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# City of Detroit

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TO: Gary Brown, Director  
Water and Sewer Department

FROM: David Whitaker, Director   
Legislative Policy Division

DATE: March 10, 2022

RE: Detroit Water and Sewerage Department FY 2022-2023 Budget Analysis

Attached is our analysis regarding the Detroit Water and Sewerage Department Budget for the City's Fiscal Year 2022-2023.

Please be prepared to respond to the questions raised in our analysis during your scheduled hearing on **Wednesday, March 16, 2022, at 10:00 a.m.** We would then appreciate a written response to the questions at your earliest convenience before or after your budget hearing. Please forward a copy of your responses to the Council members, the City Clerk's Office, and the Legislative Policy Division.

Please contact us if you have any questions regarding our analysis. Thank you for your cooperation in this matter.

**Attachments:**

Issues and questions

Attachments I.A and I.B: Water and Sewerage departments Mayor's proposed budget schedules

Attachment II Water and Sewerage Funds FY 2022 and FY 2023 Budgets

Attachment III Proposed FY 2023 Budget presentation to the BOWC Finance Comm. On March 2, 2022

Attachment IV December 2021 Review – DWSD Finance Committee

Attachment V DWSD's responses to LPD's FY 2021 budget review questions

cc: Councilmembers  
Auditor General's Office  
Istakur Rahman, DWSD Chief Financial Officer  
Jay Rising, City of Detroit CFO  
Tanya Stoudemire, Chief Deputy Financial Officer  
Steven Watson, Deputy CFO/Budget Director  
Gail Fulton, Mayor's Office

## Detroit Water and Sewerage Department

### **Analysis by the Legislative Policy Division for the City's FY 2022-2023 Budget**

Attachment I.A represents the Mayor's proposed budget for DWSD's Water Fund (Fund 5720) for FY 2023-2026 (pages B48-1 through B48-19). The Water Fund's operating budget for FY 2023 totals \$140,733,600 (pages B48-8 to B48-9). Attachment II provides another breakdown of Water Fund's proposed operating budget. The Water Fund's proposed FY 2023 budget was presented to the BOWC Finance Committee at a public meeting on March 2, 2022 (see Attachment III page 8); and the BOWC is scheduled to meet on March 16, 2022, to consider approving the proposed operating budget.

Attachment I.B represents the Mayor's proposed budget for DWSD's Sewerage Fund (Fund 5820) for FY 2023-2026 (pages B49-1 through B49-11). The Sewer Fund's operating budget for FY 2023 totals \$350,255,200 (pages B49-8 to 49-9). Attachment II provides another breakdown of the Sewer Fund's proposed operating budget. The Sewer Fund's proposed FY 2023 budget was presented to the BOWC Finance Committee at a public meeting on March 2, 2022 (see Attachment III page 9); and the BOWC is scheduled to meet on March 16, 2022, to consider approving the proposed operating budget. LPD noted small difference of \$150,100 between the Mayor's proposed FY 2023 budget for the Sewerage Fund and DWSD's Sewerage Fund budget for FY 2023.

During FY 2021 budget review, LPD asked if DWSD management planned to come to City Council for approval of rate increases and budgets. DWSD's management responded no. We are attaching LPD's FY 2021 questions and department's responses as Attachment V.

Below are few highlights from Attachments III (FY 2023 budget presentation made at a public meeting on March 2, 2022) and Attachment IV (Finance Committee review December 2021):

- Last year, DWSD hired an outside firm to perform a comprehensive rate study for both Water and Sewerage operations. The Cost of Service Analysis (COSA) phase of the study was recently completed, and the results of the COSA have been incorporated into the proposed budget.
- The COSA analysis resulted in a significant shift of costs from Sewerage to Water operations. While total system revenue requirements have only increased \$3.2 million (0.7%) from the current year forecast, Water's increased by \$22.2 million (18.7%) and Sewerage's decreased \$19.0 million (5.1%).
- Current residential customer collection rates have dropped from over 90% (pre-COVID) to less than 75%. Consequently, bad debt expense is projected \$5 million over current forecast and \$7 million over the current FY 2022.
- Operating cash balances have been stable, largely due to budgetary savings. At December 31, 2021, DWSD's cash on hand amounted to \$15.1 and \$24.0 in the Water and Sewerage Funds, respectively.
- The average age of residential accounts receivable continues to increase. As of December 31, 2021, residential accounts averaged 261 days representing an increase of 84 days (47%) since June 2020.
- The FY 2023 proposed budget adds 44 new positions considered necessary to support DWSD's strategic initiatives, including the development of a **Lead Service Line Replacement Program** and the transitioning of the CIPMO from AECOM to Field Engineering.
- DWSD continues to investigate and plans to seek new Federal infrastructure funding.

## **Issues and Questions**

LPD raises issues and questions based on our review of the Water Fund budget per Attachment I.A. In addition, we raise issues and questions based on our review of the Sewerage Fund budget per Attachment I.B.

