

Allen Park Belleville Brownstown Twp. Dearborn Heights Ecorse Lincoln Park	Downriver Utility Wastewater Authority 25605 Northline Road • Taylor, Michigan 48180	River Rouge Riverview Romulus Southgate Taylor Van Buren Twp. Wyandotte
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Downriver Utility Wastewater Authority Board of Commissioners

General Certificate

The undersigned hereby certified that (i) the Resolution 2019-003 regarding 'Resolution Adopting the 2020 & 2021 Budget' attached hereto is a true and complete copy of the Resolution duly passed by the Downriver Utility Wastewater Authority Board of Commissioners at a meeting held on December 12, 2019 at which meeting a quorum was presented and remained throughout, (ii) the original thereof is on file in the records of the Downriver Utility Wastewater Authority Board of Commissioners, (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 meetings were kept and will be or have been made available as required thereby.

YES: Allen Park, Belleville, Brownstown Township, Dearborn Heights, Ecorse, Riverview, Romulus, Southgate, Taylor, Van Buren Township, Wyandotte

NO: None

ABSTAIN: None

ABSENT: Lincoln Park, River Rouge

Dated:  December 18, 2019

By: Rick Sollars, City of Taylor
Title: DUWA Chairman

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Resolution Adopting the 2020 & 2021 Budgets

Agenda of: December 12, 2019
Item No.: 2019-003

TO: Downriver Utility Wastewater Authority
Board of Commissioners

FROM: Jason Couture, City of Taylor
DUWA Treasurer

DATE: December 17, 2019

RE: Resolution Adopting the 2020 & 2021 Budgets

MOTION

Upon recommendation of Jason Couture (City of Taylor), DUWA's Treasurer, the Board of Commissioners (Board) of the Downriver Utility Wastewater Authority (DUWA):

- 1) Approves the attached resolution, 2019-003 adopting the 2020 & 2021 Budgets for DUWA;
- 2) Notes that a majority vote is necessary for the approval of this resolution; and
- 3) Authorizes the Chairman, Treasurer, or Accountant to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The Downriver Utility Wastewater Authority (DUWA) assumed the operation of the regional sewer system on September 27, 2018 (the 'Effective Date') pursuant to the Definitive Transfer Agreement between DUWA and Wayne County, dated September 27, 2018. DUWA's Articles of Incorporation, dated August 12, 2015, require DUWA to prepare and adopt an annual budget upon assuming exclusive control over management, administration, ownership and operation of the system. Beginning in fiscal year 2020, DUWA's Bylaws require the Board to adopt a two-year budget. The Board has received a proposed Budget for 2020 & 2021, and now adopts the Budgets for DUWA.

JUSTIFICATION

The Board is required each year to adopt a two-year Budget for the following two years. The proposed Budget was reviewed by the Board on December 12, 2019. DUWA will use this Budget for ongoing 2020 CY tasks, as well as to establish rates in or around May of 2020.

BUDGET IMPACT

This is the adoption of the Budget.

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Downriver Utility Wastewater Authority

Resolution 2019-003

Resolution Adopting the 2020 & 2021 Budgets

By Board Member: Rick Sollars, City of Taylor

- WHEREAS** The Downriver Utility Wastewater Authority (DUWA) assumed the ownership of the regional sewer system on September 27, 2018 (the 'Effective Date') and operation of the system on September 28, 2018, pursuant to the Definitive Transfer Agreement between DUWA and Wayne County, dated September 27, 2018.
- WHEREAS** In accordance with the DUWA's Articles of Incorporation, the Board shall adopt a one-year operating budget for the Downriver Sewage Disposal System (DSDS) in year 1 of DUWA's exclusive control over management, administration, ownership and operation of the system. Beginning in fiscal year 2020, DUWA's Bylaws require the Board to adopt a two-year operating budget; and
- WHEREAS** The budgeted expenses for each such fiscal year shall equal the sum of the projected expenses and revenue requirements for the DSDS for each such fiscal year; and
- WHEREAS** The budgeted revenues, debt service, operations and maintenance, and amounts necessary to pay principal of and interest of all system bonds and to restore any reserves therefore reestablished in the Master Bond ordinance for the DSDS for 2020-2021 is shown on 'Schedule A – Budget Report for DUWA, 590 Sewer Fund' of the budget document; and
- WHEREAS** When a quorum is present, a majority of the quorum will be required for an affirmative vote for adoption of this Resolution,
- NOW THEREFORE BE IT:**
- RESOLVED** That the DUWA Board approves the budget for 2020 & 2021; and be it finally
- RESOLVED** That DUWA's Chairman, Treasurer, or Accountant are authorized to take such other action as may be necessary to accomplish the intent of this resolution.

