

List of DUWA Management Activities for Downriver System

When the Downriver Sewage Disposal System is transferred from Wayne County to the Downriver Utility Wastewater Authority (“DUWA”), DUWA intends to retain a Contract Operations firm (Veolia) to operate and maintain the treatment plant and interceptor system. However, DUWA would be responsible for oversight and supervision of the Contract Operator, and DUWA would also need to manage and administer the System.

This document lists the tasks and activities that DUWA would need to undertake in the event the System is transferred.

LIST OF DUWA MANAGEMENT AND ADMINISTRATIVE TASKS AND ACTIVITIES:

1. Contractor and Consultant Oversight

- Supervise the Contract Operator and ensure that the firm is satisfactorily performing all of the duties and responsibilities of the contract *[Note: this may include the development of Performance Benchmarks for various O&M activities];*
- Supervise any Consultants or Construction Contractors retained to perform work on the Downriver System and oversee the completion of work in accordance with contract terms. This would include:
 - The Flow Metering consultant (currently ASI)
 - Engineering consultants retained for design of capital improvements and construction engineering services *[Note: it is assumed that the “As Needed Services” consulting services currently provided by HRC for Wayne County would no longer be needed since the Contract Operator would be responsible for this type of work.]*
 - Other contractors and consultants (including professional services such as attorneys, financial advisors, etc.)
 - Construction Contractors hired to complete capital improvements *(it is assumed that the day-to-day oversight work would be provided by the engineering firm retained to do “construction engineering”, but DUWA would need to process/approve Change Orders, issue payments, etc.)*

It is expected that the Contract Operator would have responsibility for Sludge Hauling and Disposal and for purchasing chemicals.

2. Financial and Accounting Work

- Prepare System Budget and recommend rates to be assessed to the member communities (including base flow and excess flow since the current rate model will continue to be utilized for at least the first 5 years of operation)
- Collect revenue from member Communities
- Deposit and manage the funds (for both Operations and Capital Improvements)
- Manage the System’s Cash Reserves including responsibility for investment decisions, determining the target reserve amounts, and decisions to utilize or partially utilize funds

- Finance capital improvements (including interface with the State of Michigan for SRF loans, and with Financial Advisors as needed to issue debt)
- Apply for State/Federal grants as may become available (e.g. SAW Grant)
- Pay bills and monitor expenditures
- Oversee end of year audit/System Financial Statement
- Maintain General Ledger and prepare journal entries for all financial transaction
- Reconcile bank account statements
- Prepare and present quarterly financial status report updates to the DUWA Board
- Monitor actual expenditures as compared to budgeted cost by line item
- Prepare “Fiscal Sustainability” plan for purposes of securing SRF Loan approvals
- Coordinate preparation of “User Charge System” updates as may be needed for SRF Loan applications (including interactions with member Communities)

3. Regulatory Requirements, Permit and Compliance Issues

- Negotiate NPDES Permit terms and conditions with MDEQ
- Seek Permit Modifications as may be necessary
- Coordinate the acquisition of Part 41 Construction Permits for new sewer construction projects in the Downriver System Service Area and for Downriver System capital improvements
- Respond as necessary to notices of non-compliance, notices of violation, regulatory agency demands for corrective action plans and/or enforcement actions
- Negotiate Consent Agreements as may be necessary
- Monitor and respond to proposed new regulatory requirements affecting the System (State and Federal initiatives such as Statutes, Administrative Rules, Regulations and Policies)
- Ensure that regulatory requirements included in the Contract Operator’s Scope of Work are completed timely and participate in any follow up interactions with MDEQ (i.e. IPP audit; Residuals Management Plan; Asset Management Plan; etc)

4. Technical Tasks and Activities

- Establish enforceable contract capacity limits for each member Community for inclusion in the Service Agreement between DUWA and the Communities
- Review bi-monthly flow monitoring reports and pursue remedial actions as may be necessary to ensure that all Communities stay within purchased capacities (dry and wet weather)
- Prepare a Capital Improvement Plan and periodic SRF Project Plans to secure funding consideration for future projects
- Coordination with Contract Operator re: development and issuance of Industrial Pretreatment Permits (including Metro Airport and the glycol discharge)
- Compliance with Miss Dig requirements for staking and reporting
- Prepare recommendations to DUWA Board re: cost allocation of proposed capital projects

5. Legal Matters

- Negotiate a mutually acceptable Transfer Agreement with Wayne County, and assist DUWA with ongoing County interaction particularly with respect to compliance with indemnification and liability issues as set forth in the Transfer Agreement
- Respond to legal issues/concerns as may arise from the Service Agreement between DUWA and the 13 member Communities
- Respond to any lawsuits or complaints that may be filed against the Authority (including basement backup claims)
- Develop Bylaws for the Authority if deemed necessary by the Board
- Prepare Amendments to the Authority's Articles of Incorporation if the need arises
- Development or review of proposed Contracts (including the Contract Operator, professional services and Construction Contracts), and assistance on procurement issues
- Adoption of a Sewer Use Ordinance and future amendments
- Coordination with Drainage Districts and Municipalities regarding extension and continuation of existing contracts and agreements (e.g. Southgate-Wyandotte Drainage District shared use of Outfall; etc.)

6. Miscellaneous Items/Support Items

- Interactions with Communities to address complaints, concerns and/or problems
- Staff support to the DUWA Board and participation in DUWA Board Meetings as well as Subcommittees as may be established by DUWA (Technical, Finance, Legal, ...)
- Secure insurance coverage as may be needed to supplement the insurance provided by the Contract Operator
- Hire qualified staff to manage/administer the System and establish wages and benefits
- Furnish office space and equipment for DUWA staff