1. Please briefly explain the department's new expense initiatives, new capital funding requests, operational reform and savings proposals, and new revenue initiatives/proposals to be implemented in FY 2023 for both the Water Fund and the Sewer Fund. Please provide which appropriation/cost center the new initiative/request/proposal is impacting in FY 2023.
2. On page B48-2, the Water Fund had 154 vacant positions as of January 1, 2022. Please briefly describe the positions that are vacant and difficulty of filling the vacancies. Also, explain the department's strategy to fill vacant position.
3. Attachment III, DWSD's FY 2023 operating budget presented at the public hearing is not in the same format as the Mayor's proposed budget. LPD prepared Attachment II to summarize the data in Attachment III. We should note that the FY 2023 total budget amounts on both budgets (Mayor's and DWSD's) are the same except small of difference \$150,100 in the Sewerage budget.
4. On page B48-5, please explain the \$2.7 million increase in salaries & wages when the budgeted positions for the Water Fund decreased 40 positions from 633 in FY 2022 to 594 in FY 2023.
5. On page B48-5, please explain the \$2.4 million increase (a 42% increase) in professional and contractual services in the Water Fund's FY 2023 budget.
6. On page B48-5, please explain the \$5.2 million increase in equipment acquisition in the Water Fund's FY 2023 budget.
7. On page B48-5, please explain the \$2.8 million increase in operating supplies and operating services in the Water Fund's FY 2023 budget.
8. On page B48-5, please explain the \$5.3 million increase in other expenses in the Water Fund's FY 2023 budget.
9. On page B48-5, please explain the \$8.9 million increase in fixed charges in the Water Fund's (Fund 5721) FY 2023 budget.
10. On page B48-7, please explain the \$17.2 million increase in sales & charges for services revenue in the Water Fund's FY 2023 budget.
11. On page B48-7, please explain the \$1 million increase in miscellaneous revenue in the Water Fund's FY 2023 budget.
12. On page B49-6, please explain the \$4.7 million decrease in salaries & wages while budgeted positions increased by 1 position from 25 positions in FY 2022 to 26 positions in the Sewer Fund's FY 2023 budget.
13. On page B49-6, please explain the \$4.7 million decrease in employee benefits, is the fringe rate expected to decrease in FY 2023?

14. On page B49-6, please explain the \$3.2 million decrease in professional & contractual services in the Sewer Fund's FY 2023 budget.
15. On page B49-6, please explain the \$4.7 million decrease in operating supplies and operating services in the Sewerage Fund's FY 2023 budget.
16. On page B49.6, please explain the \$11.9 million decrease in equipment acquisition in the Sewerage Fund's FY 2023 budget.
17. On page B49-6, please explain the \$7.8 million increase in other expenses in the Sewerage Fund's (Fund 5820) FY 2023 budget.
18. On page B49-6, please explain the \$44.1 million increase in other expenses in the Sewerage Fund (Fund 5821) FY 2023 budget.
19. On page B49-6, please explain the \$15 million increase in other expenses in the Sewerage Fund (Fund 5831) FY 2023 budget.
20. On page B49-7, please explain the \$21.5 million decrease in sales & charges for services revenue in the Sewerage Fund's FY 2023 budget.
21. On page B49-7, please explain the \$10.7 million decrease in miscellaneous revenues in the Sewerage Fund's Fund 5831) FY 2023 budget.
22. Please explain why DWSD's total budgeted positions shown in the FY 2022 budget column included in the document presented (see Attachment III) to the Finance Committee public meeting on March 2, 2022, is different than the FY 2022 adopted budgeted positions. DWSD's total budgeted positions in the FY 2022 adopted budget was 659 positions, but the document presented at the Finance Committee public meeting shows 576 (see Attachment III).
23. Is DWSD planning to use ARPA funds to help residents deal with basement flooding prevention?
24. Please provide an update on DWSD's efforts to get Low Income Household Water Assistance Program (LIHWAP) funds.
25. What amount, if any, does DWSD anticipate receiving from the Federal infrastructure funds?
26. On March 4, 2022, Detroit News ran an article titled: **Detroit Water and Sewerage Department will go door-to-door as shutoff moratorium losses for City mount.** Among other things, the article stated that the Water and Sewerage Department will embark on a door-to-door outreach campaign in April, urging residents to pay their bill or apply for assistance as the department expects to lose \$38 million this year. Please provide an update to City Council on your strategies to address the issues raised in this article.
27. On February 23, 2022, Detroit News ran an article titled: **Regional water authority Oks 3.7% water rate hike.** The article indicates that the Great Lakes Water Authority (GLWA) approved a 3.7% hike in wholesale water rates and a 2.4% increase in sewer rates for the 2023 fiscal year. What impact, if any, will the increase in GLWA's wholesale water and sewer rates for FY 2023 will have on DWSD's proposed retail water and sewer rates for Detroit customers?
28. Please provide DWSD's retail water and rate hikes for last 5 fiscal years: FY 2019 through FY 2022. What are DWSD's proposed retail water and sewer rate increases for FY 2023?

29. In the February 2022 Revenue Estimating Conference Report, the revenues for DWSD for FY 2023 through FY 2026 were \$656.0 M, \$669.2 M, \$682.5 M, and \$696.2 M, respectively. These figures are higher than what is reflected on pages B-48-2 and B-49-3 combined. Please explain.

# WATER (48)

## Department Overview

### **MISSION:**

The Water and Sewerage Department (DWSD) strives to exceed our customers' expectations through the efficient distribution of treated water, collection of wastewater for treatment and the provision of services that promote healthy communities and economic growth.

