

# DOWNRIVER UTILITY WASTEWATER AUTHORITY FIRST YEAR IN REVIEW





## INTRODUCTION

The Downriver Utility Wastewater Authority (DUWA) took on the major responsibility of owning the Downriver Sewage Disposal System (DSDS) in late September 2018, when the system was transferred from Wayne County to DUWA. There was a great deal of trepidation by many community representatives, since there were many unknowns about the system. This document is intended to provide a perspective about what has occurred during the first year of ownership and provide a glimpse forward on upcoming challenges.

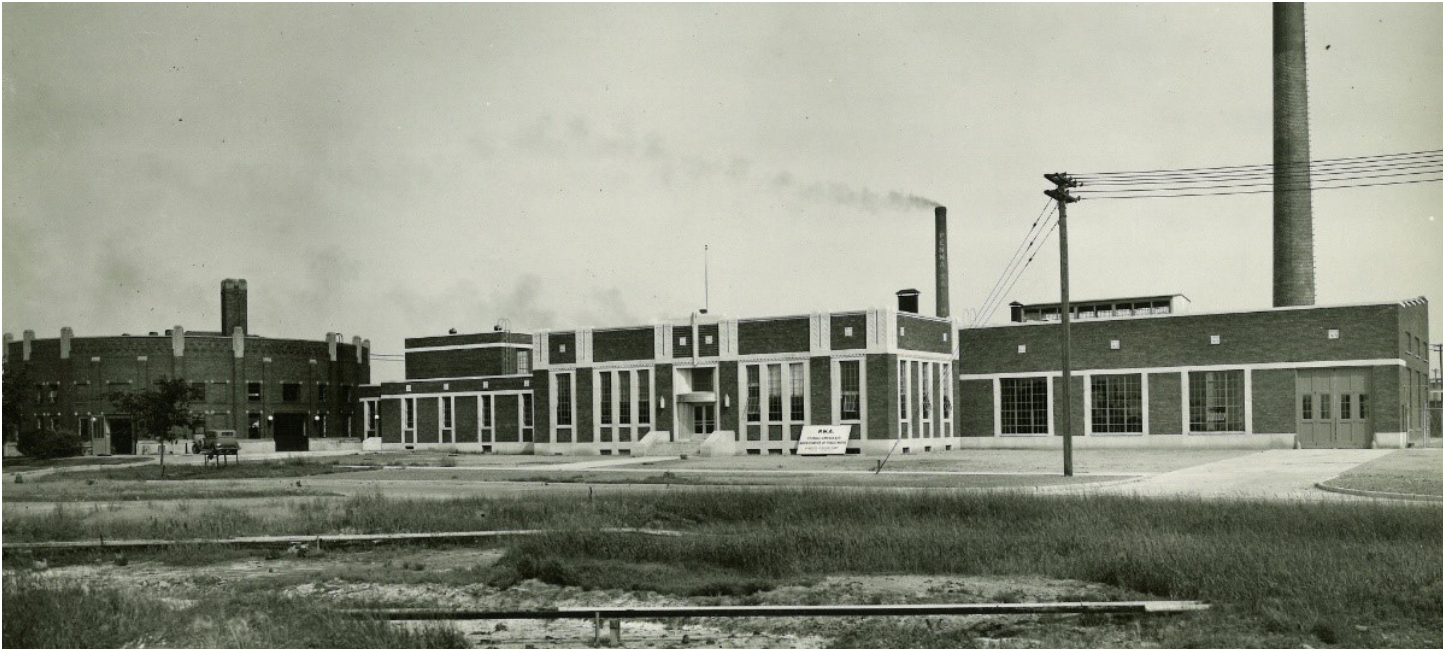


DUWA MEMBER COMMUNITY	PRIMARY COMMISSIONER	ALTERNATE COMMISSIONER
City of Allen Park	Gail McLeod, Mayor	Pamela Sych, Council Member
City of Belleville	Kerreen Conley, Mayor	Rick Rutherford, DPW Director
Township of Brownstown	Bill Turner, DPW Director	Andy Linko, Township Supervisor
City of Dearborn Heights	John Selmi, DPW Director	Dan Paletko, Mayor
City of Ecorse	Richard Marsh, City Administrator	Dave Flatten, Former Interim City Administrator
City of Lincoln Park	John Zech, Interim City Manager	Lisa Griggs, Director of Finance & Operations
City of River Rouge	Michael Bowdler, Mayor	Peggy Madden, City Attorney
City of Riverview	Doug Drysdale, City Manager	Dean Workman, Council Member
City of Romulus	Leroy Burcroff, Mayor	Roberto Scappaticci, DPW Director
City of Southgate	Joseph Kuspa, Mayor	Dustin Lent, City Administrator
City of Taylor	Rick Sollars, Mayor	Keith Boc, DPW Director
Township of Van Buren	Kevin McNamara, Township Supervisor	Jim Taylor, DPW Director
City of Wyandotte	Todd Drysdale, City Administrator	Greg Mayhew, City Engineer



