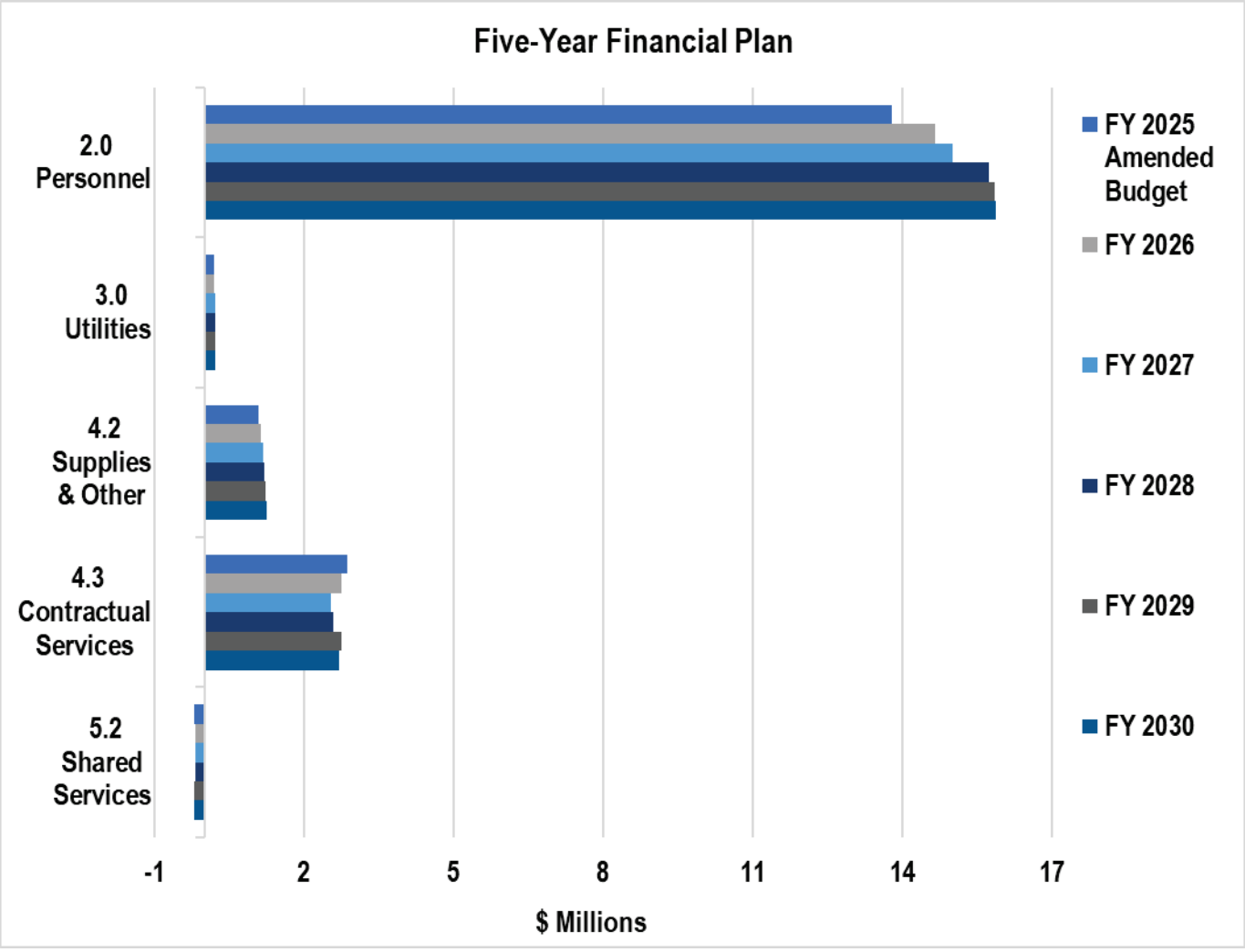
Personnel – Five-Year Financial Plan by Team

	Actual	Amended Budget	Proposed Budget		Projected		
Team	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**
CFO Services	**$ 4,788,035**	**$ 4,878,900**	**$ 5,284,200**	**$ 5,397,000**	**$ 5,679,100**	**$ 5,773,800**	**$ 5,782,600**
Chief Financial Officer	**804,416**	**753,800**	**1,163,600**	**1,165,100**	**1,166,600**	**1,168,100**	**1,169,600**
CFO Services	**2,039,786**	**2,142,300**	**2,207,200**	**2,315,500**	**2,564,200**	**2,568,400**	**2,572,600**
Financial Management & Planning	**1,532,396**	**1,609,200**	**1,531,800**	**1,534,200**	**1,565,400**	**1,653,800**	**1,656,300**
Treasury	**411,438**	**373,600**	**381,600**	**382,200**	**382,900**	**383,500**	**384,100**
Operations Support Services	**5,832,228**	**5,779,500**	**6,186,000**	**6,339,000**	**6,635,900**	**6,648,700**	**6,661,500**
Procurement Director	**3,684,965**	**3,663,700**	**3,979,900**	**4,112,200**	**4,372,500**	**4,380,000**	**4,387,500**
Logistics and Materials	**2,147,264**	**2,115,800**	**2,206,100**	**2,226,800**	**2,263,400**	**2,268,700**	**2,274,000**
Financial Reporting & Accounting	**3,105,303**	**3,117,400**	**3,183,900**	**3,260,500**	**3,409,600**	**3,415,200**	**3,420,700**
Grand Total	**$ 13,725,566**	**$ 13,775,800**	**$ 14,654,100**	**$ 14,996,500**	**$ 15,724,600**	**$ 15,837,700**	**$ 15,864,800**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
2.0 Personnel	$ 13,725,566	$ 13,775,800	**$ 14,654,100**	$ 14,996,500	$ 15,724,600	$ 15,837,700	$ 15,864,800
3.0 Utilities	$ 152,343	$ 191,500	**$ 206,200**	$ 210,300	$ 214,400	$ 218,700	$ 223,000
4.2 Supplies & Other	1,137,227	1,087,800	**1,143,400**	1,167,900	1,192,700	1,218,500	1,244,300
4.3 Contractual Services	2,200,003	2,864,900	**2,742,000**	2,547,300	2,586,000	2,746,600	2,694,100
5.2 Shared Services	(167,320)	(211,300)	**(184,400)**	(187,600)	(191,000)	(194,500)	(198,300)
Grand Total	**$ 17,047,819**	**$ 17,708,700**	**$ 18,561,300**	**$ 18,734,400**	**$ 19,526,700**	**$ 19,827,000**	**$ 19,827,900**



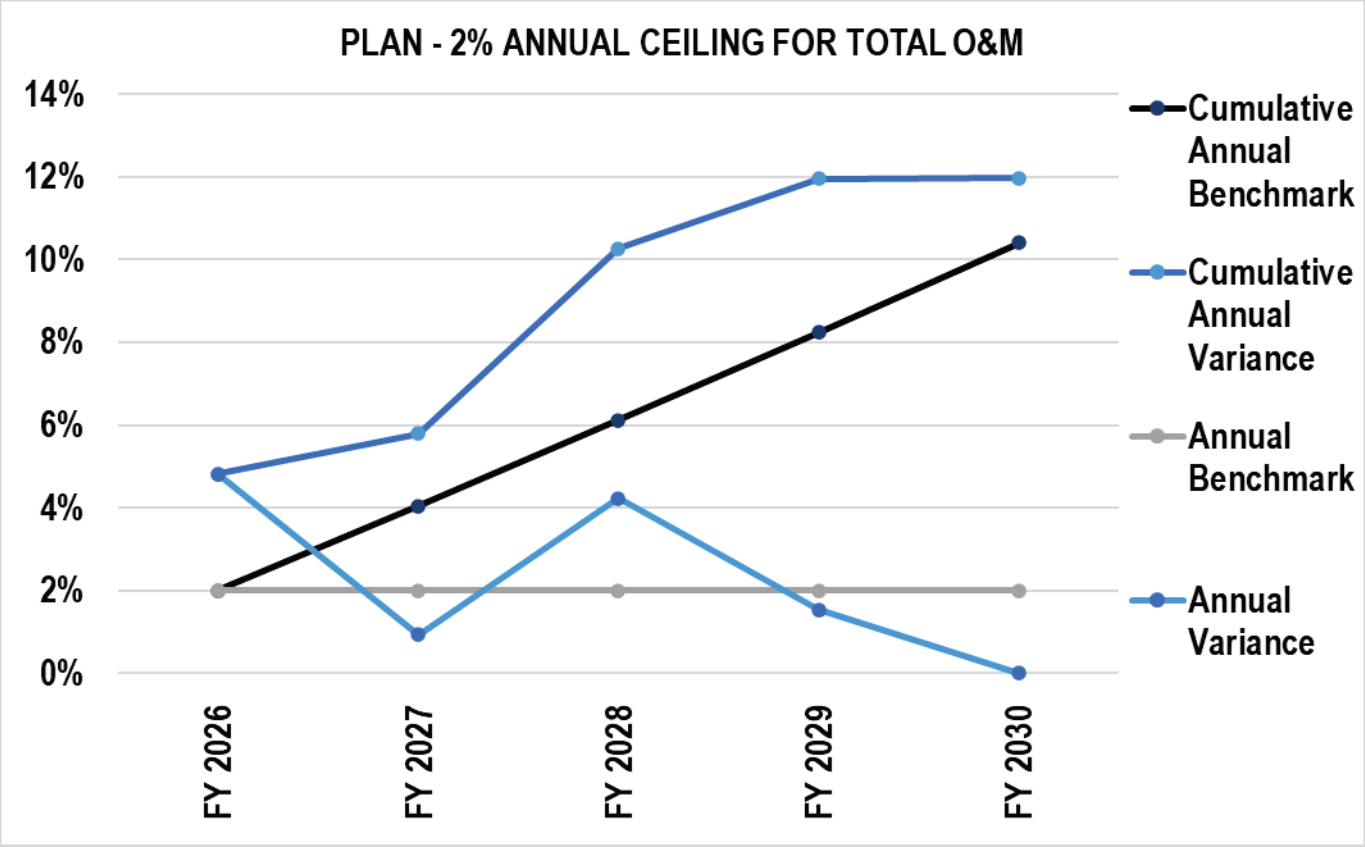
Go to TOC

Five-Year Financial Plan by Team

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
CFO Services	**$ 6,565,955**	**$ 7,022,200**	**$ 7,423,200**	**$ 7,332,500**	**$ 7,644,300**	**$ 7,890,300**	**$ 7,841,700**
Chief Financial Officer	1,223,720	1,125,400	**1,441,000**	1,443,300	1,445,700	1,448,100	1,450,500
CFO Services	2,721,297	2,912,000	**2,788,800**	2,810,400	3,072,500	3,170,400	3,088,400
Financial Management & Planning	1,902,502	2,037,000	**2,234,400**	2,116,600	2,153,200	2,295,600	2,328,800
Treasury	718,436	947,800	**959,000**	962,200	972,900	976,200	974,000
Operations Support Services	**7,086,764**	**7,039,000**	**7,542,800**	**7,722,900**	**8,047,200**	**8,088,100**	**8,129,300**
Procurement Director	3,936,268	3,952,900	**4,253,300**	4,391,100	4,656,900	4,670,100	4,683,300
Logistics and Materials	3,150,496	3,086,100	**3,289,500**	3,331,800	3,390,300	3,418,000	3,446,000
Financial Reporting & Accounting	**3,395,100**	**3,647,500**	**3,595,300**	**3,679,000**	**3,835,200**	**3,848,600**	**3,856,900**
Grand Total	**$ 17,047,819**	**$ 17,708,700**	**$ 18,561,300**	**$ 18,734,400**	**$ 19,526,700**	**$ 19,827,000**	**$ 19,827,900**

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

The Financial Services area financial plan reflects a five-year overall increase of 12.0% 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 Financial Services Area for FY 2026 through FY 2030.

Line-Item Budget and Financial Plan

The five-year plan line-item expense budget 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	Actual	Amended Budget	Proposed Budget		Projected		
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
884001 Chief Financial Officer	**1,223,720**	**1,125,400**	**1,441,000**	**1,443,300**	**1,445,700**	**1,448,100**	**1,450,500**
2.1 Salaries & Wages	**640,200**	**585,000**	**914,000**	**914,000**	**914,000**	**914,000**	**914,000**
2.3 Overtime	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.4 Employee Benefits	**164,216**	**168,800**	**249,600**	**251,100**	**252,600**	**254,100**	**255,600**
4.2 Supplies & Other	**41,205**	**45,800**	**46,600**	**47,400**	**48,300**	**49,200**	**50,100**
Covid19	-	-	-	-	-	-	-
Memberships, Licenses &	7,734	11,200	11,400	11,600	11,800	12,000	12,200
Mileage and Parking	-	1,000	1,000	1,000	1,000	1,000	1,000
Office Supplies	3,436	10,000	10,200	10,400	10,600	10,800	11,000
Postage	35	200	200	200	200	200	200
Printing	-	-	-	-	-	-	-
Training and Internal Meetings	17,610	11,200	11,400	11,600	11,800	12,000	12,200
Travel	11,965	12,200	12,400	12,600	12,900	13,200	13,500
Tuition Refund	425	-	-	-	-	-	-
4.3 Contractual Services	**378,098**	**325,800**	**230,800**	**230,800**	**230,800**	**230,800**	**230,800**
Contractual Operating Services	435	800	800	800	800	800	800
Contractual Professional Services	393,647	325,000	230,000	230,000	230,000	230,000	230,000
Contractual Svcs–Flood Events - All Sewer	(15,984)	-	-	-	-	-	-
884111 Financial Reporting & Accounting	**3,395,100**	**3,647,500**	**3,595,300**	**3,679,000**	**3,835,200**	**3,848,600**	**3,856,900**
2.1 Salaries & Wages	**2,324,890**	**2,348,300**	**2,392,400**	**2,418,100**	**2,469,700**	**2,469,700**	**2,469,700**
2.3 Overtime	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.4 Employee Benefits	**713,673**	**769,100**	**753,100**	**766,300**	**787,700**	**793,300**	**798,800**
2.5 Transition Services	**66,741**	**-**	**38,400**	**76,100**	**152,200**	**152,200**	**152,200**
4.2 Supplies & Other	**54,336**	**50,000**	**52,000**	**53,900**	**55,800**	**58,100**	**60,100**
Capital Outlay over $5k(O&M-	12,673	-	-	-	-	-	-
Covid19	-	-	-	-	-	-	-
Memberships, Licenses &	5,412	7,300	7,400	7,500	7,700	7,900	8,100
Mileage and Parking	347	2,000	1,000	1,000	1,000	1,000	1,000
Miscellaneous Expense	-	-	-	-	-	-	-
Office Supplies	4,691	10,000	7,000	7,100	7,300	7,400	7,600
Operating Supplies	589	-	-	-	-	-	-
Postage	5,359	10,200	8,000	8,200	8,300	8,500	8,700
Training and Internal Meetings	15,427	12,000	17,000	17,900	18,800	20,000	20,700
Travel	8,340	6,000	9,000	9,500	9,900	10,400	11,000
Tuition Refund	1,500	2,500	2,600	2,700	2,800	2,900	3,000
4.3 Contractual Services	**235,462**	**480,100**	**359,400**	**364,600**	**369,800**	**375,300**	**376,100**
Auditing	215,152	322,000	326,400	330,900	335,500	340,200	340,200
Contractual Operating Services	15,051	5,100	30,000	30,600	31,200	31,900	32,600
Contractual Operating Services	-	-	-	-	-	-	-
Contractual Professional	5,260	153,000	3,000	3,100	3,100	3,200	3,300

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Go to TOC

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

Cost Center & Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
884113 Financial Management & Planning	**1,902,502**	**2,037,000**	**2,234,400**	**2,116,600**	**2,153,200**	**2,295,600**	**2,328,800**
2.1 Salaries & Wages	**1,190,460**	**1,234,500**	**1,179,100**	**1,179,100**	**1,200,800**	**1,265,100**	**1,265,100**
2.3 Overtime	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.4 Employee Benefits	**341,936**	**374,700**	**352,700**	**355,100**	**364,600**	**388,700**	**391,200**
2.5 Transition Services	**-**	**-**	**-**	**-**	**-**	**-**	**-**
4.2 Supplies & Other	**10,844**	**20,400**	**20,800**	**21,200**	**21,600**	**22,000**	**22,400**
Memberships, Licenses & Subscriptions	4,888	5,000	5,100	5,200	5,300	5,400	5,500
Mileage and Parking	-	400	400	400	400	400	400
Office Supplies	305	1,000	1,000	1,000	1,000	1,000	1,000
Training and Internal Meetings	2,585	8,000	8,200	8,400	8,600	8,800	9,000
Travel	3,067	6,000	6,100	6,200	6,300	6,400	6,500
4.3 Contractual Services	**359,262**	**407,400**	**681,800**	**561,200**	**566,200**	**619,800**	**650,100**
Contractual Professional	358,582	407,400	681,800	561,200	566,200	619,800	650,100
Contractual Professional	680	-	-	-	-	-	-
884121 Procurement Director	**3,936,268**	**3,952,900**	**4,253,300**	**4,391,100**	**4,656,900**	**4,670,100**	**4,683,300**
2.1 Salaries & Wages	**2,830,768**	**2,768,200**	**3,026,700**	**3,122,000**	**3,314,300**	**3,314,300**	**3,314,300**
2.3 Overtime	**271**	**-**	**-**	**-**	**-**	**-**	**-**
2.4 Employee Benefits	**853,926**	**895,500**	**953,200**	**990,200**	**1,058,200**	**1,065,700**	**1,073,200**
2.5 Transition Services	**-**	**-**	**-**	**-**	**-**	**-**	**-**
4.2 Supplies & Other	**175,107**	**165,400**	**141,100**	**143,900**	**146,700**	**149,600**	**152,500**
Advertising	225	500	500	500	500	500	500
Capital Outlay less than $5,000	57,257	-	-	-	-	-	-
Memberships, Licenses & Subscriptions	40,053	32,000	42,500	43,400	44,300	45,200	46,100
Mileage and Parking	-	1,000	1,000	1,000	1,000	1,000	1,000
Office Equipment	-	-	-	-	-	-	-
Office Supplies	17,234	12,800	13,100	13,400	13,700	14,000	14,300
Operating Supplies	13,120	2,000	7,000	7,100	7,200	7,300	7,400
Postage	2,033	100	100	100	100	100	100
Training and Internal Meetings	27,922	79,500	41,300	42,100	42,900	43,800	44,700
Travel	17,264	30,000	30,600	31,200	31,800	32,400	33,000
Tuition Refund	-	7,500	5,000	5,100	5,200	5,300	5,400
4.3 Contractual Services	**76,196**	**123,800**	**132,300**	**135,000**	**137,700**	**140,500**	**143,300**
Contractual Operating Services	62,400	21,200	59,100	60,300	61,500	62,800	64,100
Contractual Professional	13,796	102,600	73,200	74,700	76,200	77,700	79,200

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

Cost Center & Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
884124 Logistics and Materials	**3,150,496**	**3,086,100**	**3,289,500**	**3,331,800**	**3,390,300**	**3,418,000**	**3,446,000**
2.1 Salaries & Wages	**1,577,019**	**1,522,300**	**1,581,400**	**1,591,700**	**1,612,500**	**1,612,500**	**1,612,500**
2.2 Workforce Development	**-**	**-**	**24,200**	**24,200**	**24,200**	**24,200**	**24,200**
2.3 Overtime	**7,869**	**6,000**	**5,700**	**5,800**	**6,000**	**6,000**	**6,000**
2.4 Employee Benefits	**562,376**	**587,500**	**594,800**	**605,100**	**620,700**	**626,000**	**631,300**
2.5 Transition Services	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 Electric	**96,195**	**102,000**	**114,400**	**116,700**	**119,000**	**121,400**	**123,800**
3.2 Gas	**50,636**	**51,500**	**55,800**	**56,900**	**58,000**	**59,200**	**60,400**
3.3 Sewage Service	**3,182**	**22,400**	**25,100**	**25,600**	**26,100**	**26,600**	**27,100**
3.4 Water Service	**2,331**	**15,600**	**10,900**	**11,100**	**11,300**	**11,500**	**11,700**
4.2 Supplies & Other	**818,432**	**751,100**	**826,600**	**843,100**	**859,900**	**877,000**	**894,400**
Buildings & Ground Repairs & Maintenance	29,747	10,000	35,000	35,700	36,400	37,100	37,800
Buildings-All Sewer	544,093	514,100	523,600	534,100	544,800	555,700	566,800
Capital Outlay less than $5,000	3,999	2,000	2,000	2,000	2,000	2,000	2,000
Equipment Repairs & Maintenance	(155)	8,300	8,500	8,700	8,900	9,100	9,300
Mileage and Parking	-	500	500	500	500	500	500
Office Supplies	5,986	23,000	23,500	24,000	24,500	25,000	25,500
Operating Supplies	49,283	55,000	56,000	57,100	58,200	59,400	60,600
Printing	783	-	-	-	-	-	-
Property Taxes-All Sewer	177,117	120,000	160,000	163,200	166,500	169,800	173,200
Training and Internal Meetings	357	2,000	2,000	2,000	2,000	2,000	2,000
Travel	4,575	5,000	5,100	5,200	5,300	5,400	5,500
Uniforms, Laundry, Cleaning	2,646	11,200	10,400	10,600	10,800	11,000	11,200
4.3 Contractual Services	**32,456**	**27,700**	**50,600**	**51,600**	**52,600**	**53,600**	**54,600**
Contractual Buildings & Grounds Maint	-	-	7,100	-	-	-	-
Contractual Buildings & Grounds Maint-All Sewer	-	5,500	-	5,600	5,700	5,800	5,900
Contractual Operating Services	32,490	12,200	19,076	40,000	40,800	41,600	42,400
Contractual Professional	(33)	10,000	-	5,000	5,100	5,200	5,300

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

Cost Center & Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
884131 Treasury	**718,436**	**947,800**	**959,000**	**962,200**	**972,900**	**976,200**	**974,000**
2.1 Salaries & Wages	**317,001**	**284,300**	**290,900**	**290,900**	**290,900**	**290,900**	**290,900**
2.3 Overtime	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.4 Employee Benefits	**94,437**	**89,300**	**90,700**	**91,300**	**92,000**	**92,600**	**93,200**
2.5 Transition Services	**-**	**-**	**-**	**-**	**-**	**-**	**-**
4.2 Supplies & Other	**1,319**	**18,000**	**15,600**	**15,900**	**16,100**	**16,400**	**16,600**
Memberships, Licenses & Subscriptions	963	2,500	2,500	2,600	2,700	2,800	2,900
Mileage and Parking	-	2,000	2,000	2,000	2,000	2,000	2,000
Office Supplies	208	2,000	2,000	2,100	2,100	2,200	2,200
Operating Supplies	-	-	-	-	-	-	-
Postage	147	1,500	1,500	1,500	1,500	1,500	1,500
Training and Internal Meetings	-	5,000	2,500	2,500	2,500	2,500	2,500
Travel	-	5,000	5,100	5,200	5,300	5,400	5,500
4.3 Contractual Services	**414,595**	**706,200**	**681,800**	**684,100**	**693,900**	**696,300**	**693,300**
Contractual Operating Services	165,809	266,200	241,800	244,100	253,900	256,300	253,300
Contractual Professional	248,787	440,000	440,000	440,000	440,000	440,000	440,000
5.2 Shared Services	**(108,916)**	**(150,000)**	**(120,000)**	**(120,000)**	**(120,000)**	**(120,000)**	**(120,000)**
884141 CFO Services	**2,721,297**	**2,912,000**	**2,788,800**	**2,810,400**	**3,072,500**	**3,170,400**	**3,088,400**
2.1 Salaries & Wages	**1,541,121**	**1,600,300**	**1,624,700**	**1,705,100**	**1,893,100**	**1,893,100**	**1,893,100**
2.2 Workforce Development	**12,489**	**17,700**	**73,000**	**73,000**	**73,000**	**73,000**	**73,000**
2.3 Overtime	**2,993**	**4,000**	**-**	**-**	**-**	**-**	**-**
2.4 Employee Benefits	**483,182**	**520,300**	**509,500**	**537,400**	**598,100**	**602,300**	**606,500**
4.2 Supplies & Other	**35,982**	**37,100**	**40,700**	**42,500**	**44,300**	**46,200**	**48,200**
Memberships, Licenses & Subscriptions	5,323	7,700	7,900	8,100	8,300	8,500	8,700
Mileage and Parking	151	500	500	500	500	500	500
Office Supplies	1,200	3,200	3,300	3,400	3,500	3,600	3,700
Postage	339	1,500	-	-	-	-	-
Training and Internal Meetings	12,182	10,000	12,000	12,600	13,200	13,900	14,600
Travel	16,787	14,200	17,000	17,900	18,800	19,700	20,700
4.3 Contractual Services	**703,933**	**793,900**	**605,300**	**520,000**	**535,000**	**630,300**	**545,900**
Contractual Operating Services	19,187	69,400	70,800	72,200	73,600	75,100	76,600
Contractual Professional	684,746	724,500	534,500	447,800	461,400	555,200	469,300
5.2 Shared Services	**(58,404)**	**(61,300)**	**(64,400)**	**(67,600)**	**(71,000)**	**(74,500)**	**(78,300)**
Grand Total	**$ 17,047,819**	**$ 17,708,700**	**$ 18,561,300**	**$ 18,734,400**	**$ 19,526,700**	**$ 19,827,000**	**$ 19,827,900**



Section 6

Supplemental Analysis

Go to TOC

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Go to TOC

Section 5 of the Biennial Budget and Five-Year Financial Plan provided a compilation of the budget at the cost center level for each operating area. 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
- Water Residential Assistance Plan
- Legacy Commitments

Operations & Maintenance Historical Analysis

This section of the budget analysis is designed to evaluate the proposed 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

