

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 2020-003 regarding 'Resolution Adopting the 2021 & 2022 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 17, 2020 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, Dearborn Heights, Ecorse, Lincoln Park, Riverview, Romulus, Southgate, Taylor, and Van Buren Township

NO: None

ABSTAIN: None

ABSENT: Brownstown Township, River Rouge, Wyandotte

Dated: December 18, 2020



By: Gail McLeod, City of Allen Park

Title: DUWA Chairperson

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Resolution Adopting the 2021 & 2022 Budgets

Agenda of: December 17, 2020
 Item No.: **2020-003**

TO: Downriver Utility Wastewater Authority
 Board of Commissioners

FROM: Jason Couture, City of Taylor
 DUWA Treasurer

DATE: December 17, 2020

RE: Resolution Adopting the 2021 & 2022 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, 2020-003 adopting the 2021 & 2022 Budgets for DUWA;
- 2) Notes that a majority vote is necessary for the approval of this resolution; and
- 3) Authorizes the Chairperson, 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 2021 & 2022, 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 17, 2020. DUWA will use this Budget for ongoing 2021 CY tasks, as well as to establish rates in or around May of 2021.

BUDGET IMPACT

This is the adoption of the Budget.

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Downriver Utility Wastewater Authority

Resolution 2020-003

Resolution Adopting the 2021 & 2022 Budgets

By Board Member: Gail McLeod, Allen Park

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 2021-2022 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 2021 & 2022; and be it finally

RESOLVED That DUWA's Chairperson, 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 2021-2022 BUDGET (cont.)

Schedule A – Budget Report for DUWA, 590 Sewer Fund

DOWNRIVER UTILITY WASTEWATER AUTHORITY

Proposed Two-Year Operating Budget For Fiscal Years Ending Dec 31

GL Number	Description	2020 Original Budget	YTD As Of 09/30/2020	2020 Projected	2021 Budget Request	2022 Projected
OPERATING REVENUE						
590-000-632.410	Sewage Disposal Charges	11,900,640	9,422,770	11,900,640	12,440,000	12,937,600
590-000-632.440	Excess Flow Charges	10,367,460	7,777,257	10,992,560	11,432,262	11,889,553
590-000-632.450	Industrial Surcharges	600,000	409,399	460,000	450,000	450,000
590-000-632.480	IPP Surveillance Permit Fees	105,000	88,771	127,441	130,000	130,000
590-000-632.510	Non-Residential User Fees	550,000	459,638	633,850	635,000	635,000
590-000-676.000	Reimbursement - Allen Park	(500,000)	(143,968)	(500,000)	(500,000)	(500,000)
	Subtotal - 'OPERATING REVENUE':	<u>23,023,100</u>	<u>18,013,867</u>	<u>23,614,491</u>	<u>24,587,262</u>	<u>25,542,153</u>
INTEREST AND RENTALS						
590-000-664.000	Interest Earnings	<u>450,000</u>	<u>109,567</u>	<u>112,400</u>	<u>11,600</u>	<u>11,600</u>
	Subtotal - 'INTEREST AND RENTALS':	<u>450,000</u>	<u>109,567</u>	<u>112,400</u>	<u>11,600</u>	<u>11,600</u>
OTHER REVENUE						
590-000-581.001	Grants - SEMCOG	-	-	30,000	-	-
590-000-671.000	Misc Revenues	1,000	294	500	500	500
590-000-673.100	Gain on Transfer of System	-	445	-	-	-
590-000-674.300	SRF Billings to Communities	4,952,258	4,902,747	4,902,747	4,906,065	4,902,350
590-000-693.000	Gain on Sale of Depreciable Fixed Assets	10,000	-	-	-	-
590-000-696.000	Loan Proceeds - WIFIA	-	-	-	10,796,768	1,866,279
	Subtotal - 'OTHER REVENUE':	<u>4,963,258</u>	<u>4,903,485</u>	<u>4,933,247</u>	<u>15,703,333</u>	<u>6,769,129</u>
TOTAL - ESTIMATED REVENUES		<u>28,436,358</u>	<u>23,026,919</u>	<u>28,660,138</u>	<u>40,302,195</u>	<u>32,322,882</u>

