

<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 2023-007 regarding 'Resolution Adopting the 2024 & 2025 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 14, 2023 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.

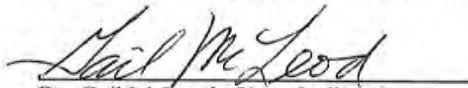
YES: Allen Park, Belleville, Dearborn Heights, Lincoln Park, River Rouge, Riverview, Romulus, Southgate, Taylor, Van Buren Township, Wyandotte

NO:

ABSTAIN:

ABSENT: Brownstown Township, Ecorse

Dated: December 14, 2023


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

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Resolution Adopting the 2024 & 2025 Budgets

Agenda of: December 14, 2023
Item No.: **2023-007**

TO: Downriver Utility Wastewater Authority
Board of Commissioners

FROM: Jason Couture, City of Taylor
DUWA Treasurer

DATE: December 14, 2023

RE: Resolution Adopting the 2024 & 2025 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, 2023-007 adopting the 2024 & 2025 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 2024 & 2025, 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 14, 2023. DUWA will use this Budget for ongoing 2024 CY tasks, as well as to establish rates in or around May of 2024.

BUDGET IMPACT

This is the adoption of the Budget.

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Downriver Utility Wastewater Authority

Resolution 2023-007

Resolution Adopting the 2024 & 2025 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 2024-2025 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 2024 & 2025; 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 2024-2025 BUDGET (cont.)

Schedule A – Budget Report for DUWA, 590 Sewer Fund

BUDGET REPORT FOR DOWNRIVER WASTEWATER UTILITY AUTHORITY

GL NUMBER	DESCRIPTION	2023 ORIGINAL BUDGET	2023 AMENDED BUDGET	2023 ACTIVITY THRU 09/30/23	2023 PROJECTED ACTIVITY	2024 RECOMMENDED BUDGET	2025 RECOMMENDED BUDGET
Fund: 590 SEWER FUND							
ESTIMATED REVENUES							
OTHER REVENUE							
590-000-540.000	State Grants - Infrastructure	0	0	0	0	10,000,000	0
590-000-642.000	Sales - Natural Gas Buyback	0	0	57,209	0	0	0
590-000-671.000	Misc Revenues	2,500	2,500	3,800	5,000	5,000	5,000
590-000-674.300	SRF Billings to Communities	4,907,139	4,907,139	4,907,118	4,907,130	4,919,165	5,098,930
590-000-695.000	SRF Bond - Project Reimbursements	1,000,000	1,000,000	0	0	10,000,000	0
	OTHER REVENUE	<u>5,909,639</u>	<u>5,909,639</u>	<u>4,968,127</u>	<u>4,912,130</u>	<u>24,924,165</u>	<u>5,103,930</u>
OPERATING REVENUE							
590-000-632.410	Sewage Disposal Charges	13,734,000	13,734,000	9,892,441	13,571,375	14,332,720	15,479,300
590-000-632.440	Excess Flow Charges	12,803,420	12,803,420	8,978,738	11,801,990	13,327,695	14,393,910
590-000-632.450	Industrial Surcharges	342,000	342,000	407,908	429,031	249,000	166,000
590-000-632.480	IPP Surveillance Permit Fees	154,875	154,875	135,362	178,461	167,500	170,000
590-000-632.510	Non-Residential User Fees	550,800	550,800	383,926	548,500	548,500	550,000
590-000-676.000	Reimbursement - Municipal Overpayments	0	0	0	0	(241,313)	(241,313)
	OPERATING REVENUE	<u>27,585,095</u>	<u>27,585,095</u>	<u>19,798,375</u>	<u>26,529,357</u>	<u>28,384,102</u>	<u>30,517,897</u>
INTEREST AND RENTALS							
590-000-664.000	Interest Earnings	240,000	240,000	1,088,105	1,320,000	1,320,000	1,320,000
	INTEREST AND RENTALS	<u>240,000</u>	<u>240,000</u>	<u>1,088,105</u>	<u>1,320,000</u>	<u>1,320,000</u>	<u>1,320,000</u>
	TOTAL ESTIMATED REVENUES	<u>33,734,734</u>	<u>33,734,734</u>	<u>25,854,607</u>	<u>32,761,487</u>	<u>54,628,267</u>	<u>36,941,827</u>