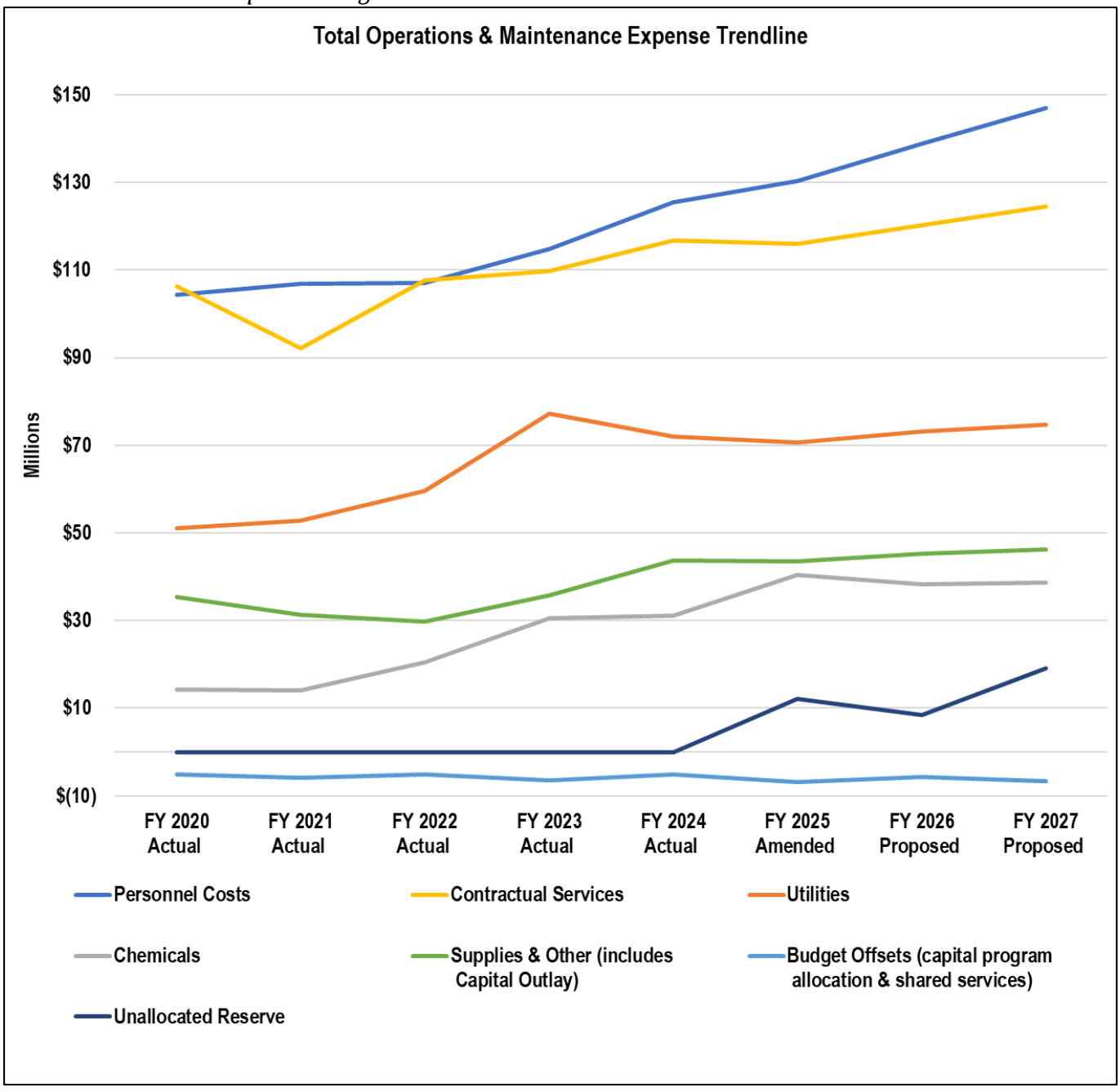
Table 1 – Total Operations & Maintenance Expense – Five Year Actual Expense, Current Year Amended, and Biennial Proposed Budget ($ Millions)

Expense Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted	FY 2025 Amended	FY 2026 Proposed	FY 2027 Proposed
Personnel Costs	$ 104.3	$ 106.9	$ 107.1	$ 114.8	$ 125.5	$ 130.4	$ 130.4	$ 138.9	$ 146.9
Contractual Services	106.4	92.2	107.7	109.7	116.8	113.9	115.9	120.2	124.6
Utilities	51.2	52.7	59.7	77.3	71.9	70.6	70.6	73.1	74.7
Chemicals	14.2	14.0	20.4	30.5	31.1	34.8	40.3	38.4	38.6
Supplies & Other (includes Capital Outlay)	35.4	31.2	29.7	35.8	43.6	43.5	43.5	45.2	46.3
Budget Offsets (capital program allocation & shared services)	(5.1)	(5.9)	(5.2)	(6.4)	(5.1)	(6.9)	(6.9)	(5.7)	(6.8)
Unallocated Reserve	-	-	-	-	-	12.2	12.2	8.5	19.0
Grand Total	**$ 306.4**	**$ 291.2**	**$ 319.3**	**$ 361.7**	**$ 383.7**	**$ 398.6**	**$ 406.1**	**$ 418.6**	**$ 443.2**

Key Takeaway: There is no one size fits all explanation for GLWA's overall increase in the budget categories over this nine-year time span. The annual expense categories, while significant, are also dynamic.

Go to TOC

Chart 1 – Total Operations & Maintenance Expense – Five Year Actual, Current Year Amended, and Biennial Proposed Budget Trendline Chart



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 as well as increases in compensation to retain team members based on market.

Table 2 – Total Operations & Maintenance Expense – FY 2020 Actual Compared with FY 2026 Proposed Budget

	Relative % of Total		Absolute Variance FY 2020 to FY 2026			
			Increase (Decrease)		Six Year Average	
Expense Category	FY 2020 Actual	FY 2026 Proposed	$	%	$	%
Personnel Costs	34%	33%	$ 34.6	33%	$ 5.8	6%
Contractual Services	35%	29%	13.8	13%	2.3	2%
Utilities	17%	17%	21.9	43%	3.7	7%
Chemicals	5%	9%	24.1	169%	4.0	28%
Supplies & Other (includes Capital Outlay)	12%	11%	9.8	28%	1.6	5%
Budget Offsets (capital program allocation & shared services)	-2%	-1%	(0.7)	13%	(0.1)	2%
Unallocated Reserve	0%	2%	8.5	100%	1.4	100%
Grand Total	**100%**	**100%**	**$ 112.2**	**37%**	**$ 18.7**	**6%**

Key Takeaways:

- As a "Relative % of Total" Expense, FY 2026 Proposed allocation of expenses is similar to the FY 2020 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 $24.1 million increase, or 169%, from FY 2020 to FY 2026.**
- The total "Absolute Variance" equates to a simple six-year average annual increase of 37% which is well above the total annual average of 6%.

Section 2 - Next Level Deeper - Trend Analysis – By Function & Expense Type

Table 3 – Operations & Maintenance Expense by Function and Expense Category – FY 2020 Actual Compared with FY 2026 Proposed Budget

				Relative % of Total		Absolute Variance FY 2020 to FY 2026			
		FY 2020	FY 2026	FY 2020	FY 2026	Increase (Decrease)		Six Year Average	
Expense Category	Function	Actual	Proposed	Actual	Proposed	$	%	$	%
Personnel Costs	Water	$ 20.7	$ 27.0	30%	27%	$ 6.3	30%	$ 1.0	5%
Contractual Services	Water	12.4	19.3	18%	19%	6.9	56%	1.2	9%
Utilities	Water	27.7	33.7	40%	33%	6.0	22%	1.0	4%
Chemicals	Water	5.6	14.9	8%	15%	9.3	168%	1.6	28%
Supplies & Other	Water	4.5	6.1	7%	6%	1.6	36%	0.3	6%
Budget Offsets	Water	(2.0)	(1.6)	-3%	-2%	0.4	-18%	0.1	-3%
Unallocated Reserve	Water	-	2.1	0%	2%	2.1	100%	0.4	100%
Total Water		68.9	101.5	100%	100%	32.6	47%	5.4	8%
Personnel Costs	Sewer	36.3	44.3	34%	28%	8.0	22%	1.3	4%
Contractual Services	Sewer	23.7	29.7	22%	19%	5.9	25%	1.0	4%
Utilities	Sewer	23.4	39.0	22%	25%	15.6	67%	2.6	11%
Chemicals	Sewer	8.7	23.5	8%	15%	14.8	171%	2.5	28%
Supplies & Other	Sewer	15.9	19.3	15%	12%	3.4	21%	0.6	4%
Budget Offsets	Sewer	(2.2)	(2.3)	-2%	-1%	(0.1)	4%	(0.0)	1%
Unallocated Reserve	Sewer	-	3.2	0%	2%	3.2	100%	0.5	100%
Total Sewer		105.8	156.6	100%	100%	50.8	48%	8.5	8%
Personnel Costs	Centralized	29.5	43.4	29%	37%	13.8	47%	2.3	8%
Contractual Services	Centralized	60.0	55.9	58%	48%	(4.0)	-7%	(0.7)	-1%
Utilities	Centralized	0.1	0.2	0%	0%	0.1	165%	0.0	27%
Supplies & Other	Centralized	13.8	17.1	13%	15%	3.3	24%	0.6	4%
Budget Offsets	Centralized	(0.7)	(1.6)	-1%	-1%	(0.9)	137%	(0.2)	23%
Unallocated Reserve	Centralized	-	2.4	0%	2%	2.4	100%	0.4	100%
Total Centralized		102.7	117.4	100%	100%	14.7	14%	2.4	2%
Personnel Costs	Administrative	17.7	24.2	61%	56%	6.5	37%	1.1	6%
Contractual Services	Administrative	10.3	15.3	36%	36%	5.0	49%	0.8	8%
Utilities	Administrative	0.0	0.2	0%	0%	0.2	629%	0.0	105%
Supplies & Other	Administrative	1.2	2.7	4%	6%	1.5	127%	0.2	21%
Budget Offsets	Administrative	(0.2)	(0.2)	-1%	0%	0.0	-9%	0.0	-1%
Unallocated Reserve	Administrative	-	0.8	0%	2%	0.8	100%	0.1	100%
Total Administrative		29.0	43.1	100%	100%	14.1	49%	2.4	8%
Grand Total		**$ 306.4**	**$ 418.6**	**100%**	**100%**	**$ 112.2**	**37%**	**$ 18.7**	**6%**

Key Takeaway: Like the previous table, as a "Relative % of Total" Expense, the FY 2026 Proposed is not much different from the FY 2020 Actual – most percentage variances are within 2-4%. 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 dollar increase at $9.3 million due to market cost increases, followed by Contractual Services at $6.9 million reflecting supplier cost increases and variances in usage, and Personnel at $6.3 million.

Sewer Operations - Utilities expense is the largest dollar increase at $15.6 million, reflecting supplier cost increases and variances in usage, followed by Chemicals at $14.8 million due to market cost increases, and Personnel at $8.0 million.

Centralized Services - Personnel is the largest dollar increase at $13.8 million, followed by Supplies & Other of $3.3 million due to inflation in the market.

Administrative Services - Personnel is the largest dollar increase at $6.5 million due to increased hiring and market adjustments, followed by Contractual Services at $5.0 million reflecting increases in supplier costs.

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 Budget Trendline Chart

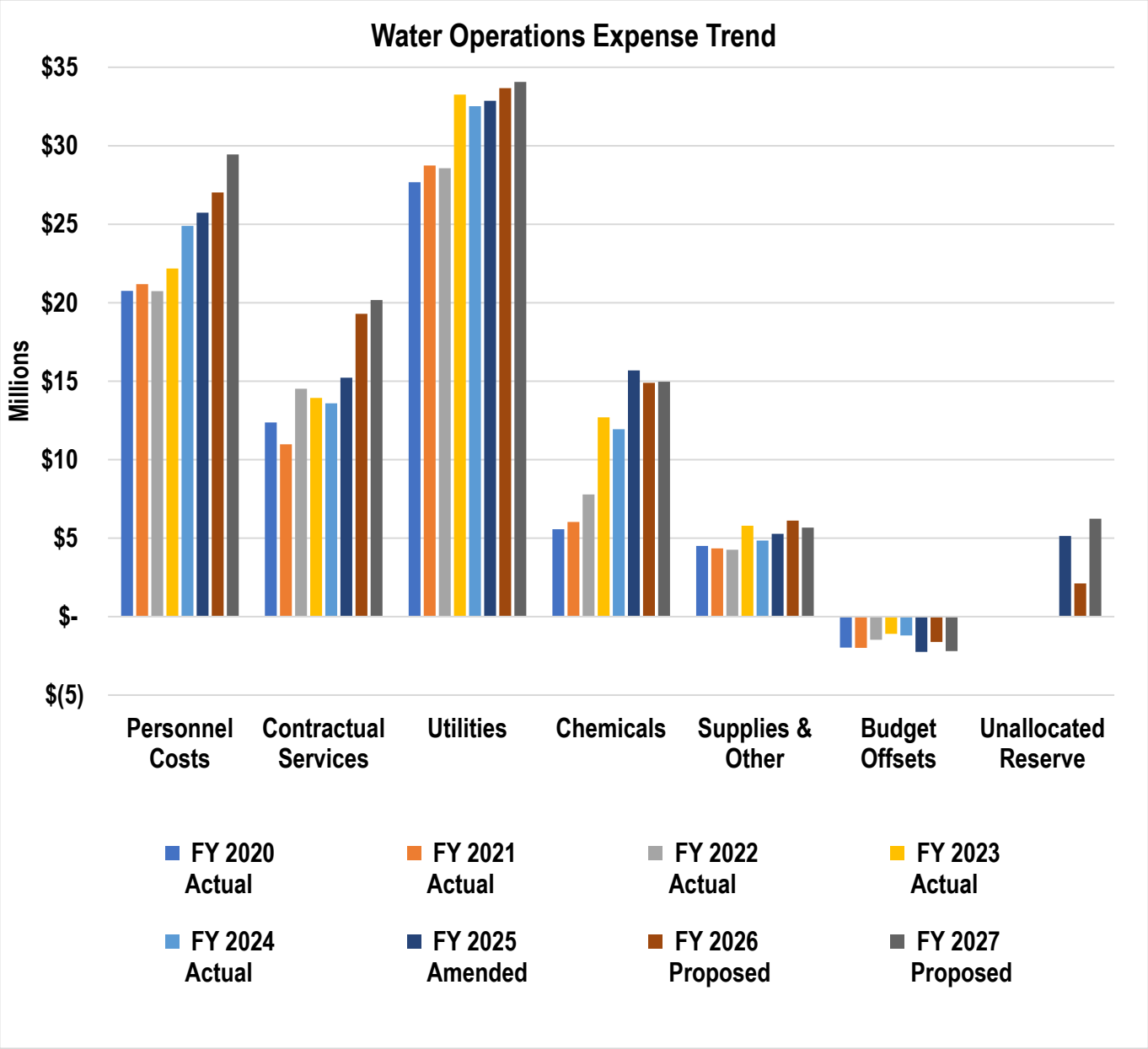


Chart 3 – Sewer Operations & Maintenance Expense – Five Year Actual, Current Year Amended, and Biennial Proposed Budget Trendline Chart

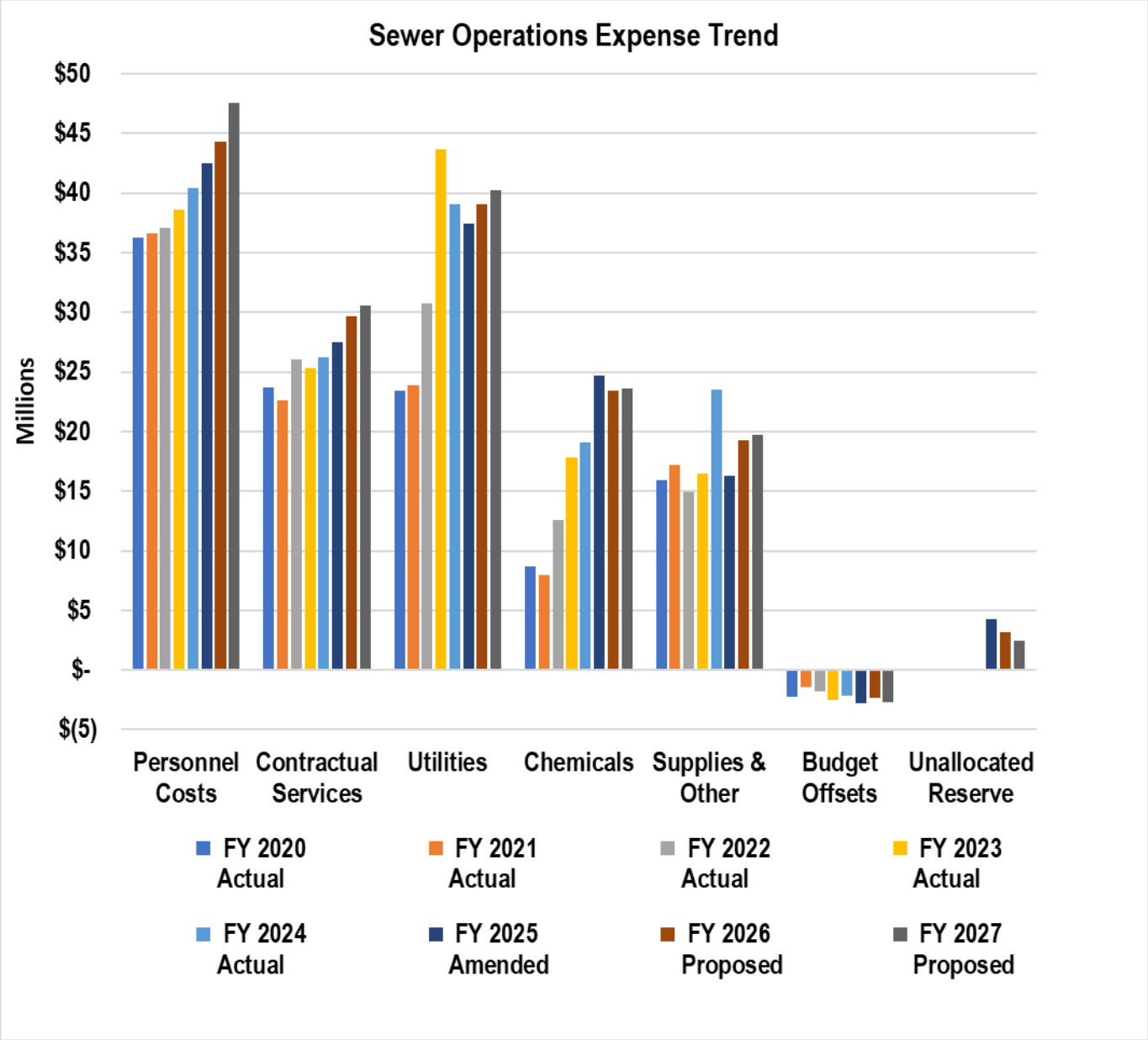


Chart 4 – Centralized Services Operations & Maintenance Expense – Five Year Actual, Current Year Amended and Biennial Proposed Budget Trendline Chart

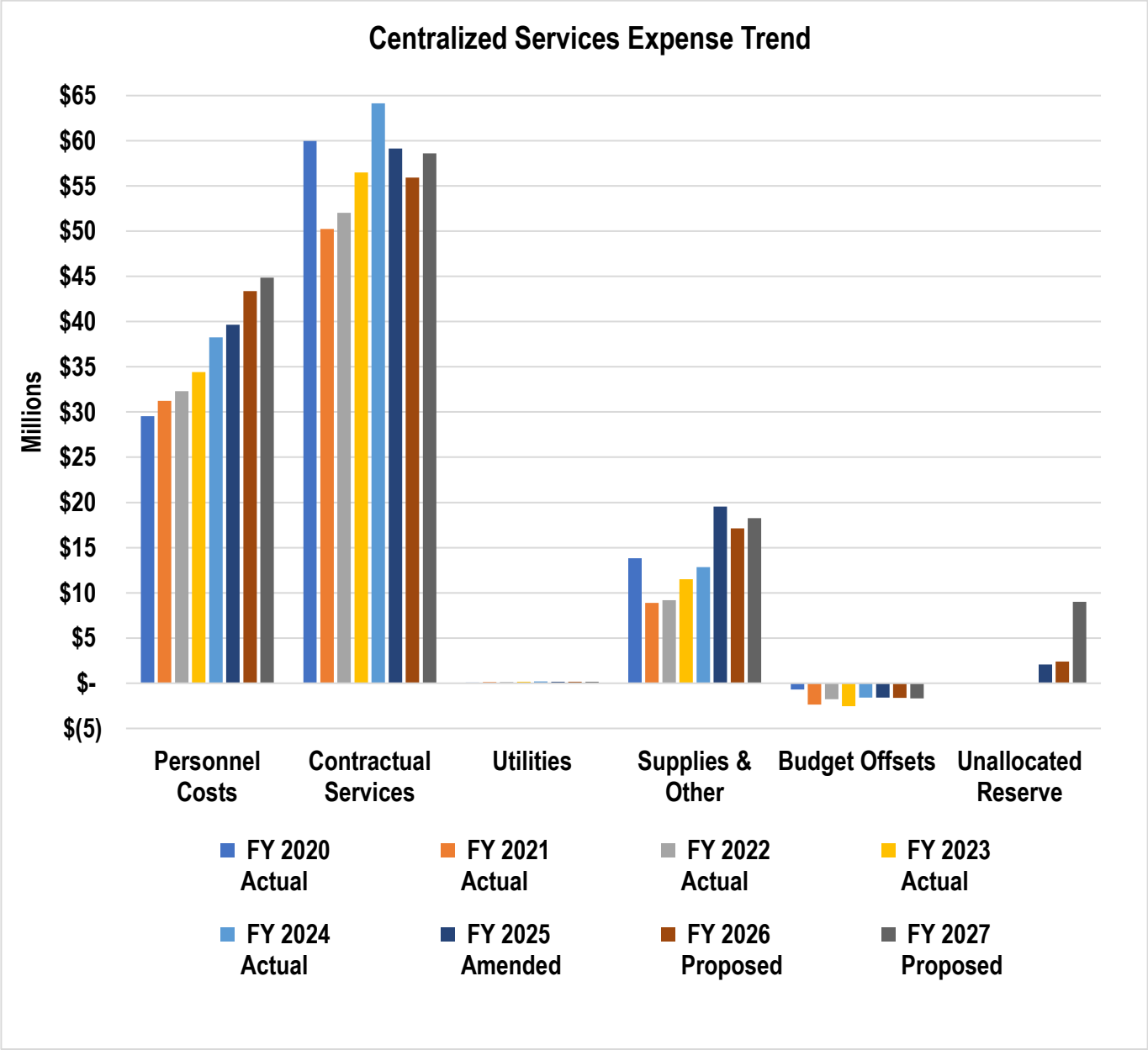
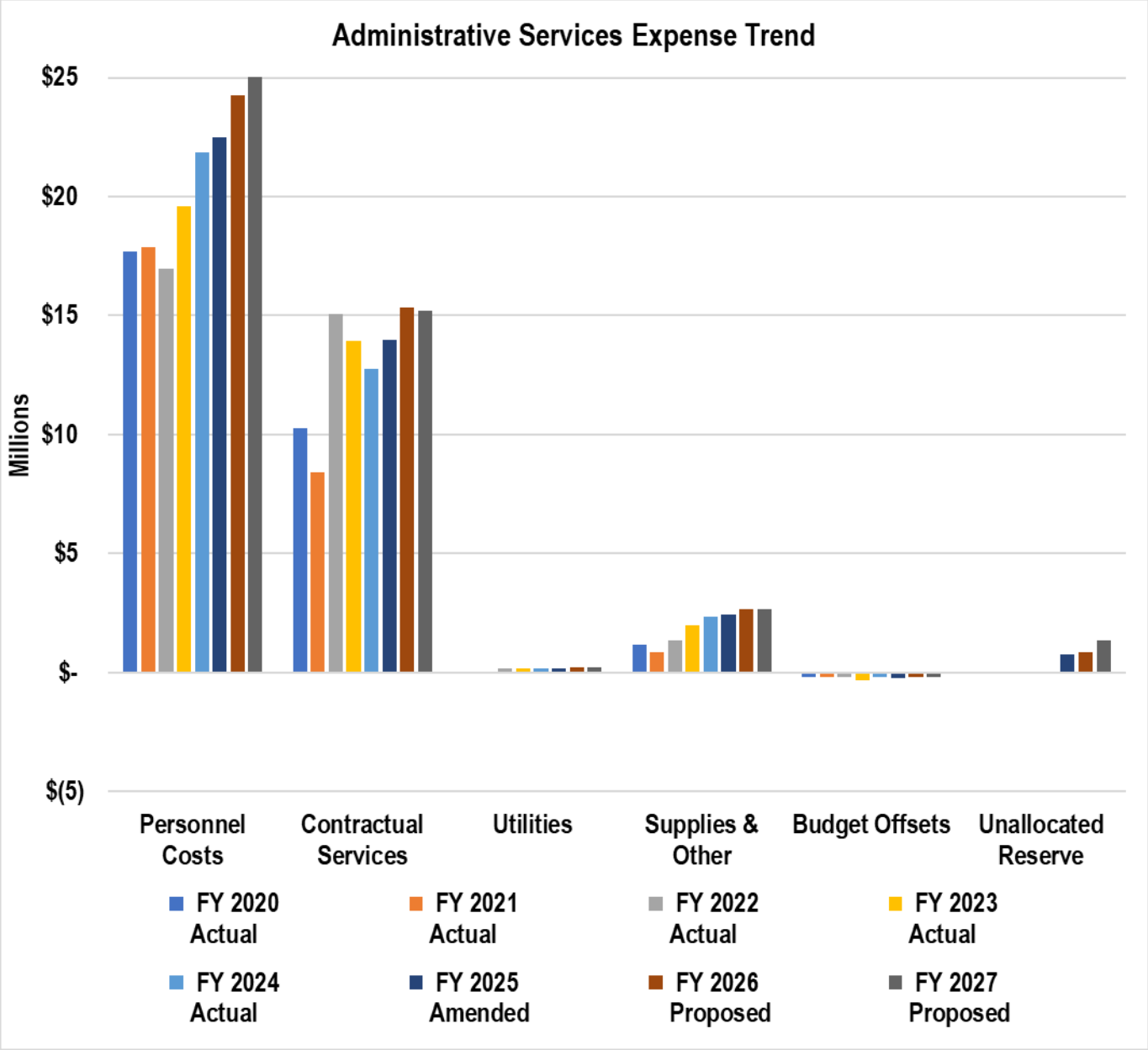


Chart 5 – Administrative Services Operations & Maintenance Expense – Five Year Actual, Current Year Amended, and Biennial Proposed Budget Trendline Chart



Personnel Costs

Achieving GLWA's initiatives is dependent on the ability to attract, retain, and develop highly qualified and effective team members within a highly competitive job market.

The entity-wide personnel budget increased over $8.5 million, or 6.5%, between FY 2025 and FY 2026. Staffing positions increased by 35 to support GLWA's growing demands and objectives. Full-time equivalents (FTEs) increased by 6.50. The budget is based on the FTE staffing, which is the number of hours that a position is filled per year. Several vacant positions are budgeted to be filled late in FY 2026; therefore, the FTE count is less than the number of Staffing positions.

