

**DOWNRIVER UTILITY WASTEWATER AUTHORITY  
NOVEMBER 14, 2024 MEETING MINUTES  
CITY OF TAYLOR COUNCIL CHAMBERS**

**1. Roll Call and Introductions**

Chairperson McLeod (Allen Park) called the meeting to order at 9:01 AM and asked for roll call to be taken. At the time of roll call, voting representatives were in attendance from 11 communities: Allen Park, Bellville (Absent), Brownstown Township, Dearborn Heights, Ecorse, Lincoln Park, River Rouge, Riverview, Romulus, Southgate, Taylor (Absent), Van Buren Township, and Wyandotte. A quorum (at least 7 members) were present.

**a. DUWA Commissioners**

The DUWA Board Commissioners present at the time of roll call introduced themselves as follows: Roxie Fairchild (Brownstown Township), Kevin Lawrence, (Van Buren), Ali Dib (Dearborn Heights), Lisa Griggs (Lincoln Park), Mayor Joseph Kuspa (Southgate), Mayor Gail McLeod (Allen Park), Roberto Scappaticci (Romulus), Jeff Dobek (Riverview), Melissa Collins (River Rouge), David Hall (Ecorse), and Greg Mayhew (Wyandotte).

**b. Other Meeting Attendees**

Board meeting attendees present in the audience at the time of roll call introduced themselves as follows: David Greco (Taylor and Van Buren Township's attorney), Sally Duffy (HRC), Jeremy Barr (Allen Park), Rumzei Abdallah (Plante Moran), Doug Drysdale (DNS Financial Services, DUWA Accountant), Southgate Finance Director & Assistant City Manager, Dan Marsh (Southgate), Jim Taylor (Van Buren Township), Kerry Morgan (Riverview), Lambrina Tercala (OHM Advisors), Mackenzie Chamberlain (OHM Advisors), Maria Sedki (Fishbeck), Jason Tapp (Veolia OM), Travis Tuma (Veolia OM), Dan Alford (Fishbeck), Lauren Fath-Azam (Secretary), Sarah Rutkowski (Fishbeck). Jason Couture (DUWA Treasurer) joined at 9:19am.

**2. Approval of Agenda**

Copies of the Agenda were made available prior to the meeting. Motion by Mayor Kuspa (Southgate) and supported by Mr. Dobek (Riverview) to approve the agenda. The motion passed unanimously by all attending members.

**3. Approval of Minutes from October 10, 2024 Board Meeting**

Copies of the meeting minutes from the October 10, 2024 Board meeting were included in the pre-meeting Board packet. Motion by Mr. Mayhew (Wyandotte) and supported by Mr. Scappaticci (Romulus) to approve the minutes. The motion passed unanimously by all attending members.

#### **4. Legal Update**

Attorney Brandon Grysko, of Fausone & Grysko, provided the Legal Update.

##### **a. General Counsel Monthly Report**

A written report is included in the pre-meeting Board packet on pg. 18.

Fausone & Grysko have been involved in the litigation project, which the Board has been advised on. Assistance was given for the System Manager transition which included meetings and various other items of that nature. Resolutions have been tracked in regard to the amended Articles of Incorporation that the communities now have to approve. There is a note in the System Manager Report as well that we have resolutions from Wyandotte, Allen Park, South Gate, Riverview, Taylor and Brownstown. Note that Brownstown was not included in the original written report and was added afterward. For those that may not have yet adopted the articles, Mr. Grysko asks that you do so. He would be happy to help out in any way if you have questions.

Mayor Kuspa (Southgate) inquired if there is a time limit in which the articles need to be amended by. Attorney Grysko noted that having everything back as soon as possible would be ideal. Resolutions must be in hand from everybody. The goal is to change the fiscal year starting at the end of June to line up with the rate year. Mr. Drysdale adds in regard to next year, there isn't a certain time, but the two options would be either a 6-month budget amendment or a 6-month stub budget to get DUWA to June 30, 2026. Mr. Abdallah added that preliminary work was done including reaching out to Funding Agencies, Credit, and Treasury to let them know that the potential year-end changes are coming up.

Chairperson McLeod (Allen Park) inquired if Mr. Grysko received any insight as to why the communities may not have sent it through for approval. Mayor Kuspa asked if an email could be sent to the remaining communities. Mr. Grysko said he will reach out to those Communities that have not adopted the articles. There were no further questions in regard to the legal update.

