

DOWNRIVER UTILITY WASTEWATER AUTHORITY
June 5, 2025 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: Wyandotte, Ecorse, Lincoln Park, Van Buren, Taylor, Riverview, River Rouge, Allen Park, Romulus, Southgate, Brownstown. A quorum (at least 7 members) were present. Absent: Belleville and Dearborn Heights.

a. DUWA Commissioners

The DUWA Board Commissioners present at the time of roll call introduced themselves as follows: Roxie Fairchild (Brownstown), David Hall (Ecorse), Lisa Griggs (Lincoln Park), Dan Marsh (Southgate), Mayor Gail McLeod (Allen Park), Roberto Scappaticci (Romulus), Jeff Dobek (Riverview), Melissa Collins (River Rouge), Mayor Tim Wooley (Taylor), Bill Miner (Van Buren), Greg Mayhew (Wyandotte).

b. Other Meeting Attendees

Board meeting attendees present in the audience at the time of roll call introduced themselves as follows: Jim Taylor (DUWA), Julian Reno (Van Buren & Taylor), Rumzei Abdallah (Plante Moran), Mike Hurley (Riverview), Doug Drysdale (Southgate & DNS Financial Services), Stephen Hitchcock (Romulus), Jason Tapp (Veolia O&M), Jason Nash (Veolia CPM), Travis Tuma (Veolia O&M), Dan Alford (Fishbeck), Sarah Rutkowski (Fishbeck), Lauren Fath-Azam (Secretary), Jim Fausone (Fausone & Grysko), Maria Trotta (Plante Moran), Maria Sedki (Fishbeck), Ron Akers (Van Buren), Tyler Paoletti (Plante Moran), Souheil Sabak (CE Raines/Riverview). Jason Couture (DUWA Treasurer) arrived at 9:10 AM.

2. Approval of Agenda

Copies of the Agenda were made available prior to the meeting. Motion by Southgate and supported by Brownstown to approve the agenda. The motion passed unanimously by all attending members.

3. Approval of Minutes from May 8, 2025 Board Meeting

Copies of the meeting minutes from the May 8, 2025 Board meeting were included in the pre-meeting Board packet. Motion by Riverview and supported by Romulus, to approve the minutes. The motion passed unanimously by all attending members.

4. Legal Update

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

a. General Counsel Monthly Report

Mr. Fausone highlighted the various items from the legal update. All communities have approved the Amended Articles of Incorporation. Work will now begin on revising the Bylaws to correspond to the Amended Articles of Incorporation. These will be passed by the Legal Committee prior to presenting them to the Board.

5. Contract Operator Update

a. Monthly Operating Report

Travis Tuma reported that there is currently one open electrician position left to fill at the facility, since filled five operator positions last month. Veolia has this position posted and is looking for applicants.

The NPDES permit violation in April was a multi-part exceedance on TSS. The allowable solids concentration and loading that are allowed to be sent to the river was exceeded. This violation was due to a mechanical failure where the Clarifiers couldn't handle the load of solids after the second RAS pump failed. Currently the RAS pumps are not yet back from repairs. A total of one bypass is recorded for the year. Ferric continues to be utilized for odor control in a small dose. Peroxide is going to be low dosed into the condensing towers to prevent build up.

Due to odd grinding noises being heard in the dryer fan, Veolia staff investigated and found that the bolts were starting to come loose. Veolia staff tightened the bolts and modified the fan air foils for better access to inspect the fan bolts more easily. In addition Veolia assisted Alfa-Laval with changing both bearings in centrifuge #3. Alfa-Laval is dedicated to researching each bearing for a long term fix to why these bearings keep failing. Motors and stators were replaced in house on cake pumps #1 and #4; and cake pump #2 was removed due to a damaged auger and liner. Two cake pumps were sent to Seepex for repair. There was an attempt to replace the mechanical seals on the cake pumps but found that the shafts were seized together. An electric wall-mounted power washer was installed on the dosing platform to clear the floor drains.