Biennial Budget Request

Personnel Biennial Budget by Expense Category

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Salaries & Wages	$ 77,594,600	$ 81,643,800	$ 57,876,900	$ 86,632,800	$ 4,989,000	6.1%	$ 91,804,200
Salaries & Wages - Workforce Development	1,949,100	2,105,000	1,295,500	3,746,900	1,641,900	78.0%	4,197,400
Overtime	9,171,300	8,074,200	6,035,700	8,911,400	837,200	10.4%	8,983,400
Employee Benefits	27,490,800	30,347,300	20,784,700	31,123,100	775,800	2.6%	33,377,000
Contractual Transition Services	9,249,300	8,198,000	5,298,800	8,491,200	293,200	3.6%	8,528,900
Grand Total	**$ 125,455,100**	**$ 130,368,300**	**$ 91,291,600**	**$ 138,905,400**	**$ 8,537,100**	**6.5%**	**$ 146,890,900**

While specific reasons for variances in the personnel budget are addressed in Section 5 of this document by each department, the sections below highlight some of the key factors:

Salaries & Wages

The increase in budget of $5 million, or 6.1%, is primarily due to the following:

- A change in the classification and compensation of team members who attain a higher level of knowledge, skills, licensing, and abilities.
- An increase of 35 staffing positions to support key initiatives and demands (see further details in "Staffing Plan" discussion on a subsequent page).
  - Increase in apprentices (7 Staffing positions, 5 FTEs)
    - New Instrumentation Technician Apprentices (started June 2024)
  - Increase in Interns (18 Staffing positions, 16 FTEs)
  - Capital Improvement Planning
  - Continual Improvement Process
  - Security & Safety
- Net Increase of 6.50 FTEs where FTE staffing represents the number of hours that a position is filled per year. Most vacant budgeted positions for FY 2025 were budgeted at lower FTEs for the FY 2026 year. As a result, the FTE count is less than the number of Staffing positions. *(See the staffing and vacancy table below)*

Staffing & Vacancy History

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Staffing Plan Budget	1,293	1,318	1,356	**1,391**	1,412
Staffing Positions Filled at Year-end	1,069	1,101	1,122 *		
Vacant Staffing Positions	**224**	**217**	**234** *		
Vacancy Rate Staffing Positions	**17.3%**	**16.5%**	**17.3%** *		
Full-time Equivalent Budget	1,234	1,153	1,203	**1,210**	1,293
Full-time Equivalents Filled at Year-end	1,066	1,099	1,120 *		
Vacant Full-time Equivalent	**168**	**54**	**83** *		
Vacancy Rate Full-time Equivalent	**13.6%**	**4.7%**	**6.9%** *		

**As of 02.28.2025*

Salaries & Wages – Workforce Development

The workforce development classification represents the salaries and wages for workers that have been hired into the apprenticeship and intern programs. The apprenticeship program plays an essential role in GLWA's efforts to provide quality water by performing duties in plant operations, maintenance and repair of electrical equipment and instrumentation equipment in the plants, field services and pumping stations.

The internship program provides on-the-job-learning and real-world experience to successfully prepare students for careers in the water sector while equipping the interns with essential skills to achieve lifelong success. This program assists in GLWA's effort to provide quality water, while building GLWA's talent pipeline.

The budget increase of $1.6 million, or 78% and is due to the following:

- $850,000 – Newly budgeted interns expected to be hired starting in May 2025 (16 FTEs)
- $750,000 – Newly budgeted Instrumentation Technician (Mechatronics) Apprentice (5 FTEs)

Overtime

The budget increase of $837,200, or 10.4%, is due to the increase in base wages along with expected challenges and delays in filling vacant positions, thereby increasing overtime for other workers.

- Water Operations increased by $540,000 – Mostly due to Water Treatment plants $327,000, while $213,000 of the increase was driven by Facility, Field Services & Systems Operations Control.
- Chief Operating Wastewater Operations increased by $385,000
- Chief Planning Officer decreased by $43,000 – Water & Wastewater Analytics-Planning & Metering
- Chief Executive Officer decreased by $39,000 – Security and Integrity

Employee Benefits
Increased by $775,800, or 2.6%. The increase is mainly due to a slight increase in medical premiums charged by health insurance vendors, and the increase in the FTE plan of 6.5 positions. The annual plan renewals and related carrier rates are based on a calendar year.

Contractual Transition Services
The increase of $293,200, or 3.6%, in Contractual Transition Services was primarily due to:

- *Chief Operating Wastewater Operations* (mainly Wastewater Engineering) increased by $258,900 due to a need for 2 Lifecycle Project Managers. There is a need to temporarily fill these positions on a contractual basis until they can be permanently filled.
- *Chief Planning Officer* (Systems Analytics) increased by $243,500 - Water Analytics-Planning & Metering. The increase was due to the need to fill specialized positions in the staffing plan. The specialized positions were previously budgeted in Salaries & Wages. It is taking longer to hire for these positions than originally projected when the FY 2025 budget was developed. There is a need to temporarily fill these positions on a contractual basis until they can be permanently filled.
- *Chief Financial Officer* (Financial Reporting & Accounting) increased by $38,400. The position was previously budgeted in Salaries & Wages.
- *Chief Administrative & Compliance Officer* (IT Business Productivity Systems) decreased by $247,600. The decrease was due to the result of transitioning a position to a GLWA team member that was previously filled by a contractor.

Personnel Biennial Budget by Operating Area and Expense Category

Operating Area and Expense Category	FY 2024 Actual	FY 2025 Amended Budget	FY 2025 Activity as of 02.28.2025	FY 2026 Proposed Budget	FY 2026 Dollar Variance	FY 2026 Percent Variance	FY 2027 Proposed Budget
Chief Operating Officer Water Operations	**$ 40,062,000**	**$ 41,214,400**	**$ 29,519,900**	**$ 43,346,300**	**$ 2,131,900**	**5.2%**	**$ 46,496,600**
Salaries & Wages	24,115,600	25,118,600	18,206,100	25,878,500	759,900	3.0%	27,808,000
Salaries & Wages - Workforce Development	1,478,900	1,620,100	963,400	2,358,600	738,500	45.6%	2,671,100
Overtime	5,025,800	4,356,700	3,296,100	4,897,400	540,700	12.4%	4,930,600
Employee Benefits	9,377,300	10,119,000	7,054,300	10,211,800	92,800	0.9%	11,086,900
Contractual Transition Services	64,400	-	-	-	-	-	-
Chief Operating Officer Wastewater Operations	**40,425,400**	**42,479,000**	**29,318,200**	**44,276,800**	**1,797,800**	**4.2%**	**47,555,200**
Salaries & Wages	20,665,600	23,026,200	15,836,200	23,895,600	869,400	3.8%	26,058,500
Salaries & Wages - Workforce Development	358,500	382,000	223,200	691,700	309,700	81.1%	829,700
Overtime	3,519,600	3,016,400	2,287,600	3,401,600	385,200	12.8%	3,436,200
Employee Benefits	7,846,700	8,985,100	6,080,000	8,959,700	(25,400)	-0.3%	9,902,600
Contractual Transition Services	8,035,000	7,069,300	4,891,200	7,328,200	258,900	3.7%	7,328,200
Chief Planning Officer	**6,552,700**	**7,032,900**	**4,592,000**	**8,127,300**	**1,094,400**	**15.6%**	**8,606,500**
Salaries & Wages	4,229,300	4,629,100	3,132,700	5,087,100	458,000	9.9%	5,434,700
Salaries & Wages - Workforce Development	46,900	45,700	58,400	353,500	307,800	673.5%	353,500
Overtime	161,000	221,500	99,200	178,500	(43,000)	-19.4%	182,600
Employee Benefits	1,359,300	1,578,200	1,024,800	1,706,300	128,100	8.1%	1,833,800
Contractual Transition Services	756,200	558,400	276,900	801,900	243,500	43.6%	801,900
Chief Administrative & Compliance Officer	**15,492,400**	**16,217,600**	**11,371,200**	**18,187,600**	**1,970,000**	**12.1%**	**18,799,400**
Salaries & Wages	11,692,300	11,827,900	8,671,300	13,589,000	1,761,100	14.9%	14,033,800
Salaries & Wages - Workforce Development	31,300	39,500	28,300	136,400	96,900	245.3%	136,400
Overtime	2,300	2,400	2,100	-	(2,400)	-100.0%	-
Employee Benefits	3,439,600	3,777,500	2,579,100	4,139,500	362,000	9.6%	4,306,500
Contractual Transition Services	326,900	570,300	90,400	322,700	(247,600)	-43.4%	322,700
Chief Financial Officer	**13,725,500**	**13,775,800**	**9,734,200**	**14,654,100**	**878,300**	**6.4%**	**14,996,500**
Salaries & Wages	10,421,500	10,342,900	7,370,100	11,009,200	666,300	6.4%	11,220,900
Salaries & Wages - Workforce Development	12,500	17,700	6,900	97,200	79,500	449.2%	97,200
Overtime	11,100	10,000	2,500	5,700	(4,300)	-43.0%	5,800
Employee Benefits	3,213,700	3,405,200	2,314,400	3,503,600	98,400	2.9%	3,596,500
Contractual Transition Services	66,700	-	40,300	38,400	38,400	-	76,100
Chief Executive Officer	**9,197,100**	**9,648,600**	**6,756,100**	**10,313,300**	**664,700**	**6.9%**	**10,436,700**
Salaries & Wages	6,470,300	6,699,100	4,660,500	7,173,400	474,300	7.1%	7,248,300
Salaries & Wages - Workforce Development	21,000	-	15,300	109,500	109,500	-	109,500
Overtime	451,500	467,200	348,200	428,200	(39,000)	-8.3%	428,200
Employee Benefits	2,254,300	2,482,300	1,732,100	2,602,200	119,900	4.8%	2,650,700
Contractual Transition Services	-	-	-	-	-	-	-
Grand Total	**$ 125,455,100**	**$ 130,368,300**	**$ 91,291,600**	**$ 138,905,400**	**$ 8,537,100**	**6.5%**	**$ 146,890,900**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Salaries & Wages	$ 77,594,600	$ 81,643,800	$ 86,632,800	$ 91,804,200	$ 100,688,100	$ 101,324,400	$ 101,324,400
Salaries & Wages - Workforce Development	1,949,100	2,105,000	3,746,900	4,197,400	4,216,500	4,216,500	4,216,500
Overtime	9,171,300	8,074,200	8,911,400	8,983,400	9,135,800	9,150,600	9,150,600
Employee Benefits	27,490,800	30,347,300	31,123,100	33,377,000	36,790,400	37,275,400	37,560,200
Contractual Transition Services	9,249,300	8,198,000	8,491,200	8,528,900	8,605,000	8,605,000	8,605,000
Grand Total	**$ 125,455,100**	**$ 130,368,300**	**$ 138,905,400**	**$ 146,890,900**	**$ 159,435,800**	**$ 160,571,900**	**$ 160,856,700**

Five-Year Financial Plan by Operating Area and Expense Category

Operating Area and Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Chief Operating Officer Water Operations	**$ 40,062,000**	**$ 41,214,400**	**$ 43,346,300**	**$ 46,496,600**	**$ 51,114,800**	**$ 51,657,700**	**$ 51,754,700**
Salaries & Wages	24,115,600	25,118,600	25,878,500	27,808,000	31,118,300	31,440,800	31,440,800
Salaries & Wages - Workforce Development	1,478,900	1,620,100	2,358,600	2,671,100	2,671,100	2,671,100	2,671,100
Overtime	5,025,800	4,356,700	4,897,400	4,930,600	5,005,200	5,020,000	5,020,000
Employee Benefits	9,377,300	10,119,000	10,211,800	11,086,900	12,320,200	12,525,800	12,622,800
Contractual Transition Services	64,400	-	-	-	-	-	-
Chief Operating Officer Wastewater Operations	**40,425,400**	**42,479,000**	**44,276,800**	**47,555,200**	**52,624,900**	**53,037,400**	**53,129,100**
Salaries & Wages	20,665,600	23,026,200	23,895,600	26,058,500	29,603,700	29,853,200	29,853,200
Salaries & Wages - Workforce Development	358,500	382,000	691,700	829,700	848,800	848,800	848,800
Overtime	3,519,600	3,016,400	3,401,600	3,436,200	3,505,500	3,505,500	3,505,500
Employee Benefits	7,846,700	8,985,100	8,959,700	9,902,600	11,338,700	11,501,700	11,593,400
Contractual Transition Services	8,035,000	7,069,300	7,328,200	7,328,200	7,328,200	7,328,200	7,328,200
Chief Planning Officer	**6,552,700**	**7,032,900**	**8,127,300**	**8,606,500**	**9,302,000**	**9,316,800**	**9,331,500**
Salaries & Wages	4,229,300	4,629,100	5,087,100	5,434,700	5,940,800	5,940,800	5,940,800
Salaries & Wages - Workforce Development	46,900	45,700	353,500	353,500	353,500	353,500	353,500
Overtime	161,000	221,500	178,500	182,600	190,900	190,900	190,900
Employee Benefits	1,359,300	1,578,200	1,706,300	1,833,800	2,014,900	2,029,700	2,044,400
Contractual Transition Services	756,200	558,400	801,900	801,900	801,900	801,900	801,900
Chief Administrative & Compliance Officer	**15,492,400**	**16,217,600**	**18,187,600**	**18,799,400**	**20,005,900**	**20,036,100**	**20,067,500**
Salaries & Wages	11,692,300	11,827,900	13,589,000	14,033,800	14,930,600	14,930,600	14,930,600
Salaries & Wages - Workforce Development	31,300	39,500	136,400	136,400	136,400	136,400	136,400
Overtime	2,300	2,400	-	-	-	-	-
Employee Benefits	3,439,600	3,777,500	4,139,500	4,306,500	4,616,200	4,646,400	4,677,800
Contractual Transition Services	326,900	570,300	322,700	322,700	322,700	322,700	322,700
Chief Financial Officer	**13,725,500**	**13,775,800**	**14,654,100**	**14,996,500**	**15,724,500**	**15,837,500**	**15,864,800**
Salaries & Wages	10,421,500	10,342,900	11,009,200	11,220,900	11,695,200	11,759,500	11,759,500
Salaries & Wages - Workforce Development	12,500	17,700	97,200	97,200	97,200	97,200	97,200
Overtime	11,100	10,000	5,700	5,800	6,000	6,000	6,000
Employee Benefits	3,213,700	3,405,200	3,503,600	3,596,500	3,773,900	3,822,600	3,849,900
Contractual Transition Services	66,700	-	38,400	76,100	152,200	152,200	152,200
Chief Executive Officer	**9,197,100**	**9,648,600**	**10,313,300**	**10,436,700**	**10,663,700**	**10,686,400**	**10,709,100**
Salaries & Wages	6,470,300	6,699,100	7,173,400	7,248,300	7,399,500	7,399,500	7,399,500
Salaries & Wages - Workforce Development	21,000	-	109,500	109,500	109,500	109,500	109,500
Overtime	451,500	467,200	428,200	428,200	428,200	428,200	428,200
Employee Benefits	2,254,300	2,482,300	2,602,200	2,650,700	2,726,500	2,749,200	2,771,900
Contractual Transition Services	-	-	-	-	-	-	-
Grand Total	**$ 125,455,100**	**$ 130,368,300**	**$ 138,905,400**	**$ 146,890,900**	**$ 159,435,800**	**$ 160,571,900**	**$ 160,856,700**

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 25.1% decrease represents an overall reduced allocation of team members' compensation charged to capital projects in FY 2026 as well as the lower level of activity within Water Operations and Wastewater Operations. Overall, there was a decrease of 7 FTEs (mainly Life Cycle Engineering positions).

The *Chief Planning Officer Area* (Capital Improvement Planning) decrease represents the removal of two Management Professionals' compensation that will not be charged to capital projects.

Time charged to capital projects is recorded by GLWA team members in the BigTime time tracking system.

Capital Program Allocation Biennial Budget

	FY 2024	FY 2025		FY 2026			FY 2027
Operating Area and Expense Category	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Chief Operating Officer Water Operations	**$ (1,434,200)**	**$ (2,412,900)**	**$ (1,049,500)**	**$ (1,832,100)**	**$ 580,800**	**-24.1%**	**$ (2,408,200)**
Capital Program: Employee Benefits	(406,800)	(474,100)	(250,900)	(414,600)	59,500	-12.6%	(553,800)
Capital Program: Salaries & Wages-Direct	(1,027,400)	(1,938,800)	(798,600)	(1,417,500)	521,300	-26.9%	(1,854,400)
Capital Program: Salaries & Wages-Indire	-	-	-	-	-	-	-
Chief Operating Officer Wastewater Operations	**(1,396,300)**	**(2,121,300)**	**(860,600)**	**(1,598,500)**	**522,800**	**-24.6%**	**(1,960,400)**
Capital Program: Employee Benefits	(396,100)	(481,900)	(119,300)	(356,200)	125,700	-26.1%	(444,700)
Capital Program: Salaries & Wages-Direct	(1,000,200)	(1,639,400)	(741,300)	(1,242,300)	397,100	-24.2%	(1,515,700)
Chief Planning Officer	**-**	**(47,600)**	**-**	**-**	**47,600**	**-100.0%**	**-**
Capital Program: Employee Benefits	-	(11,600)	-	-	11,600	-100.0%	-
Capital Program: Salaries & Wages-Indire	-	-	-	-	-	-	-
Capital Program: Salaries & Wages-Direct	-	(36,000)	-	-	36,000	-100.0%	-
Chief Administrative & Compliance Officer	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Capital Program: Salaries & Wages-Direct	-	-	-	-	-	-	-
Chief Financial Officer	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Capital Program: Employee Benefits	-	-	-	-	-	-	-
Capital Program: Salaries & Wages-Direct	-	-	-	-	-	-	-
Capital Program: Salaries & Wages-Indire	-	-	-	-	-	-	-
Chief Executive Officer	**(16,900)**	**-**	**-**	**-**	**-**	**-**	**-**
Capital Program: Employee Benefits	(4,800)	-	-	-	-	-	-
Capital Program: Salaries & Wages-Direct	(12,100)	-	-	-	-	-	-
Grand Total	**$ (2,847,400)**	**$ (4,581,800)**	**$ (1,910,100)**	**$ (3,430,600)**	**$ 1,151,200**	**-25.1%**	**$ (4,368,600)**

Capital Program Allocation Five-Year Financial Plan

Operating Area and Expense Category	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Chief Operating Officer Water Operations	**$ (1,434,200)**	**$ (2,412,900)**	**$ (1,832,100)**	**$ (2,408,200)**	**$ (2,241,800)**	**$ (2,295,100)**	**$ (2,324,100)**
Capital Program: Employee Benefits	(406,800)	(474,100)	(414,600)	(553,800)	(789,200)	(824,000)	(829,300)
Capital Program: Salaries & Wages-Direct	(1,027,400)	(1,938,800)	(1,417,500)	(1,854,400)	(1,452,600)	(1,471,100)	(1,494,800)
Capital Program: Salaries & Wages-Indire	-	-	-	-	-	-	
Chief Operating Officer Wastewater Operations	**(1,396,300)**	**(2,121,300)**	**(1,598,500)**	**$ (1,960,400)**	**$ (1,929,000)**	**$ (1,999,000)**	**$ (2,027,500)**
Capital Program: Employee Benefits	(396,100)	(481,900)	(356,200)	(444,700)	(610,700)	(661,300)	(665,700)
Capital Program: Salaries & Wages-Direct	(1,000,200)	(1,639,400)	(1,242,300)	(1,515,700)	(1,318,300)	(1,337,700)	(1,361,800)
Chief Planning Officer	**-**	**(47,600)**	**-**	**-**	**-**	**-**	**-**
Capital Program: Employee Benefits	-	(11,600)	-	-	-	-	-
Capital Program: Salaries & Wages-Indire	-	-	-	-	-	-	-
Capital Program: Salaries & Wages-Direct	-	(36,000)	-	-	-	-	-
Chief Administrative & Compliance Officer	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Capital Program: Salaries & Wages-Direct	-	-	-	-	-	-	-
Chief Financial Officer	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Capital Program: Employee Benefits	-	-	-	-	-	-	-
Capital Program: Salaries & Wages-Direct	-	-	-	-	-	-	-
Capital Program: Salaries & Wages-Indire	-	-	-	-	-	-	-
Chief Executive Officer	**(16,900)**	**-**	**-**	**-**	**-**	**-**	**-**
Capital Program: Employee Benefits	(4,800)	-	-	-	-	-	-
Capital Program: Salaries & Wages-Direct	(12,100)	-	-	-	-	-	-
Grand Total	**$ (2,847,400)**	**$ (4,581,800)**	**$ (3,430,600)**	**$ (4,368,600)**	**$ (4,170,800)**	**$ (4,294,100)**	**$ (4,351,600)**

Staffing Plan

The increase in the staffing plan of 35 positions from 1,356 to 1,391 (6.50 FTEs) is detailed in the table below. 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 2025 to FY 2026	+Increase, -Decrease in FTEs from FY 2025 to FY 2026
Water Operations	0.00	-5.75
Wastewater Operations	+12.00	-10.75
Planning Services	+5.00	+9.50
Administration & Compliance Officer	+8.00	+7.25
Financial Services	+6.00	+1.25
Chief Executive Officer	+4.00	+5.00
Total	**+35.00**	**+6.50**

Budget Area	+Increase, -Decrease Staffing Plan from FY 2025 to FY 2026	+Increase, -Decrease in FTEs from FY 2025 to FY 2026
A Water Systems Operations	+1.00	-4.25
B Wastewater System Operations	+12.00	-10.75
C Centralized Services	+11.00	+18.00
D Administration & Other Services	+11.00	+3.50
Total	**+35.00**	**+6.50**

The Staffing Plan and FTE counts level out beginning in FY 2029 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 "Full Time Equivalents (FTEs)" reflecting the *budgeted* positions. 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 less than 100%, or one that is vacant. 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 by Operating Area

	Staffing Plan							
Operating Area	**FY 2023**	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**
Chief Operating Officer Water Operations	420.00	431.00	442.00	442.00	457.00	465.00	466.00	466.00
Chief Operating Officer Wastewater Operations	450.00	452.00	463.00	475.00	478.00	481.00	481.00	481.00
Chief Planning Officer	68.00	71.00	72.00	77.00	80.00	80.00	80.00	80.00
Chief Administration & Compliance Officer	139.00	145.00	147.00	155.00	155.00	155.00	155.00	155.00
Chief Financial Officer	123.00	126.00	127.00	133.00	133.00	134.00	134.00	134.00
Chief Executive Officer	93.00	93.00	105.00	109.00	109.00	109.00	109.00	109.00
Grand Total	**1,293.00**	**1,318.00**	**1,356.00**	**1,391.00**	**1,412.00**	**1,424.00**	**1,425.00**	**1,425.00**

Staffing Plan by Operating Area and Team

Operating Area and Team	Cost Center	Staffing Plan FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Chief Operating Officer Water Operations		**420.00**	**431.00**	**442.00**	**442.00**	**457.00**	**465.00**	**466.00**	**466.00**
COO - Water Operations & Field Services	882001	4.00	5.00	8.00	9.00	9.00	9.00	9.00	9.00
Energy, Research & Innovation	882501	9.00	9.00	5.00	13.00	13.00	14.00	15.00	15.00
Transformation	882511	5.00	5.00	5.00	3.00	3.00	3.00	3.00	3.00
Facility Operations	882421	23.00	23.00	23.00	20.00	20.00	22.00	22.00	22.00
Fleet Operations	882422	4.00	6.00	7.00	7.00	7.00	7.00	7.00	7.00
Field Service Operations	882431	71.00	71.00	71.00	68.00	73.00	73.00	73.00	73.00
Lake Huron Water Plant	882171	36.00	37.00	37.00	39.00	39.00	39.00	39.00	39.00
Northeast Water Plant	882151	38.00	38.00	37.00	37.00	37.00	38.00	38.00	38.00
Southwest Water Plant	882161	37.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00
Springwells Water Plant	882141	40.00	40.00	39.00	39.00	40.00	40.00	40.00	40.00
Systems Operations Control	882301	44.00	44.00	44.00	43.00	45.00	45.00	45.00	45.00
Water Director	882101	12.00	12.00	14.00	18.00	18.00	18.00	18.00	18.00
Water Engineering	882111	30.00	37.00	44.00	34.00	40.00	44.00	44.00	44.00
Water Quality	882121	26.00	27.00	29.00	31.00	31.00	31.00	31.00	31.00
Water Works Park	882131	41.00	40.00	42.00	44.00	45.00	45.00	45.00	45.00
Chief Operating Officer Wastewater Operations		**450.00**	**452.00**	**463.00**	**475.00**	**478.00**	**481.00**	**481.00**	**481.00**
BDF, COF & Hauling	892227	11.00	11.00	10.00	7.00	7.00	7.00	7.00	7.00
Chief Operating Officer Wastewater	892001	13.00	13.00	19.00	19.00	19.00	19.00	19.00	19.00
Combined Sewer Overflow	892270	33.00	33.00	32.00	32.00	32.00	32.00	32.00	32.00
Industrial Waste Control	892231	29.00	29.00	29.00	30.00	30.00	30.00	30.00	30.00
Wastewater Dewatering Process	892225	48.00	47.00	44.00	43.00	43.00	43.00	43.00	43.00
Wastewater Director	892201	51.00	52.00	52.00	56.00	56.00	56.00	56.00	56.00
Wastewater Engineering	892211	31.00	34.00	39.00	40.00	43.00	46.00	46.00	46.00
Wastewater Incineration Process	892226	53.00	53.00	53.00	57.00	57.00	57.00	57.00	57.00
Wastewater Laboratories	892235	40.00	40.00	39.00	40.00	40.00	40.00	40.00	40.00
Wastewater Operations	892221	15.00	14.00	19.00	23.00	23.00	23.00	23.00	23.00
Wastewater Primary Process	892223	53.00	53.00	52.00	52.00	52.00	52.00	52.00	52.00
Wastewater Process Control	892222	25.00	26.00	28.00	27.00	27.00	27.00	27.00	27.00
Wastewater Secondary Process	892224	48.00	47.00	47.00	49.00	49.00	49.00	49.00	49.00

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Staffing Plan by Operating Area and Team (continued from previous page)

