

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

General Certificate

The undersigned hereby certified that (i) the Resolution 2021-003 regarding 'Resolution Adopting the 2022 & 2023 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 9, 2021 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, River Rouge, Riverview, Romulus, Southgate, Van Buren Township, Wyandotte

NO:

ABSTAIN:

ABSENT: Brownstown Township, Taylor

Dated: December 9, 2021


 By: Gail McLeod, City of Allen Park
 Title: DUWA Chairperson

<p>Allen Park Belleville Brownstown Twp. Dearborn Heights Ecorse Lincoln Park</p>	<p>Downriver Utility Wastewater Authority</p> <p>25605 Northline Road • Taylor, Michigan 48180</p>	<p>River Rouge Riverview Romulus Southgate Taylor Van Buren Twp. Wyandotte</p>
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Resolution Adopting the 2022 & 2023 Budgets

Agenda of: December 9, 2021
Item No.: **2020-003**

TO: Downriver Utility Wastewater Authority
Board of Commissioners

FROM: Jason Couture, City of Taylor
DUWA Treasurer

DATE: December 9, 2021

RE: Resolution Adopting the 2022 & 2023 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 2022 & 2023 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 2022 & 2023, 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 9, 2021. DUWA will use this Budget for ongoing 2022 CY tasks, as well as to establish rates in or around May of 2022.

BUDGET IMPACT

This is the adoption of the Budget.

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Downriver Utility Wastewater Authority

Resolution 2020-003

Resolution Adopting the 2022 & 2023 Budgets

By Board Member: Gail McLeod, City of 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 2022-2023 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 2022 & 2023; 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 2022-2023 BUDGET (cont.)

Schedule A – Budget Report for DUWA, 590 Sewer Fund

**DUWA Proposed Budget
Fiscal Year 2022 2023**

GL Number	Description	2021 Original Budget	YTD As Of 09/30/2021	2021 Projected	2022 RECOMMENDED	2023 YEAR 2 RECOMMENDED
--- Estimated Revenue ---						
OPERATING REVENUE						
590-000-632.410	Sewage Disposal Charges	12,440,000	7,729,684	12,390,338	12,767,185	13,277,873
590-000-632.440	Excess Flow Charges	11,432,262	8,199,759	11,011,008	11,469,894	11,928,690
590-000-632.450	Industrial Surcharges	450,000	316,352	414,060	415,000	415,000
590-000-632.480	IPP Surveillance Permit Fees	130,000	110,257	147,257	150,000	150,000
590-000-632.510	Non-Residential User Fees	635,000	370,615	493,333	540,000	540,000
590-000-632.999	Estimated Uncollectible Revenue	0	0	0	0	0
590-000-676.000	Reimbursement - Allen Park	(500,000)	(119,667)	(500,000)	(500,000)	0
Total 'OPERATING REVENUE':		24,587,262	16,607,000	23,955,996	24,842,079	26,311,563
OTHER REVENUE						
590-000-671.000	Misc Revenues	500	2,731	2,731	2,500	2,500
590-000-674.300	SRF Billings to Communities	4,906,065	4,911,719	4,911,719	4,912,887	4,907,118
590-000-693.000	Gain on Sale of Depreciable Fixed Assets	0	(31,653)	(31,653)	0	0
590-000-695.000	SRF Bond - Project Reimbursements	0	421,864	421,864	0	0
590-000-696.000	Loan Proceeds - WIFIA	10,796,768	17,850,000	17,850,000	0	0
590-000-697.000	Bond Premium Amortization	0	0	0	0	0
Total 'OTHER REVENUE':		15,703,333	23,154,661	23,154,661	4,915,387	4,909,618
INTEREST AND RENTALS						
590-000-664.000	Interest Earnings	11,600	11,478	14,400	12,000	10,000
Total 'INTEREST AND RENTALS':		11,600	11,478	14,400	12,000	10,000
Total Estimated Revenue:		40,302,195	39,773,139	47,125,057	29,769,466	31,231,181