In regard to the collection system; routine maintenance was performed on all flow meters, level sensors, and rain gauges. In previous years pavement holes in the plant were patched but over the years they have popped out. The maintenance crew went through the plant and disposed of those chunks of asphalt and hot-patched those areas. MISS DIG tickets have increased to 290 this past month with 35 being emergency related. Monthly reconciliation totals \$158,001.18. Mr. Tuma communicated that the cost of LaSalle's surcharge was \$6,000 for the month of April as less than 5 trailers were delivered to them for the month. The plant is currently getting 6-7 trucks per day to landfill since we have been limited by the Dryer. Jason Tapp added that the sludge profile is expiring this week with Waste Management and has not been renewed. Waste Management claims that it is due to a sulfur issue, although Mr. Tapp noted that the sulfur this year is lower than the previous year. Currently Veolia is negotiating with a landfill in Ohio which may accept two loads per day. Veolia continues to work on disposal options and will update the Board with any progress. Roberto Scappaticci inquired if the Ohio landfill put a cap on the quantity of sludge they would accept. Mr. Tapp noted that since our sludge is undigested raw sludge they will only accept two loads per day. Veolia intends to start the second dryer as they have procured two more pumps from a separate supplier that can be modified to fit. Dan Marsh inquired as to what would happen if there is more sludge being produced than what the Ohio landfill will accept and the dryers can process. Mr. Tapp conveyed that the tanks would eventually fill up and permit violations may occur during rain events. Mr. Alford will reach out to the regional Supervisor at EGLE to see what can be done to help in this instance as they have previously assisted GLWA wastewater in a similar manner when they had a natural gas interruption. Mr. Fausone asked Mr. Alford to keep the Board up to date as things progress.

b. Chemical and Sludge Price - Monthly Updates

Mr. Tapp noted that as of today chemical unit prices have been consistent and have not yet been impacted by tariffs.

c. Existing UV System - Remaining Life Update

In regard to the UV project Mr. Tapp reported that they are operating well while meeting the disinfection requirements. All the new UV equipment is on site and the contractors are working to prepare the spare channel for installation. Veolia met with EGLE this week to speak with them about maintenance and plant operations during construction. The project plan has been tentatively approved.

6. System Manager Update

Dan Alford 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 19-30).

a. System Manager Report

Mr. Alford said the collection system-emergency root removal has been completed. Mr. Alford will meet this Friday with the City of River Rouge on the collection system and the need to Two pipes are in question that require bulkheads to separate them from the DUWA system. HRC recommends lining the brick portion and chemically treating the other portions. Prices and costs will be obtained. Sewer is now at full capacity and back to normal.

The BASF North Works facility in Wyandotte is being mandated by the EPA to install a new groundwater remediation system for PFAS to reduce contaminated flows to Detroit River. They are requesting to discharge treated flows from the new system to DUWA. The BASF North Works site already has existing groundwater remediation systems onsite that discharge to DUWA through current IPP permits. Veolia IPP is drafting a letter for conditional approval of the new connection. Mr. Alford added that this is something that needs to be actively controlled. Veolia's IPP team will also be reaching out to the top-5 PFAS contributors to the DUWA system and they will be requested to provide schedules and alternatives to start lowering their PFAS numbers. Mr. Alford gathered that BASF will be cooperative after his many discussions with them.

Orthophosphate dosing continues, and no increased usage has been noticed in regard to Ferric/PACL as of yet. It stands to reason that they will see an increase at some time. April was a busy month for the plant and as it relates to odor complaints. While DTE was replacing the gas main under Pennsylvania, odors from natural gas were evident. In May the number of odor complaints totalled 4 with 3 coming from one consistent resident. The odor study report is expected to be received by the end of the month. Additional sampling was required to provide an accurate report. Additionally, carbon has been replaced in the dryer odor control unit as of late last month. Veolia did a great job with the change out. With multiple touch points monthly with Constellation and with the MEA consultant, Mr. Alford feels that they have a good cadence going. Things have been difficult with buying and selling back natural gas due to having the dryer down but this strategy will hopefully prove to be successful.

The prior technical committee meeting went well. Sarah Rutkowski and himself have been very busy tackling various other tasks but plan to start updating the capital improvements plan. Mr. Alford does expect a quote back from Wade Trim

as it relates to the emergency generator controls study. He plans to utilize the proposal to bid the scope of work out to Engineering firms if the controls for the emergency generators at the plant need to be replaced or redone. Mr. Alford added that quotes came in around \$600,000 to simply replace the existing controls. Dan Marsh asked for a clarification on a typo of the quoted service amount, which was affirmed to be \$600,000.

b. UV Disinfection Replacement Project

For the UV project Jason Tapp mentioned a meeting was conducted yesterday. Mr. Alford affirmed with EGLE afterward his desire to keep the project on track. The contractor acknowledges that they're slightly behind schedule at this time but if they had better access into the UV channels they can make up at that time. Lastly, Mr. Alford expressed with Black and Veatch that we desire to have a Project Manager who deeply cares about this project and its success.