Operating Area and Team	Cost Center	Staffing Plan							
		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Chief Planning Officer		**68.00**	**71.00**	**72.00**	**77.00**	**80.00**	**80.00**	**80.00**	**80.00**
Asset Management	886201	10.00	11.00	11.00	15.00	15.00	15.00	15.00	15.00
Capital Improvement Planning	886601	13.00	13.00	13.00	13.00	15.00	15.00	15.00	15.00
Chief Planning Officer	886001	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Water Analytics, Planning & Metering	886401	35.00	37.00	38.00	40.00	40.00	40.00	40.00	40.00
Wastewater Analytics, Planning & Metering	886100	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Member Services	886101	4.00	4.00	4.00	3.00	4.00	4.00	4.00	4.00
Chief Administration & Compliance Officer		**139.00**	**145.00**	**147.00**	**155.00**	**155.00**	**155.00**	**155.00**	**155.00**
Chief Administrative Officer	883001	5.00	5.00	7.00	7.00	7.00	7.00	7.00	7.00
Enterprise Risk Management and Safety	883401	8.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
General Counsel	883101	8.00	8.00	8.00	10.00	10.00	10.00	10.00	10.00
Info Technology Business Productivity Systems	883341	13.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Info Technology Enterprise Asset Mgmt Systems	883351	17.00	17.00	17.00	18.00	18.00	18.00	18.00	18.00
Info Technology Infrastructure	883331	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	4.00	4.00	4.00	4.00	4.00
Info Technology Service Delivery	883321	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
InfoTechnology Project Management Office	883311	10.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Office of the CIO	883301	7.00	7.00	7.00	8.00	8.00	8.00	8.00	8.00
Organizational Development Administration	883201	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Organizational Development Talent Management	883211	22.00	27.00	26.00	28.00	28.00	28.00	28.00	28.00
Organizational Development Training	883231	13.00	13.00	14.00	15.00	15.00	15.00	15.00	15.00
Chief Financial Officer		**123.00**	**126.00**	**127.00**	**133.00**	**133.00**	**134.00**	**134.00**	**134.00**
Chief Financial Officer	884001	5.00	5.00	5.00	7.00	7.00	7.00	7.00	7.00
Financial Management & Planning	884113	12.00	12.00	12.00	11.00	11.00	12.00	12.00	12.00
Financial Reporting & Accounting	884111	29.00	29.00	28.00	27.00	27.00	27.00	27.00	27.00
Logistics and Materials	884124	24.00	24.00	25.00	28.00	28.00	28.00	28.00	28.00
Procurement Director	884121	35.00	36.00	35.00	35.00	35.00	35.00	35.00	35.00
CFO Services	884141	15.00	17.00	19.00	22.00	22.00	22.00	22.00	22.00
Treasury	884131	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Chief Executive Officer		**93.00**	**93.00**	**105.00**	**109.00**	**109.00**	**109.00**	**109.00**	**109.00**
Chief Executive Officer	881001	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
HazMat	881202	19.00	19.00	21.00	20.00	20.00	20.00	20.00	20.00
Office of Emergency Preparedness	881203	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Public Affairs	881101	9.00	9.00	10.00	10.00	10.00	10.00	10.00	10.00
Security and Integrity	881201	60.00	60.00	61.00	66.00	66.00	66.00	66.00	66.00
System Resiliency	881301	0.00	0.00	8.00	8.00	8.00	8.00	8.00	8.00
Grand Total		**1,293.00**	**1,318.00**	**1,356.00**	**1,391.00**	**1,412.00**	**1,424.00**	**1,425.00**	**1,425.00**

Full-time Equivalents by Operating Area

Operating Area	Full Time Equivalents (FTEs)							
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Chief Operating Officer Water Operations	408.25	373.25	392.50	386.75	420.00	461.25	465.00	465.00
Chief Operating Officer Wastewater Operations	421.69	389.50	397.75	387.00	424.75	478.50	480.50	480.50
Chief Planning Officer	62.25	58.50	60.75	70.25	74.25	80.00	80.00	80.00
Chief Administration & Compliance Officer	130.75	128.50	131.25	138.50	143.00	152.00	152.00	152.00
Chief Financial Officer	120.00	115.00	120.75	122.00	124.50	130.00	130.75	130.75
Chief Executive Officer	91.50	88.50	100.50	105.50	106.50	108.50	108.50	108.50
Grand Total	**1,234.44**	**1,153.25**	**1,203.50**	**1,210.00**	**1,293.00**	**1,410.25**	**1,416.75**	**1,416.75**

Full-time Equivalents by Operating Area and Team

Operating Area and Team	Cost Center	Full Time Equivalents (FTEs)							
		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Chief Operating Officer Water Operations		**408.25**	**373.25**	**392.50**	**386.75**	**420.00**	**461.25**	**465.00**	**465.00**
COO - Water Operations & Field Services	882001	3.75	5.00	7.25	8.25	8.50	9.00	9.00	9.00
Energy, Research & Innovation	882501	8.25	7.50	5.00	11.50	12.50	13.50	14.50	14.50
Transformation	882511	5.00	5.00	3.00	3.00	3.00	3.00	3.00	3.00
Facility Operations	882421	19.00	18.00	18.50	15.50	17.00	21.50	22.00	22.00
Fleet Operations	882422	4.00	5.50	6.00	6.25	6.50	7.00	7.00	7.00
Field Service Operations	882431	68.00	66.25	68.00	63.50	66.25	73.00	73.00	73.00
Lake Huron Water Plant	882171	36.00	34.50	34.75	35.00	38.00	39.00	39.00	39.00
Northeast Water Plant	882151	38.00	31.75	34.75	34.75	36.00	37.25	38.00	38.00
Southwest Water Plant	882161	37.00	32.00	35.50	31.00	35.00	37.00	37.00	37.00
Springwells Water Plant	882141	40.00	33.50	35.25	35.25	38.25	40.00	40.00	40.00
Systems Operations Control	882301	40.25	39.75	40.00	39.25	41.50	45.00	45.00	45.00
Water Director	882101	12.00	11.00	13.25	15.50	16.75	17.50	17.50	17.50
Water Engineering	882111	30.00	23.75	26.00	22.50	28.50	42.50	44.00	44.00
Water Quality	882121	26.00	25.00	28.50	28.50	29.50	31.00	31.00	31.00
Water Works Park	882131	41.00	34.75	36.75	37.00	42.75	45.00	45.00	45.00
Chief Operating Officer Wastewater Operations		**421.69**	**389.50**	**397.75**	**387.00**	**424.75**	**478.50**	**480.50**	**480.50**
BDF, COF & Hauling	892227	8.75	8.25	7.75	7.00	7.00	7.00	7.00	7.00
Chief Operating Officer Wastewater	892001	13.00	11.50	15.25	14.50	16.00	19.00	19.00	19.00
Combined Sewer Overflow	892270	29.44	29.50	28.75	30.50	31.00	32.00	32.00	32.00
Industrial Waste Control	892231	27.75	25.75	25.25	27.00	28.50	30.00	30.00	30.00
Wastewater Dewatering Process	892225	44.50	38.25	36.50	38.00	40.50	43.00	43.00	43.00
Wastewater Director	892201	49.25	46.25	45.50	43.25	49.00	56.00	56.00	56.00
Wastewater Engineering	892211	30.50	29.00	33.50	27.00	33.25	44.00	46.00	46.00
Wastewater Incineration Process	892226	50.00	46.75	48.00	46.75	50.50	57.00	57.00	57.00
Wastewater Laboratories	892235	34.00	32.50	33.00	30.50	33.50	39.50	39.50	39.50
Wastewater Operations	892221	12.75	12.50	16.75	17.25	19.50	23.00	23.00	23.00
Wastewater Primary Process	892223	51.25	44.75	43.25	42.50	48.00	52.00	52.00	52.00
Wastewater Process Control	892222	24.00	21.25	20.50	19.00	22.00	27.00	27.00	27.00
Wastewater Secondary Process	892224	46.50	43.25	43.75	43.75	46.00	49.00	49.00	49.00

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Full-time Equivalents by Operating Area and Team (continued from previous page)

Operating Area and Team	Cost Center	Full Time Equivalents (FTEs)							
		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Chief Planning Officer		**62.25**	**58.50**	**60.75**	**70.25**	**74.25**	**80.00**	**80.00**	**80.00**
Asset Management	886201	8.00	7.00	6.50	12.75	13.50	15.00	15.00	15.00
Capital Improvement Planning	886601	10.75	8.50	9.25	12.25	14.00	15.00	15.00	15.00
Chief Planning Officer	886001	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Water Analytics, Planning & Metering	886401	35.00	34.50	36.50	36.25	37.50	40.00	40.00	40.00
Wastewater Analytics, Planning & Metering	886100	3.25	3.00	2.50	4.00	4.00	4.00	4.00	4.00
Member Services	886101	3.25	3.50	4.00	3.00	3.25	4.00	4.00	4.00
Chief Administration & Compliance Officer		**130.75**	**128.50**	**131.25**	**138.50**	**143.00**	**152.00**	**152.00**	**152.00**
Chief Administrative Officer	883001	4.25	4.50	4.75	4.75	5.50	7.00	7.00	7.00
Enterprise Risk Management and Safety	883401	5.75	5.75	6.75	7.50	8.00	9.00	9.00	9.00
General Counsel	883101	7.25	7.50	8.00	8.25	8.50	9.00	9.00	9.00
Info Technology Business Productivity Systems	883341	13.00	9.50	9.00	9.75	10.50	12.00	12.00	12.00
Info Technology Enterprise Asset Mgmt Systems	883351	16.25	16.00	15.75	18.00	18.00	18.00	18.00	18.00
Info Technology Infrastructure	883331	13.00	13.00	12.25	13.00	13.00	13.00	13.00	13.00
Info Technology Security & Risk	883361	2.50	2.00	3.00	4.00	4.00	4.00	4.00	4.00
Info Technology Service Delivery	883321	15.00	14.00	15.00	15.00	15.00	15.00	15.00	15.00
InfoTechnology Project Management Office	883311	10.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Office of the CIO	883301	4.75	6.00	5.50	6.50	7.00	8.00	8.00	8.00
Organizational Development Administration	883201	5.00	4.00	4.75	4.25	4.50	5.00	5.00	5.00
Organizational Development Talent Management	883211	21.00	22.75	21.50	22.75	24.00	26.50	26.50	26.50
Organizational Development Training	883231	13.00	12.50	14.00	13.75	14.00	14.50	14.50	14.50
Chief Financial Officer		**120.00**	**115.00**	**120.75**	**122.00**	**124.50**	**130.00**	**130.75**	**130.75**
Chief Financial Officer	884001	4.50	3.50	4.50	6.50	6.50	6.50	6.50	6.50
Financial Management & Planning	884113	12.00	10.50	12.00	11.00	11.00	11.25	12.00	12.00
Financial Reporting & Accounting	884111	28.00	27.00	26.75	25.50	26.00	27.00	27.00	27.00
Logistics and Materials	884124	24.00	22.00	25.00	25.00	25.25	25.75	25.75	25.75
Procurement Director	884121	33.50	33.50	31.25	32.00	33.00	35.00	35.00	35.00
CFO Services	884141	15.00	15.50	18.25	19.00	19.75	21.50	21.50	21.50
Treasury	884131	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Chief Executive Officer		**91.50**	**88.50**	**100.50**	**105.50**	**106.50**	**108.50**	**108.50**	**108.50**
Chief Executive Officer	881001	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
HazMat	881202	19.00	18.50	19.50	20.00	20.00	20.00	20.00	20.00
Office of Emergency Preparedness	881203	3.00	2.50	3.00	3.00	3.00	3.00	3.00	3.00
Public Affairs	881101	7.50	8.00	8.50	9.25	9.50	10.00	10.00	10.00
Security and Integrity	881201	60.00	57.50	60.25	64.50	65.00	66.00	66.00	66.00
System Resiliency	881301	0.00	0.00	7.25	6.75	7.00	7.50	7.50	7.50
Grand Total		**1,234.44**	**1,153.25**	**1,203.50**	**1,210.00**	**1,293.00**	**1,410.25**	**1,416.75**	**1,416.75**

Utilities

GLWA has utilized Capturis, a multi-site utility information management system, that has been in place since November 2018. There are a total of 80 trained users. The system allows team members to easily view invoices, run reports, and access any utility data information that may be needed. Capturis allows for the detailed monitoring of utility usage for increased accuracy when billing.

The tables below provide an overall view of utility costs 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 an increase of $2.3 million, or 4.7%. Over the past three years, the organization has experienced a substantial increase in utility costs, and budgets have been right-sized based on the continued price increases. Budgets are based on projected kilowatt hours (kWh) used during an average year, and historical costs, influenced by known rate changes by DTE Energy. The Wastewater Resource Recovery Facility (WRRF) experienced increased costs resulting in an increase of $1.0 million due rate adjustments. The Biosolids Dryer Facility (BDF) increase of $15,700 was driven by changes in rates as the usage has remained consistent with prior years. The budgets for both water and sewer pump stations increased by $238,400 and $448,500 respectively to align with prior years' usage and future cost increases.

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Water Treatment Plants	**$ 19,208,596**	**$ 19,410,000**	**$ 11,640,732**	**$ 19,930,000**	**$ 520,000**	**2.7%**	**$ 20,030,000**
Water Works Park	2,263,813	2,500,000	1,557,321	2,500,000	-	0.0%	2,500,000
Springwells Water Plant	4,462,868	4,400,000	2,528,199	4,600,000	200,000	4.5%	4,700,000
Northeast Water Plant	3,843,562	3,900,000	1,676,832	3,920,000	20,000	0.5%	3,920,000
Southwest Water Plant	1,784,348	1,500,000	1,219,038	1,800,000	300,000	20.0%	1,800,000
Lake Huron Water Plant	6,854,007	7,110,000	4,659,343	7,110,000	-	0.0%	7,110,000
Water Resource Recovery Facility	**14,787,318**	**14,174,700**	**8,909,656**	**15,208,300**	**1,033,600**	**7.3%**	**15,959,000**
Biosolids Dryer Facility	1,392,904	1,425,700	845,894	1,441,400	15,700	1.1%	1,513,100
Wastewater Operations	13,394,414	12,749,000	8,063,762	13,766,900	1,017,900	8.0%	14,445,900
Combined Sewer Overflow	**1,075,806**	**1,135,600**	**635,850**	**1,153,400**	**17,800**	**1.6%**	**1,206,600**
Water Pump Stations	**11,599,240**	**11,537,900**	**8,177,452**	**11,776,300**	**238,400**	**2.1%**	**12,036,000**
Wastewater Pump Stations	**2,856,034**	**2,505,600**	**2,129,587**	**2,954,100**	**448,500**	**17.9%**	**3,098,300**
Logistics and Materials	**96,195**	**102,000**	**62,801**	**114,400**	**12,400**	**12.2%**	**116,700**
Systems Control	**84,026**	**72,000**	**66,577**	**73,400**	**1,400**	**1.9%**	**74,900**
System Analytics	**98,152**	**82,900**	**76,428**	**98,200**	**15,300**	**18.5%**	**100,200**
Grand Total	**$ 49,805,366**	**$ 49,020,700**	**$ 31,699,083**	**$ 51,308,100**	**$ 2,287,400**	**4.7%**	**$ 52,621,700**

Go to TOC

Table 2 – Gas

The proposed natural gas expense budget remains near steady increasing only $112,600, or 1.6%. Over the course of FY 2022 and FY 2023, GLWA experienced increased natural gas costs due to global conflicts causing speculation in the market, as well as inflation. GLWA took action during FY 2024 to lock in gas pricing on a longer term to ensure a more consistent cost since usage overall is consistent. Budgets for FY 2026 and the five-year plan reflect the benefit of this strategy.

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Water Treatment Plants	**$ 1,020,316**	**$ 1,050,000**	**$ 601,476**	**$ 1,081,000**	**$ 31,000**	**3.0%**	**$ 1,102,500**
Water Works Park	196,862	230,000	154,018	234,600	4,600	2.0%	239,300
Springwells Water Plant	312,085	300,000	189,761	306,000	6,000	2.0%	312,100
Northeast Water Plant	180,789	170,000	70,451	173,400	3,400	2.0%	176,900
Southwest Water Plant	188,762	200,000	100,488	214,000	14,000	7.0%	218,100
Lake Huron Water Plant	141,818	150,000	86,759	153,000	3,000	2.0%	156,100
Water Resource Recovery Facility	**5,753,261**	**5,519,300**	**3,152,302**	**5,598,900**	**79,600**	**1.4%**	**5,598,900**
Biosolids Dryer Facility	2,245,583	2,202,500	1,229,793	2,216,000	13,500	0.6%	2,216,000
Wastewater Operations	3,507,678	3,316,800	1,922,509	3,382,900	66,100	2.0%	3,382,900
Combined Sewer Overflow	**208,397**	**214,200**	**105,112**	**205,500**	**(8,700)**	**-4.1%**	**209,500**
Water Pump Stations	**117,059**	**108,300**	**82,256**	**110,600**	**2,300**	**2.1%**	**123,200**
Wastewater Pump Stations	**61,315**	**56,500**	**31,862**	**60,600**	**4,100**	**7.3%**	**61,900**
Logistics and Materials	**50,636**	**51,500**	**30,601**	**55,800**	**4,300**	**8.3%**	**56,900**
Systems Control	**178**	**200**	**136**	**200**	**-**	**0.0%**	**200**
Grand Total	**$ 7,211,161**	**$ 7,000,000**	**$ 4,003,745**	**$ 7,112,600**	**$ 112,600**	**1.6%**	**$ 7,153,100**

Table 3 – Water

The proposed water expense budget reflects an increase of $601,100, or 5.2%, for FY 2026. The major driver of this increase is the WRRF increasing $700,000. Budgets are based on historical costs, influenced by known rate changes. A leak was resolved at Oakwood Combined Sewer Overflow (CSO) resulting in a decreased FY 2026 budget for the CSOs of $132,400. Wastewater Operations continues to experience increased cost now that metering issues have been resolved. The FY 2024 cost includes a final settlement for back-billed costs.

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Water Treatment Plants	**$ 1,182**	**$ 1,500**	**$ 12,145**	**$ 1,500**	**$ -**	**0.0%**	**$ 1,500**
Northeast Water Plant	380	500	11,618	500	-	0.0%	500
Southwest Water Plant	802	1,000	526	1,000	-	0.0%	1,000
Water Resource Recovery Facility	**11,778,256**	**10,824,300**	**6,373,238**	**11,561,300**	**737,000**	**6.8%**	**11,792,500**
Biosolids Dryer Facility	450,015	430,000	201,788	467,000	37,000	8.6%	476,300
Wastewater Operations	11,328,241	10,394,300	6,171,451	11,094,300	700,000	6.7%	11,316,200
Combined Sewer Overflow	**679,053**	**673,400**	**267,767**	**541,000**	**(132,400)**	**-19.7%**	**551,900**
Water Pump Stations	**453**	**1,000**	**258**	**1,000**	**-**	**0.0%**	**1,000**
Wastewater Pump Stations	**124,416**	**85,300**	**49,143**	**86,500**	**1,200**	**1.4%**	**88,200**
Logistics and Materials	**2,331**	**15,600**	**711**	**10,900**	**(4,700)**	**-30.1%**	**11,100**
Systems Control	**335**	**600**	**4,826**	**600**	**-**	**0.0%**	**600**
Grand Total	**$ 12,586,025**	**$ 11,601,700**	**$ 6,708,088**	**$ 12,202,800**	**$ 601,100**	**5.2%**	**$ 12,446,800**

Table 4 – Sewer

The proposed sewer expense budget reflects a decrease of $524,800, or 17.6%. This category includes both sewerage charges and stormwater drainage charges.

- The largest decrease was at the Oakwood CSO of $500,000. This decrease is driven by repair to a water leak at the facility. The FY 2025 budget was developed based on a higher than average volume-based sewer costs due to this leak. The FY 2026 is based on the lower projected volume.

	FY 2024	FY 2025		FY 2026			FY 2027
Expense Category	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Water Treatment Plants	**$ 563,081**	**$ 750,000**	**$ 327,679**	**$ 760,000**	**$ 10,000**	**1.3%**	**$ 760,000**
Water Works Park	64,707	60,000	38,374	60,000	-	0.0%	60,000
Northeast Water Plant	177,960	170,000	107,666	180,000	10,000	5.9%	180,000
Southwest Water Plant	245,935	450,000	149,932	450,000	-	0.0%	450,000
Lake Huron Water Plant	74,479	70,000	31,707	70,000	-	0.0%	70,000
Water Resource Recovery Facility	**1,023,930**	**1,032,600**	**532,667**	**1,112,600**	**80,000**	**7.7%**	**1,123,700**
Biosolids Dryer Facility	531,255	530,000	234,322	530,000	-	0.0%	535,300
Wastewater Operations	492,676	502,600	298,345	582,600	80,000	15.9%	588,400
Combined Sewer Overflow	**721,943**	**1,159,000**	**318,488**	**537,200**	**(621,800)**	**-53.6%**	**542,600**
Water Pump Stations	**12,938**	**3,100**	**1,714**	**8,400**	**5,300**	**171.0%**	**8,400**
Wastewater Pump Stations	**9,520**	**11,000**	**6,771**	**10,000**	**(1,000)**	**-9.1%**	**10,100**
Logistics and Materials	**3,182**	**22,400**	**1,300**	**25,100**	**2,700**	**12.1%**	**25,600**
Systems Control	**1,583**	**2,000**	**11,529**	**2,000**	**-**	**0.0%**	**2,000**
Grand Total	**$ 2,336,178**	**$ 2,980,100**	**$ 1,200,148**	**$ 2,455,300**	**$ (524,800)**	**-17.6%**	**$ 2,472,400**

Five-Year Financial Plan *(tables 5 through 8)*

Table 5 – Electric

The average annual projected increase in surcharges and electric rates from DTE for FY 2026 through FY 2030 is approximately 2.9% per year. This results in an average cost increase from FY 2025 through FY 2026 of 3.08%.

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Water Treatment Plants	**$ 19,208,596**	**$ 19,410,000**	**$ 19,930,000**	**$ 20,030,000**	**$ 20,030,000**	**$ 20,030,000**	**$ 20,030,000**
Water Treatment Plants	19,208,596	19,410,000	19,930,000	20,030,000	20,030,000	20,030,000	20,030,000
Water Works Park	2,263,813	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Springwells Water Plant	4,462,868	4,400,000	4,600,000	4,700,000	4,700,000	4,700,000	4,700,000
Northeast Water Plant	3,843,562	3,900,000	3,920,000	3,920,000	3,920,000	3,920,000	3,920,000
Southwest Water Plant	1,784,348	1,500,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
Lake Huron Water Plant	6,854,007	7,110,000	7,110,000	7,110,000	7,110,000	7,110,000	7,110,000
Water Resource Recovery Facility	**14,787,318**	**14,174,700**	**15,208,300**	**15,959,000**	**16,757,100**	**17,595,300**	**18,475,400**
Biosolids Dryer Facility	1,392,904	1,425,700	1,441,400	1,513,100	1,588,700	1,668,200	1,751,700
Wastewater Operations	13,394,414	12,749,000	13,766,900	14,445,900	15,168,400	15,927,100	16,723,700
Combined Sewer Overflow	**1,075,806**	**1,135,600**	**1,153,400**	**1,206,600**	**1,266,800**	**1,330,300**	**1,396,700**
Water Pump Stations	**11,599,240**	**11,537,900**	**11,776,300**	**12,036,000**	**12,275,900**	**12,520,300**	**12,762,600**
Wastewater Pump Stations	**2,856,034**	**2,505,600**	**2,954,100**	**3,098,300**	**3,253,400**	**3,416,100**	**3,586,800**
Logistics and Materials	**96,195**	**102,000**	**114,400**	**116,700**	**119,000**	**121,400**	**123,800**
Systems Control	**84,026**	**72,000**	**73,400**	**74,900**	**76,400**	**78,000**	**80,000**
System Analytics	**98,152**	**82,900**	**98,200**	**100,200**	**102,200**	**104,200**	**106,300**
Grand Total	**$ 49,805,366**	**$ 49,020,700**	**$ 51,308,100**	**$ 52,621,700**	**$ 53,880,800**	**$ 55,195,600**	**$ 56,561,600**

Table 6 – Gas

The largest natural gas users are the Biosolids Dryer Facility and the WRRF. The forecast for the 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 and locks in rates to ensure consistent pricing.

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Water Treatment Plants	**$ 1,020,316**	**$ 1,050,000**	**$ 1,081,000**	**$ 1,102,500**	**$ 1,098,000**	**$ 1,146,600**	**$ 1,170,100**
Water Works Park	196,862	230,000	234,600	239,300	238,900	249,000	249,000
Springwells Water Plant	312,085	300,000	306,000	312,100	310,400	324,700	324,700
Northeast Water Plant	180,789	170,000	173,400	176,900	176,300	184,000	184,000
Southwest Water Plant	188,762	200,000	214,000	218,100	217,400	226,500	250,000
Lake Huron Water Plant	141,818	150,000	153,000	156,100	155,000	162,400	162,400
Water Resource Recovery Facility	**5,753,261**	**5,519,300**	**5,598,900**	**5,598,900**	**5,710,900**	**5,756,100**	**5,802,200**
Biosolids Dryer Facility	2,245,583	2,202,500	2,216,000	2,216,000	2,260,300	2,305,500	2,351,600
Wastewater Operations	3,507,678	3,316,800	3,382,900	3,382,900	3,450,600	3,450,600	3,450,600
Combined Sewer Overflow	**208,397**	**214,200**	**205,500**	**209,500**	**213,500**	**217,600**	**221,800**
Water Pump Stations	**117,059**	**108,300**	**110,600**	**123,200**	**126,100**	**130,300**	**136,000**
Wastewater Pump Stations	**61,315**	**56,500**	**60,600**	**61,900**	**63,200**	**64,500**	**65,800**
Logistics and Materials	**50,636**	**51,500**	**55,800**	**56,900**	**58,000**	**59,200**	**60,400**
Systems Control	**178**	**200**	**200**	**200**	**200**	**200**	**300**
Grand Total	**$ 7,211,161**	**$ 7,000,000**	**$ 7,112,600**	**$ 7,153,100**	**$ 7,269,900**	**$ 7,374,500**	**$ 7,456,600**

Table 7 – Water

Water billings are for usage and also include a fixed fee based on meter size.

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Water Treatment Plants	**$ 1,182**	**$ 1,500**	**$ 1,500**	**$ 1,500**	**$ 1,500**	**$ 1,500**	**$ 1,500**
Northeast Water Plant	380	500	500	500	500	500	500
Southwest Water Plant	802	1,000	1,000	1,000	1,000	1,000	1,000
Water Resource Recovery Facility	**11,778,256**	**10,824,300**	**11,561,300**	**11,792,500**	**12,028,300**	**12,268,900**	**12,514,300**
Biosolids Dryer Facility	450,015	430,000	467,000	476,300	485,800	495,500	505,400
Wastewater Operations	11,328,241	10,394,300	11,094,300	11,316,200	11,542,500	11,773,400	12,008,900
Combined Sewer Overflow	**679,053**	**673,400**	**541,000**	**551,900**	**563,000**	**574,400**	**585,900**
Water Pump Stations	453	1,000	1,000	1,000	1,000	1,000	1,000
Wastewater Pump Stations	124,416	85,300	86,500	88,200	90,000	91,800	93,600
Logistics and Materials	2,331	15,600	10,900	11,100	11,300	11,500	11,700
Systems Control	335	600	600	600	600	600	700
Grand Total	**$ 12,586,025**	**$ 11,601,700**	**$ 12,202,800**	**$ 12,446,800**	**$ 12,695,700**	**$ 12,949,700**	**$ 13,208,700**

Table 8 – Sewer

See Table 4 for a detailed discussion of these costs for FY 2026. The average annual increase for the period FY 2027 to FY 2030 is approximately 0.7% per year.