**DUWA Proposed Budget
Fiscal Year 2022 2023**

GL Number	Description	2021 Original Budget	YTD As Of 09/30/2021	2021 Projected	2022 RECOMMENDED	2023 YEAR 2 RECOMMENDED
--- Appropriations ---						
DEBT SERVICE						
590-300-991.100	Debt - Principal - 2018 Revenue Bonds	1,190,000	1,190,000	1,190,000	1,250,000	1,310,000
590-300-991.200	Debt - Principal - SRF Revenue Bonds	3,705,000	2,705,000	3,705,000	3,790,000	3,875,000
590-300-991.400	Debt - Principal - 2021 WIFIA Bonds	0	0	0	0	400,000
590-300-991.500	Debt - Principal - Promissory Note	0	0	0	0	3,500,000
590-300-992.100	Debt - Interest - 2018 Revenue Bonds	2,731,500	1,380,625	2,731,500	2,670,500	2,606,500
590-300-992.200	Debt - Interest - SRF Revenue Bonds	1,201,065	1,206,721	1,206,719	1,122,887	1,032,118
590-300-992.400	Debt - Interest - 2021 WIFIA Bonds	0	68,879	68,879	308,805	305,345
590-300-993.000	Bond Issuance Fees	21,650	330,590	330,590	10,900	11,200
590-536-993.000	Bond Issuance Fees	0	0	0	0	0
Total 'DEBT SERVICE':		8,849,215	6,881,815	9,232,688	9,153,092	13,040,163
PLANT OPERATIONS						
590-536-807.000	Southgate-Wyandotte - Reverse Flows	0	(3,076)	(3,076)	0	0
590-536-807.100	Southgate-Wyandotte - Outfall Usage	145,094	0	147,418	149,741	152,065
590-536-808.000	Wyandotte Nuisance Fee	33,000	0	33,000	33,000	33,000
590-536-810.000	Veolia O&M Services	12,380,113	9,438,012	12,592,683	12,643,809	13,023,125
590-536-811.000	Sludge Hauling / Disposal	1,222,346	564,975	1,000,000	350,000	350,000
590-536-812.000	Flow Metering	317,986	218,061	290,748	300,000	310,710
590-536-815.000	Operator Management Fees	146,210	57,965	3,200	50,000	155,000
590-536-820.000	Operating Permits	21,100	1,765	21,765	21,000	21,000
590-536-918.000	Utilities - Water	(1,772)	(807)	(1,000)	0	0
590-536-920.000	Utilities - Electric	3,151,000	1,906,404	2,900,000	3,191,621	3,287,370
590-536-921.000	Utilities - Natural Gas	(12,000)	(6,088)	(12,000)	668,030	688,070
590-536-922.000	Utilities - Oxygen	45,000	21,567	45,000	0	0
590-536-923.000	Utilities - Ferric Chloride	194,758	47,083	47,083	0	0
590-536-924.000	Utilities - Polymer	0	0	0	0	0
590-536-931.000	Building Maint & Repairs	0	2,179	2,179	55,000	55,000
590-536-932.000	Spare Parts, Vehicles, Equipment Maint	0	0	0	0	0
590-536-955.000	Miscellaneous Expenditures	36,465	43,530	60,000	80,000	80,000
Total 'PLANT OPERATIONS':		17,679,300	12,291,569	17,127,000	17,542,201	18,155,340

**DUWA Proposed Budget
Fiscal Year 2022 2023**

GL Number	Description	2021 Original Budget	YTD As Of 09/30/2021	2021 Projected	2022 RECOMMENDED	2023 YEAR 2 RECOMMENDED
OTHER SERVICES AND CHARGES						
590-536-754.000	Office Expenses	1,000	190	1,000	1,000	1,000
590-536-801.000	Professional Services	6,143	1,000	5,100	7,000	7,210
590-536-802.000	Banking Fees	13,500	19,536	31,500	31,500	15,000
590-536-803.000	Attorney Fees	200,000	74,699	125,000	200,000	206,000
590-536-804.000	Engineering Services	300,000	51,780	200,000	300,000	309,000
590-536-804.100	System Administrator Services	300,000	144,652	250,000	300,000	309,000
590-536-804.200	Accounting Services	45,000	23,550	45,000	45,000	46,350
590-536-804.300	Audit Fees	32,000	21,100	21,100	39,750	39,750
590-536-805.000	Financial Services	155,000	129,121	180,000	26,250	26,250
590-536-840.000	Insurance Premiums	560,000	353,108	475,500	573,300	573,000
590-536-900.000	Printing and Publishing	3,600	300	1,500	4,600	4,800
590-536-930.000	Sewer Repairs & Maintenance	5,000	0	0	0	0
590-536-933.000	Software Maintenance	6,355	0	6,076	24,300	24,500
Total 'OTHER SERVICES AND CHARGES':		1,627,598	819,036	1,341,776	1,552,700	1,561,860