BUDGET REPORT FOR DOWNRIVER WASTEWATER UTILITY AUTHORITY

GL NUMBER	DESCRIPTION	2023 ORIGINAL BUDGET	2023 AMENDED BUDGET	2023 ACTIVITY THRU 09/30/23	2023 PROJECTED ACTIVITY	2024 RECOMMENDED R 2 BUDGET	2025 RECOMMENDED BUDGET
Fund: 590 SEWER FUND							
APPROPRIATIONS							
DEBT SERVICE							
590-300-991.100	Debt - Principal - 2018 Revenue Bonds	1,310,000	1,310,000	1,310,000	1,310,000	1,375,000	1,450,000
590-300-991.200	Debt - Principal - SRF Revenue Bonds	3,875,000	3,875,000	3,875,000	3,875,000	3,980,000	4,055,000
590-300-991.400	Debt - Principal - 2021 WIFIA Bonds	400,000	400,000	400,000	400,000	405,000	410,000
590-300-991.500	Debt - Principal - Promissory Note	3,500,000	3,500,000	700,000	700,000	700,000	700,000
590-300-992.100	Debt - Interest - 2018 Revenue Bonds	2,606,500	2,606,500	1,946,687	2,606,510	2,539,375	2,468,750
590-300-992.200	Debt - Interest - SRF Revenue Bonds	1,032,139	1,032,139	765,576	1,032,130	939,165	1,043,930
590-300-992.400	Debt - Interest - 2021 WIFIA Bonds	305,344	305,344	228,144	305,344	298,382	291,335
590-300-992.500	Debt - Interest - Promissory Note	0	0	0	0	112,310	84,000
590-300-993.000	Bond Issuance Fees	12,000	12,000	12,300	12,300	140,000	13,750
DEBT SERVICE		13,040,983	13,040,983	9,237,707	10,241,284	10,489,232	10,516,765
OTHER SERVICES AND CHARGES							
590-536-754.000	Office Expenses	1,600	1,600	357	1,600	1,800	1,800
590-536-801.000	Professional Services	19,522	19,522	8,775	14,022	33,922	19,722
590-536-802.000	Banking Fees	18,000	18,000	22,130	39,000	39,000	39,000
590-536-803.000	Attorney Fees	222,480	222,480	115,443	225,000	424,154	236,029
590-536-804.000	Engineering Services	300,000	300,000	96,799	135,000	300,000	300,000
590-536-804.100	System Administrator Services	309,000	309,000	159,280	225,000	318,270	327,818
590-536-804.200	Accounting Services	48,000	48,000	14,800	46,000	48,000	48,000
590-536-804.300	Audit Fees	22,400	22,400	34,400	34,400	38,075	39,500
590-536-805.000	Financial Services	41,250	99,398	31,484	35,000	44,133	40,000
590-536-840.000	Insurance Premiums	630,150	630,150	414,877	553,252	589,783	697,975
590-536-900.000	Printing and Publishing	0	0	0	1,075	1,100	1,100
590-536-930.000	Sewer Repairs & Maintenance	0	0	6,500	0	0	0
590-536-933.000	Software Maintenance	24,670	24,670	2,511	25,410	25,900	26,385
OTHER SERVICES AND CHARGES		1,637,072	1,695,220	907,356	1,334,759	1,864,137	1,777,329
PLANT OPERATIONS							
590-536-807.100	Southgate-Wyandotte - Outfall Usage	152,065	152,065	0	152,065	154,389	156,712
590-536-808.000	Wyandotte Nuisance Fee	33,000	33,000	0	33,000	33,000	33,000
590-536-810.000	Veolia O&M Services	12,795,944	12,795,944	9,596,958	12,795,945	13,469,901	14,278,095
590-536-811.000	Sludge Hauling / Disposal	1,800,000	1,800,000	1,192,646	1,700,000	1,257,130	1,318,227
590-536-812.000	Flow Metering	312,000	312,000	230,112	306,816	326,352	345,933
590-536-814.000	Miss Dig Services	0	0	3,623	3,623	4,000	4,200
590-536-820.000	Operating Permits	25,000	25,000	1,000	21,000	25,000	25,000
590-536-918.000	Utilities - Water	17,766	17,766	17,395	25,200	30,000	30,000
590-536-920.000	Utilities - Electric	3,319,680	3,319,680	2,393,252	3,236,000	3,405,135	3,575,390
590-536-921.000	Utilities - Natural Gas	698,880	698,880	462,952	620,000	1,204,525	1,264,750
590-536-922.000	Utilities - Oxygen	40,068	40,068	59,083	86,600	90,000	94,500
590-536-923.000	Utilities - Ferric Chloride	140,400	140,400	46,692	75,000	140,400	146,016
590-536-924.000	Utilities - Polymer	576,000	576,000	220,502	330,750	400,000	420,000
590-536-925.000	Utilities - Polyaluminum Chloride (PACL)	720,000	720,000	380,996	571,500	940,000	977,600
590-536-931.000	Building Maint & Repairs	0	0	0	0	50,000	50,000