Team	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Water Treatment Plants	**$ 563,081**	**$ 750,000**	**$ 760,000**	**$ 760,000**	**$ 760,000**	**$ 760,000**	**$ 760,000**
Water Works Park	64,707	60,000	60,000	60,000	60,000	60,000	60,000
Northeast Water Plant	177,960	170,000	180,000	180,000	180,000	180,000	180,000
Southwest Water Plant	245,935	450,000	450,000	450,000	450,000	450,000	450,000
Lake Huron Water Plant	74,479	70,000	70,000	70,000	70,000	70,000	70,000
Water Resource Recovery Facility	**1,023,930**	**1,032,600**	**1,112,600**	**1,123,700**	**1,135,000**	**1,146,300**	**1,157,800**
Biosolids Dryer Facility	531,255	530,000	530,000	535,300	540,700	546,100	551,600
Wastewater Operations	492,676	502,600	582,600	588,400	594,300	600,200	606,200
Combined Sewer Overflow	**721,943**	**1,159,000**	**537,200**	**542,600**	**548,000**	**553,500**	**559,000**
Water Pump Stations	**12,938**	**3,100**	**8,400**	**8,400**	**8,400**	**8,500**	**8,600**
Wastewater Pump Stations	**9,520**	**11,000**	**10,000**	**10,100**	**10,200**	**10,300**	**10,400**
Logistics and Materials	**3,182**	**22,400**	**25,100**	**25,600**	**26,100**	**26,600**	**27,100**
Systems Control	**1,583**	**2,000**	**2,000**	**2,000**	**2,000**	**2,000**	**2,400**
Grand Total	**$ 2,336,178**	**$ 2,980,100**	**$ 2,455,300**	**$ 2,472,400**	**$ 2,489,700**	**$ 2,507,200**	**$ 2,525,300**

Chemicals - Bulk

Water and wastewater operations utilize chemicals in the processing of raw water, wastewater effluent and laboratory testing. These chemicals are used for removing impurities from the source waters, corrosion control, as well as disinfection. 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 2026 decreased $2.0 million, or 4.9%. Key parameters of the 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 condition of source waters.
- The annual budget is based on the projected operational volume used during an average year. The projected chemical volume excludes abnormal demands by operations. Variance from the amended budget indicates a current year increased demand based on the conditions described above.
- In the fourth quarter of the calendar year 2024, GLWA began preparing for new Federal Lead & Copper Rule Revisions (LCRR) which is part of the authority's corrosion control program. These new rules effective January 2025, require an increase in the use of orthophosphate. This requirement is projected to add as much as $4.7 million (36%) to the cost for this chemical.
- Since FY 2022, global supply chain constraints had a significant inflationary impact on the pricing of the bulk chemicals used in the water sector. The forecast within the financial plan is based on a stabilization of unit costs, which remain elevated.
- Chemical supply agreements are subject to manufacturers' pricing, which was negatively impacted by raw material shortages. GLWA is subject to those pricing adjustments.
- Transportation of chemicals to the various GLWA facilities also impacted the cost and delivery structure from the suppliers.

Outlook for Water and Wastewater Systems

As noted above, GLWA is subject to market conditions for pricing and supply. Supply chain constraints for the chemical components have affected the industry nationwide.

In a 2022 report, Status of Chlorine Product Availability and Pricing, the United States Environmental Protection Agency (USEPA) cited constraints in the chlorine supply chain that are driving the cost for water utilities. The report indicated there has been a 10% decline in the U.S. production capacity for chlorine and chlorine-based products. Due to this being a production capacity issue, the report

indicates it is unlikely that prices will be reduced in the foreseeable future. There have been no further updates from the EPA concerning chlorine availability since 2022. The historical pricing for chlorine-based products has been relatively steady since July 2023 as shown in the charts below.

Significant Chemical Contracts

The Water and Wastewater Systems budgets contain several commodities agreements for the chemicals used to treat raw water and effluent. As noted above, these agreements are subject to market pricing conditions. A listing of these agreements is presented in Section 5A, Water System Operations, and Section 5B, Wastewater (Sewer) System Operations.

Biennial Budget Request by Team

	FY 2024	FY 2025		FY 2026			FY 2027
Cost Center	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Water Quality	**223,709**	**180,500**	**157,684**	**230,000**	**49,500**	**27.4%**	**264,000**
Water Treatment Plants	**11,723,405**	**15,508,100**	**9,055,988**	**14,674,300**	**(833,800)**	**-5.4%**	**14,708,800**
Water Works Park	1,884,061	2,731,500	1,176,627	2,526,500	(205,000)	-7.5%	2,526,500
Springwells Water Plant	3,416,911	4,335,000	2,546,761	4,125,000	(210,000)	-4.8%	4,125,000
Northeast Water Plant	1,965,731	2,951,800	1,498,295	2,492,500	(459,300)	-15.6%	2,492,500
Southwest Water Plant	1,743,435	2,137,500	1,593,769	1,837,000	(300,500)	-14.1%	1,871,500
Lake Huron Water Plant	2,713,267	3,352,300	2,240,537	3,693,300	341,000	10.2%	3,693,300
Water Resource Recovery Facility	**15,394,051**	**19,579,700**	**10,623,422**	**19,440,200**	**(139,500)**	**-0.7%**	**19,571,400**
Wastewater Director	6,594	-	2,659	5,500	5,500	n/a	5,500
Wastewater Operations	3,191	5,200	-	4,000	(1,200)	-23.1%	4,000
Wastewater Primary Process	4,824,323	6,738,000	3,493,047	7,498,000	760,000	11.3%	7,535,500
Wastewater Secondary Process	9,144,731	11,254,500	6,143,012	10,573,700	(680,800)	-6.0%	10,667,400
Wastewater Dewatering Process	1,413,953	1,578,000	984,206	1,355,000	(223,000)	-14.1%	1,355,000
Wastewater Incineration Process	1,258	4,000	499	4,000	-	0.0%	4,000
Industrial Waste Control	**406**	**-**	**68**	**300**	**300**	**n/a**	**300**
Wastewater Laboratories	**208,332**	**216,600**	**156,289**	**221,200**	**4,600**	**2.1%**	**222,300**
Combined Sewer Overflow	**3,525,502**	**4,850,000**	**2,455,318**	**3,798,600**	**(1,051,400)**	**-21.7%**	**3,799,000**
Puritan-Fenkell Combined Sewer Overflow	52,146	27,700	39,100	29,000	1,300	4.7%	29,400
Hubble-Southfield CSO	291,222	413,200	295,711	307,600	(105,600)	-25.6%	307,600
Leib Combined Sewer Overflow	104,387	202,500	65,400	146,700	(55,800)	-27.6%	146,700
St Aubin Combined Sewer Overflow	102,573	63,100	98,490	72,200	9,100	14.4%	72,200
Conner Creek Combined Sewer Overflow	2,302,928	3,079,800	1,563,820	2,409,500	(670,300)	-21.8%	2,409,500
Baby Creek Combined Sewer Overflow	370,280	664,500	253,587	514,000	(150,500)	-22.6%	514,000
Oakwood Combined Sewer Overflow	269,594	373,000	130,543	293,400	(79,600)	-21.3%	293,400
Belle Isle Combined Sewer Overflow	32,372	26,200	8,666	26,200	-	0.0%	26,200
Grand Total	**$ 31,075,405**	**$ 40,334,900**	**$ 22,448,769**	**$ 38,364,600**	**$ (1,970,300)**	**-4.9%**	**$ 38,565,800**

Go to TOC

Five-Year Financial Plan

The proposed five-year plan reflects a leveling of the commodity pricing. The plan forecasts a 4.9% decrease in cost for FY 2026, with increases ranging from 0.3% to 0.7% through FY 2030

Five-Year Financial Plan by Team

	Actual	Amended Budget	Proposed Budget		Projected		
Cost Center	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**
Water Quality	**223,709**	**180,500**	**230,000**	**264,000**	**264,000**	**264,000**	**264,000**
Water Treatment Plants	**11,723,405**	**15,508,100**	**14,674,300**	**14,708,800**	**14,742,800**	**14,772,800**	**14,808,800**
Water Works Park	1,884,061	2,731,500	2,526,500	2,526,500	2,526,500	2,526,500	2,526,500
Springwells Water Plant	3,416,911	4,335,000	4,125,000	4,125,000	4,125,000	4,125,000	4,125,000
Northeast Water Plant	1,965,731	2,951,800	2,492,500	2,492,500	2,492,500	2,492,500	2,502,500
Southwest Water Plant	1,743,435	2,137,500	1,837,000	1,871,500	1,905,500	1,935,500	1,961,500
Lake Huron Water Plant	2,713,267	3,352,300	3,693,300	3,693,300	3,693,300	3,693,300	3,693,300
Water Resource Recovery Facility	**15,394,051**	**19,579,700**	**19,440,200**	**19,571,400**	**19,732,600**	**19,830,500**	**19,931,200**
Wastewater Director	6,594	-	5,500	5,500	5,500	5,500	5,500
Wastewater Operations	3,191	5,200	4,000	4,000	4,000	4,000	4,000
Wastewater Primary Process	4,824,323	6,738,000	7,498,000	7,535,500	7,535,500	7,535,500	7,535,500
Wastewater Secondary Process	9,144,731	11,254,500	10,573,700	10,667,400	10,814,600	10,912,500	11,013,200
Wastewater Dewatering Process	1,413,953	1,578,000	1,355,000	1,355,000	1,369,000	1,369,000	1,369,000
Wastewater Incineration Process	1,258	4,000	4,000	4,000	4,000	4,000	4,000
Industrial Waste Control	**406**	**-**	**300**	**300**	**300**	**300**	**300**
Wastewater Laboratories	**208,332**	**216,600**	**221,200**	**222,300**	**222,300**	**222,300**	**222,300**
Combined Sewer Overflow	**3,525,502**	**4,850,000**	**3,798,600**	**3,799,000**	**3,885,500**	**3,885,500**	**3,885,500**
Puritan-Fenkell Combined Sewer Overflow	52,146	27,700	29,000	29,400	29,700	29,700	29,700
Hubble-Southfield Combined Sewer Overflow	291,222	413,200	307,600	307,600	315,300	315,300	315,300
Leib Combined Sewer Overflow	104,387	202,500	146,700	146,700	150,300	150,300	150,300
St Aubin Combined Sewer Overflow	102,573	63,100	72,200	72,200	74,000	74,000	74,000
Conner Creek Combined Sewer Overflow	2,302,928	3,079,800	2,409,500	2,409,500	2,469,700	2,469,700	2,469,700
Baby Creek Combined Sewer Overflow	370,280	664,500	514,000	514,000	526,900	526,900	526,900
Oakwood Combined Sewer Overflow	269,594	373,000	293,400	293,400	293,400	293,400	293,400
Belle Isle Combined Sewer Overflow	32,372	26,200	26,200	26,200	26,200	26,200	26,200
Grand Total	**$ 31,075,405**	**$ 40,334,900**	**$ 38,364,600**	**$ 38,565,800**	**$ 38,847,500**	**$ 38,975,400**	**$ 39,112,100**

Go to TOC

Water Chemicals

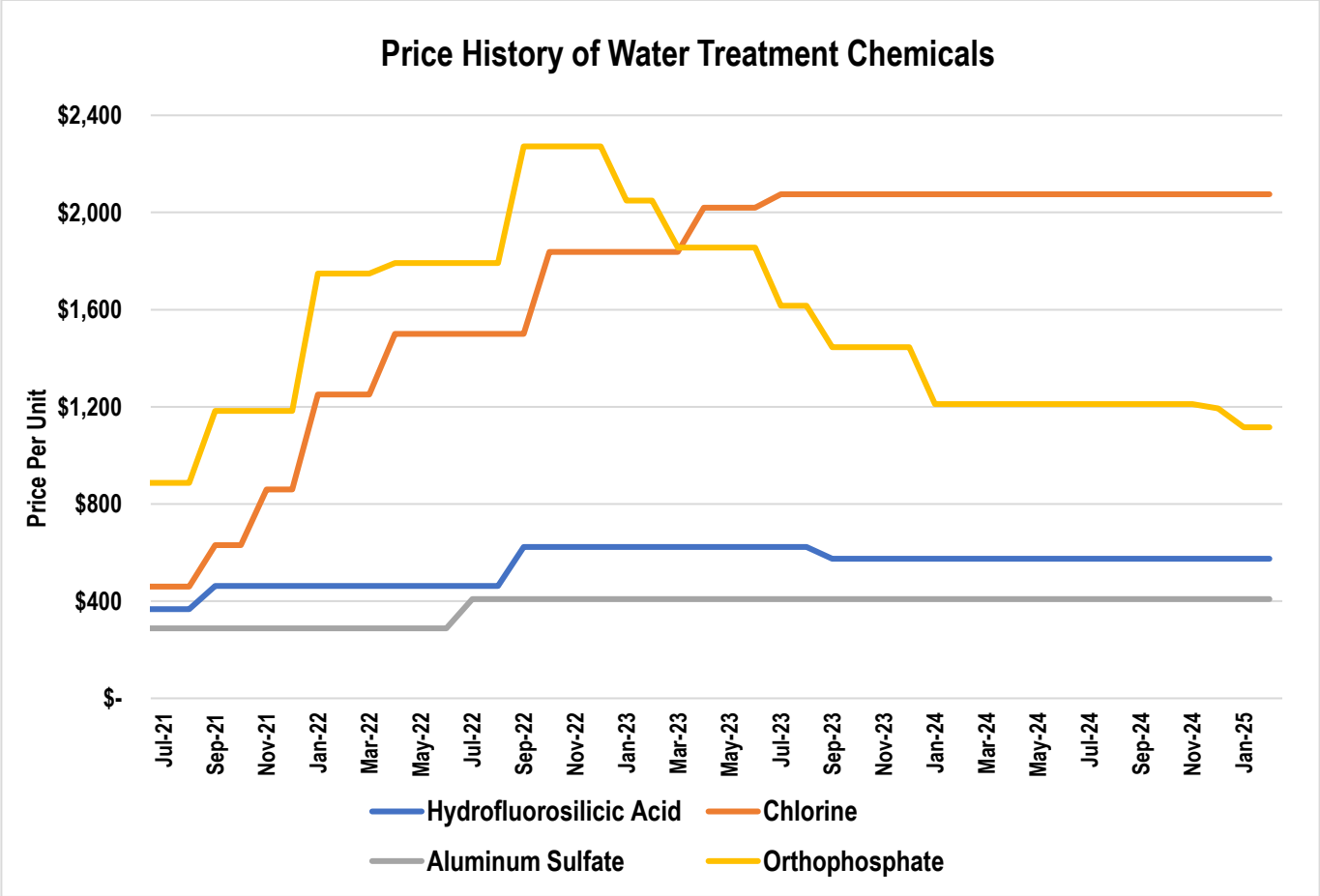
Chemicals are a significant expense category in the Water Operations budget. The chart below displays the four most significant chemicals utilized in potabile water production.

Since the third quarter of FY 2023, GLWA has seen a significant change in the orthophosphate market. During FY 2023, the market began to stabilize when GLWA added two suppliers who entered the market, which led to more competitive pricing. These price reductions have continued through the second quarter FY 2025.

As noted above, pricing for chlorine, used for the disinfection of the raw water, had a significant impact on the FY 2025 budget.

Hydrofluorosilicic acid and aluminum sulfate, two of the largest chemical costs for water production, have remained essentially stable.

The table below shows the changes in the historical cost per unit of the major chemicals required in the treatment of drinking water from July 2021 through February 2025.

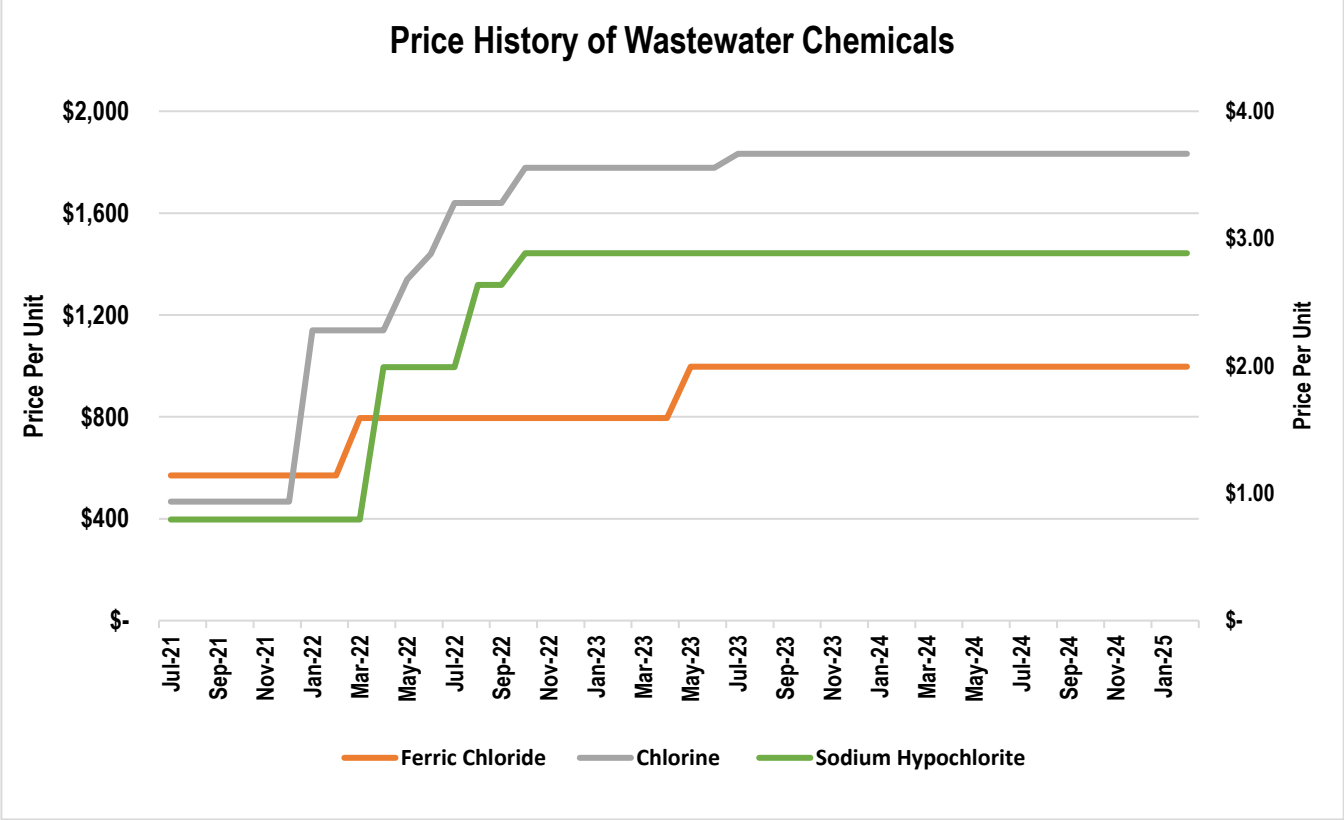


Go to TOC

Wastewater Chemicals

This category had one of the largest impacts on the cost structure for the Wastewater Operations budget. As noted above, the pricing of chlorine-based chemicals used for the disinfection of wastewater effluent, has continued to have a significant impact on the FY 2026 budget. Though price changes have been less frequent, the costs incurred remain elevated.

The table below shows the changes in the historical 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 July 2021 and February 2025.



Go to TOC

Shared Services

GLWA and 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 GLWA provides services to DWSD (GLWA as Provider), 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 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.

GLWA as a Provider

Biennial Budget Request

The biennial budget for GLWA as a Provider reflects an overall increase in services provided for FY 2026 of $29,600 or 1.3%, as compared to the FY 2025 Adopted Budget. The primary reason for the changes to the shared services agreements in FY 2026 are mainly due to inflation, most increases have been offset by minor decreases in other areas.

Shared Services - GLWA as Provider - Biennial Budget by Area and Cost Center

	Actual	FY 2025		FY 2026			FY 2027
Cost Center & Description	FY 2024	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Wastewater System Operations	**$ (782,201)**	**$ (699,200)**	**$ (466,136)**	**$ (714,300)**	**$ (15,100)**	**2.2%**	**$ (732,800)**
892270 Combined Sewer Overflow	(77,865)	-	-	**-**	**-**	**0.0%**	-
892279 Belle Isle Combined Sewer Overflow	(69,865)	(66,200)	(44,136)	**(75,500)**	**(9,300)**	**14.0%**	(76,200)
892222 Wastewater Process Control	(146,196)	(155,300)	(103,528)	**(161,100)**	**(5,800)**	**3.7%**	(169,600)
892342 Belle Isle Pumping Station	(95,110)	(77,000)	(51,336)	**(77,000)**	**-**	**0.0%**	(78,500)
892343 Blue Hill Pumping Station	(291,131)	(269,000)	(179,336)	**(269,000)**	**-**	**0.0%**	(274,300)
892347 Fischer Pumping Station	(20,126)	(23,000)	(15,336)	**(23,000)**	**-**	**0.0%**	(23,400)
892352 Woodmere Pumping Station	(81,907)	(108,700)	(72,464)	**(108,700)**	**-**	**0.0%**	(110,800)
Centralized Services	**(1,331,029)**	**(1,369,000)**	**(912,656)**	**(1,410,400)**	**(41,400)**	**3.0%**	**(1,466,600)**
882431 Field Service Operations	17,688	-	(68,550)	**-**	**-**	**0.0%**	-
883321 Info Technology Service Delivery	(158,480)	(159,200)	(106,128)	**(162,400)**	**(3,200)**	**2.0%**	(165,600)
883331 Info Technology Infrastructure	258,061	(112,200)	(74,800)	**(114,400)**	**(2,200)**	**2.0%**	(116,700)
883351 Info Technology Enterprise Asset Mgmt Systems	765	-	-	**-**	**-**	**0.0%**	-
881201 Security and Integrity	(271,975)	(275,000)	(183,328)	**(280,500)**	**(5,500)**	**2.0%**	(286,100)
882301 Systems Operations Control	(1,177,087)	(822,600)	(479,850)	**(853,100)**	**(30,500)**	**3.7%**	(898,200)
Adminstrative & Other Services	**(167,320)**	**(211,300)**	**(123,941)**	**(184,400)**	**26,900**	**-12.7%**	**(187,600)**
884131 Treasury	(108,916)	(150,000)	(69,777)	**(120,000)**	**30,000**	**-20.0%**	(120,000)
884141 CFO Services	(58,404)	(61,300)	(40,864)	**(64,400)**	**(3,100)**	**5.1%**	(67,600)
883231 Organizational Development Training	-	-	(13,300)	**-**	**-**	**0.0%**	-
Grand Total	**$ (2,280,550)**	**$ (2,279,500)**	**$ (1,502,733)**	**$ (2,309,100)**	**$ (29,600)**	**1.3%**	**$ (2,387,000)**

Go to TOC

Five-Year Financial Plan

Shared Services - GLWA as Provider - Five-Year Financial Plan by Area and Cost Center

Cost Center & Description	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Wastewater System Operations	**$ (782,201)**	**$ (699,200)**	**$ (714,300)**	**$ (732,800)**	**$ (749,000)**	**$ (768,700)**	**$ (779,300)**
892270 Combined Sewer Overflow	(77,865)	-	**-**	-	-	-	-
892279 Belle Isle Combined Sewer Overflow	(69,865)	(66,200)	**(75,500)**	(76,200)	(76,900)	(77,600)	(78,300)
892222 Wastewater Process Control	(146,196)	(155,300)	**(161,100)**	(169,600)	(175,700)	(184,900)	(184,900)
892342 Belle Isle Pumping Station	(95,110)	(77,000)	**(77,000)**	(78,500)	(80,000)	(81,600)	(83,200)
892343 Blue Hill Pumping Station	(291,131)	(269,000)	**(269,000)**	(274,300)	(279,700)	(285,300)	(291,000)
892347 Fischer Pumping Station	(20,126)	(23,000)	**(23,000)**	(23,400)	(23,800)	(24,200)	(24,600)
892352 Woodmere Pumping Station	(81,907)	(108,700)	**(108,700)**	(110,800)	(112,900)	(115,100)	(117,300)
Centralized Services	**(1,331,029)**	**(1,369,000)**	**(1,410,400)**	**(1,466,600)**	**(1,510,400)**	**(1,570,900)**	**(1,631,700)**
882431 Field Service Operations	17,688	-	**-**	-	-	-	-
883321 Info Technology Service Delivery	(158,480)	(159,200)	**(162,400)**	(165,600)	(168,900)	(172,400)	(175,900)
883331 Info Technology Infrastructure	258,061	(112,200)	**(114,400)**	(116,700)	(119,000)	(121,400)	(123,800)
883351 Info Technology Enterprise Asset Mgmt Systems	765	-	**-**	-	-	-	-
881201 Security and Integrity	(271,975)	(275,000)	**(280,500)**	(286,100)	(291,800)	(297,700)	(303,600)
882301 Systems Operations Control	(1,177,087)	(822,600)	**(853,100)**	(898,200)	(930,700)	(979,400)	(1,028,400)
Adminstrative & Other Services	**(167,320)**	**(211,300)**	**(184,400)**	**(187,600)**	**(191,000)**	**(194,500)**	**(198,300)**
884131 Treasury	(108,916)	(150,000)	**(120,000)**	(120,000)	(120,000)	(120,000)	(120,000)
884141 CFO Services	(58,404)	(61,300)	**(64,400)**	(67,600)	(71,000)	(74,500)	(78,300)
Grand Total	**$ (2,280,550)**	**$ (2,279,500)**	**$ (2,309,100)**	**$ (2,387,000)**	**$ (2,450,400)**	**$ (2,534,100)**	**$ (2,609,300)**

Go to TOC

GLWA as a Subscriber

Biennial Budget Request

The biennial budget for GLWA as a Subscriber reflects an overall increase in FY 2026 of $54,100, or 2.0%, as compared to the FY 2025 Adopted Budget. The primary reason for this increase is to remain consistent with any cost increases that may be related to inflation.