The Water Supply System is administratively part of DWSD while maintained as a separate fund in the City of Detroit's accounting system. The department leases five water treatment plants and 20 booster (re-pumping) stations and 19 reservoirs to the Great Lakes Water Authority (GLWA). Of these five water plants, two are in Detroit. There is one plant each in Allen Park, Dearborn and Port Huron. Detroit is primarily served by the two Detroit water treatment plants with some support from the Allen Park and Dearborn facilities. There are three sources of raw water supply – Detroit River at Fighting Island, Detroit River at Belle Isle and Lake Huron north of Port Huron.

The Water Supply System's primary roles:

- Provide delivery of potable water for more than 175,000 customers, delivered at various points at adequate pressure to meet our customers' needs. The water provided meets or exceeds standards as required by Michigan's Safe Drinking Water Act as well as federal standards.
- Furnish sufficient water pressure and service to ensure acceptable fire protection for commercial buildings and schools.

The main administrative offices are located at 735 Randolph in downtown Detroit, officially known as the Water Board Building. Approximately 3,438 miles of water transmission and distribution mains within the city of Detroit are owned by the department, and it maintains more than 2,700 miles of these pipes, with the remainder maintained by GLWA.

### **STRATEGIC PRIORITIES:**

Bifurcated from GLWA on January 1, 2016, Detroit maintains its own local system under the authority of the six-member Board of Water Commissioners as appointed by the Mayor. The Detroit local system is made up of approximately 3,000 miles of sewer collection pipe and 2,700 miles of water mains serving the neighborhoods. Detroit has full authority to repair and rebuild the local system and serves as first responder to all service disruptions, including those of GLWA-leased assets, located within the City's boundaries.

GLWA will continue to operate the regional water and sewer assets which include the water treatment plants and other water facilities. GLWA operates under the authority of a six-member board appointed by several constituencies of the authority: 2 appointed by the Mayor of Detroit, 1 each by Wayne, Oakland and Macomb Counties and 1 by the Governor from the service area outside the three counties.

**Department Name:** Water Department - Retail

**Department #:** 48

**Budget Summary:**

	FY2021 Actual		FY2022 Adopted		FY2023 Mayor Recommend	
	General Fund	All Funds	General Fund	All Funds	General Fund	All Funds
Total Revenues	-	130,878,586	-	202,150,959	-	219,315,200
Total Expenditures	-	159,655,397	-	202,150,959	-	219,465,300
<b>Net Tax Cost</b>	-	<b>28,776,811</b>	-	-	-	<b>150,100</b>

	FY2024 Forecast		FY2025 Forecast		FY2026 Forecast	
	General Fund	All Funds	General Fund	All Funds	General Fund	All Funds
Total Revenues	-	223,608,596	-	228,402,201	-	233,203,884
Total Expenditures	-	223,757,795	-	228,554,130	-	233,357,425
<b>Net Tax Cost</b>	-	<b>149,199</b>	-	<b>151,929</b>	-	<b>153,541</b>

Positions (by FTE):	1/1/2022 Actual	FY2022 Adopted	FY2023 Mayor Recommend	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
General Fund	-	-	-	-	-	-
Non-General Fund	480	634	594	594	594	594
<b>Total Positions</b>	<b>480</b>	<b>634</b>	<b>594</b>	<b>594</b>	<b>594</b>	<b>594</b>

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
EXPENDITURES BY SUMMARY CATEGORY - ALL FUNDS  
DEPARTMENT 48 - WATER DEPARTMENT - RETAIL**

Department # - Department Name Summary Category	FY2022 Adopted	FY2023 Mayor Recommend	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
<b>48 - Water Department - Retail</b>	<b>202,150,959</b>	<b>219,465,300</b>	<b>223,757,795</b>	<b>228,554,130</b>	<b>233,357,425</b>
Salaries & Wages	14,474,315	17,298,100	17,644,062	17,996,945	18,176,915
Employee Benefits	17,123,731	16,421,100	16,112,260	16,197,706	16,266,851
Professional & Contractual Services	74,161,850	75,390,600	77,197,730	79,050,484	80,631,519
Operating Supplies	3,169,703	4,365,700	4,470,478	4,577,767	4,669,322
Operating Services	3,519,060	5,177,100	5,301,348	5,428,580	5,537,150
Equipment Acquisition	3,584,300	7,388,500	7,565,824	7,747,404	8,089,261
Fixed Charges	7,650,000	8,877,000	8,877,000	8,877,000	8,877,000
Other Expenses	78,468,000	84,547,200	86,589,093	88,678,244	91,109,407
<b>Grand Total</b>	<b>202,150,959</b>	<b>219,465,300</b>	<b>223,757,795</b>	<b>228,554,130</b>	<b>233,357,425</b>



**CITY OF DETROIT  
BUDGET DEVELOPMENT  
REVENUES BY SUMMARY CATEGORY - ALL FUNDS  
DEPARTMENT 48 - WATER DEPARTMENT - RETAIL**