BUDGET REPORT FOR DOWNRIVER WASTEWATER UTILITY AUTHORITY

GL NUMBER	DESCRIPTION	2023 ORIGINAL BUDGET	2023 AMENDED BUDGET	2023 ACTIVITY THRU 09/30/23	2023 PROJECTED ACTIVITY	2024 RECOMMENDED BUDGET	2025 RECOMMENDED BUDGET
Fund: 590 SEWER FUND							
APPROPRIATIONS							
PLANT OPERATIONS							
590-536-955.000	Miscellaneous Expenditures	0	0	846	15,846	133,731	50,000
	PLANT OPERATIONS	20,630,803	20,630,803	14,606,057	19,973,345	21,663,563	22,769,423
CAPITAL OUTLAY							
590-536-970.000	Capital Outlay	2,060,000	2,060,000	0	0	1,842,400	2,228,096
590-536-978.001	Capital Outlay - Centrifuge	0	68,607	0	0	0	0
590-536-978.002	Capital Outlay - VFD Pumps	0	40,000	0	0	0	0
590-536-978.006	Capital Outlay - Biosolids Dryer	0	2,814,350	566,326	700,000	1,120,000	0
590-536-978.014	Capital Outlay - Wastewater Sample Line	0	68,155	68,155	68,155	0	0
590-536-978.016	Capital Outlay - HVAC Improvements	0	12,971	9,139	9,139	0	0
590-536-978.021	Capital Outlay - UV Disinfection	1,000,000	1,000,000	0	0	0	0
590-536-978.027	Capital Outlay - H2S Controls	0	13,815	0	0	0	0
590-536-978.030	Capital Outlay - UV Disinfection	0	0	260,938	0	17,520,000	0
	CAPITAL OUTLAY	3,060,000	6,077,898	904,558	777,294	20,482,400	2,228,096
	TOTAL APPROPRIATIONS	38,368,858	41,444,904	25,655,678	32,326,682	54,499,332	37,291,613
	NET OF REVENUES/APPROPRIATIONS - FUND 590	(4,634,124)	(7,710,170)	198,929	434,805	128,935	(349,786)
	BEGINNING FUND BALANCE	104,573,662	104,573,662	104,573,662	104,573,662	105,008,467	105,137,402
	ENDING FUND BALANCE	99,939,538	96,863,492	104,772,591	105,008,467	105,137,402	104,787,616