## HOW DID DUWA PERFORM?

There were many challenges uncovered during the first year of ownership. DUWA came together to address all the challenges and has emerged as an effective organization, providing outstanding service to the system customers in the 13 communities served by the DSDS. Several key aspects of the first year of ownership are detailed below.





## TOTAL TEAM PERFORMANCE

### *DUWA Representatives*

The thirteen communities unanimously approved the Definitive Transfer Agreement, which paved the way for taking over ownership from Wayne County. Discussions during that process made clear that many estimates and judgments made as part of the evaluations had significant potential for undesirable impacts. Despite those concerns, taking on responsibility for managing the system was the best path forward for the communities.

The DUWA Board clearly took on the challenge of running the system. Mayor Sollars of Taylor and Mayor Matakas of Allen Park, chair and vice-chair respectively, led the meetings and set the tone for thoughtful deliberation and getting decisions made expeditiously. Similarly, all the Board members took the time to prepare for meetings, ask great questions, provided thoughtful insight on the items being reviewed, and made timely decisions.

In preparation for the Board meetings, Technical, Financial, and Legal Committees provided in-depth review of the available information, allowing for critical exploration of key issues to the level of detail necessary to feel comfortable with recommended actions.



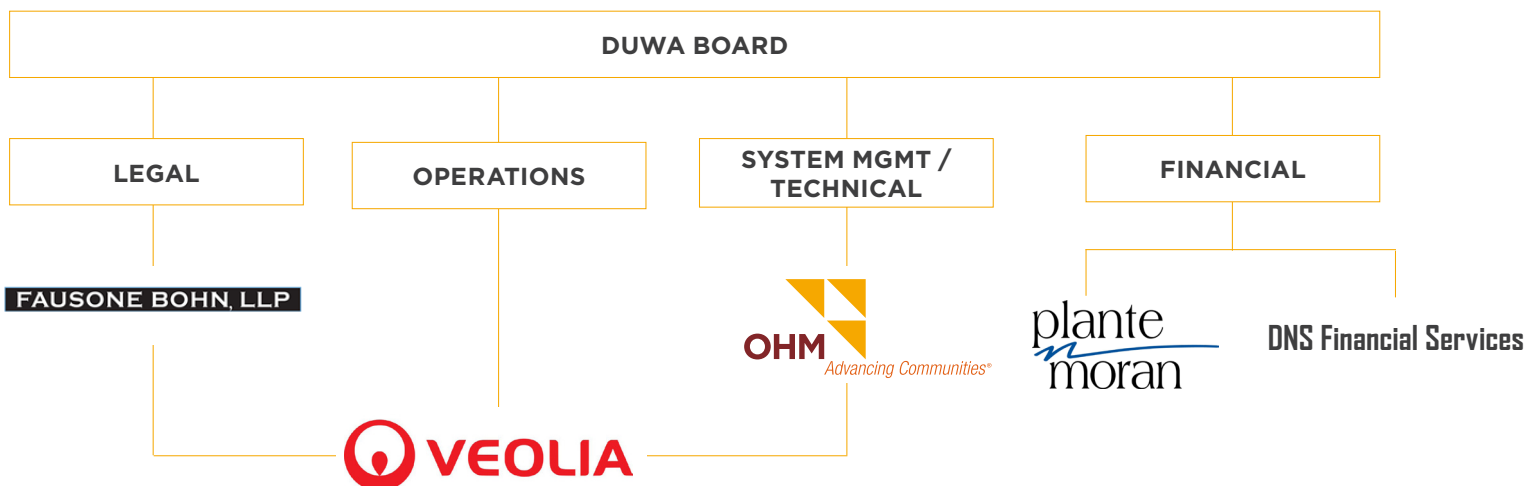
### Contracted Resources

The communities expressed an interest in keeping the DUWA structure simple, by contracting out as much of the day-to-day activities as possible. Initially, DUWA would attempt to run the system using only contracted services.