Department # - Department Name Summary Category	FY2022 Adopted	FY2023 Mayor Recommend	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
<b>48 - Water Department - Retail</b>	<b>202,150,959</b>	<b>219,315,200</b>	<b>223,608,596</b>	<b>228,402,201</b>	<b>233,203,884</b>
Revenues from Use of Assets	61,072,459	64,967,100	66,036,607	67,131,783	68,253,242
Sales & Charges for Services	109,509,500	126,667,300	130,287,786	133,368,330	136,521,292
Fines, Forfeits, & Penalties	1,116,000	750,000	750,000	750,000	750,000
Contributions & Transfers	-	25,930,800	26,534,203	27,152,088	27,679,350
Miscellaneous	30,453,000	1,000,000	-	-	-
<b>Grand Total</b>	<b>202,150,959</b>	<b>219,315,200</b>	<b>223,608,596</b>	<b>228,402,201</b>	<b>233,203,884</b>

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
EXPENDITURES BY SUMMARY CATEGORY - FUND DETAIL  
DEPARTMENT 48 - WATER DEPARTMENT - RETAIL**

Department # - Department Name Fund # - Fund Name Summary Category	FY2022 Adopted	FY2023 Mayor Recommend	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
<b>48 - Water Department - Retail</b>	<b>202,150,959</b>	<b>219,465,300</b>	<b>223,757,795</b>	<b>228,554,130</b>	<b>233,357,425</b>
<b>5720 - DWSD - R - Water</b>	<b>122,941,800</b>	<b>140,733,600</b>	<b>143,354,086</b>	<b>146,434,630</b>	<b>149,587,592</b>
Salaries & Wages	14,474,315	17,200,400	17,544,408	17,895,298	18,074,252
Employee Benefits	17,123,731	16,369,100	16,063,124	16,147,842	16,216,399
Professional & Contractual Services	5,727,691	8,114,100	8,306,594	8,505,960	8,676,104
Operating Supplies	3,169,703	4,365,700	4,470,478	4,577,767	4,669,322
Operating Services	3,519,060	5,166,400	5,290,392	5,417,362	5,525,708
Equipment Acquisition	1,109,300	6,353,700	6,506,189	6,662,338	6,795,585
Other Expenses	77,818,000	83,164,200	85,172,901	87,228,063	89,630,222
<b>5721 - WDWSD-R Imp &amp; Ext</b>	<b>48,756,159</b>	<b>53,439,800</b>	<b>54,509,307</b>	<b>55,604,483</b>	<b>56,725,942</b>
Professional & Contractual Services	45,631,159	42,136,500	43,147,776	44,183,323	45,066,990
Operating Services	-	8,500	8,704	8,913	9,091
Equipment Acquisition	2,475,000	1,034,800	1,059,635	1,085,066	1,293,676
Fixed Charges	-	8,877,000	8,877,000	8,877,000	8,877,000
Other Expenses	650,000	1,383,000	1,416,192	1,450,181	1,479,185
<b>5731 - WDWSD-R W Bond Fund 2016</b>	<b>154,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Professional & Contractual Services	154,000	-	-	-	-
<b>5740 - WDWSD- R Wtr 2020 Bond Fund</b>	<b>30,299,000</b>	<b>25,141,800</b>	<b>25,745,203</b>	<b>26,363,088</b>	<b>26,890,350</b>
Professional & Contractual Services	22,649,000	25,140,000	25,743,360	26,361,201	26,888,425
Operating Services	-	1,800	1,843	1,887	1,925
Fixed Charges	7,650,000	-	-	-	-
<b>5820 - DWSD - R - Sewer</b>	<b>-</b>	<b>150,100</b>	<b>149,199</b>	<b>151,929</b>	<b>153,541</b>
Salaries & Wages	-	97,700	99,654	101,647	102,663

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
EXPENDITURES BY SUMMARY CATEGORY - FUND DETAIL  
DEPARTMENT 48 - WATER DEPARTMENT - RETAIL**

Department # - Department Name Fund # - Fund Name Summary Category	FY2022 Adopted	FY2023 Mayor Recommend	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
Employee Benefits	-	52,000	49,136	49,864	50,452
Operating Services	-	400	409	418	426
<b>Grand Total</b>	<b>202,150,959</b>	<b>219,465,300</b>	<b>223,757,795</b>	<b>228,554,130</b>	<b>233,357,425</b>

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
REVENUES BY SUMMARY CATEGORY - FUND DETAIL  
DEPARTMENT 48 - WATER DEPARTMENT - RETAIL**