Shared Services - GLWA as Subscriber - Biennial Budget by Area and Cost Center

	FY 2024	FY 2025		FY 2026			FY 2027
Cost Center & Description	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Centralized Services	**$ 87,638**	**$ 2,705,000**	**$ 1,577,800**	**$ 2,759,100**	**$ 54,100**	**2.0%**	**$ 2,814,300**
882421 Facility Operations	(74,762)	2,539,400	1,481,200	**2,590,200**	**50,800**	**2.0%**	2,642,000
883331 Info Technology Infrastructure	162,400	165,600	96,600	**168,900**	**3,300**	**2.0%**	172,300
Grand Total	**$ 87,638**	**$ 2,705,000**	**$ 1,577,800**	**$ 2,759,100**	**$ 54,100**	**2.0%**	**$ 2,814,300**

Five-Year Financial Plan

Shared Services - GLWA as Subscriber - Five-Year Financial Plan by Area and Cost Center

	Actual	Amended Budget	Proposed Budget		Projected		
Cost Center &	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Centralized Services	**$ 87,638**	**$ 2,705,000**	**$ 2,759,100**	**$ 2,814,300**	**$ 2,870,500**	**$ 2,927,900**	**$ 2,986,500**
882421 Facility	(74,762)	2,539,400	**2,590,200**	2,642,000	2,694,800	2,748,700	2,803,700
883331 Info Technology Infrastructure	162,400	165,600	**168,900**	172,300	175,700	179,200	182,800
Grand Total	**$ 87,638**	**$ 2,705,000**	**$ 2,759,100**	**$ 2,814,300**	**$ 2,870,500**	**$ 2,927,900**	**$ 2,986,500**

Shared Services by Number

The following table shows the activity for all of the shared services by the identification number used for the shared service. It includes both GLWA as the service "provider" and services received by GLWA as the "subscriber".

Five-Year Financial Plan by Shared Services Number - GLWA as Provider & Subscriber

Shared Services Number & Description	Cost Center - Description	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget		Projected		
		FY 2024	FY 2025		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
GLWA Provider		**$(2,280,550)**	**$(2,279,500)**	**$ (1,502,733)**	**$(2,309,100)**	**$(2,387,000)**	**$(2,450,400)**	**$(2,534,100)**	**$(2,609,300)**
ITS-004A WAM	883351 - Information Technology Enterprise Asset Management Systems	765	-	-	-	-	-	-	-
ITS-009A IT Infrastructure	883331 - Information Technology Infrastructure	224,073	(97,423)	(64,949)	(99,333)	(101,330)	(103,327)	(105,411)	(107,495)
ITS-011 Print Shop	883321 - Information Technology Service Delivery	(158,480)	(159,200)	(106,128)	(162,400)	(165,600)	(168,900)	(172,400)	(175,900)
ITS-014 Security Network	883331 - Information Technology Infrastructure	33,988	(14,777)	(9,851)	(15,067)	(15,370)	(15,673)	(15,989)	(16,305)
DWSD - Bank Fees	884131 - Treasury	(108,916)	(150,000)	(69,777)	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)
DWSD - Public Finance	884141 - CFO Services	(58,404)	(61,300)	(40,864)	(64,400)	(67,600)	(71,000)	(74,500)	(78,300)
OPS-005A Security and Integrity	881201 - Security and Integrity	(271,975)	(275,000)	(183,328)	(280,500)	(286,100)	(291,800)	(297,700)	(303,600)
DWSD Staff Training by GLWA	883231 - Organizational Development Training	-	-	(13,300)	-	-	-	-	-
	OPS-008 Total:	(1,941,600)	(1,521,800)	(1,014,536)	(1,567,400)	(1,631,000)	(1,679,700)	(1,748,100)	(1,807,700)
OPS-008 Systems Control Center: Detroit Only Pump Stations/CSO	882301 - Systems Operations Control	(1,177,087)	(822,600)	(479,850)	(853,100)	(898,200)	(930,700)	(979,400)	(1,028,400)
	882431 - Field Service	17,688	-	(68,550)	-	-	-	-	-
	892222 - Wastewater Process Control	(146,196)	(155,300)	(103,528)	(161,100)	(169,600)	(175,700)	(184,900)	(184,900)
	892270 - Combined Sewer Overflow	(77,865)	-	-	-	-	-	-	-
	892279 - Belle Isle Combined Sewer Overflow	(69,865)	(66,200)	(44,136)	(75,500)	(76,200)	(76,900)	(77,600)	(78,300)
	892342 - Belle Isle Pumping Station	(95,110)	(77,000)	(51,336)	(77,000)	(78,500)	(80,000)	(81,600)	(83,200)
	892343 - Blue Hill Pumping Station	(291,131)	(269,000)	(179,336)	(269,000)	(274,300)	(279,700)	(285,300)	(291,000)
	892347 - Fischer Pumping	(20,126)	(23,000)	(15,336)	(23,000)	(23,400)	(23,800)	(24,200)	(24,600)
	892352 - Woodmere Pumping Station	(81,907)	(108,700)	(72,464)	(108,700)	(110,800)	(112,900)	(115,100)	(117,300)
GLWA Subscriber		**$ 87,638**	**$ 2,705,000**	**$ 1,577,800**	**$ 2,759,100**	**$ 2,814,300**	**$ 2,870,500**	**$ 2,927,900**	**$ 2,986,500**
DoIT-002 Radios	883331 - Information Technology Infrastructure	162,400	165,600	96,600	168,900	172,300	175,700	179,200	182,800
OPS-006 Shared Facilities Shared Costs	882421 - Facility Operations	(74,762)	2,539,400	1,481,200	2,590,200	2,642,000	2,694,800	2,748,700	2,803,700
Net (GLWA Provider) GLWA Subscriber		**$(2,192,912)**	**$ 425,500**	**$ 75,067**	**$ 450,000**	**$ 427,300**	**$ 420,100**	**$ 393,800**	**$ 377,200**

Go to TOC

Centralized and Administrative Services

Centralized and Administrative Services include operational functions that serve both water and wastewater operations. **Cost Allocation** for the functional areas 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 occur and when new vendor contracts are executed.

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

Table 1a – Biennial Cost Allocation Summary

	FY 2024	FY 2025		FY 2026			FY 2027
Operations Area	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Wastewater	**$ 76,423,534**	**$ 81,688,900**	**$ 54,573,566**	**$ 79,526,100**	**$ (2,162,800)**	**-2.6%**	**$ 84,985,000**
Administrative Services	18,922,757	21,275,700	13,978,265	23,142,000	1,866,300	8.8%	23,754,500
Centralized Services	57,500,777	60,413,200	40,595,301	56,384,100	(4,029,100)	-6.7%	61,230,500
Water	**74,424,174**	**76,955,100**	**51,930,046**	**80,955,300**	**4,000,200**	**5.2%**	**88,500,300**
Administrative Services	18,077,932	18,388,100	11,857,796	19,951,800	1,563,700	8.5%	20,516,500
Centralized Services	56,346,242	58,567,000	40,072,250	61,003,500	2,436,500	4.2%	67,983,800
Grand Total	**$ 150,847,708**	**$ 158,644,000**	**$ 106,503,612**	**$ 160,481,400**	**$ 1,837,400**	**1.2%**	**$ 173,485,300**

Table 1b – Biennial Cost Allocation Summary

	FY 2024	FY 2025		FY 2026			FY 2027
Operations Area	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Administrative Services	$ 37,000,689	$ 39,663,800	$ 25,836,061	**$ 43,093,800**	**$ 3,430,000**	**8.6%**	$ 44,271,000
Centralized Services	$113,847,020	118,980,200	80,667,551	**117,387,600**	**(1,592,600)**	**-1.3%**	129,214,300
Grand Total	**$ 150,847,709**	**$ 158,644,000**	**$ 106,503,612**	**$ 160,481,400**	**$ 1,837,400**	**1.2%**	**$ 173,485,300**

Table 2a – Five Year Cost Allocation Summary

Operations Area	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Wastewater	**$ 76,423,534**	**$ 81,688,900**	**79,526,100**	**84,985,000**	**85,493,600**	**86,509,300**	**88,659,400**
Administrative Services	$ 18,922,757	$ 21,275,700	**$ 23,142,000**	$ 23,754,500	$ 25,060,300	$ 25,656,700	$ 26,097,400
Centralized Services	57,500,777	60,413,200	**56,384,100**	61,230,500	60,433,300	60,852,600	62,562,000
Water	**74,424,174**	**76,955,100**	**80,955,300**	**88,500,300**	**88,652,300**	**89,294,600**	**90,095,100**
Administrative Services	18,077,932	18,388,100	**19,951,800**	20,516,500	21,741,400	22,271,500	22,644,500
Centralized Services	56,346,242	58,567,000	**61,003,500**	67,983,800	66,910,900	67,023,100	67,450,600
Grand Total	**$ 150,847,708**	**$ 158,644,000**	**$ 160,481,400**	**$ 173,485,300**	**$ 174,145,900**	**$ 175,803,900**	**$ 178,754,500**

Table 2b – Five Year Cost Allocation Summary

Operations Area	Actual FY 2024	Amended Budget FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Administrative Services	37,000,689	39,663,800	**43,093,800**	44,271,000	46,801,700	47,928,200	48,741,900
Centralized Services	113,847,020	118,980,200	**117,387,600**	129,214,300	127,344,200	127,875,700	130,012,600
Grand Total	**$ 150,847,709**	**$ 158,644,000**	**$ 160,481,400**	**$ 173,485,300**	**$ 174,145,900**	**$ 175,803,900**	**$ 178,754,500**

Table 3 Cost Allocation - Water and Wastewater Percentages presents the projected aggregate allocation percentages for the five-year period 2026 through 2030. The percentages are based off the data presented in tables 1 and 2 above and forecasted expenditures for periods FY 2026-2030.

Table 3 – Five Year Projected Cost Allocated Percentages

Operations Area	Actual FY 2024	Amended Budget FY 2025	Activity as of 02.28.2025 FY 2025	Proposed Budget FY 2026	Proposed Budget FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030
Centralized Services	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Water	49.5%	49.2%	49.7%	**52.0%**	52.6%	52.5%	52.4%	51.9%
Wastewaster	50.5%	50.8%	50.3%	**48.0%**	47.4%	47.5%	47.6%	48.1%
Administrative Services	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Water	48.9%	46.4%	45.9%	**46.3%**	46.3%	46.5%	46.5%	46.5%
Wastewaster	51.1%	53.6%	54.1%	**53.7%**	53.7%	53.5%	53.5%	53.5%
Total Allocated Services	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Water	49.3%	48.5%	48.8%	**50.4%**	51.0%	50.9%	50.8%	50.4%
Wastewaster	50.7%	51.5%	51.2%	**49.6%**	49.0%	49.1%	49.2%	49.6%

Additional information about the Centralized and Administrative Services detail cost information is included in the Overview section at the beginning of Section 5C - Centralized Services and Section 5D – Administrative Services.

Water Residential Assistance Plan

The Water Residential Assistance Program ("WRAP") is the first program of its kind in Michigan and one of only a few models of sustainable assistance funding plans in the country. WRAP provides resources for water and/or sewerage bill assistance, arrearage assistance, conservation and healthy home initiatives that may including minor plumbing repairs to qualifying low-income customers in the GLWA's service area.

Biennial Budget Request

The annual revenue requirement for WRAP is shown as a line item in the Schedule 1 – Revenue Requirement in Section 2 - Core Financial Plan Schedules. The biennial budget for GLWA reflects an overall increase in FY 2026 of $9,000, or 0.2%, as compared to the FY 2025 Adopted Budget. The reason for the increase is due to the increased revenue base for applying the 0.5% calculation.

Biennial Budget by Fund

	FY 2024	FY 2025		FY 2026			FY 2027
Team	Actual	Amended Budget	Activity as of 02.28.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Water Revenue Requirement	$ 1,851,600	$ 1,876,500	$ 1,298,536	**$ 1,970,000**	**$ 22,200**	**1.1%**	$ 2,091,300
Sewer Revenue Requirement	2,503,104	2,541,500	1,767,800	**2,638,500**	**(13,200)**	**-0.5%**	2,770,000
Grand Total	**$ 4,354,704**	**$ 4,418,000**	**$ 3,066,336**	**$ 4,608,500**	**$ 9,000**	**0.2%**	**$ 4,861,300**

Five-Year Financial Plan by Fund

	Actual	Amended Budget	Proposed Budget		Projected		
Team	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Water Revenue Requirement	$ 1,851,600	$ 1,876,500	**$ 1,970,000**	$ 2,091,300	$ 2,215,000	$ 2,343,000	$ 2,510,300
Sewer Revenue Requirement	2,503,104	2,541,500	**2,638,500**	2,770,000	2,906,000	3,051,000	3,232,300
Grand Total	**$ 4,354,704**	**$ 4,418,000**	**$ 4,608,500**	**$ 4,861,300**	**$ 5,121,000**	**$ 5,394,000**	**$ 5,742,600**

WRAP Program Design

WRAP funding is available to all qualified residents who receive water and/or sewer service from GLWA. To participate in WRAP an applicant must have household gross income at or below 200% of the federal poverty income thresholds. Eligible residential customers can receive assistance with paying down arrears and receive bill payment assistance for up to two years. Eligible seniors and persons with a permanent disability can obtain bill credit assistance without an expiration date. Participants can also receive an in-home water audit and educational water usage information. WRAP also provides replacement of lead-based fixtures in the kitchen, bathroom, and utility room as well as repair or replacement of leaking or nonfunctioning plumbing and other water fixtures up to $2,000 to create a healthy, safe and livable home.

In fiscal year 2023, GLWA launched a new program benefit design for financial assistance for residents outside the City of Detroit known as the Income Based Plan (IBP). Simultaneously, DWSD launched the Lifeline Program for residential customers within the city of Detroit. Both rely upon WRAP as a funding source. The costs of both the WRAP and Lifeline programs will be limited to the funding available.

GLWA WRAP – Payment assistance is based on the annual household water and sewer bill as a percentage of household income. Bill credit amounts are unique to each household and are determined based on annual household income compared to the water and sewer bills. The goal is to limit that household expense for the water and sewer bill to be three percent of the household income after bill credits are applied.

DWSD Lifeline Plan – The lifeline program design utilizes a three-tier, income-based water affordability plan which caps payments for the first 4,500 gallons of usage. The program also includes plumbing repairs and forgives arrearages. The pilot program will utilize Low-Income Household Water Assistance Program funding from the federal and state government and DWSD's allocation of WRAP funds, as well as other utility payment assistance and affordability programs.

WRAP Funding Mechanism

The authorization of the funding mechanism for WRAP occurred within the framework for the creation of the GLWA. On September 9, 2014, a Memorandum of Understanding (MOU) "Regarding the Formation of the Great Lakes Water Authority" was executed by the city of Detroit, the state of Michigan, and the counties of Oakland, Macomb, and Wayne. On September 9, 2014, that MOU was entered into federal court in conjunction with the city of Detroit's Chapter 9 bankruptcy which encompassed matters related to the city's water and sewer department. The MOU included a provision that "The Authority's common-to-all rate structure shall include … an amount equal to 0.5% of base budgeted … revenues … for deposit to an independently-administered Water Residential Assistance Program ..". Ultimately the City's final Plan of Adjustment approved the MOU and any final agreements resulting from that MOU. Agreements include the Lease agreements and Water and Sewer Services Agreement between the city of Detroit and the Great Lakes Water Authority. The Master Bond Ordinance (MBO) established for the GLWA provides for the funding of the WRAP on a one-twelfth basis each month within the MBO Trust. On July 1, 2020, the first amendment to the Water and Sewer Services Agreement became effective which allows DWSD to fund WRAP at an amount not less than 0.5% but not greater than 1.0% (rather than the prior limit of 0.5%).

The following table shows the computation for the FY 2026 WRAP contribution. The base budgeted operation revenues are the operating revenues before the WRAP contribution. Note that investment earnings are nonoperating revenues and are not included in the WRAP calculation.

WRAP Contribution Calculation	Water	Sewer	Total
Base Budgeted Operating Revenues			
Total Revenue from Charges	$ 395,674,900	$ 529,904,200	$ 925,579,100
Other Operating Revenue	302,800	442,600	745,400
WRAP Contribution	(1,970,000)	(2,638,500)	(4,608,500)
Base Budgeted Operating Revenues	$ 394,007,700	$ 527,708,300	$ 921,716,000
Regional WRAP Contribution at 0.5%	**$ 1,970,000**	**$ 2,638,500**	**$ 4,608,500**

WRAP Service Delivery Parties

Disbursements from the WRAP Fund within the MBO Trust are paid to Service Delivery Partners (SDPs) who independently administer the program. The SDPs include county government and nonprofit organizations who are experts in the delivery of human services in the regions that they serve. Not only does the client the receive information about WRAP, but other programs as well to wholistically meet the household's needs. The relationship between the selected SDPs and GLWA is formalized by a professional services contract. A list of those partners and their respective areas are listed below.

Wayne Metro
- Area 1 - City of Detroit
- Area 3 - Wayne County (outside of Detroit), and Monroe County

United Way
- Area 4 - Oakland County
- Area 6 - Washtenaw County

Genessee County
- Area 2 - City of Flint

Macomb Community Action
- Area 5 - Macomb, St. Clair, & Lapeer Counties

The Service Delivery Partner contract includes an exhibit that is updated annually that identifies compensation being based on an "not to exceed the annual sum approved by the Board of Directors". Due to that required alignment between the established charges and the calculation of the WRAP contribution, the annual allocation will be included in a resolution that will be presented to the Board of Directors for approval. Any amounts approved by the DWSD Board of Directors for the DWSD contribution to WRAP, based on local system revenues, will also be added to the exhibit in the service delivery partners contract under Area 1 - City of Detroit. DWSD Board approval is generally scheduled after the GLWA Board approval. The percentage of funds allocated to program administration by the service delivery partners is based on contractual agreements and can vary from 15% to 18%. After the administration costs are deducted from the budget, the remaining funds are allocated at 80% to direct assistance and 20% to conservation and healthy home initiatives. Within the City of Detroit, the allocated WRAP funding supports DWSD's Lifeline program.

The following table shows the allocation for FY 2026.

Area	Service Delivery Partner / Area	Budgeted Direct Assistance	Budgeted Conservation Assistance	Budgeted Administration Costs	Total Budgeted Revenue	Wholesale Allocation
Area 1: City of Detroit						
Share of Wholesale Funding		N/A	N/A	N/A	$ 1,251,200	27.15%
Local WRAP Funding		N/A	N/A	N/A	2,372,900	
Total City of Detroit	Wayne Metro				3,624,100	
Area 2: City of Flint	Genesee County Community Action Resource Department (GCCARD)	$ 18,360	$ 4,590	$ 4,050	27,000	0.59%
Area 3: Wayne *(outside of Detroit)* and Monroe Counties	Wayne Metro	777,920	194,480	171,600	1,144,000	24.82%
Area 4: Oakland County	United Way	850,000	212,500	187,500	1,250,000	27.12%
Area 5: Macomb, St. Clair, Lapeer Counties	Macomb Community Action	572,426	143,106	157,068	872,600	18.93%
Area 6: Washtenaw County	United Way	43,316	10,829	9,555	63,700	1.38%
Total Excluding Area 1 Local Funding		**$ 2,262,022**	**$ 565,505**	**$ 529,773**	**$ 4,608,500**	**100.00%**
Total including Area 1 Local Funding		$ 2,262,022	$ 565,505	$ 529,773	$ 6,981,400	

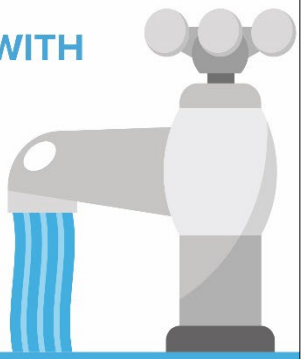
WRAP Outreach

GLWA has a dedicated webpage that provides information about WRAP in four different languages. In addition, GLWA works closely with its service delivery partners and member partners to provide a range of local materials that are in print, online and in video. Following is one of the flyers that can be found on the website.

NEED ASSISTANCE WITH YOUR WATER BILL?

WRAP CAN HELP!

The Water Residential Assistance Program provides funding to eligible, low-income households. Funding is provided by the Great Lakes Water Authority and is administered in partnership with local community action agencies.



WRAP can help reduce your water bill and pay past due balances!

WRAP Eligibility:

- Reside within an eligible GLWA Member Community (see reverse side for list)
- Responsible for paying your water bill
- At or below 200% of the federal poverty level
- Own or rent your home

200% Federal Poverty Chart

Number of Household Members	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Income Limit ($)	30,120	40,880	51,640	62,400	73,160	83,920	94,680	105,440	110,820	116,200	121,580	126,960	132,340	137,720

Visit glwater.org/assistance to learn more!

GLWA

WRAP Eligible Communities

Allen Park	Ferndale	Madison Heights	Southfield Township
Almont	Flat Rock	Mayfield Township	Southfield, City of
Ash Township	Flint	Melvindale	Southgate
Auburn Hills	Fraser	New Haven	St. Clair Shores
Augusta Township	Garden City	Northville Township	Sterling Heights
Belleville	Gibraltar	Northville, City of	Sumpter Township
Berkley	Grosse Ile Township	Novi	Superior Township
Berlin Township	Grosse Pointe	Oak Park	Sylvan Lake
Beverly Hills	Grosse Pointe Farms	Orchard Lake	Taylor
Bingham Farms	Grosse Pointe Park	Orion Township	Trenton
Birmingham	Grosse Pointe Shores	Pittsfield Township	Troy
Bloomfield Hills	Grosse Pointe Woods	Pleasant Ridge	Utica
Bloomfield Township	Hamtramck	Plymouth Township	Van Buren Township
Brownstown Township	Harper Woods	Plymouth, City of	Walled Lake
Bruce Township	Harrison Township	Pontiac	Warren
Burtchville Township	Hazel Park	Redford Township	Washington Township
Canton Township	Huntington Woods	River Rouge	Waterford Township
Center Line	Huron Charter Township	Riverview	Wayne, City of
Chesterfield Township	Imlay City	Rochester	West Bloomfield Township
Clawson	Inkster	Rochester Hills	Westland
Clinton Township	Keego Harbor	Rockwood	Wixom
Commerce Township	Lake Orion	Romeo	Woodhaven
Dearborn	Lapeer	Romulus	Ypsilanti Township
Dearborn Heights	Lathrup Village	Roseville	Ypsilanti, City of
Eastpointe	Lenox Township	Royal Oak Township	
Ecorse	Lincoln Park	Royal Oak, City of	
Farmington	Livonia	Shelby Township	
Farmington Hills	Macomb Township	South Rockwood	

City of Detroit Residents may be eligible for the DWSD Lifeline Plan.
Call **313-386-9727** or visit ***www.WayneMetro.org/DWSDLifeline***

Legacy Commitments

In municipal finance, the term "legacy obligations" represents unfunded liabilities accrued over prior decades. In the context of 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') were 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. It is important to note that the annual payment represented both a normal expense plus an advance payment of a liability that would otherwise be amortized over a period of up to 30 years. For that reason, a portion of the payment was 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. The remaining non-operating portion was treated as a long-term debt payment subordinate to bonded debt in the MBO flow of funds.
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.

Starting in fiscal year 2024, none of the payments will be considered operating for MBO purposes, therefore Table 1 only shows nonoperating payments. This is referred to as the "General Retirement System Pension" in the core financial plan schedules in Section 2. 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 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 the annual funded administrative expenses (which was set at $2.5 million annually for the first nine years) compared to actual in the annual GRS audit report. The amount paid in excess of administrative expenses as of June 30, 2024 was approximately $12.96 million, which is allocated $9.11 million to the Authority and $3.85 million to DWSD, and is recorded as a prepaid expense by each entity. The prepaid administrative expenses will be applied toward the DWSD division liability thereby reducing the projected UAAL as of June 30, 2025.

Future Planning

The GRS Legacy Plan fiduciary net position as a percent of the total pension liability was 62.43% as reported in the June 30, 2024, GRS GASB Statement Nos. 67 and 68 Accounting and Financial Reporting for the Pension Plans of Component II. Fiscal year 2024 was the first year the Authority is required to make Actuarially Determined Employer Contribution (ADEC) in accordance with the pension agreement.

The Authority received the actuarial valuation as of June 30, 2024, dated February 6, 2025, projecting the UAAL to be underfunded For FY 2026 the UAAL contribution will be $3.8 million with an administrative fee of $0.6 million for a total of $4.4 million.

GLWA management continues to have ongoing conversations with the City of Detroit, the DWSD and the GRS personnel regarding the UAAL with the goal of establishing a long-term plan that will limit the budget impact of future fluctuations.

Legacy Obligation Allocation – The following table summarizes the legacy obligations and the allocation between GLWA and DWSD. 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 2026	FY 2027	FY 2028	FY 2029	FY 2030
Administrative Fee (a)						
GLWA-Water	*25.20%*	$ 154,700	$ 154,700	$ 154,700	$ 154,700	$ 154,700
GLWA-Sewer	*45.10%*	276,700	276,700	276,700	276,700	276,700
DWSD-R-Water	*17.80%*	109,200	109,200	109,200	109,200	109,200
DWSD-R-Sewer	*11.90%*	73,000	73,000	73,000	73,000	73,000
Total Administrative Fee		**613,600**	**613,600**	**613,600**	**613,600**	**613,600**
Legacy Pension Obligation - Component II (Nonoperating) (b)						
GLWA-Water	*25.20%*	953,900	953,900	953,900	953,900	953,900
GLWA-Sewer	*45.10%*	1,707,300	1,707,300	1,707,300	1,707,300	1,707,300
DWSD-R-Water	*17.80%*	673,800	673,800	673,800	673,800	673,800
DWSD-R-Sewer	*11.90%*	450,500	450,500	450,500	450,500	450,500
Total Legacy Pension Obligation		**3,785,500**	**3,785,500**	**3,785,500**	**3,785,500**	**3,785,500**
BC Notes (Nonoperating) (c)						
GLWA-Water	*21.98%*	1,622,200	1,450,400	1,306,700	1,275,600	1,244,500
GLWA-Sewer	*49.44%*	3,648,800	3,262,300	2,939,200	2,869,200	2,799,200
DWSD-R-Water	*15.52%*	1,145,400	1,024,100	922,700	900,700	878,700
DWSD-R-Sewer	*13.06%*	963,900	861,800	776,400	757,900	739,400
Total BC Notes		**7,380,300**	**6,598,600**	**5,945,000**	**5,803,400**	**5,661,800**
Total General Retirement System Accelerated Pension (Administrative (a) + Legacy Pension (b) + BC Notes (c))						
GLWA-Water		2,730,800	2,559,000	2,415,300	2,384,200	2,353,100
GLWA-Sewer		5,632,800	5,246,300	4,923,200	4,853,200	4,783,200
DWSD-R-Water		1,928,400	1,807,100	1,705,700	1,683,700	1,661,700
DWSD-R-Sewer		1,487,400	1,385,300	1,299,900	1,281,400	1,262,900
Total General Retirement System Accelerated Pension		**$ 11,779,400**	**$ 10,997,700**	**$ 10,344,100**	**$ 10,202,500**	**$ 10,060,900**

GLWA
Great Lakes Water Authority

Section 7

Authorizing Resolutions

Go to TOC

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Go to TOC

Authorizing Resolutions Overview

The GLWA Board of Director adopts a set of three resolutions on an annual basis that aligns the operational and capital needs of the system within the charges revenue available. This section of the budget document provides insight into the process by providing the Board communication letter, resolution, and final certification of Board action for each of the following actions:

1. Authorizing Resolution Biennial Budget
2. Authorizing Resolution Service Charges
3. Authorizing Resolution Capital Improvement Plan

The formal record of these actions, and supporting materials, are always publicly available online in the Legistar system.