#### **5. System Manager Update**

Lambrina Tercala, of OHM Advisors provided a verbal summary of activities since the last meeting. A written summary was provided in the pre-meeting Board packet for the System Manager Report (Pages 19-49). Full time work started from the Fishbeck team on October 28th, with Dan Alford as the System Manager and Sarah Rutkowski as the Assistant System Manager.

Mr. Alford introduced himself as the new System Manager for DUWA. He is excited to be a part of the team. Since October 28th, it has been a steep learning curve; getting all the administrative processes down, the deliverables that the Board needs, and joining the Technical and Financial meetings. He and Ms. Rutkowski will keep up the status quo and eventually propose suggestions that may add value to the Board.

Sarah Rutkowski introduced herself as the Assistant Manager for DUWA from Fishbeck. She appreciates being able to contribute and looks forward to working with everyone. OHM Advisors has made the transition process as easy as possible with all the information that herself and Mr. Alford have been taking in.

**a. System Manager Monthly Report**

Mackenzie Chamberlain, of OHM Advisors noted the following highlights: The System Manager transition process is underway. Ms. Chamberlain is meeting with Mr. Alford and Ms. Rutkowski on a weekly basis to facilitate the transition of data and knowledge to bring them up to speed. Moving forward, Mr. Alford and Ms. Rutkowski will be DUWA's point of contact. OHM will still be involved in the next few months to help with the transition.

Regarding small Capital Projects on pg. 20 the PLC-5 replacement project has been initiated, and a pre-construction meeting was held on October 25th. The contractor will be on site on November 19th to perform their initial site investigation. The HVAC improvements, Phase 2 project is also being initiated. As was requested at a previous Board meeting, the contractor did provide an additional cost breakdown. Hazen and Sawyer have been comparing the cost breakdown to the engineering cost estimate. Hazen and Sawyer's cost estimate was higher than the contractor's quote due to the assumption that the project would take longer than the contractor projected, and also assumed some relatively conservative costs for overhead, profit, and labor. Hazen and Sawyer did determine that the contractor's quote appropriately represents the full scope of work. A number of other small capital projects at the plant were authorized by the Board last month. Those projects are being initiated by Veolia.

Under professional services contracts, Plante Moran will be presenting a request for contract renewal for their Financial Advisory services and auditing services later today. DNS Financial Services will also present their request for contract renewal at next month's Board meeting.

Under plant items on page 21, GLWA has increased the dosage of orthophosphate into their water distribution system to increase protection of lead pipes from corrosion. Veolia is closely monitoring the phosphorus concentrations at the plant to see any impacts from that increased dosage. Multiple odor complaints have been received in recent weeks by Veolia, the City of Wyandotte, and EGLE. Veolia has been in frequent communication with EGLE and is exploring solutions to mitigate those odors. OHM, Veolia, and Fishbeck also attended the Wyandotte City Council meeting on October 28th and will be providing monthly updates for the Wyandotte City Council meetings going forward.

The draft two-year budget will be previewed later in the agenda with budget approval expected for next month. The budget was reviewed with the Finance Committee at last week's meeting. Comments and suggestions will be incorporated into the final version.

The new System Manager will be reviewing the proposals to perform a cybersecurity risk assessment and will bring forward a recommendation to the Board at a future meeting.

As a reminder, please work with your local councils and boards to adopt that resolution approving the revised Articles of Incorporation to change the budget year to line up with the rate year.

Mr. Mayhew (Wyandotte) expressed his concern in regard to the ongoing odor issues and the many complaints from residents. The Mayor and Council acknowledge the many complex problems that go along with resolving the issue but are still concerned about the residents. Two Council members who live in the neighborhood most affected by the odor testified at a council meeting that it has hampered enjoyment of their property. The City of Wyandotte requests the Board take all measures necessary in order to resolve this issue as soon as possible.

Mr. Dobek (Riverview) inquired if DUWA has been cited by Wayne County or EGLE. Ms. Chamberlain noted that no violations have been received.

Mayor Kuspa (Southgate) inquired if the odor issue is getting better or is consistent. Mr. Mayhew (Wyandotte) added that these odor issues are consistent.