Department # - Department Name Fund # - Fund Name Summary Category	FY2022 Adopted	FY2023 Mayor Recommend	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
<b>48 - Water Department - Retail</b>	<b>202,150,959</b>	<b>219,315,200</b>	<b>223,608,596</b>	<b>228,402,201</b>	<b>233,203,884</b>
<b>5720 - DWSD - R - Water</b>	<b>122,941,800</b>	<b>140,733,600</b>	<b>143,354,086</b>	<b>146,434,630</b>	<b>149,587,592</b>
Revenues from Use of Assets	12,316,300	12,316,300	12,316,300	12,316,300	12,316,300
Sales & Charges for Services	109,509,500	126,667,300	130,287,786	133,368,330	136,521,292
Fines, Forfeits, & Penalties	1,116,000	750,000	750,000	750,000	750,000
Miscellaneous	-	1,000,000	-	-	-
<b>5721 - WDWSD-R Imp &amp; Ext</b>	<b>48,756,159</b>	<b>53,439,800</b>	<b>54,509,307</b>	<b>55,604,483</b>	<b>56,725,942</b>
Revenues from Use of Assets	48,756,159	52,639,800	53,709,307	54,804,483	55,925,942
Contributions & Transfers	-	800,000	800,000	800,000	800,000
<b>5731 - WDWSD-R W Bond Fund 2016</b>	<b>154,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Miscellaneous	154,000	-	-	-	-
<b>5740 - WDWSD- R Wtr 2020 Bond Fund</b>	<b>30,299,000</b>	<b>25,141,800</b>	<b>25,745,203</b>	<b>26,363,088</b>	<b>26,890,350</b>
Revenues from Use of Assets	-	11,000	11,000	11,000	11,000
Contributions & Transfers	-	25,130,800	25,734,203	26,352,088	26,879,350
Miscellaneous	30,299,000	-	-	-	-
<b>Grand Total</b>	<b>202,150,959</b>	<b>219,315,200</b>	<b>223,608,596</b>	<b>228,402,201</b>	<b>233,203,884</b>

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER - EXPENDITURES  
DEPARTMENT 48 - WATER DEPARTMENT - RETAIL**

Department # - Department Name					
Fund # - Fund Name	FY2022	FY2023	FY2024	FY2025	FY2026
Appropriation # - Appropriation Name	Adopted	Mayor	Forecast	Forecast	Forecast
Cost Center # - Cost Center Name		Recommend			
<b>48 - Water Department - Retail</b>	<b>202,150,959</b>	<b>219,465,300</b>	<b>223,757,795</b>	<b>228,554,130</b>	<b>233,357,425</b>
<b>5720 - DWSD - R - Water</b>	<b>122,941,800</b>	<b>140,733,600</b>	<b>143,354,086</b>	<b>146,434,630</b>	<b>149,587,592</b>
<b>20166 - WDWSR Administration</b>	<b>722,300</b>	<b>971,300</b>	<b>979,311</b>	<b>999,414</b>	<b>1,013,130</b>
481001 - WDWSR Chief Exec Officer	589,400	802,600	807,520	823,708	834,294
481601 - WDWSR BOWC	132,900	168,700	171,791	175,706	178,836
<b>20167 - WDWSR Operations</b>	<b>20,191,100</b>	<b>23,998,200</b>	<b>24,273,930</b>	<b>24,783,763</b>	<b>25,145,387</b>
482223 - UNKNOWN	-	851,800	860,143	877,729	889,652
482401 - WDWSR Deputy Director Administration	1,476,800	1,917,400	1,952,939	1,997,479	2,033,131
482411 - WDWSR Field Engineering	3,073,300	3,312,000	3,320,507	3,382,938	3,418,795
482421 - WDWSR Facility Oper	2,720,000	3,962,700	4,046,031	4,140,512	4,218,488
482422 - WDWSR Fleet Operations	1,868,300	2,416,300	2,456,614	2,511,341	2,553,767
482431 - WDWSR Maint & Repair	8,547,400	8,226,600	8,296,205	8,463,314	8,573,619
482432 - WDWSR Meter Operations	2,226,600	3,033,100	3,062,489	3,126,079	3,170,324
482435 - WDWSR Lead Service	278,700	278,300	279,002	284,371	287,611
<b>20168 - WDWSR Compliance</b>	<b>7,633,200</b>	<b>9,695,000</b>	<b>9,836,796</b>	<b>10,051,469</b>	<b>10,213,039</b>
483101 - WDWSR General Counsel	537,800	937,300	952,910	974,243	990,895
483201 - WDWSR Org Development	571,900	739,700	745,944	761,289	771,795
483301 - WDWSR Info Technology	4,693,300	5,319,500	5,412,821	5,535,080	5,631,682
483411 - WDWSR Compliance-Security	1,095,700	1,821,000	1,833,058	1,868,832	1,891,072
483421 - WDWSR Compliance-Public Affairs	734,500	877,500	892,063	912,025	927,595
<b>20169 - WDWSR Finance</b>	<b>5,414,600</b>	<b>7,212,600</b>	<b>7,303,681</b>	<b>7,460,759</b>	<b>7,576,698</b>
484001 - WDWSR Chief Financial Officer	1,489,700	1,943,100	1,978,598	2,023,601	2,059,493
484111 - WDWSR Finance.	699,800	867,300	869,141	885,486	895,171