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RESOLUTION ADOPTING THE 2020-2021 BUDGET (cont.)

Schedule A – Budget Report for DUWA, 590 Sewer Fund

Downriver Utility Wastewater Authority
Proposed Two-Year
Operating Budget
Fiscal Year 2020

GL Number	Description	2018 Activity	2019 Adopted Budget	2019 Activity Thru 09/30/2019	2019 Projected Activity	2020 Recommended Budget	2021 Recommended Budget
Dept 000 - Revenues							
OPERATING REVENUE							
590-000-632.410	Sewage Disposal Charges	2,436,120	11,171,570	9,652,806	11,189,209	11,900,640	12,376,660
590-000-632.440	Excess Flow Charges	1,879,827	7,820,090	6,301,155	7,995,489	10,367,460	10,782,150
590-000-632.450	Industrial Surcharges	153,937	500,000	567,063	638,129	600,000	600,000
590-000-632.480	IPP Surveillance Permit Fees	25,100	100,000	80,080	106,080	105,000	105,000
590-000-632.510	Non-Residential User Fees	58,403	-	432,619	572,719	550,000	550,000
590-000-676.000	Reimbursement - Allen Park	-	(500,000)	(275,258)	(500,000)	(500,000)	(500,000)
OPERATING REVENUE							
		4,553,387	19,091,660	16,758,465	20,001,626	23,023,100	23,913,810
INTEREST AND RENTALS							
590-000-664.000	Interest Earnings	100,157	250,000	454,848	550,000	450,000	450,000
INTEREST AND RENTALS							
		100,157	250,000	454,848	550,000	450,000	450,000
OTHER REVENUE							
590-000-671.000	Misc Revenues	605	10,000	12,610	13,110	1,000	1,000
590-000-673.100	Gain on Transfer of System	97,989,526	-	119,616	119,616	-	-
590-000-674.200	Community Assessments	108,300	-	(1,006)	(1,006)	-	-
590-000-674.300	SRF Billings to Communities	-	5,010,473	4,967,160	4,967,160	4,952,258	4,959,515
590-000-687.000	Refunds / Wayne County	500,000	-	29,031	29,031	-	-
590-000-693.000	Gain on Sale of Depreciable Fixed Assets	-	-	(11,623)	(11,623)	10,000	10,000
590-000-695.000	SRF Bond - Project Reimbursements	-	-	56,819	56,819	-	-
590-000-697.000	Bond Premium Amortization	61,842	-	-	-	-	-
OTHER REVENUE							
		98,660,273	5,020,473	5,172,607	5,173,107	4,963,258	4,970,515
TOTAL ESTIMATED REVENUES							
		103,313,817	24,362,133	22,385,920	25,724,733	28,436,358	29,334,325

Downriver Utility Wastewater Authority
Proposed Two-Year
Operating Budget
Fiscal Year 2020

GL Number	Description	2018 Activity	2019 Adopted Budget	2019 Activity Thru 09/30/2019	2019 Projected Activity	2020 Recommended Budget	2021 Recommended Budget
Dept 300 - Debt Service							
DEBT SERVICE							
590-300-991.100	Debt - Principal - 2018 Revenue Bonds	-	-	-	-	-	1,190,000
590-300-991.200	Debt - Principal - SRF Revenue Bonds	-	3,595,000	2,630,000	3,595,000	3,665,000	3,760,000
590-300-992.100	Debt - Interest - 2018 Revenue Bonds	705,653	2,791,931	2,086,278	2,776,591	2,761,250	2,731,500
590-300-992.200	Debt - Interest - SRF Revenue Bonds	361,764	1,415,473	340,001	1,372,160	1,287,258	1,199,515
590-300-992.300	Debt - Interest - 2007D Bonds	57,788	-	-	-	-	-
590-300-993.000	Bond Issuance Fees	990,167	-	1,500	-	-	-
		2,115,372	7,802,404	5,057,779	7,743,751	7,713,508	8,881,015
DEBT SERVICE							
Dept 536 - Sewer System							
PLANT OPERATIONS							
590-536-753.000	Chemicals and Oxygen	-	-	24,547	55,000	-	-
590-536-758.000	Fuel, Oil, Gas	731	-	-	-	-	-
590-536-807.000	Southgate-Wyandotte - Reverse Flows	64,082	175,000	18,726	83,726	85,000	87,550
590-536-807.100	Southgate-Wyandotte - Outfall Usage	140,447	-	-	140,000	150,000	154,500
590-536-808.000	Wyandotte Nuisance Fee	33,000	33,000	-	33,000	33,000	33,000
590-536-810.000	Vedolia O&M Services	3,007,291	11,713,900	8,613,845	11,517,625	12,169,927	12,535,025
590-536-811.000	Sludge Hauling / Disposal	275,000	-	781,366	961,366	1,085,000	1,117,550
590-536-812.000	Flow Metering	77,729	303,906	225,666	300,888	307,568	314,396
590-536-814.000	Miss Dig Services	-	-	24,278	30,240	-	-
590-536-815.000	Operator Management Fees	-	-	70,547	100,000	50,000	51,500
590-536-820.000	Operating Permits	20,000	20,000	-	20,000	20,000	20,000
590-536-918.000	Utilities - Water	-	-	(1,540)	-	(1,729)	(1,781)
590-536-920.000	Utilities - Electric	1,005,697	3,588,600	2,288,943	3,188,943	3,399,000	3,399,000
590-536-921.000	Utilities - Natural Gas	-	-	(97,924)	(75,000)	(98,230)	(101,177)
590-536-922.000	Utilities - Oxygen	-	-	-	-	(16,522)	(17,018)
590-536-923.000	Utilities - Ferric Chloride	-	-	-	-	21,336	21,976
590-536-932.000	Spare Parts, Vehicles, Equipment Maint	-	-	58,528	75,000	-	-
590-536-955.000	Miscellaneous Expenditures	-	-	3,467	5,000	10,000	10,300
		4,623,977	15,834,406	12,010,449	16,435,788	17,115,350	17,624,821