Mr. Alford announced he has been reaching out to all the players related to the odor issue to impress the urgency of this situation. Mr. Alford has contacted the bioscrubber manufacturer, Veolia CPM and Veolia O&M to focus attention on the odor issue. Later this week he expects a quote for an odor study from BioAir, which is the manufacturer of the bioscrubber unit. We are also looking into installing carbon on that unit. Veolia will have a follow-up on this later, but Mr. Alford expressed his sincerity in regard to this issue as he hopes to guide DUWA into resolution for the odor.

Mr. Scappaticci (Romulus) inquired what length the study was for. Mr. Alford added that this study will be conducted by the Bio scrubber manufacturer, which will be a short practical study. Mr. Scappaticci (Romulus) inquired if the existing operations are creating a problem including the dryer system. Mr. Alford added that in all the years he was a plant operator there were occasional odor complaints but believes that the usage of social media has exacerbated the occasional complaints. Mr. Alford believes possible reasons for the odor is the fact that things have changed including changing from ferric to PACl as a primary phosphorus precipitator, and the addition of biosolids dryers. Wastewater odors are not something that can be completely removed but new odors shouldn't be extremely offensive.

Mr. Mayhew added that he lived in a neighborhood near the DWTF for 5-years in the late 1990s and he never noticed wastewater odors. This is something new.

**b. UV Disinfection Replacement Project**

Ms. Chamberlain continued to report on the UV project update on pg. 23 of the packet. The UV project is currently in its submittal review phase as the contractor CCC and Black & Veatch have been coordinating on submittals for approval. CCC is still in the process of developing a maintenance of plant operations plan, which will be reviewed with Veolia and EGLE once finalized. Black & Veatch will also soon be scheduling periodic project check-in meetings, which will include Veolia, Black & Veatch, CCC, the UV Project Subcommittee, as well as the new System Managers. As it relates to construction sequencing, Trojan, who is the equipment manufacturer, has confirmed that both the existing and the new systems can operate simultaneously during that construction phase. However, certain hydraulic factors will need to be considered to optimize the system's

efficiency if both systems are operating in parallel. In terms of funding, DUWA is in receipt of its second grant reimbursement from EGLE in the amount of about \$100,000 for UV project expenses. The total project reimbursements received are up to about \$733,000 to date. Additional reimbursement requests will be submitted as more invoices are accumulated.

**c. Biosolids Dryer Facility Project**

Jason Nash (Veolia CPM) reported that at the start of October both dryers were operating. The dryers continue to run about 60% to 70% due to the new crusher not being installed until January. On October 11th, the dryers were shut down due to issues with the centrifuges. The centrifuges had been losing their load and when this occurs everything needs to be drained out and restarted fresh. A shut down was scheduled for October 15th through the 18th for annual maintenance to be performed on the thermal oil system. Both dryers were back in operation on October 18<sup>th</sup>. On October 25th cake pump 4 was no longer able to maintain the header pressure of the system feeding the dryer. The pump was put back in service after replacing various components with no cause of failure noted. The cake pump 4 motor had issues but after adjustments the motor worked for a few weeks then failed and required replacement on November 13<sup>th</sup>. On October 29th the fire system falsely alarmed for the control room. The fire suppression system manufacturer was contacted and reset the alarm, then they provided further instruction for the alarm system and trained the plant staff how to reset the system if it were to happen again. The dryers were back up and running on November 4th. Veolia continues to have issues with Centrifuge 1 where it dumps water into the cake bin, even after various adjustments. In regard to the BioAir odor control unit, it is a biological based unit so when the dryer shuts down, H<sub>2</sub>S flow stops, in turn cutting off the bugs' food supply. One solution would be to provide a food source for the bugs during shutdowns and install a carbon media which would help mitigate any additional odors that are coming out of the dryer. A quote for carbon is expected to be received by tomorrow. As part of the Technical Committee, issues as it relates to Centrifuge have arisen in the past where the material piles up the wall and blocks everything to where nothing can come out. Two options decided at the Technical Committee meeting include putting a slicker surface on the walls as well as an air system that will help to blow that material out to keep it going through the cake bin. Kruger is working now to get this issue resolved. Pg. 28 shows a body chart that provides the system uptime from January through October. Operations for the dryers are at the 50% mark. The dryers usually operate at 60–70%. For the month of October Veolia recorded 126 hours of pump repair time for cake pump 4. 288 hours of plant issues were recorded which includes centrifuges, truck change outs, and

etc. 189 hours were recorded for the fire suppression system and then 175 hours were recorded for the maintenance on the thermal oil system.