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER - EXPENDITURES  
DEPARTMENT 48 - WATER DEPARTMENT - RETAIL**

Department # - Department Name Fund # - Fund Name Appropriation # - Appropriation Name Cost Center # - Cost Center Name	FY2022 Adopted	FY2023 Mayor Recommend	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
484121 - WDWSR Procurement	867,800	1,503,200	1,508,576	1,537,776	1,555,615
484131 - WDWSR Treasury	790,000	1,223,900	1,249,158	1,278,223	1,302,098
484151 - WDWSR R Budget	111,000	177,200	177,269	180,589	182,478
484161 - WDWSR Billing & Collect	1,196,700	1,217,400	1,235,244	1,262,871	1,284,408
484171 - WDWSR Internal Audit	259,600	280,500	285,695	292,213	297,435
<b>20170 - WDWSR Customer Service</b>	<b>1,785,100</b>	<b>1,455,900</b>	<b>1,457,074</b>	<b>1,484,522</b>	<b>1,500,344</b>
485111 - WDWSR Customer Service.	1,785,100	1,455,900	1,457,074	1,484,522	1,500,344
<b>20172 - WDWSR Non Operating Expense</b>	<b>87,195,500</b>	<b>97,400,600</b>	<b>99,503,294</b>	<b>101,654,703</b>	<b>104,138,994</b>
487111 - WDWSR Non-Operating Exp	87,195,500	97,400,600	99,503,294	101,654,703	104,138,994
<b>5721 - WDWSR Imp &amp; Ext</b>	<b>48,756,159</b>	<b>53,439,800</b>	<b>54,509,307</b>	<b>55,604,483</b>	<b>56,725,942</b>
<b>20244 - WDWSR Improvement &amp; Extension</b>	<b>48,756,159</b>	<b>53,439,800</b>	<b>54,509,307</b>	<b>55,604,483</b>	<b>56,725,942</b>
487711 - WDWSR Improvement & Extension Wtr	48,756,159	53,439,800	54,509,307	55,604,483	56,725,942
<b>5731 - WDWSR W Bond Fund 2016</b>	<b>154,000</b>	-	-	-	-
<b>20301 - WDWSR W Bond Fund 2016</b>	<b>154,000</b>	-	-	-	-
487800 - WDWSR 2011 Bond	154,000	-	-	-	-
<b>5740 - WDWSR R Wtr 2020 Bond Fund</b>	<b>30,299,000</b>	<b>25,141,800</b>	<b>25,745,203</b>	<b>26,363,088</b>	<b>26,890,350</b>
<b>20334 - WDWSR R Wtr 2020 Bond Fund</b>	<b>30,299,000</b>	<b>25,141,800</b>	<b>25,745,203</b>	<b>26,363,088</b>	<b>26,890,350</b>
487801 - WDWSR R Wtr 2020 Bond Fund	30,299,000	25,141,800	25,745,203	26,363,088	26,890,350
<b>5820 - DWSD - R - Sewer</b>	-	<b>150,100</b>	<b>149,199</b>	<b>151,929</b>	<b>153,541</b>
<b>20180 - SDWSR Finance</b>	-	<b>150,100</b>	<b>149,199</b>	<b>151,929</b>	<b>153,541</b>
484151 - WDWSR R Budget	-	150,100	149,199	151,929	153,541
<b>Grand Total</b>	<b>202,150,959</b>	<b>219,465,300</b>	<b>223,757,795</b>	<b>228,554,130</b>	<b>233,357,425</b>

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER - REVENUES  
DEPARTMENT 48 - WATER DEPARTMENT - RETAIL**

Department # - Department Name					
Fund # - Fund Name	FY2022	FY2023	FY2024	FY2025	FY2026
Appropriation # - Appropriation Name	Adopted	Mayor	Forecast	Forecast	Forecast
Cost Center # - Cost Center Name		Recommend			
<b>48 - Water Department - Retail</b>	<b>202,150,959</b>	<b>219,315,200</b>	<b>223,608,596</b>	<b>228,402,201</b>	<b>233,203,884</b>
5720 - DWSD - R - Water	122,941,800	140,733,600	143,354,086	146,434,630	149,587,592
20173 - WDWSD-R Operating Revenue	122,941,800	140,733,600	143,354,086	146,434,630	149,587,592
487211 - WDWSD-R Receiving Revenue	122,941,800	140,733,600	143,354,086	146,434,630	149,587,592
5721 - WDWSD-R Imp & Ext	48,756,159	53,439,800	54,509,307	55,604,483	56,725,942
20244 - WDWSD-R Improvement & Extension	48,756,159	53,439,800	54,509,307	55,604,483	56,725,942
487711 - WDWSD-R Improvement & Extension Wtr	48,756,159	53,439,800	54,509,307	55,604,483	56,725,942
5731 - WDWSD-R W Bond Fund 2016	154,000	-	-	-	-
20301 - WDWSD-R W Bond Fund 2016	154,000	-	-	-	-
487800 - WDWSDR 2011 Bond	154,000	-	-	-	-
5740 - WDWSD- R Wtr 2020 Bond Fund	30,299,000	25,141,800	25,745,203	26,363,088	26,890,350
20334 - WDWSD-R Wtr 2020 Bond Fund	30,299,000	25,141,800	25,745,203	26,363,088	26,890,350
487801 - WDWSD-R Wtr 2020 Bond Fund	30,299,000	25,141,800	25,745,203	26,363,088	26,890,350
<b>Grand Total</b>	<b>202,150,959</b>	<b>219,315,200</b>	<b>223,608,596</b>	<b>228,402,201</b>	<b>233,203,884</b>

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
POSITION DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER  
DEPARTMENT 48 - WATER DEPARTMENT - RETAIL**