Veolia Water of North America was chosen as the firm to operate and maintain the system. The Board recognized the importance of long-term decision making and opted for a 20-year contract with Veolia. This has proven to be an excellent choice, as Veolia seamlessly took over responsibilities from day one. They effectively staffed up using a combination of resources from Wayne County staff, other local resources, and existing Veolia staff. It's important to note that not all staff selected on day one proved to be effective members of the team. Where staff did not fit in as expected, decisions were made quickly to make a change. New staff were hired, and the team quickly started performing at a high level. Specific examples of key actions by Veolia include the following:

- Bringing in Kelly Irving and Jason Tapp as the key managers for the facility. Kelly has extensive experience within Veolia, with similar facilities serving multiple communities. She understands how to bring the correct resources to bear in solving difficult problems. Jason Tapp has the local experience with several facilities, including Downriver. His understanding of the history of the facility and his pragmatic approach to solving problems leads to cost-effective results.
- Large organizations like Veolia, have a wealth of support resources that can be utilized to evaluate systems and solve problems. Veolia has been very effective at bringing good subject matter experts to the facility to create appropriate action plans.
- Effectively dealing with difficult problems, such as getting rid of excess bio-solids and getting the function of the primary settling tanks restored, quickly. This attention to getting the facilities up to expected performance allowed the treatment facility to operate at a high, sustained flow rate (over 250 million gallons per day rate), significantly above the design flow rate (225 mgd) during a very large rain event on May 1, 2019.

In addition to the operation and maintenance needs, there are administrative, technical, financial, and legal resources required to properly run the DSOS. The firms of OHM Advisors, Plante Moran, DNS Financial Services, and Fausone Bohn have been selected to provide the key advisory services to DUWA. These firms work together as a seamless team to provide the DUWA Board with the information and advice that they need to carefully consider the issues and make good decisions.





## FIRST YEAR CHALLENGES ADDRESSED

A number of challenges had to be dealt with in the first year of system ownership, such as:

- Large bio-solids backlog/inventory, combined with poor condition of primary clarifiers, leading to immediate wet weather NPDES permit violations,
- Deferred maintenance on many pieces of equipment, some of which had serious consequences if a lapse in effective operation occurred,
- Sudden restriction in amount of bio-solids that could be accepted at existing contracted landfills, resulting in a major cost increase for bio-solids disposal at the single outlet available,
- A very large rain event on May 1, 2019 that severely strained the capacity of both the regional and local systems, and,
- Emergency failures and critical short-term improvements required, such as a bio-solids pipeline collapse, completion of the electrical system repairs started by Wayne County, rehabilitation of the Alkali Sewer, a double-ring brick sewer that had already lost one of the rings, implementing a SCADA system to effectively separate from Wayne County's system, and implementation of a bio-solids dryer project to stem the high landfill disposal costs.





## FIRST YEAR RESULTS

- No NPDES permit violations after November 2018, as the excessive bio-solids were quickly removed.
- Even with all the challenges, the financial goals were met! The initial projection before transfer was that 4% rate increases and periodic use of reserves would be needed to meet system needs with uniform rate increases and remain Rate Neutral. The first-year expectation was that a 4% rate increase and use of \$1 million in rate stabilization funds would be required. The actual performance was a 4% rate increase, but less than \$200,000 in rate stabilization fund use.
- Much of the deferred maintenance on critical equipment was addressed. The new Asset Management system has been implemented and future issues are expected to be primarily addressed through planned activities, rather than emergencies.
- DUWA and the communities are working together to identify the causes and potential solutions for basement back-up problems. This is expected to be a more effective means of pro-actively addressing the system issues.
- The bio-solids disposal issue was quickly analyzed by Tim Muirhead, Veolia's subject matter expert, and alternatives were identified. DUWA quickly responded to the information and authorized proceeding with the next steps as expeditiously as possible. This included applying for funding from EPA, which was successful, the first ever in Michigan!





## UPCOMING CHALLENGES

Despite a successful first year, DUWA faces many new and on-going challenges, such as:

- Bio-solids dryer project implementation,
- Collaborative effort to reduce basement back-up vulnerability,
- Infrastructure renewal and capital planning, and,
- Connecting with member communities and their retail customers to provide effective services at a reasonable cost.

Based on the success of the first year, it appears that DUWA is ready and able to fulfill the expectations!