Chairperson McLeod (Allen Park) inquired as to how old the motor was. Mr. Nash noted that the motor was installed this past May. Kruger and Veolia are working together to figure out what size motors they will need to switch to. Finding out that the previously 7.5 horsepower motor isn't fulfilling our needs is disappointing.

Mr. Scappaticci (Romulus) asked for Mr. Nash to expand on the Mayor's question and inquired if there has been any discussion with the joint committee regarding changing the pump manufacturer, as there could be issues with this brand of products themselves. It is concerning that this issue is ongoing and a definitive answer has not been determined. Mr. Nash noted that the sizing of the pumps will not be changed but the motor that hangs off of the end would be. The equipment longevity of the pump is still lacking but it is in line with the speed at which the pump is operating at and the volume that we need to produce. The sizing of the pump is correct. There is room to change and increase the size of the motor that hangs off the end of the pump. Mr. Nash continued to add that in the past the joint Technical Committee did in fact discuss changing the manufacturer's motors. There were many reasons why they went with the current manufacturer including sizing, space, amount produced etc. Mr. Scappaticci questioned if the whole pump/motor assembly could be replaced with another manufacturer that would fit into the existing spaces. He would like to have the Technical Committee see what the actual dimensions of the available space are and compare specifications from different manufacturers.

Ms. Tercala added that they did reach out to another manufacturer, roto pump, where they can provide spare parts for the Seepex pumps or provide their own type of pumps. She would be happy to share that information. Ms. Tercala added that right now they have chosen to not back away on the pump because they are getting some performance out of the current pumps. Multiple people have analyzed the hydraulic sizing of the pumps. There is concern that the sludge pumps have been designed with a slip, so it doesn't allow them the ability for typical wear. Ms. Tercala noted that on a recent call last week she had heard from a colleague on a project that Stantec is a part of, that Seepex had chosen not to bid on a certain percent of dried solids, and it was over 25% dry solids which is similar to what we have. That piqued her interest in Seepex, leaving her to question why they didn't bid on that project and question their ability to achieve what we need.

Mr. Scappaticci (Romulus) inquired as to when we draw the line and test out a different pump. Chairperson McLeod (Allen Park) would like to know what our system's full capability of output is. Mr. Nash confirmed that the pressure provides us the ability to put more material in a trailer and only fill one trailer per day. If we were to go above that we'd have issues with LaSalle. Operations analyzed different contract options, and it would cost a substantial amount more to get an additional trailer on site to bridge that gap.

Chairperson McLeod (Allen Park) inquired as to how much we have exceeded the initial cost of this project, as DUWA has been dealing with these issues for 2 years and additional costs keep occurring. Ms. Tercala added that the replacement costs had been paid by Kruger up until the last time that a purchase occurred by DUWA. Chairperson McLeod is not pleased with the problems the System is facing and more importantly that a viable resolution has not been made.

Mayor Kuspa (Southgate) stated that there is confusion as to why we are not where we need to be. The understanding is that it is the crusher that is prohibiting the plant from getting more sent to LaSalle versus the landfill but still isn't clear where the issue lies. Mr. Kuspa would like to see and know where we are each month in relation to the 90% operational goal and what is prohibiting us from getting there.

Many Board members are frustrated and understand that changes need to occur in the dryer system to prevent costs from going up.

## **6. Requests for Authorization and Approval**

System Manager Mr. Alford presented the following requests to the Board from Plante Moran. One request discusses their annual financial services for the next three years. The second one discusses auditing services, which includes annual auditing requirements with additional auditing requirements required by the WIFIA funding that we have received.

### **a. Plante Moran 2025-2027 Financial Consultant Services Contract**

Rumzei Abdallah from Plante Moran proposed the three-year contract for financial consulting services that Plante Moran has been providing historically, as well as a three-year extension for Plante Moran's audit services. Plante Moran has been advising the 13-member communities over the system for many years



and has been advising well before the 2018 official DUWA transfer. The audit contract includes a 5% annual increase for three years instead of charging a 10% to 15% immediate increase in other Plante Moran contracts.

Motion by Mayor Kuspa (Southgate), supported by Mr. Dobek (Riverview) to approve the plan for a three-year financial consultant services proposal by Plante Moran. A roll call vote was taken, and the motion passed with 80% of the vote (unanimous vote by all attending members).