Department # - Department Name					
Fund # - Fund Name					
Appropriation # - Appropriation Name	FY2022 Adopted	FY2023 Mayor Recommend	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
Cost Center # - Cost Center Name					
Job Code - Job Title					
<b>48 - Water Department - Retail</b>	<b>634</b>	<b>594</b>	<b>594</b>	<b>594</b>	<b>594</b>
<b>5720 - DWSD - R - Water</b>	<b>634</b>	<b>594</b>	<b>594</b>	<b>594</b>	<b>594</b>
<b>20166 - WDWSD-R Administration</b>	<b>9</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
<b>481001 - WDWSD-R Chief Exec Officer</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
501003 - Chief Operating Officer	1	1	1	1	1
501025 - Professional Administrative Analyst	1	1	1	1	1
501031 - Office Support Specialist	1	1	1	1	1
8653080 - Executive Management Team	2	2	2	2	2
929107 - Administrative Special Services Staff II - Exempt	1	1	1	1	1
929108 - Administrative Special Services Staff III - Exempt	1	1	1	1	1
<b>481601 - WDWSD- R BOWC</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
501025 - Professional Administrative Analyst	1	1	1	1	1
8653080 - Executive Management Team	1	0	0	0	0
<b>20167 - WDWSD-R Operations</b>	<b>374</b>	<b>335</b>	<b>335</b>	<b>335</b>	<b>335</b>
<b>482401 - WDWSD-R Deputy Director Administration</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
501014 - Manager	1	2	2	2	2
501025 - Professional Administrative Analyst	2	1	1	1	1
502002 - Field Services Director	2	2	2	2	2
<b>482411 - WDWSD-R Field Engineering</b>	<b>65</b>	<b>64</b>	<b>64</b>	<b>64</b>	<b>64</b>
501014 - Manager	3	3	3	3	3
501025 - Professional Administrative Analyst	3	2	2	2	2
501027 - Procurement Specialist	2	0	0	0	0
501031 - Office Support Specialist	4	1	1	1	1



**CITY OF DETROIT  
BUDGET DEVELOPMENT  
POSITION DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER  
DEPARTMENT 48 - WATER DEPARTMENT - RETAIL**

Department # - Department Name					
Fund # - Fund Name					
Appropriation # - Appropriation Name	FY2022 Adopted	FY2023 Mayor Recommend	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
Cost Center # - Cost Center Name					
Job Code - Job Title					
501046 - Office Support Specialist II	1	3	3	3	3
502003 - Engineer	11	13	13	13	13
502005 - Team Leader	4	4	4	4	4
502011 - Inspector	23	19	19	19	19
502014 - Engineering Technician	2	0	0	0	0
502033 - Electrical Instrumentation Control Tech III	1	1	1	1	1
502034 - Engineer II	4	5	5	5	5
502036 - Engineer IV	1	1	1	1	1
502038 - Engineering Technician III	1	3	3	3	3
502040 - Field Services Technician Teamsters II	2	0	0	0	0
502043 - Inspector II	0	1	1	1	1
502045 - Field Service Technician AFSCME IA	1	1	1	1	1
8653080 - Executive Management Team	2	4	4	4	4
929102 - Administrative Special Services Staff II	0	2	2	2	2
929108 - Administrative Special Services Staff III - Exempt	0	1	1	1	1
<b>482421 - WDWS-D Facility Oper</b>	<b>17</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>
501014 - Manager	1	0	0	0	0
501025 - Professional Administrative Analyst	1	1	1	1	1
501031 - Office Support Specialist	1	1	1	1	1
502005 - Team Leader	2	2	2	2	2
502015 - Maintenance Technician	3	3	3	3	3
502044 - Maintenance Technician MBTC	8	6	6	6	6
8626041 - Plumber	1	0	0	0	0

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
POSITION DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER  
DEPARTMENT 48 - WATER DEPARTMENT - RETAIL**

Department # - Department Name					
Fund # - Fund Name		FY2022	FY2023	FY2024	FY2025
Appropriation # - Appropriation Name		Adopted	Mayor	Forecast	Forecast
Cost Center # - Cost Center Name			Recommend		Forecast
Job Code - Job Title					
929101 - Administrative Special Services Staff I		0	1	1	1
<b>482422 - WDWSR-Fleet Operations</b>		<b>25</b>	<b>18</b>	<b>18</b>	<b>18</b>
501014 - Manager		1	2	2	2
501025 - Professional Administrative Analyst		2	2	2	2
502005 - Team Leader		4	3	3	3
502030 - Automotive Fleet Technician II		18	11	11	11
<b>482431 - WDWSR-Maint &amp; Repair</b>		<b>190</b>	<b>169</b>	<b>169</b>	<b>169</b>
081008 - Complaint Investigator		1	0	0	0
13111104 - Program Analyst IV		1	0	0	0
501014 - Manager		2	2	2	2
501025 - Professional Administrative Analyst		3	4	4	4
501031 - Office Support Specialist		1	0	0	0
501046 - Office Support Specialist II		1	0	0	0
502003 - Engineer		2	0	0	0
502005 - Team Leader		21	14	14	14
502011 - Inspector		7	3	3	3
502016 - Field Services Technician		7	0	0	0
502019 - Field Services Coordinations Specialist		10	5	5	5
502020 - Special Projects Technician		4	4	4	4
502040 - Field Services Technician Teamsters II		24	20	20	20
502043 - Inspector II		1	2	2	2
502045 - Field Service Technician AFSCME IA		10	6	6	6
502046 - Field Service Technician MBTC IA		4	3	3	3
653080 - Executive Management Team		1	1	1	1

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
POSITION DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER  
DEPARTMENT 48 - WATER DEPARTMENT - RETAIL**