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 **2025-019** regarding **"Resolution Adopting the FY 2026 and FY 2027 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 26, 2025 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:	Mark Miller, John J. Zech, Jaye Quadrozzi, Brian Baker, and Gary Brown
NO:	None
ABSTAIN:	None
EXCUSED:	Freman Hendrix

Dated: February 26, 2025

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 2026 & FY 2027 Biennial Budget

Agenda of: February 26, 2025
Item No.: **2025-019**
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 26, 2025

RE: **Resolution Adopting the FY 2026 & FY 2027 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 2026 and FY 2027 Biennial Budget held on February 26, 2025;**
2) **Pending public comment, adopts the attached resolution, 2025-019, adopting the FY 2026 and FY 2027 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

Establishing the budget and charges each year is an impactful decision which merits public discussion that spans several months and encompasses stakeholder groups. A summary of discussions related to the FY 2026 & FY 2027 Biennial Budget and FY 2026 Charges is provided below.

Board of Directors Public Engagement

- ✓ October 9, 2024 – Board Workshop – In-Depth Budget & Charges Briefing
- ✓ January 6, 2025 - Audit Committee receives proposed budget and charges presentation
- ✓ January 22, 2025 - Board Meeting – Board receives a proposed budget and charges presentation and refers the matters back to Audit Committee for further review
- ✓ February 17, 2025 - Audit Committee continued review of budget and proposed charges
- ✓ February 26, 2025 - Board Meeting – Board conducts public hearing related to the proposed budget and charges

Member Partner Engagement

- ✓ October 17, 2024 - Charges Rollout #1 - Capital Improvement Plan (CIP) Review
- ✓ November 12, 2024 - Charges Rollout #2 - Units of Service (UOS)
- ✓ January 9, 2025 - Charges Rollout #3 – Proposed Charges Overview and Introduction of Budget
- ✓ January 13, 2025 – Member Partner specific email with preliminary calculation worksheet and letter from Chief Executive Officer
- ✓ January 16, 2025 - Charges Rollout #4 - Feedback on Proposed Charges and further discussion of the Budget with the Long-term Financial Plan
- ✓ January 27, 2025 – Member Partner specific email with proposed calculation worksheet, letter from Chief Executive Officer, and one pager related to FY 2026 Proposed Charge Increase

A Notice of Public Hearing was published in the Detroit Legal News on February 12, 2025. 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 2026 and FY 2027.

COMMITTEE REVIEW

The GLWA Audit Committee reviewed the budget and supplemental analysis at the meetings noted above at its meetings on January 6, 2025 and February 17, 2025.

Great Lakes Water Authority Resolution 2025-019

Resolution Adopting the Biennial FY 2026 & FY 2027 Budget

By Board Member: Brian Baker

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 with the fiscal year ending June 30, 2026 being the first year outside of the 4% commitment; and

WHEREAS The Regional Water System annual revenue requirement budget increase of 6.14% equates to a 5.6% increase in revenues from Water Service Charges and a Regional Sewer System annual revenue requirements budget increase of 4.67% equates to a 4.4% increase in revenues from Sewer Service Charges; and

WHEREAS To support the revenue requirement for each system, the comparable Regional Water System average charge adjustment is an increase of 5.9% reflecting a reduction in estimated sales volumes and the comparable Regional Sewer System average charge adjustment is an increase of 4.5% reflecting a reduction in industrial specific activity; 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 2026 is $408,761,400 and for FY 2027 is $433,276,900 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 2026 is $544,962,000 and for FY 2027 is $572,204,900 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 2026 is $182,456,000 and for FY 2027 is $196,859,600 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 2026 is $236,098,700 and for FY 2027 is $246,387,900 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 is $224,276,300* for FY 2026 and $238,623,800* for FY 2027 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 is $253,134,100* for FY 2026 and $273,916,500* for FY 2027 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 $11,691,400 in FY 2026 and $8,039,100 in FY 2027 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 $185,000,000 in FY 2026 and $235,000,000 in FY 2027 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 Spend Ratio Assumption applied to FY 2026 and FY 2027 as shown in the proposed FY 2026 though FY 2030 Capital Improvement Plan; and

*Amounts are subject to change pending receipt of final DWSD budget information.

Authorizing Resolution Biennial Budget
Budget & Five-Year Plan
FY 2026 through FY 2030

WHEREAS The amounts necessary to fund the annual sewer system capital expenditures of $11,779,500 in FY 2026 and $14,016,000 in FY 2027 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 $175,000,000 in FY 2026 and $235,000,000 in FY 2027 for the capital improvement plan in accordance with "Schedule 5B – Sewer Capital Financing Plan: Sewer Construction Fund" budget with those capital amounts reflecting a 90% Capital Spending Ratio applied to FY 2026 and a Capital Spend Rate Assumption of 80% applied to FY 2027 as shown in the proposed FY 2026 though FY 2030 Capital Improvement Plan; and

WHEREAS The GLWA Audit Committee began review of the budget and five-year financial plan document developed for FY 2026 through FY 2030 at its meeting on January 6, 2025; with updates at its meeting on February 17, 2025; 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 26, 2025 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 26, 2025 to receive public comment regarding the proposed budget for the Fiscal Years 2026 and 2027; and be it further

RESOLVED That the GLWA Board approves the budget for Fiscal Years 2026 and 2027; 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					
	FY 2025		FY 2026			FY 2027		
Water System Revenue Requirement	Adopted Budget	Projected	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget	Dollar Variance	Percent Variance
Revenues								
Revenues from Charges								
Suburban Wholesale Customers	$ 347,758,000	$ 347,758,000	$ 365,646,100	$ 17,888,100	5.1%	$ 387,024,400	$ 21,378,300	5.8%
Local System Charges	27,094,800	27,094,800	30,028,800	2,934,000	10.8%	33,032,500	3,003,700	10.0%
Bad Debt Recovery Credit	-	-	-	-	0.0%	-	-	0.0%
Total Revenue from Charges	374,852,800	374,852,800	395,674,900	20,822,100	5.6%	420,056,900	24,382,000	6.2%
Investment Earnings								
Unrestricted	6,692,200	10,181,800	9,523,600	2,831,400	42.3%	9,541,800	18,200	0.2%
Restricted for Debt Service	3,182,100	3,289,100	3,260,100	78,000	2.5%	3,378,200	118,100	3.6%
Total Investment Earnings	9,874,300	13,470,900	12,783,700	2,909,400	29.5%	12,920,000	136,300	1.1%
Other Operating Revenue	400,000	400,000	302,800	(97,200)	-24.3%	300,000	(2,800)	-0.9%
Total Revenues	**$ 385,127,100**	**$ 388,723,700**	**$ 408,761,400**	**$ 23,634,300**	**6.14%**	**$ 433,276,900**	**$ 24,515,500**	**6.0%**
Revenue Requirements								
Operations & Maintenance Expense	$ 169,625,000	$ 174,625,000	$ 182,456,000	$ 12,831,000	7.6%	$ 196,859,600	$ 14,403,600	7.9%
Debt Service	175,300,800	163,163,400	179,082,200	3,781,400	2.2%	193,207,100	14,124,900	7.9%
General Retirement System Pension	2,283,300	1,653,300	2,730,800	447,500	19.6%	2,559,000	(171,800)	-6.3%
Water Residential Assistance Program Contribution	1,947,800	1,876,500	1,970,000	22,200	1.1%	2,091,300	121,300	6.2%
Extraordinary Repair & Replacement Deposit	-	906,400	320,000	320,000	100.0%	1,892,200	1,572,200	491.3%
Regional System Lease	22,500,000	22,500,000	22,500,000	-	0.0%	22,500,000	-	0.0%
Receiving Fund Working Capital Requirement	6,200,000	12,700,000	600,000	(5,600,000)	-90.3%	1,800,000	1,200,000	200.0%
Improvement & Extension Fund Transfer Pending	7,270,200	11,299,100	19,102,400	11,832,200	162.7%	12,367,700	(6,734,700)	-35.3%
Annual Water System Revenue Requirements	**$ 385,127,100**	**$ 388,723,700**	**$ 408,761,400**	**$ 23,634,300**	**6.14%**	**$ 433,276,900**	**$ 24,515,500**	**6.0%**

Charge Adjustment Calculation

Baseline Revenue - What FY 2026 Revenue from Charges would be using FY 2026 projected volume and FY 2025 Fixed and Commodity Charges	*$ 373,638,900*		
Charge Adjustment			
Attributable to Change in Annual Revenue Requirement		*$ 23,634,300*	*6.33%*
Attributable to Non-Charge Revenue (FY 2026 increase in Investment Earnings & Other Operating Revenue)		*(2,812,200)*	*-0.75%*
Attributable to decreased in projected Sales Volume in FY 2026		*1,213,900*	*0.32%*
Charge Adjustment (Average System Charge Increase)		*$ 22,036,000*	***5.90%***

Go to TOC

Note: Amounts highlighted in yellow in the following tables are presented in the Biennial Budget Authorizing Resolution.

Schedule 1B – Sewer System Revenue Requirements Biennial Budget

	Current Year		Biennial Budget					
	FY 2025		FY 2026			FY 2027		
Sewer System Revenue Requirement	Adopted Budget	Projected	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget	Dollar Variance	Percent Variance
Revenues								
Revenues from Charges								
Suburban Wholesale Customers	$ 287,517,600	$ 287,517,600	$ 300,316,800	$ 12,799,200	4.5%	$ 314,897,300	$ 14,580,500	4.9%
Local System Charges	205,924,800	205,924,800	215,324,400	9,399,600	4.6%	226,454,600	11,130,200	5.2%
Industrial Waste Control Charges	8,719,300	8,719,300	9,150,300	431,000	4.9%	9,606,500	456,200	5.0%
Pollutant Surcharges	5,434,400	5,434,400	5,112,700	(321,700)	-5.9%	5,367,600	254,900	5.0%
Bad Debt Recovery Credit	-	-	-	-	0.0%	-	-	0.0%
Total Revenue from Charges	507,596,100	507,596,100	529,904,200	22,308,100	4.4%	556,326,000	26,421,800	5.0%
Investment Earnings								
Unrestricted	10,494,500	10,807,600	10,538,800	44,300	0.4%	11,128,400	589,600	5.6%
Restricted for Debt Service	1,861,500	4,249,500	4,076,400	2,214,900	119.0%	4,300,500	224,100	5.5%
Total Investment Earnings	12,356,000	15,057,100	14,615,200	2,259,200	18.3%	15,428,900	813,700	5.6%
Other Operating Revenue	700,000	700,000	442,600	(257,400)	-36.8%	450,000	7,400	1.7%
Total Revenues	**$ 520,652,100**	**$ 523,353,200**	**$ 544,962,000**	**$ 24,309,900**	**4.67%**	**$ 572,204,900**	**$ 27,242,900**	**5.0%**
Revenue Requirements								
Operations & Maintenance Expense	$228,934,000	$231,434,000	$236,098,700	$7,164,700	3.1%	$246,387,900	$10,289,200	4.4%
Debt Service	226,279,400	218,750,700	220,884,500	(5,394,900)	-2.4%	241,502,900	20,618,400	9.3%
General Retirement System Pension	4,846,300	3,718,800	5,632,800	786,500	16.2%	5,246,300	(386,500)	-6.9%
Water Residential Assistance Program Contribution	2,651,700	2,541,500	2,638,500	(13,200)	-0.5%	2,770,000	131,500	5.0%
Extraordinary Repair & Replacement Deposit	-	-	-	-	100.0%	-	-	NA
Regional System Lease	27,500,000	27,500,000	27,500,000	-	0.0%	27,500,000	-	0.0%
Receiving Fund Working Capital Requirement	2,300,000	-	-	(2,300,000)	-100.0%	2,700,000	2,700,000	100.0%
Improvement & Extension Fund Transfer Pending	28,140,700	39,408,200	52,207,500	24,066,800	85.5%	46,097,800	(6,109,700)	-11.7%
Annual Sewer System Revenue Requirements	**$ 520,652,100**	**$ 523,353,200**	**$ 544,962,000**	**$ 24,309,900**	**4.67%**	**$ 572,204,900**	**$ 27,242,900**	**5.0%**

Charge Adjustment Calculation

Baseline Revenue - What FY 2026 Revenue from Charges would be using FY 2025 Fixed Monthly Charges and volume and loading projections for Industrial Waste Control and Pollutant Surcharges	*$ 507,090,300*		
Charge Adjustment			
Attributable to Change in Annual Revenue Requirement		*$ 24,309,900*	*4.79%*
Attributable to Non-Charge Revenue (FY 2026 increase in Investment Earnings & Other Operating Revenue)		*(2,001,800)*	*-0.39%*
Attributable to decreased in projected Sales Volume in FY 2026 (No change in Member Partners allocation-amount reflects change due to projected Industrial Waste Control volume and Pollutant Surcharges volume and loadings		*505,800*	*0.10%*
Charge Adjustment (Average System Charge Increase)		*$ 22,813,900*	***4.50%***

Go to TOC

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					
	FY 2025		FY 2026			FY 2027		
Combined Water & Sewer System Revenue Requirement	Adopted Budget	Projected	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget	Dollar Variance	Percent Variance
Revenues								
Revenues from Charges								
Suburban Wholesale Customers	$ 635,275,600	$ 635,275,600	$ 665,962,900	$ 30,687,300	4.8%	$ 701,921,700	$ 35,958,800	5.4%
Local System Charges	233,019,600	233,019,600	245,353,200	12,333,600	5.3%	259,487,100	14,133,900	5.8%
Industrial Waste Control Charges	8,719,300	8,719,300	9,150,300	431,000	4.9%	9,606,500	456,200	5.0%
Pollutant Surcharges	5,434,400	5,434,400	5,112,700	(321,700)	-5.9%	5,367,600	254,900	5.0%
Bad Debt Recovery Credit	-	-	-	-	NA	-	-	NA
Total Revenue from Charges	882,448,900	882,448,900	925,579,100	43,130,200	4.9%	976,382,900	50,803,800	5.5%
Investment Earnings								
Unrestricted	17,186,700	20,989,400	20,062,400	2,875,700	16.7%	20,670,200	607,800	3.0%
Restricted for Debt Service	5,043,600	7,538,600	7,336,500	2,292,900	45.5%	7,678,700	342,200	4.7%
Total Investment Earnings	22,230,300	28,528,000	27,398,900	5,168,600	23.3%	28,348,900	950,000	3.5%
Other Operating Revenue	1,100,000	1,100,000	745,400	(354,600)	-32.2%	750,000	4,600	0.6%
Total Revenues	**$ 905,779,200**	**$ 912,076,900**	**$ 953,723,400**	**$ 47,944,200**	**5.3%**	**$ 1,005,481,800**	**$ 51,758,400**	**5.4%**
Revenue Requirements								
Operations & Maintenance Expense	$398,559,000	$406,059,000	$418,554,700	$19,995,700	5.0%	$443,247,500	$24,692,800	5.9%
Debt Service	401,580,200	381,914,100	399,966,700	(1,613,500)	-0.4%	434,710,000	34,743,300	8.7%
General Retirement System Pension	7,129,600	5,372,100	8,363,600	1,234,000	17.3%	7,805,300	(558,300)	-6.7%
Water Residential Assistance Program Contribution	4,599,500	4,418,000	4,608,500	9,000	0.2%	4,861,300	252,800	5.5%
Extraordinary Repair & Replacement Deposit	-	906,400	320,000	320,000	100.0%	1,892,200	1,572,200	491.3%
Regional System Lease	50,000,000	50,000,000	50,000,000	-	0.0%	50,000,000	-	0.0%
Receiving Fund Working Capital Requirement	8,500,000	12,700,000	600,000	(7,900,000)	-92.9%	4,500,000	3,900,000	650.0%
Improvement & Extension Fund Transfer Pending	35,410,900	50,707,300	71,309,900	35,899,000	101.4%	58,465,500	(12,844,400)	-18.0%
Annual Water & Sewer System Revenue Requirements	**$ 905,779,200**	**$ 912,076,900**	**$ 953,723,400**	**$ 47,944,200**	**5.3%**	**$ 1,005,481,800**	**$ 51,758,400**	**5.4%**

There is no Schedule 3 for purposes of the Budget Resolution.

Go to TOC

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 2026 Water Fund Requested	FY 2026 Sewer Fund Requested	FY 2026 Combined (Informational Only)	FY 2027 Water Fund Requested	FY 2027 Sewer Fund Requested	FY 2027 Combined (Informational Only)
Revenues							
1	Regional System Wholesale Revenues	$ 395,674,900	$ 529,904,200	$ 925,579,100	$ 420,056,900	$ 556,326,000	$ 976,382,900
2	Local System Revenues	94,132,300	90,218,500	184,350,800	97,977,500	96,031,100	194,008,600
3	Miscellaneous Revenue (Local System)	5,124,000	8,320,000	13,444,000	5,329,000	8,652,800	13,981,800
4	Other Revenues & Investment Earnings (Regional System)	13,086,500	15,057,800	28,144,300	13,220,000	15,878,900	29,098,900
5	**Total Revenues**	**$ 508,017,700**	**$ 643,500,500**	**$1,151,518,200**	**$ 536,583,400**	**$ 676,888,800**	**$1,213,472,200**
Revenue Requirements							
Operations & Maintenance Expense							
6	Regional System Wholesale Expenses	$ 182,456,000	$ 236,098,700	$ 418,554,700	$ 196,859,600	$246,387,900	$ 443,247,500
7	Local System Expenses	48,484,000	60,104,400	108,588,400	50,448,000	62,561,500	113,009,500
8	**Total Operations & Maintenance Expense**	**230,940,000**	**296,203,100**	**527,143,100**	**247,307,600**	**308,949,400**	**556,257,000**
9	***Net Revenues after Operations & Maintenance Expense***	***$ 277,077,700***	***$ 347,297,400***	***$ 624,375,100***	***$ 289,275,800***	***$ 367,939,400***	***$ 657,215,200***
Debt Service by Lien							
10	Senior Lien Bonds	$ 153,735,500	$ 158,579,500	$ 312,315,000	$ 168,578,800	$ 171,920,000	$ 340,498,800
11	Second Lien Bonds	50,697,200	56,447,200	107,144,400	50,704,500	60,086,300	110,790,800
12	SRF Junior Lien Bonds	19,843,600	38,107,400	57,951,000	19,340,500	41,910,200	61,250,700
13	**Total Debt Service**	**$ 224,276,300**	**$ 253,134,100**	**$ 477,410,400**	**$ 238,623,800**	**$ 273,916,500**	**$ 512,540,300**
Debt Service Coverage							
14	Senior Lien Bonds *(9) / (10)*	1.80	2.19		1.72	2.14	
15	Second Lien Bonds *(9) / [(10)+(11)]*	1.36	1.62		1.32	1.59	
16	SRF Junior Lien Bonds *(10) / (13)*	1.24	1.37		1.21	1.34	

*****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 1, 2025***

Note: Amounts highlighted in yellow in the following tables are presented in the Biennial Budget Authorizing Resolution.

Schedule 5A – Water Capital Financing Plan

	Current Year	Biennial Budget	
	Adopted Budget	Proposed Budget	
Water Improvement & Extension Fund	**FY 2025**	**FY 2026**	**FY 2027**
Inflows			
Transfers in from Water Operations Fund			
Revenue Transfers	$ 7,270,200	$ 19,102,400	$ 12,367,700
Investment Earnings	938,700	4,868,800	4,618,500
Total Inflows	8,208,900	23,971,200	16,986,200
Outflows			
Capital outlay	10,527,800	11,691,400	8,039,100
Transfers out to Water Operations Fund			
Investment Earnings	938,700	4,868,800	4,618,500
Transfer out to Water Construction Fund			
Revenue Financed Capital	15,000,000	9,250,000	11,750,000
Total Outflows	26,466,500	25,810,200	24,407,600
Net Inflow (Outflow) - Use of I&E Funds	$ (18,257,600)	$ (1,839,000)	$ (7,421,400)

	Current Year	Biennial Budget	
	Adopted Budget	Proposed Budget	
Water Construction Fund	**FY 2025**	**FY 2026**	**FY 2027**
Inflows			
Transfers in from Water Improvement & Extension Fund			
Revenue Financed Capital	$ 15,000,000	$ 9,250,000	$ 11,750,000
Transfers in from Water Operations Fund			
Bond Proceeds	271,562,500	222,000,000	290,000,000
State Revolving Loans	30,800,000	1,369,200	-
Grants and Capital Contributions	-	2,300,000	2,000,000
Investment Earnings	7,953,300	5,565,100	6,448,800
Total Inflows	325,315,800	240,484,300	310,198,800
Outflows			
Capital Program	210,000,000	185,000,000	235,000,000
Transfers out to Water Operations Fund			
Bond Cost of Issuance	-	1,665,000	2,175,000
Total Outflows	210,000,000	186,665,000	237,175,000
Net Inflow (Outflow) - Use of Construction Funds	$ 115,315,800	$ 53,819,300	$ 73,023,800

Go to TOC

Note: Amounts highlighted in yellow in the following tables are presented in the Biennial Budget Authorizing Resolution.

Schedule 5B – Sewer Capital Financing Plan

	Current Year	Biennial Budget	
	Adopted Budget	Proposed Budget	
Sewer Improvement & Extension Fund	FY 2025	FY 2026	FY 2027
Inflows			
Transfers in from Sewer Operations Fund			
Revenue Transfers	$ 28,140,700	$ 52,207,500	$ 46,097,800
Investment Earnings	1,076,000	5,451,500	5,685,200
Total Inflows	29,216,700	57,659,000	51,783,000
Outflows			
Capital outlay	12,071,300	11,779,500	14,016,000
Transfers out to Sewer Operations Fund			
Investment Earnings	1,076,000	5,451,500	5,685,200
Transfer out to Sewer Construction Fund			
Revenue Financed Capital	5,500,000	26,250,000	35,250,000
Total Outflows	18,647,300	43,481,000	54,951,200
Net Inflow (Outflow) - Use of I&E Funds	$ 10,569,400	$ 14,178,000	$ (3,168,200)

	Current Year	Biennial Budget	
	Adopted Budget	Proposed Budget	
Sewer Construction Fund	FY 2025	FY 2026	FY 2027
Inflows			
Transfers in from Sewer Improvement & Extension Fund			
Revenue Financed Capital	$ 5,500,000	$ 26,250,000	$ 35,250,000
Transfers in from Sewer Operations Fund			
Bond Proceeds	-	101,000,000	125,000,000
State Revolving Loans	96,852,000	52,936,600	99,745,500
Grants and Capital Contributions	-	23,191,650	-
Investment Earnings	2,359,000	3,936,400	4,409,400
Total Inflows	104,711,000	207,314,650	264,404,900
Outflows			
Capital Program	170,000,000	175,000,000	235,000,000
Transfers out to Sewer Operations Fund			
Bond Cost of Issuance	-	757,500	937,500
Total Outflows	170,000,000	175,757,500	235,937,500
Net Inflow (Outflow) - Use of Construction Funds	$ (65,289,000)	$ 31,557,150	$ 28,467,400

Go to TOC

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 **2025-020** regarding **"Resolution Regarding Approval of FY 2026 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 26, 2025 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:	Mark Miller, John J. Zech, Jaye Quadrozzi, Brian Baker, and Gary Brown
NO:	None
ABSTAIN:	None
EXCUSED:	Freman Hendrix

Dated: February 26, 2025

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 2026 Schedule of Service Charges

Agenda of: February 26, 2025
Item No.: **2025-020**
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 26, 2025

RE: **Resolution Regarding Approval of FY 2026 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 2025-020** with an effective date of July 1, 2025:

1) FY 2026 fixed monthly charges and commodity charges included in the water supply system schedule of service charges as well as the lead and copper rule sample testing fee;

2) FY 2026 fixed monthly charges included in the sewage disposal system schedule of charges as well as the FY 2026 schedule of industrial waste control charges, pollutant surcharges and septage disposal fee included in the sewage disposal system industrial specific charges;

3) FY 2026 City of Detroit allocated wholesale water revenue requirement of $30,028,800 which is the net of $50,728,800 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 2026 City of Detroit allocated wholesale sewer revenue requirement of $215,324,400 which is the net of $220,840,400 gross revenue requirement less the Ownership Equity Credit of $5,516,000 in accordance with the WSSA;

5) FY 2026 City of Detroit allocated indirect water revenue requirement of $50,772,300 (preliminary), in accordance with the Regional Water Supply System Lease;

6) FY 2026 City of Detroit allocated indirect sewer revenue requirement of $38,434,100 (preliminary), in accordance with the Regional Sewage Disposal System Lease; and

7) 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 2026 and 2027 Biennial Budget and five-year financial plan for FY 2026 through 2030 and an analysis of proposed water and sewer system charges at its January 22, 2025 Board meeting. A Public Hearing was opened for the FY 2026 Water Service Charges and Sewer Service Charges on February 26, 2025.

JUSTIFICATION

The water and sewer system charges support the proposed FY 2026 water system revenue requirements budget and the proposed FY 2026 sewer system revenue requirements, respectively. The FY 2026 water and sewer revenue requirements reflect GLWA's commitment providing our Member Partners with wholesale water and wastewater services of unquestionable quality at a fair and equitable cost.

Establishing the budget and charges each year is an impactful decision which merits public discussion that spans several months and encompasses stakeholder groups. A summary of discussions related to the FY 2026 & FY 2027 Biennial Budget and FY 2026 Charges is provided below.