**b. Plante Moran Audit Services**

Motion by Mayor Kuspa (Southgate), supported by Mr. Dobek (Riverview) to approve the audit services contract proposal by Plante Moran. A roll call vote was taken, and the motion passed with 80% of the vote (unanimous vote by all attending members).

**7. Contract Operator Update**

Jason Tapp and Travis Tuma, of Veolia, provided the Contract Operator update.

**a. September 2024 Monthly Operating Report**

Jason Tapp reported that the system received light rain throughout September. Just under one billion gallons were treated for the entire month of September. Usual numbers are rarely below a billion. Daily average flows were 32.7 MGD. Typical numbers on an annual basis are from 45 to 50 MGD. These low numbers really pinpoint how dry the current weather has been. In October numbers even dropped below 20 on most days. These lower flows are a big contributor in Southeast Michigan to odors through septic off gases. Keeping drains in basements filled with water helps mitigate this odor. Mr. Mayhew (Wyandotte) recently mentioned the McKinley neighborhood. This neighborhood is directly north and when wind comes from the south many complaints are received from that neighborhood. This is exactly what Mr. Tapp and his team are trying to improve. Veolia is looking into various options to mitigate odors through H2S sensors, volatile organic compound sensors. Complaints from residents are being recorded and tracked. Visits are conducted by city officials and Veolia's staff upon receiving a complaint. The odors are usually not present during the site visit. One would wonder if it's because these staff members are acclimated to the smell at the plant or if the smell is as irritating as complaints convey. A further odor control investigation will need to be done to figure out what type of odor they are dealing with and what type of mitigation would be best suited for that particular type of odor. Veolia's team is diving into this now. One of the things we

can do now would be to repurpose the tunnel pump station's odor control unit, connecting it elsewhere to mitigate odor. The carbon in the tower will be tested to see how much has been consumed.

For the month of September, the plant was in full compliance. Ferric is being dosed in small amounts and Veolia is investigating to see if there is another injection point. Large projects that are being tackled this month include rebuilding fine screen number two, the installation of two hydrogen peroxide tanks: one for odor control and the other to control the mini biological growth inside of the condensing towers. Veolia is concentrating on mapping complaints which match up and are downstream of the wind. More information will be received after testing and hopefully a solution will be evident. Primary tank boards for Bay 3 had to be rebuilt, which was a confined entry space with a big team in there. PACI is still being dosed to remove phosphorus in the plant. However, it doesn't have the same odor control properties as Ferric. PACI does have a polymer base which accumulates and needs to be removed and cleared out intermittently. The manufacturer is working on a new PACI formula, which doesn't gel and accumulate so Veolia looks forward to a trial run after a positive lab analysis was conducted. One of two supports were installed on the secondary clarifier. Once the second comes in, Veolia's team is ready to install that on Clarifier 6. Stainless steel beams were ordered and will be replaced in house as some of the truss work that holds the supports is thinner than they would like. In regards to the collections system; 320 tickets were produced for the month with only 14 being emergency tickets where the team had to respond immediately.

Veolia's Health and Safety week was in September. A week-long series of events was held for the team. This included a visit from Grainger and new safety boots were distributed. The plant also had a safety standdown where employers and employees could talk about safety and take a break from routine tasks. The purpose being to focus on hazards in the workplace, reinforce the importance of safety, discuss safety practices, inspect safety equipment, and review protocols for preventing hazards. A food truck was brought in for the event to provide food for those attending.

**b. Chemical & Sludge Price Monthly Updates**

Looking at the price sheet there was one little anomaly on the water, which Mr. Tapp believes it was divided into the overall goal and shows a slight increase. The second sheet on pg. 55 is what Jason Nash was talking about earlier. The bottom two numbers in the last column; percent of product all bill of sale shows the numbers for September and October. Currently the plant still landfills 50% of

sludge. DUWA is paying over \$107 a ton to landfill, where we would pay substantially less per ton at \$36.50 to LaSalle. The product that goes to LaSalle is much drier so the weight is two thirds less than what goes to landfill. Mr. Tapp added that there is still a lot of money to be saved by maximizing the dryers.

Mr. Dobek (Riverview) inquired how many gallons are going to the granular activated carbon (GAC). Mr. Tapp noted that they have around 7,500 cfm is going through the GAC. At Riverview's landfill they have to change their GAC each year. Mr. Dobek will try to connect Mr. Tapp with someone there for further information.

