



Detroit Water and Sewerage Department

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Legislation Text

File #: 19-0084, **Version:** 2

The Board of Water Commissioners for the City of Detroit Water and Sewerage Department **approves the amendment to gross up the operating budgets for fiscal year 2019-20 for the Water Operating Fund in the amount of \$12,237,600 and for the Sewage Disposal Operating Fund in the amount of \$24,160,100 to adhere to Plante Moran's request to reflect GLWA's portion of the Industrial Waste Control charges, B&C notes, operating and non-operating pension;** and further authorizes the Director and Chief Financial Officer to take such other action as may be necessary to accomplish the intent of this vote.

Agenda of June 5, 2019

Item No.

Fiscal Year 2019-20 Budget Amendment to Gross Up the Operating Budget to Include GLWA's Portion of IWC charges, B&C Notes and Non-operating Pension

TO: The Honorable
Board of Water Commissioners
City of Detroit, Michigan

FROM: Gary Brown, Director
Detroit Water and Sewerage Department

Date: June 5, 2019

RE: **Resolution to Amend the Fiscal Year 2019-20 Operating Budgets for the Water and Sewage Disposal Systems to Include GLWA's Portion of IWC charges, B&C Notes, Operating and Non-operating Pensions**

MOTION

Upon recommendation of Thomas Naughton, Chief Financial Officer, the Board of Water Commissioners for the City of Detroit Water and Sewerage Department **approves the amendment to gross up the operating budgets for fiscal year 2019-20 for the Water Operating Fund in the amount of \$12,237,600 and for the Sewage Disposal Operating Fund in the amount of \$24,160,100 to adhere to Plante Moran's request to reflect GLWA's portion of the Industrial Waste Control charges, B&C notes, operating and non-operating pension;** and further authorizes the Director and Chief Financial Officer to take such other action as may be necessary to accomplish the intent of this vote.

WHEREAS The Great Lakes Water Authority ("GLWA") assumed operation of the regional water and sewer systems and the Detroit Water and Sewerage Department ("DWSD") continued operation of the retail water and sewer systems on January 1, 2016 pursuant to Lease Agreements between GLWA and the City of Detroit dated June 12, 2015.

WHEREAS In accordance with Plante Moran’s audit requirement to gross up the operating budget to include Industrial Waste Control charges, GLWA’s portion of the B&C notes, operating and non-operating pension, the Detroit Water and Sewerage Department is seeking approval to increase the operating budget in the amounts of \$12,237,600 for the Water Supply system and \$24,160,100 for the Sewage Disposal systems; and

WHEREAS The Detroit Water and Sewerage Department is seeking approval to breakout the bond interest expense in the Water Capital Fund in the amount of \$3,200,000 and the Sewage Disposal Capital Fund in the amount of \$4,100,000; and

WHEREAS The fiscal years 2019-20 budget will have a net effect of \$0; and

WHEREAS The amended budgeted annual revenue requirements for the Water Supply System for FY 2020 increases from \$107,771,100 to \$120,098,700 or \$12,237,600; and

WHEREAS The budgeted annual revenue requirements for the Sewage Disposal System for FY 2020 increases from \$323,168,900 to \$347,329,000 or \$24,160,100; and

NOW THEREFORE BE IT:

RESOLVED That the Detroit Board of Water Commissioners approves the amended budget for Fiscal Years 2019-20; and be it further

RESOLVED That the Director, and the Chief Financial Officer are authorized to take such other action as may be necessary to accomplish the intent of this resolution.