c. Biosolids Dryer Facility Project

Jason Nash reported that three cake pumps were sent back to Seepex to take apart as the coupling rod rotor end is worn allowing the bushing to easily slide out. The coupling rod must be replaced but lead time is 8 to 9 weeks. Photos are shown on page 25 of the meeting packet. Page 26 shows the auger that feeds the progressive cavity pump. The material is worn down due to processing sludge. This is another part that isn't typically stocked at Seepex and is expected in 8 weeks. Lately Veolia has had issues with these screws which explains why the metal's becoming thin, allowing it to be damaged inside. These three pumps are being rebuilt now. Two additional roto pumps are expected to ship next Friday and will be on site for the following week to be installed. This should allow Veolia to get the South Dryer up shortly. Mr. Alford inquired as to how the grease levels were. Mr. Nash noted that when Seepex tore it apart the boot was destroyed from fibers and the banding inside was messed up as well. Page 26 showcases the operational status of dryer components. Mr. Marsh inquired about the 75% available status of the dryer vs. the whole dryer system (for all components). Veolia CPM will revise this dryer operational status for future meetings. The dosing pumps for the North Dryer were rebuilt between May 19th and May 23rd. The crusher was operating but only had a 1" screen inside which was changed out to a ¾" screen which has been operating without any issues. Kruger will provide ½" and ⅜" screens so operations can produce an optimal bulk density

Mr. Nash highlighted that for the odor study additional sampling is scheduled on June 23rd to determine why we are getting such a significant increase in BOD and total solids in the recycle stream.

The Strainpress is working well. Brown and Caldwell is finalizing the pilot sampling studies for the strain press. Mr. Nash has received the final de-gritting plan. This will be an additional piece of equipment that may be installed to pull grit out of the sludge prior to sludge going to the centrifuge and to the dryers. This is where Veolia believes the significant amount of wear is occurring on the pumps and will take care of the wear across the rotors and stators which ultimately degrade the pumps.

Page 29 showcases the limited production that was made. For the month of May operational time was at 25% which is better than April but still not ideal. The South Dryer has been offline for the last month and a half. Both dryers are expected to be operational by the end of the month. Downtime has been 43% for the year due to pump repairs. Jim Fausone asked why the damage is occurring to the Seepex pumps. Mr. Nash said he believes the damage is due to the debris and abrasives in the sludge. Mayor Wooley added that we should look into utilizing alternative products that handle things more abrasive like those used with concrete. Mr. Fausone inquired how long a grit removal system will take to install. Mr. Nash explained the two components which include the hydrocyclone and the grit classifier will take until Fall of 2025 before those components could be onsite and installed.

7. Requests for Authorization and Approval

Sarah Rutkowski presented the following requests for approval on page 31 of the meeting packet.

a. DWTF Vehicle Gate Operator Replacement

This fee will be paid from DUWA's Capital Outlay line item of the budget Committee Review. This request was reviewed by the Technical Committee during the May 22, 2025 meeting and was recommended for approval.

Motion by Wyandotte, supported by Romulus to authorize Veolia to contract with Michigan Gates and Operators, LLC for Gate Operator Replacement for a total cost of \$27,840. The motion passed unanimously by all attending members.

8. Treasurer's Report

Jason Couture presented the various items below to the Board, which start on page 35.

a. Approval of 2025-26 Rate Package

Mr. Couture highlighted that the approximate increase is 1.17% to \$13.84 per unit rate, which includes the flow and also the debt service. He asked for DUWA to adopt the new system rates.

Motion by Romulus, supported by Taylor to adopt the system rates that are set forth in the Rate and Budget packet for the rate year July 1, 2025 through June 30, 2026 or until such time that the system rates are changed by the Board. The motion passed unanimously by all attending members.

b. Approval of Audit and Single Audit

i. Audit for 2024

Rumzei Abdallah presented the Audit for 2024. DUWA's financial report is shown on page 4 of the audit report. Plante Moran's opinion letter is shown on page 1 of the audit report. Plante Moran has issued an unmodified opinion, which is the highest level of assurance that can be given on a set of financials. During the audit no misstatements were found or corrections were needed. Mr. Abdallah highlighted that as of December 31, 2024 DUWA reported \$22.7 Million in cash and investments that was unrestricted and available for operations, and \$16.9 Million represented restricted cash and investments that was set aside in accordance with DUWA's required reserve policy. DUWA reported \$7.3 Million in income from operations. That's before paying interest and reporting interest income and reporting grant revenue. The net effect of the non-operating items related to interest payments, interest received, and grant revenue was under \$100,000. The resulting change in net position from 2023 to 2024 was \$7.2 Million. Mr. Abdallah highlighted that no new debt was added during the year.