Mr. Alford inquired if the fecal kill was 100 or so for September. Mr. Tapp noted that a number of bulbs and ballasts were replaced to get the number to a lower amount but the limit is 400.

Mr. Scappaticci (Romulus) inquired if the county permitted adding the exhaust for the dryer project. Mr. Tapp acknowledged that a permit was accepted by the county.

Mayor Kuspa (Southgate) inquired of the possibility of not landfilling. Jason Tapp explained why there may always be a need for some biosolids to go to landfills. There will be times throughout the year where the plant will have to bypass the dryer and get product and maybe one or two truck trailers a day to landfill. This being the ebb and flow of the operation, that even if two trucks were available, it might not be enough to handle. As the biosolids need to get out somewhere we can't rely on the truck service or the fact that it's not enough because of the high costs associated. It then becomes more effective to send biosolids to landfill. On the flip side we could send less through the dewatering equipment but can only do that for a few days before we are out of permit compliance.

### **c. Existing UV System Remaining Life Update**

The plant's Electrician worked on bolstering up the UV system. Replacement ballasts and bulbs were installed. Veolia's team is getting more comfortable with the deadline of having the system still functionable before transitioning to the new. An on-site technical company was contacted that can provide off-the-shelf parts as need be.

## **8. Treasurer's Report DUWA Treasurer**

**a. Quarterly Financial Statement – 2024 Q3**

Doug Drysdale (DNS Financial Services, DUWA Accountant) presented the balance sheet for this year as of September 30, 2024. The Financial Statement compares the balance as of September 30, 2024 to our beginning year balance on December 31, 2023.

Under cash, DUWA is at \$37.7 Million compared to \$35.3 Million. An increase of about 2.4%. Most of the increase is made up of collections for the SRF debt, that was the senior lien debt, the WIFIA debt, and then also the Wayne County note.

Under accounts receivable, our balance is \$3.8 Million as compared to \$3.4 Million. \$100,000 of that is the reimbursement from the State under the EGLE grant that was received in October. Unbilled sewage costs were accrued. The due from counties is the reimbursement from the Southgate-Wyandotte Relief drainage district for the electricity that they use. Fixed assets and accumulated depreciation will be adjusted at year end. Mr. Drysdale reminded the Board that when the report is conducted it is done on a cash basis, so any expenditures for capital outlay will be capitalized at year end as part of the audit, and then depreciation expenses will be calculated at that time as well.

Under accounts payable, our balance is \$3.2 Million as of September 30th compared to \$1.9 Million. As with the cash, most of that is the debt that will be paid on October 1st, which is sitting at accounts payable.

Short-term and long-term liabilities are primarily made up of debt. Since we are recording things on a cash basis, the principal portion will be recorded and offset against these balances at year end.

At the bottom of pg. 57 is the beginning fund balance of \$108 Million dollars as of September 30th. The income statement was at about a \$2.5 Million surplus.

Pg. 58 is the Revenue and Expenditure Report. Under Other Revenue, DUWA is at about 22.8% of the budget amount. Most of that is due to two items, the State Grant Infrastructure or the EGLE grant, which totals \$10 million. So far \$733,000 has been billed. This will carry over into the next year as we get more into the construction of the project. The SRF bond is also \$10 million. Mr. Drysdale will be conducting a budget amendment and proposing that next month to clean up some of these items before year end. The other two items included are the sale of natural gas buyback and then the SRF bill to communities of \$4.9 Million.

Under Operating Revenue, we're at 77% of the budgeted amount. Two main items are the sewage disposal charges and excess flow charges. Together we're at about \$21 Million compared to \$27 Million that we had budgeted. The other items are the industrial surcharges, IPP surveillance permit fees, and non-essential user fees. In regard to the reimbursement of municipal overpayments. In the budget there is the Allen Park overpayment as well as Wyandotte's.

Interest earnings through September 30th were at \$1.1 Million with the budget at \$1.3 Million.

The first section under the expenditures is DUWA's Debt Service which was previously covered. A final report will be given at the end of the year.

Under Other Services and Charges, we're only at about 55.8%. These are the charges for the administration, insurance, and consultants that are being used by the system.

For Plant Operations, which carries over to pg. 59; are at 68% of the budget. The big items include O&M services, sludge hauling, flow metering, and the electrical costs. As well as all the other utilities including: water, natural gas, oxygen, things like that. These are slightly under budget at 75%.