Downriver Utility Wastewater Authority
Proposed Two-Year
Operating Budget
Fiscal Year 2020

GL Number	Description	2018 Activity	2019 Adopted Budget	2019 Activity Thru 09/30/2019	2019 Projected Activity	2020 Recommended Budget	2021 Recommended Budget
OTHER SERVICES AND CHARGES							
590-536-754.000	Office Expenses	-	-	375	1,000	1,000	1,030
590-536-801.000	Professional Services	-	-	4,022	4,022	4,025	4,146
590-536-802.000	Banking Fees	-	-	13,500	13,500	13,500	13,905
590-536-803.000	Attorney Fees	312,206	300,000	82,945	127,945	150,000	154,500
590-536-804.000	Engineering Services	883,869	150,000	202,380	262,380	300,000	309,000
590-536-804.100	System Administrator Services	60,944	300,000	169,109	229,108	300,000	309,000
590-536-804.200	Accounting Services	10,155	42,000	32,560	39,560	45,000	46,350
590-536-804.300	Audit Fees	-	20,000	20,000	20,000	20,000	20,600
590-536-805.000	Financial Services	57,194	75,000	25,253	36,253	36,000	37,080
590-536-809.000	Wayne County Shared Services	-	-	62,407	100,000	-	-
590-536-840.000	Insurance Premiums	182,871	510,500	374,081	474,081	466,665	489,999
590-536-900.000	Printing and Publishing	10,936	3,600	900	1,275	3,600	3,708
590-536-930.000	Sewer Repairs & Maintenance	-	-	60,855	60,855	5,000	5,150
590-536-933.000	Software Maintenance	-	6,000	-	5,990	6,170	6,355
OTHER SERVICES AND CHARGES		1,518,175	1,407,100	1,048,387	1,375,969	1,350,960	1,400,823
CAPITAL OUTLAY							
590-536-968.000	Depreciation Expense	1,123,751	-	-	-	-	-
590-536-970.000	Capital Outlay	-	-	-	-	2,000,000	1,900,000
590-536-973.001	Capital Outlay - Alkali Ave Sewer Rehab	7,402	-	2,719	8,000	-	-
590-536-978.001	Capital Outlay - Centrifuge	11,623	-	-	-	-	-
590-536-978.002	Capital Outlay - VFD Pumps	-	-	105,900	105,900	-	-
590-536-978.003	Capital Outlay - SCADA System	-	-	24,494	40,000	-	-
590-536-978.004	Capital Outlay - Solids Complex	-	-	55,400	55,400	-	-
590-536-978.005	Capital Outlay - Secondary Syst/Headwork	-	-	149,600	131,720	-	-
590-536-984.000	Software	33,775	-	-	-	-	-
590-536-998.000	Assets Capitalized	(52,800)	-	-	-	-	-
CAPITAL OUTLAY		1,123,751	-	338,113	341,020	2,000,000	1,900,000
TOTAL APPROPRIATIONS		9,381,275	25,043,910	18,454,728	25,896,528	28,179,818	29,806,659
ESTIMATED REVENUES - FUND 590							
APPROPRIATIONS - FUND 590		103,313,817	24,362,133	22,385,920	25,724,733	28,436,358	29,334,325
NET OF REVENUES/APPROPRIATIONS - FUND 590		9,381,275	25,043,910	18,454,728	25,896,528	28,179,818	29,806,659
		93,932,542	(681,777)	3,931,192	(171,795)	256,540	(472,334)