**DUWA Proposed Budget
Fiscal Year 2022 2023**

GL Number	Description	2021 Original Budget	YTD As Of 09/30/2021	2021 Projected	2022 RECOMMENDED	2023 YEAR 2 RECOMMENDED
CAPITAL OUTLAY						
590-536-968.000	Depreciation Expense	0	0	0	0	0
590-536-970.000	Capital Outlay	0	0	0	0	0
590-536-973.001	Capital Outlay - Alkali Ave Sewer Rehab	1,078,730	794,852	794,852	0	0
590-536-978.001	Capital Outlay - Centrifuge	0	527,612	527,612	0	0
590-536-978.002	Capital Outlay - VFD Pumps	0	19,876	19,876	40,000	220,000
590-536-978.003	Capital Outlay - SCADA System	0	19,593	19,593	0	0
590-536-978.006	Capital Outlay - Biosolids Dryer	19,270,400	13,982,884	19,286,957	0	0
590-536-978.008	Capital Outlay - Pump Rebuilds	64,000	0	0	30,000	30,000
590-536-978.009	Capital Outlay - Roofing	404,090	155,121	400,000	0	100,000
590-536-978.011	Capital Outlay - Secondary Clarifiers	230,000	0	0	0	0
590-536-978.012	Capital Outlay - HMI Replacement	0	0	0	75,000	0
590-536-978.013	Capital Outlay - PLC Upgrades	29,000	0	0	35,000	0
590-536-978.014	Capital Outlay - Wastewater Sample Line	37,000	0	0	0	0
590-536-978.015	Capital Outlay - TowBro Clarifier Rehab	0	0	0	350,000	350,000
590-536-978.016	Capital Outlay - HVAC Improvements	330,000	0	0	215,000	330,000
590-536-978.017	Capital Outlay - Other Critical Repairs	805,910	39,215	39,215	385,000	242,000
590-536-978.019	Capital Outlay - CIP Development	0	0	0	150,000	0
590-536-978.020	Capital Outlay - Roof Program	0	0	0	100,000	0
590-536-978.021	Capital Outlay - UV Disinfection	0	0	0	0	300,000
590-536-978.022	Capital Outlay - Flowmeter Replacement	0	0	0	15,000	180,000
590-536-978.023	Capital Outlay - Building Repairs	0	0	0	100,000	100,000
590-536-978.024	Capital Outlay - SFE System Rebuild	0	0	0	150,000	0
590-536-978.025	Capital Outlay - Fine Screens Rehab	0	0	0	80,000	0
590-536-978.026	Capital Outlay - RAS Line Repair	0	0	0	120,000	0
590-536-978.027	Capital Outlay - H2S Controls	0	0	0	0	0
590-536-978.028	Capital Outlay - Low Lift VFD Repair	0	0	0	0	50,000
590-536-978.029	Capital Outlay - Aeration Automation	0	0	0	0	0
590-536-978.030	Capital Outlay - UV Disinfection	0	0	0	0	0
590-536-978.031	Capital Outlay - Bridge Crane	0	0	0	0	0
590-536-984.000	Software	0	0	0	0	0
590-536-998.000	Assets Capitalized	0	0	0	0	0
Total 'CAPITAL OUTLAY':		22,249,130	15,539,154	21,088,105	1,845,000	1,902,000
Total Appropriations:		50,405,243	35,531,575	48,789,569	30,092,993	34,659,363
Net of Revenues & Appropriations	Net of Revenues & Appropriations:	(10,103,048)	4,241,564	(1,664,512)	(323,527)	(3,428,182)