Lasty, on pg. 59 is the Capital Outlay. \$17.5 Million was budgeted for the UV project and DUWA has come in well below that amount, which will need to be adjusted.

The Net of Revenue and Expenditures for all funds is currently at a surplus of \$2.5 Million. Mr. Drysdale predicts some of this surplus will be used by the capital projects before the end of the year.

Mr. Scappaticci (Romulus) inquired how the attorney, engineering, and system administrator services and fees were developed and if they were approved by the Board. Mr. Drysdale noted that these were fees anticipated for the upcoming year. They did increase due to the UV and dryer project.

**b. Draft CY 2025-2026 Budget**

Pg. 60 shows the two-year budget for 2025 and 2026. Under Other Revenue, DUWA will have a budget amendment next year to carry forward the remaining amount of the EGLE grant that is expected in the first part of the fiscal year. The next big item is billings to communities for the SRF funds. Under Operating

Revenue there is \$31.6 Million budgeted for 2025. It's compared to the amended budget this year of \$28.3 Million. Sewage disposal charges are included; as we try to get a better handle on how the billings are going out under the new rate methodology. Overall, the excess flow is showing a small decrease, compared to last year. As mentioned earlier 2025 only includes reimbursement to Wyandotte for Municipal overpayments.

Under interest earnings the budget is being reduced in anticipation that we will be using some of our reserves for the UV project as well as anticipating the Federal reserve will reduce the interest rates. Between the sewage and the excess flow last year's budget was about \$27 Million, and next year's budget for 2025 is just about \$30 Million.

On pg. 61 we are \$10.3 Million for 2025 Debt Service. One of our bonds we have a few years left so it should be paid off soon. Under Other Services and Charges are our administrative costs. Under the Attorney fees and engineering services we do have the dryer litigation going on, so we have included some additional costs in there for those services. Also under the System Administrator, we have a new Administrator coming on board. Last month the Board approved those higher costs. The insurance premiums also went from \$589,000 to \$667,000. A 10% increase is expected for 2025. Plant Operations which include Veolia O&M services and flow metering both went up by about 3.25% from last year. Electric is at \$3,265,000, a slight decrease from this year. Natural gas last year for 2024 was budgeted at \$1.2 Million and was cut down to \$644,000 with the dryers not operating at full capacity. Other items include utilities and other chemicals. Dryer repairs and maintenance costs are included in the budget as these will now be DUWA's responsibility totaling about \$333,000 for next year.

Pg. 62 is the Capital Outlay. \$2 million in the 2025 budget is a placeholder for the small cap projects. These do not include specific items but will be brought forward to the Board for approval, and then expensed to the actual line items, for construction. Overall we are anticipating and budgeting a surplus of \$883,000 for net revenues and expenditures.

**c. Community Self-Reporting Status Log**

Mr. Drysdale presented that a check was recently received from Dearborn Heights. River Rouge is currently considered delinquent at this point. He asked that the representative for River Rouge inquire with DUWA's billing department. No communication from River Rouge has been received at this time so a 1.5% fee will be assessed for August's invoice.

**d. Aging AR**

For information only. On pg. 64 and pg. 71 total receivable is approximately \$2.2 Million, and approximately 95% of that amount is 60 days or less delinquent. This report does not include the self-reporting that we have not received.

Chairperson McLeod (Allen Park) asked about payments over 120 days old. Mr. Drysdale replied that these are primarily IPP industrial users. We are currently waiting on Kurian to provide customer information so the System Attorney can send out notices.

**e. Pending Invoices**

The approval of invoices for payments begins on pg. 72.

Motion by Mayor Kuspa (Southgate) and supported by Mr. Mayhew (Wyandotte) to approve the payment of invoices totaling \$3,087,685.08. The motion passed unanimously by all attending members.

**9. Public Comment**

There was no Public Comment

**10. Other Business**

There were no items brought forth for consideration as "Other Business" items.

**11. Next Meeting Date: Thursday, December 12, 2024 (9:00 AM; In-Person)**

Chairperson McLeod (Allen Park) reminded the Board that the next regular meeting would take place on Thursday, December 12, 2024 at 9:00 AM in-person at Taylor City Hall.

**12. Adjournment**

There being no other business, Chairperson McLeod (Allen Park) announced that a motion to adjourn would be in order. Motion by Mayor Kuspa (Southgate) and supported by Roxie Fairchild (Brownstown) to adjourn the meeting. The motion passed unanimously at 10:43 AM.