Motion by Romulus, supported by Southgate to approve the 2024 annual audit performed by Plante Moran, along with the end of audit letter, and to direct Plante Moran to upload the financial statement and letter to the Michigan Department of Treasury, as required by Public Act 2 of 1968. The motion passed unanimously by all attending members.

ii. Single Audit for 2024

The single audit report starts on page 22. Every year DUWA is required to obtain a compliance audit over the WIFIA loan program. The WIFIA loan was used to fund the dryer project. DUWA is in full compliance with the WIFIA loan. The UV disinfection project is being funded through a \$10 Million grant from the State. Plante Moran found DUWA to be in full compliance with the rules and regulations

related to this grant but found an internal control related to this program. One of the compliance requirements for any federal grant is that before contracting, the entity is not suspended or debarred from receiving suspended or debarred. DUWA is required to document that the search was done, prior to awarding the contract. For one of the contracts that were tested, but the contract files did not include documentation to demonstrate that this was done prior to awarding the contract. It's not a compliance matter and more of a documentation item. Since Plante Moran is required to specifically comment on, it has been included as interim control weakness related to this particular grant.

On page 34 of the packet, there is once again a financial statement internal control matter that's being reported relating to segregation of duties, issues with segregation of duties limitations at DUWA with how bills are sent out, receipts produced, and deposits are made. Ideally those duties would be dispersed among different individuals instead of just the one. In addition there is concern since DUWA's Financial system is saved on a single laptop. The conversion of DUWA's financial software over to BS&A Cloud will resolve this.

Lastly Mr. Abdallah highlighted the management letter on page 36. The first section of the letter contains the results of the audit and the second section includes internal control recommendations, and legislative updates. As it relates to internal control Plante Moran recommends DUWA to switch over to a full version of positive pay, which requires all elements of the check to be verified prior to approving payment. Mr. Abdallah thanked the team for their help in assisting Plante Moran through the audit process. Jason Couture added that the internal control items are being addressed.

Motion by Taylor, supported by Lincoln Park to approve the 2024 single audit performed by Plante Moran, and to direct Plante Moran to upload necessary documents to the Michigan Department of Treasury and/or EPA to fulfill WIFIA funding requirements. The motion passed unanimously by all attending members.

Mr. Couture revisited the Resolution of the DUWA to Adopt 2025-26 Rate Package. Motion by Romulus, supported by Taylor to adopt the system rates that are set forth in the Rate and Budget packet for the rate year July 1, 2025 through June 30, 2026 or until such time that the system rates are changed by the Board. The resolution carried with 11 Ayes, no Nays, no Abstains, and 2 Absents.

c. Community Self-Reporting Status Log

Jason Couture reported on the community self-reporting status log on page 62. All Communities are now up to date with River Rouge getting caught up.

d. Aging Accounts Receivable

Mr. Couture continued to report on the Aging Accounts Receivable report starting on page 63. The total amount in the Aging Accounts Receivable is \$1,477,988.34 of which \$1,023,013.20 is current. Brownstown shows over 100 days delinquent. This will be adjusted since there's going to be an adjustment to a bill which involved an estimated meter that was corrected at a Ford Plant.

e. Pending Invoices

The total amount in this month's invoice register is \$3,209,678.72. The largest invoices include those to Veolia for monthly O&M and Commercial Contracting Corporation (CCC) for the UV Disinfection Grant Project. The payment to CCC will be reimbursed through the UV Disinfection Project Grant funding. The pending invoice report is attached herein.

Motion by Riverview, supported by Romulus to approve payment of the pending invoices in the amount of \$3,209,678.72. The motion passed unanimously by all attending members.

9. Public Comment

There was no further Public Comment.

10. Other Business

Jeff Dobek noted that he's concerned for the UV project and the need for improvement by Black and Veatch.

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

11. Next Meeting Date: Thursday, July 10, 2025 (9:00 AM; In-Person)

Chairperson McLeod reminded the Board that the next regular meeting would take place on Thursday, July 10, 2025 at 9:00 AM in-person at Taylor City Hall.

12. Adjournment

There being no other business, Chairperson McLeod announced that a motion to adjourn would be in order. Motion by Southgate and supported by Taylor to adjourn the meeting. The motion passed unanimously at 10:13 AM.