DOWNRIVER UTILITY WASTEWATER AUTHORITY

Proposed Two-Year Operating Budget For Fiscal Years Ending Dec 31

GL Number	Description	2020 Original Budget	YTD As Of 09/30/2020	2020 Projected	2021 Budget Request	2022 Projected
DEBT SERVICE						
590-300-991.100	Debt - Principal - 2018 Revenue Bonds	-	-	-	1,190,000	1,250,000
590-300-991.200	Debt - Principal - SRF Revenue Bonds	3,665,000	2,635,000	3,615,000	3,705,000	3,790,000
590-300-992.100	Debt - Interest - 2018 Revenue Bonds	2,761,250	2,070,937	2,761,250	2,731,500	2,670,500
590-300-992.200	Debt - Interest - SRF Revenue Bonds	1,287,258	957,874	1,287,747	1,201,065	1,112,350
590-300-993.000	Bond Issuance Fees	-	100,000	-	21,650	-
Subtotal - 'DEBT SERVICE':		<u>7,713,508</u>	<u>5,763,811</u>	<u>7,663,997</u>	<u>8,849,215</u>	<u>8,822,850</u>
PLANT OPERATIONS						
590-536-807.000	Southgate-Wyandotte - Reverse Flows	85,000	42,629	57,630	-	-
590-536-807.100	Southgate-Wyandotte - Outfall Usage	150,000	-	142,771	145,094	147,418
590-536-808.000	Wyandotte Nuisance Fee	33,000	-	33,000	33,000	33,000
590-536-810.000	Veolia O&M Services	12,169,927	9,079,477	12,111,710	12,380,113	12,643,809
590-536-811.000	Sludge Hauling / Disposal	1,085,000	496,443	816,400	1,222,346	-
590-536-812.000	Flow Metering	307,568	230,675	307,600	317,986	323,328
590-536-815.000	Operator Management Fees	50,000	61,503	91,500	146,210	24,487
590-536-820.000	Operating Permits	20,000	1,000	21,000	21,100	21,100
590-536-918.000	Utilities - Water	(1,729)	(955)	(1,400)	(1,772)	(1,810)
590-536-920.000	Utilities - Electric	3,300,000	2,401,319	3,180,000	3,151,000	3,556,117
590-536-921.000	Utilities - Natural Gas	(98,230)	(8,591)	(10,000)	(12,000)	371,000
590-536-922.000	Utilities - Oxygen	(16,522)	31,477	45,000	45,000	45,959
590-536-923.000	Utilities - Ferric Chloride	21,336	96,498	156,000	194,758	198,907
590-536-955.000	Miscellaneous Expenditures	10,000	40,674	45,000	36,465	37,242
Subtotal - 'PLANT OPERATIONS':		<u>17,115,350</u>	<u>12,472,150</u>	<u>16,996,211</u>	<u>17,679,300</u>	<u>17,400,557</u>
OTHER SERVICES AND CHARGES						
590-536-754.000	Office Expenses	1,000	870	1,000	1,000	1,000
590-536-801.000	Professional Services	4,025	1,000	5,100	6,143	6,327
590-536-802.000	Banking Fees	13,500	13,500	13,500	13,500	13,905
590-536-803.000	Attorney Fees	150,000	109,232	145,000	200,000	206,000
590-536-804.000	Engineering Services	300,000	86,506	160,000	300,000	309,000
590-536-804.100	System Administrator Services	300,000	175,263	275,000	300,000	309,000
590-536-804.200	Accounting Services	45,000	40,600	45,000	45,000	46,350
590-536-804.300	Audit Fees	20,000	20,500	20,500	32,000	32,960
590-536-805.000	Financial Services	36,000	33,784	55,000	155,000	108,150
590-536-840.000	Insurance Premiums	466,665	347,587	465,400	560,000	576,800
590-536-900.000	Printing and Publishing	3,600	255	500	3,600	3,708
590-536-930.000	Sewer Repairs & Maintenance	5,000	-	2,500	5,000	5,150
590-536-933.000	Software Maintenance	6,170	-	6,175	6,355	6,546
Subtotal - 'OTHER SERVICES AND CHARGES':		<u>1,350,960</u>	<u>829,097</u>	<u>1,194,675</u>	<u>1,627,598</u>	<u>1,624,896</u>

DOWNRIVER UTILITY WASTEWATER AUTHORITY

Proposed Two-Year Operating Budget For Fiscal Years Ending Dec 31

GL Number	Description	2020 Original Budget	YTD As Of 09/30/2020	2020 Projected	2021 Budget Request	2022 Projected
CAPITAL OUTLAY						
590-536-970.000	Capital Outlay	2,000,000	274,191	274,191	-	1,900,000
590-536-973.001	Capital Outlay - Alkali Ave Sewer Rehab	-	370,197	703,905	1,078,730	-
590-536-978.001	Capital Outlay - Centrifuge	-	52,548	52,548	-	-
590-536-978.003	Capital Outlay - SCADA System	-	262,342	262,342	-	-
590-536-978.006	Capital Outlay - Biosolids Dryer	-	2,060,321	2,270,792	19,270,400	2,387,732
590-536-978.007	Capital Outlay - Tunnel Pump Rebuild	-	7,462	7,462	-	-
590-536-978.008	Capital Outlay - Pump Rebuilds	-	66,170	66,170	64,000	-
590-536-978.009	Capital Outlay - Roofing	-	28,735	39,890	404,090	-
590-536-978.010	Capital Outlay - UPS Replacement	-	12,813	12,813	-	-
590-536-978.011	Capital Outlay - Secondary Clarifiers	-	-	-	230,000	-
590-536-978.012	Capital Outlay - HMI Replacement	-	-	-	-	-
590-536-978.013	Capital Outlay - PLC Upgrades	-	-	-	29,000	-
590-536-978.014	Capital Outlay - Wastewater Sample Line	-	-	-	37,000	-
590-536-978.015	Capital Outlay - TowBro Clarifier Rehab	-	-	-	-	-
590-536-978.016	Capital Outlay - HVAC Improvements	-	-	-	330,000	-
590-536-978.017	Capital Outlay - Other Critical Repairs	-	-	-	805,910	-
Subtotal - 'CAPITAL OUTLAY':		<u>2,000,000</u>	<u>3,134,778</u>	<u>3,690,113</u>	<u>22,249,130</u>	<u>4,287,732</u>
Total Appropriations:		<u>28,179,818</u>	<u>22,199,836</u>	<u>29,544,996</u>	<u>50,405,243</u>	<u>32,136,035</u>
Net of Revenues & Appropriations:		<u>256,540</u>	<u>827,083</u>	<u>(884,858)</u>	<u>(10,103,048)</u>	<u>186,847</u>