Board of Directors Public Engagement

- ✓ October 9, 2024 – Board Workshop – In-Depth Budget & Charges Briefing
- ✓ January 6, 2025 - Audit Committee receives proposed budget and charges presentation
- ✓ January 22, 2025 - Board Meeting – Board receives a proposed budget and charges presentation and refers the matters back to Audit Committee for further review
- ✓ February 17, 2025 - Audit Committee continued review of budget and proposed charges
- ✓ February 26, 2025 - Board Meeting – Board conducts public hearing related to the proposed budget and charges

Member Partner Engagement

- ✓ October 17, 2024 - Charges Rollout #1 - Capital Improvement Plan (CIP) Review
- ✓ November 12, 2024 - Charges Rollout #2 - Units of Service (UOS)
- ✓ January 9, 2025 - Charges Rollout #3 – Proposed Charges Overview and Introduction of Budget
- ✓ January 13, 2025 – Member Partner specific email with preliminary calculation worksheet and letter from Chief Executive Officer
- ✓ January 16, 2025 - Charges Rollout #4 - Feedback on Proposed Charges and further discussion of the Budget with the Long-term Financial Plan
- ✓ January 27, 2025 – Member Partner specific email with proposed calculation worksheet, letter from Chief Executive Officer, and one pager related to FY 2026 Proposed Charge Increase

A Notice of Public Hearing was published in the Detroit Legal News on February 12, 2025. That notice, along with related supporting materials throughout the budget and charges development process, is available online at www.glwater.org/financials.

Proposed FY 2026 Water Charges

The proposed FY 2026 water service charges reflect a proposed FY 2026 Water budget increase of 6.14 percent along with increased investment earnings and reduction in estimated sales volumes. **Therefore, the average water system charges increase is proposed to be 5.90 percent.**

Proposed FY 2026 Sewer Charges

The proposed FY 2026 sewer service charges reflect a proposed FY 2026 Sewer budget increase of 4.67 percent along with the increased investment earnings and reduction in estimated industrial charges. **Therefore, the average sewer system charges increase will be 4.5 percent.**

BUDGET IMPACT

The recommended FY 2026 Schedule of Water Service Charges and Sewer Service Charges as presented produces the necessary revenues to fund the FY 2026 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 2026 financial plan, including charge setting matters, at its meetings on January 6, 2025 and February 17, 2025.

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 2025-020

RE: Approval of FY 2026 Schedule of Water and Sewer Service Charges

By Board Member: Jaye Quadrozzi

Whereas The Great Lakes Water Authority ("GLWA") management and its consultant, Willdan Financial Services, have developed the attached Schedule of Water Service Charges and Sewer Service Charges for FY 2026, including the direct and indirect City of Detroit Revenue Requirements for the water and sewer systems, to support the FY 2026 water system and sewer system revenue requirements budget with an effective date of July 1, 2025; and

Whereas The FY 2026 water and sewer revenue requirements reflect GLWA's commitment to providing our Member Partners with wholesale water and wastewater services of unquestionable quality at a fair and equitable cost; and

Whereas A Public Hearing was held for the Water Service Charges and Sewer Service Charges proposed by the GLWA for FY 2026 on February 26, 2025 at 2:00 p.m.; and

NOW THEREFORE BE IT:

RESOLVED The Great Lakes Water Authority Board approves the proposed:

1) FY 2026 fixed monthly charges and commodity charges included in the water supply system schedule of service charges as well as the lead and copper rule sample testing fee;
2) FY 2026 fixed monthly charges included in the sewage disposal system schedule of charges as well as the FY 2026 schedule of industrial waste control charges, pollutant surcharges and septage disposal fee included in the sewage disposal system industrial specific charges;
3) FY 2026 City of Detroit allocated wholesale water revenue requirement of $30,028,800 which is the net of $50,728,800 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 2026 City of Detroit allocated wholesale sewer revenue requirement of $215,324,400 which is the net of $220,840,400 gross revenue requirement less the Ownership Equity Credit of $5,516,000 in accordance with the WSSA;
5) FY 2026 City of Detroit allocated indirect water revenue requirement of $50,772,300 (preliminary), in accordance with the Regional Water Supply System Lease;

6) FY 2026 City of Detroit allocated indirect sewer revenue requirement of $38,434,100 (preliminary), 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
WATER SUPPLY SYSTEM

Schedule updated by GLWA Staff Pending Review by Willdan Financial Services

Service Charges and Allocated Revenue Requirements

ADOPTED - EFFECTIVE JULY 1, 2025 FOR ALL BILLS ISSUED ON OR AFTER AUGUST 1, 2025

Line No.	Member Partner	Contract	Fixed Monthly Charge (a)	Commodity Charge (a)	Projected Revenue From Charges (g)
			$/mo	$/mcf	$
1	Allen Park	Model	$ 141,600	$ 9.81	$ 2,832,300
2	Almont Village	Model	$ 14,200	$ 12.97	$ 284,500
3	Ash Township	Model	$ 50,200	$ 10.72	$ 1,003,300
4	Belleville	Model	$ 19,400	$ 11.01	$ 386,900
5	Berlin Township	Model	$ 42,500	$ 12.66	$ 849,300
6	Brownstown Township	Model	$ 228,000	$ 13.11	$ 4,559,600
7	Bruce Township	Model	$ 18,600	$ 51.89	$ 371,600
8	Burtchville Township	Model	$ 24,500	$ 20.11	$ 489,100
9	Canton Township	Model	$ 634,200	$ 13.29	$ 12,685,900
10	Center Line	Model	$ 29,300	$ 7.41	$ 585,800
11	Chesterfield Township	Model	$ 265,300	$ 11.93	$ 5,304,800
12	Clinton Township	Model	$ 458,700	$ 9.72	$ 9,174,700
13	Commerce Township	Model	$ 210,600	$ 16.00	$ 4,212,000
14	Dearborn	No Contract	$ 584,200	$ 8.91	$ 11,681,000
15	Dearborn Heights	Model	$ 229,000	$ 9.41	$ 4,581,100
16	Eastpointe	Model	$ 97,900	$ 7.74	$ 1,956,500
17	Ecorse	Model	$ 67,500	$ 7.01	$ 1,349,800
18	Farmington	Model	$ 59,900	$ 11.05	$ 1,198,400
19	Farmington Hills	Model	$ 542,400	$ 12.49	$ 10,847,800
20	Ferndale	Model	$ 64,900	$ 8.05	$ 1,298,000
21	Flat Rock	Model	$ 87,400	$ 13.26	$ 1,747,600
22	Flint	Model	$ 593,100	$ 12.04	$ 11,861,000
	less: Adjustment for KWA Debt Service (b)				*$ (6,447,300)*
	Net projected revenue - Flint				*$ 5,413,700*
23	Fraser	Model	$ 76,600	$ 10.94	$ 1,531,800
24	Garden City	Model	$ 103,700	$ 11.45	$ 2,074,500
25	Gibraltar	Model	$ 21,300	$ 9.91	$ 425,100
26	Greenwood Township (DTE)	Model	$ 81,600	$ 20.05	$ 1,632,800
27	Grosse Ile Township	Model	$ 72,300	$ 13.50	$ 1,445,400
28	Grosse Pt. Park	Model	$ 80,400	$ 12.75	$ 1,608,700
29	Grosse Pt. Shores	Model	$ 36,400	$ 16.35	$ 727,800
30	Grosse Pt. Woods	Model	$ 78,700	$ 9.45	$ 1,572,800
31	Hamtramck	Model	$ 50,700	$ 6.54	$ 1,013,900
32	Harper Woods	Model	$ 54,800	$ 8.01	$ 1,096,500
33	Harrison Township	Model	$ 101,800	$ 8.58	$ 2,035,800
34	Hazel Park	Model	$ 46,000	$ 7.88	$ 920,800

GREAT LAKES WATER AUTHORITY
WATER SUPPLY SYSTEM

Schedule updated by GLWA Staff Pending Review by Willdan Financial Services

Service Charges and Allocated Revenue Requirements

ADOPTED - EFFECTIVE JULY 1, 2025 FOR ALL BILLS ISSUED ON OR AFTER AUGUST 1, 2025

Line No.	Member Partner	Contract	Fixed Monthly Charge (a)	Commodity Charge (a)	Projected Revenue From Charges (g)
			$/mo	$/mcf	$
35	Highland Park	Model	$ 51,900	$ 5.38	$ 1,038,100
36	Huron Township	Model	$ 93,400	$ 11.40	$ 1,868,600
37	Imlay City	Model	$ 92,000	$ 15.73	$ 1,840,200
38	Imlay Township (Single User)	No Contract	$ 600	$ 520.00	$ 12,400
39	Inkster	Model	$ 80,200	$ 6.52	$ 1,604,600
40	Keego Harbor	Model	$ 18,400	$ 15.10	$ 368,800
41	Lapeer	Model	$ 95,700	$ 14.12	$ 1,913,700
42	Lenox Township	Model	$ 19,800	$ 9.84	$ 396,000
43	Lincoln Park	Model	$ 141,200	$ 6.55	$ 2,823,600
44	Livonia	Model	$ 710,100	$ 12.64	$ 14,202,900
45	Macomb Township	Model	$ 763,200	$ 18.08	$ 15,265,800
46	Madison Heights	Model	$ 127,900	$ 8.35	$ 2,559,300
47	Mayfield Township (KAMAX)	Model	$ 3,100	$ 47.55	$ 62,400
48	Melvindale	Model	$ 40,700	$ 7.02	$ 813,400
49	New Haven, Village of	Model	$ 27,000	$ 10.90	$ 540,900
50	NOCWA	Model	$ 1,358,700	$ 12.48	$ 27,174,500
51	Northville	Model	$ 47,500	$ 12.91	$ 949,600
52	Northville Township	Model	$ 284,000	$ 16.86	$ 5,679,000
53	Novi	Model	$ 565,700	$ 14.94	$ 11,313,700
54	Oak Park	Model	$ 86,600	$ 7.65	$ 1,732,300
55	Oakland GWK Drain District	Model	$ 5,500	$ 4.97	$ 110,200
56	Plymouth	Model	$ 67,400	$ 12.36	$ 1,347,700
57	Plymouth Township	Model	$ 273,800	$ 14.23	$ 5,475,600
58	Redford Township	Model	$ 182,000	$ 9.51	$ 3,639,000
59	River Rouge	Model	$ 32,400	$ 6.47	$ 648,200
60	Riverview	Model	$ 53,300	$ 9.55	$ 1,066,500
61	Rockwood	Model	$ 15,300	$ 12.89	$ 306,100
62	Romeo	Model	$ 10,900	$ 28.03	$ 217,700
63	Romulus	Model	$ 226,200	$ 9.06	$ 4,523,700
64	Roseville	Model	$ 158,500	$ 7.43	$ 3,169,600
65	Royal Oak Township	Model	$ 12,800	$ 10.23	$ 256,900
66	Shelby Township	Model	$ 682,500	$ 13.47	$ 13,650,700
67	SOCWA	Model	$ 1,448,300	$ 9.49	$ 28,964,000
68	South Rockwood	Model	$ 7,300	$ 12.15	$ 145,900
69	Southgate	Model	$ 128,900	$ 8.80	$ 2,578,200
70	St. Clair Shores	Model	$ 192,900	$ 7.78	$ 3,856,800

GREAT LAKES WATER AUTHORITY
WATER SUPPLY SYSTEM

Schedule updated by GLWA Staff Pending Review by Willdan Financial Services

Service Charges and Allocated Revenue Requirements
ADOPTED - EFFECTIVE JULY 1, 2025 FOR ALL BILLS ISSUED ON OR AFTER AUGUST 1, 2025

Line No.	Member Partner	Contract	Fixed Monthly Charge (a)	Commodity Charge (a)	Projected Revenue From Charges (g)
			$/mo	$/mcf	$
71	Sterling Heights	Model	$ 900,300	$ 12.69	$ 18,005,200
72	Sumpter Township	Model	$ 44,900	$ 10.26	$ 897,900
73	Sylvan Lake	Model	$ 14,300	$ 17.47	$ 286,900
74	Taylor	Model	$ 284,300	$ 8.49	$ 5,685,200
75	Trenton	Model	$ 108,500	$ 10.64	$ 2,170,200
76	Troy	Model	$ 833,000	$ 15.71	$ 16,658,600
77	Utica	Model	$ 36,500	$ 12.13	$ 729,100
78	Van Buren Township	Model	$ 207,700	$ 13.27	$ 4,152,500
79	Walled Lake	Model	$ 48,800	$ 13.54	$ 976,900
80	Warren	Model	$ 588,700	$ 7.65	$ 11,773,700
81	Washington Township	Model	$ 144,200	$ 13.45	$ 2,883,100
82	Wayne	Model	$ 110,400	$ 8.74	$ 2,207,500
83	West Bloomfield Township	Model	$ 654,300	$ 18.89	$ 13,086,000
84	Westland	Model	$ 373,600	$ 9.51	$ 7,473,100
85	Wixom	Model	$ 152,300	$ 15.93	$ 3,046,200
86	Woodhaven	Model	$ 89,800	$ 13.11	$ 1,796,000
87	Ypsilanti Comm Util Auth	Model	$ 640,000	$ 10.53	$ 12,801,800
88	**Total Wholesale Contract Member Partners (c)**				**$ 365,646,100**
	Detroit Customer Class - $				
89	Wholesale Revenue Requirement (d)				$ 50,728,800
90	less: Ownership Benefit per Lease				$ (20,700,000)
91	**Net Local System Wholesale Revenue Requirement** (c)				**$ 30,028,800**
92	**Revenue from Wholesale Water Charges** (88) + (91) (c)				**$ 395,674,900**
	Detroit Customer Class -Other				
93	Indirect Retail Revenue Requirements (e)				$ 50,772,300
94	less: Use of Lease Payment for Debt Service				$ -
95	Net Indirect Retail Revenue Requirements (e)				$ 50,772,300
96	Subtotal Subject to GLWA Board Approval (91) + (95)				$ 80,801,100
97	Direct Retail Revenue Requirements (f)				$ 48,484,000
98	Total Local Retail Revenue Requirement (95) + (97)				$ 99,256,300
99	**Total Requirement Detroit Customer Class** (91) + (98) (agrees with GLWA Budget Schedule 3)				$ 129,285,100

GREAT LAKES WATER AUTHORITY
WATER SUPPLY SYSTEM

Schedule updated by GLWA Staff Pending Review by Willdan Financial Services

Service Charges and Allocated Revenue Requirements
ADOPTED - EFFECTIVE JULY 1, 2025 FOR ALL BILLS ISSUED ON OR AFTER AUGUST 1, 2025

Line No.	Member Partner	Contract	Fixed Monthly Charge (a)	Commodity Charge (a)	Projected Revenue From Charges (g)
			$/mo	$/mcf	$
	Other Water System Charges				
100	**Lead and Copper Rule Sample Testing Fee - $/Sample**				$ 64.00

(a) Proposed effective date of July 1, 2025. Effective on all bills issued on or after August 1, 2025.

(b) Flint receives a monthly credit related to KWA debt service in accordance with service agreements.

(c) Agrees with GLWA Budget Schedule 1

(d) Wholesale revenue requirements for the Detroit Customer Class.

(e) Local System revenue requirements related to Master Bond Ordinance and related agreements

(f) Local System operating expenses (net of shared services reimbursement) and I&E deposit. Not Subject to GLWA Board approval.

(g) Amounts may vary from individual Member Partner charge calculation sheets due to rounding.

(e) & (f) Local System information provided from Detroit Water & Sewerage Department as of February 1, 2025

GREAT LAKES WATER AUTHORITY
SEWAGE DISPOSAL SYSTEM

Schedule updated by GLWA Staff Pending Review by Willdan Financial Services

Service Charges and Allocated Revenues Requirements

ADOPTED - EFFECTIVE JULY 1, 2025 FOR ALL BILLS ISSUED ON OR AFTER AUGUST 1, 2025

Line No.	Member Partner	Contract	Fixed Monthly Charge (a)	Projected Revenue From Charges
			$/mo	$
1	OMID Common	Model	$ 6,539,900	$ 78,478,800
2	Rouge Valley	Older	$ 5,030,200	$ 60,362,400
3	Oakland GWK	Older	$ 4,200,700	$ 50,408,400
4	Evergreen Farmington	Model	$ 3,296,700	$ 39,560,400
5	SE Macomb San Dist	Model	$ 2,269,500	$ 27,234,000
6	Dearborn	Model	$ 1,869,200	$ 22,430,400
7	Grosse Pointe Farms	Older	$ 242,600	$ 2,911,200
8	Grosse Pointe Park	Model	$ 173,100	$ 2,077,200
9	Melvindale	Model	$ 143,000	$ 1,716,000
10	Farmington	Model	$ 109,000	$ 1,308,000
11	Center Line	Model	$ 95,400	$ 1,144,800
12	Allen Park	Model	$ 76,900	$ 922,800
13	Grosse Pointe	Model	$ 106,600	$ 1,279,200
14	Highland Park	Model	$ 433,000	$ 5,196,000
15	Hamtramck	Model	$ 390,900	$ 4,690,800
16	Harper Woods	Model	$ 14,800	$ 177,600
17	Redford Township	Model	$ 30,600	$ 367,200
18	Wayne County #3	Older	$ 4,300	$ 51,600
19	**Total Wholesale Contract Member Partners** (c)			**$ 300,316,800**
	Other Sewer System Charges			
20	**Industrial Waste Control** (c)			**$ 9,150,300**
21	**Pollutant Surcharges** (c)			**$ 5,112,700**
22	Subtotal Regional Wholesale Revenues			$ 314,579,800
	Detroit Customer Class - $			
23	Wholesale Revenue Requirement (d)			$ 220,840,400
24	less: Ownership Benefit per Lease			$ (5,516,000)
25	**Net Local System Wholesale Revenue Requirement** (c)			**$ 215,324,400**
26	**Total Revenue from Wholesale Charges** (22) + (25) (c)			**$ 529,904,200**

As Adopted 02/26/2025

Charge Summary - Sewer

GREAT LAKES WATER AUTHORITY
SEWAGE DISPOSAL SYSTEM

Schedule updated by GLWA Staff Pending Review by Willdan Financial Services

Service Charges and Allocated Revenues Requirements
ADOPTED - EFFECTIVE JULY 1, 2025 FOR ALL BILLS ISSUED ON OR AFTER AUGUST 1, 2025

	Detroit Customer Class -Other		
27	Indirect Retail Revenue Requirements (e)	$	38,434,100
28	less: Use of Lease Payment for Debt Service	$	-
29	Net Indirect Retail Revenue Requirements (e)	$	38,434,100
30	Subtotal Subject to GLWA Board Approval (25) + (29)	$	253,758,500
31	Direct Retail Revenue Requirements (f)	$	60,104,400
32	Total Local System Revenue Requirement (29) + (31)	$	98,538,500
33	**Total Requirement from Detroit Customer Class** (25) + (32) (agrees with GLWA Budget Schedule 3)	$	313,862,900

(a) Proposed effective date of July 1, 2025. Effective on all bills issued on or after August 1, 2025.

(b) Reserved

(c) Agrees with GLWA Budget Schedule

(d) Wholesale revenue requirements for the Detroit Customer Class.

(e) Local System revenue requirements related to Master Bond Ordinance and related agreements

(f) Local System operating expenses (net of shared services reimbursement) and I&E deposit. Not Subject to GLWA Board approval.

(e) & (f) Local System information provided from Detroit Water & Sewerage Department as of February 1, 2025

GREAT LAKES WATER AUTHORITY
SEWAGE DISPOSAL SYSTEM
Industrial Specific Retail Charges

Schedule updated by GLWA Staff Pending Review by Willdan Financial Services

ADOPTED - EFFECTIVE JULY 1, 2025 FOR ALL BILLS ISSUED ON OR AFTER AUGUST 1, 2025

Industrial Waste Control Charges		
Meter Size	Full Charge	Admin Only Charge
inches	$/mo	$/mo
5/8	$ 3.89	$ 0.97
3/4	$ 5.84	$ 1.46
1	$ 9.73	$ 2.43
1-1/2	$ 21.40	$ 5.34
2	$ 31.12	$ 7.76
3	$ 56.41	$ 14.07
4	$ 77.80	$ 19.40
6	$ 116.70	$ 29.10
8	$ 194.50	$ 48.50
10	$ 272.30	$ 67.90
12	$ 311.20	$ 77.60
14	$ 389.00	$ 97.00
16	$ 466.80	$ 116.40
18	$ 544.60	$ 135.80
20	$ 622.40	$ 155.20
24	$ 700.20	$ 174.60
30	$ 778.00	$ 194.00
36	$ 855.80	$ 213.40
48	$ 933.60	$ 232.80

Pollutant Surcharges		
Pollutant		Charge
		$/lb
BIOCHEMICAL OXYGEN DEMAND (BOD)		
for concentrations > 275 mg/l	$	0.409
TOTAL SUSPENDED SOLIDS (TSS)		
for concentrations > 350 mg/l	$	0.548
PHOSPHORUS (P)		
for concentrations > 12 mg/l	$	7.907
FATS, OIL AND GREASE (FOG)		
for concentrations > 100 mg/l	$	0.131
SEPTAGE DISPOSAL FEE		
Per 500 gallons of disposal	$	40.00

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 **2025-008** regarding **"Resolution Regarding Approval of the FY 2026 through FY 2030 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 26, 2025 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:	Mark Miller, John J. Zech, Jaye Quadrozzi, Brian Baker, and Gary Brown
NO:	None
ABSTAIN:	None
EXCUSED:	Freman Hendrix

Dated: February 26, 2025

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 the FY 2026 through FY 2030 Capital Improvement Plan

Agenda of: January 22, 2025, February 26, 2025
Item No.: **2025-008**

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 10, 2025

RE: **Resolution Regarding Approval of the FY 2026 through FY 2030 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 2026 through 2030**, **and authorizes the Chief Executive Officer to approve the five year Capital Improvement Plan (CIP) for Fiscal Years 2026 through 2030, 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 2026 through FY 2030 Capital Improvement Plan identifies $1.083 Billion of water system capital improvements and $1.272 Billion of sewer system improvements.

COMMITTEE REVIEW

The Capital Planning Committee reviewed Preliminary Drafts of the CIP on October 15, 2024, and December 10, 2024. The Capital Planning Committee, at its special meeting on February 20, 2025, unanimously recommended that the GLWA Board adopt the resolution and approve the FY 2026 through FY 2030 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 2025-008
Resolution Adopting the FY 2026 through FY 2030 Capital Improvement Plan

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 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 2026 through FY 2030 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 15, 2024, and December 10, 2024; and

WHEREAS The FY 2026 through FY 2030 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 2026 through FY 2030 Capital Improvement Plan identifies $1.083 Billion of water system capital improvements and $1.272 Billion of sewer system improvements; 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 reviewed the Capital Improvement Plan at its meeting on January 22, 2025; and be it further

RESOLVED That the GLWA Board approves the Capital Improvement Plan for FY 2026 through FY 2030; 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.

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Go to TOC



Section 8

Acronyms & Glossary

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Go to TOC

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
CEMS	Continuous Emission Monitoring System
CFO	Chief Financial Officer
CIP	Capital Improvement Plan
CMMS	Computerized Maintenance Management System
COF	Central Offloading Facility
COO	Chief Operating Officer
CSO	Combined Sewer Overflow
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
kWh	Kilowatt hours
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
MOD	Modified (as related to a Member Partner who modifies their water system contract demands outside the norm cycle for updating values)
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
SDPs	Service Delivery Partners
SRA	Spend Rate Assumption
SRF	State Revolving Fund
UAAL	Unfunded Accrued Actuarial Liability

Acronyms *(continued)*

USACE	United States Army Corps of Engineers
VCDR	VMware Cloud Disaster Recovery SaaS
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.

Administrative Services - Functions that support all Great Lakes Water Authority.

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.

Authority Pension Pool – That portion of the DWSD Pension Pool that is allocated to the Authority based upon an agreement to share costs of the DWSD legacy closed pension system. The DWSD Pension Pool is the portion of the undivided interest in investments and the pension liabilities of the GRS Plan that is allocated to DWSD retirees, deferred retirees, and active vested and non-vested members.

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.

Glossary *(continued)*

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.

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 results of the 2022 reopener were used for 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".

Debt Service Requirement – The amount required to be set aside by the Master Bond Ordinance, on a monthly basis, in order that the cash is available to make the debt payments on the due dates.

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.

Glossary *(continued)*

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.

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.

Intergovernmental Agreements – Contractual relationships with other governments. GLWA has agreements to provide services to other governments which are reimbursed. When these services are provided they are accounted for in the I&E Fund as contractual services. The government which received the service is billed and it is accounted for in the I&E Fund as an intergovernmental reimbursements. GLWA also has agreements to receive services from other governments for operating activities, which are recorded in the O&M Fund, and capital project expenditures, which are recorded in the Construction Fund.

Kahua – A project management information system that will assist in CIP delivery, monitoring, and management during project planning, design and construction phases. It will be used to generate future Capital Improvement Plans. Phase 1 – CIP Planning is expected to go live in late FY 2026, followed by Phase 2 – Program and Project Delivery in FY 2027.

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.

Glossary *(continued)*

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 – Member partners is used primarily to define all communities who receive water and/or sewer service to GLWA. The document that outlines the collegial nature of regional collaboration known as the One Water Partnership agreement includes GLWA team members, board members, water and wastewater partners, associated stakeholders, elected officials, consultants, and regulatory agencies.

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.

Modified Member Partner (MOD) – Refers to a water system member partner whose contract demands are being changed outside the normal Contract Alignment Process.

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.

Glossary *(continued)*

Net Revenues (Pledged Revenue) – Defined in the Master Bond Ordinance as all revenues received except for those transferred to the Operations & Maintenance Fund.

NEXGEN – A cloud-based and mobile-enabled Enterprise Asset Management System (EAM) System for maintenance and management activities to track the lifecycle and costs of GLWA's assets. GLWA. The NEXGEN system went live in November 2024.

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 capital projects from other available funds that are not from bond issues.

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 water 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.

Glossary *(continued)*

Regional System Leases – The Regional Water System Lease agreement and the Regional Sewage Disposal System Lease agreement between the City of Detroit and Great Lakes Water Authority which were effective January 1, 2016. The leases provide for the City to lease the regional water and wastewater facilities to the Authority and to transfer its interest in the revenues to the Authority.

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 and Sewer Services Agreement – The Water and Sewer Services Agreement between the City of Detroit and Great Lakes Water Authority which was effective January 1, 2016 at the same time as the Regional System Leases. The agreement establishes and defines the scope of the agency relationship between the City and the Authority and contains the provisions by with the Authority provides water and sewer services to the City.

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.

Glossary *(continued)*

Wholesale Customers – Those communities or authorities who have a contract with the Authority to provide water and/or wastewater services located outside the DWSD local system boundaries. Sometimes they are referred to as suburban wholesale customers.

Workday – An ERP system implemented by the Authority for financial (FINS) and human capital management (HCM). The HCM module was implemented during FY 2024 for human resource and payroll functions. The FINS module went live July 1, 2024.

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GLWA
Great Lakes Water Authority

Financial Services Area
735 Randolph Street
Detroit, Michigan 48226
www.glwater.org

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