Department # - Department Name					
Fund # - Fund Name					
Appropriation # - Appropriation Name	FY2022 Adopted	FY2023 Mayor Recommend	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
Cost Center # - Cost Center Name					
Job Code - Job Title					
81502016 - Field Services Technician	85	95	95	95	95
8653080 - Executive Management Team	5	10	10	10	10
<b>482432 - WDWSO- R Meter Operations</b>	<b>69</b>	<b>62</b>	<b>62</b>	<b>62</b>	<b>62</b>
501014 - Manager	1	0	0	0	0
501025 - Professional Administrative Analyst	1	1	1	1	1
501029 - Customer Service Specialist	2	1	1	1	1
501031 - Office Support Specialist	2	0	0	0	0
501037 - Customer Service Specialist II	1	2	2	2	2
501038 - Customer Service Specialist III	1	1	1	1	1
501046 - Office Support Specialist II	2	0	0	0	0
502005 - Team Leader	5	5	5	5	5
502018 - Materials Management Specialist	1	1	1	1	1
502019 - Field Services Coordinations Specialist	2	2	2	2	2
502040 - Field Services Technician Teamsters II	1	1	1	1	1
502045 - Field Service Technician AFSCME IA	12	11	11	11	11
81502016 - Field Services Technician	36	34	34	34	34
8653080 - Executive Management Team	2	3	3	3	3
<b>482435 - WDWSO-R Lead Service</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
502004 - GIS Analyst	1	1	1	1	1
502011 - Inspector	1	1	1	1	1
8653080 - Executive Management Team	1	1	1	1	1
<b>20168 - WDWSO-R Compliance</b>	<b>92</b>	<b>92</b>	<b>92</b>	<b>92</b>	<b>92</b>
<b>483101 - WDWSO-R General Counsel</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
501014 - Manager	1	1	1	1	1

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
POSITION DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER  
DEPARTMENT 48 - WATER DEPARTMENT - RETAIL**

Department # - Department Name					
Fund # - Fund Name					
Appropriation # - Appropriation Name	FY2022 Adopted	FY2023 Mayor Recommend	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
Cost Center # - Cost Center Name					
Job Code - Job Title					
501036 - Associate General Counsel II	3	1	1	1	1
8653080 - Executive Management Team	1	2	2	2	2
929101 - Administrative Special Services Staff I	0	2	2	2	2
<b>483201 - WDWSR-R Org Development</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>
501008 - Organizational Development Director	1	1	1	1	1
501014 - Manager	2	3	3	3	3
501024 - Human Resources Generalist	5	3	3	3	3
501025 - Professional Administrative Analyst	1	2	2	2	2
<b>483301 - WDWSR-R Info Technology</b>	<b>31</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>34</b>
501007 - IT Director	1	1	1	1	1
501011 - IT Manager - Applications Delivery	1	1	1	1	1
501013 - IT Manager - Customer Service Delivery	1	1	1	1	1
501014 - Manager	1	1	1	1	1
501016 - Applications Analyst	0	7	7	7	7
501020 - Infrastructure Administrator	0	1	1	1	1
501025 - Professional Administrative Analyst	1	1	1	1	1
501026 - Training Specialist	1	0	0	0	0
501030 - Service Desk Analyst	0	1	1	1	1
501034 - Applications Analyst II	9	4	4	4	4
501035 - Applications Analyst III	0	1	1	1	1
501039 - Data Base Administrator II	2	1	1	1	1
501040 - Data Base Administrator III	0	1	1	1	1
501042 - Infrastructure Administrator II	3	2	2	2	2
501044 - IT Project Manager II	1	1	1	1	1

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
POSITION DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER  
DEPARTMENT 48 - WATER DEPARTMENT - RETAIL**

Department # - Department Name					
Fund # - Fund Name					
Appropriation # - Appropriation Name	FY2022 Adopted	FY2023 Mayor Recommend	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
Cost Center # - Cost Center Name					
Job Code - Job Title					
501045 - IT Project Manager III	1	1	1	1	1
501055 - Service Desk Analyst II	4	4	4	4	4
502004 - GIS Analyst	1	2	2	2	2
502041 - Gis Analyst II	1	0	0	0	0
502042 - Gis Analyst III	1	0	0	0	0
8653080 - Executive Management Team	1	2	2	2	2
929107 - Administrative Special Services Staff II - Exempt	1	1	1	1	1
<b>483411 - WDWS-D Compliance-Security</b>	<b>40</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>
501014 - Manager	2	2	2	2	2
501023 - Environmental Health & Safety Coordinator	5	5	5	5	5
501025 - Professional Administrative Analyst	1	1	1	1	1
502005 - Team Leader	4	5	5	5	5
503003 - Security Lieutenant	1	1	1	1	1
503004 - Security Sergeant	1	0	0	0	0
503006 - Security Officer	24	22	22	22	22
81502016 - Field Services Technician	1	0	0	0	0
8653080 - Executive Management Team	1	1	1	1	1
<b>483421 - WDWS-D Compliance-Public Affairs</b>	<b>7</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
013366 - Executive Secretary II	1	0	0	0	0
501014 - Manager	1	1	1	1	1
501017 - Public Affairs Officer	1	1	1	1	1
501028 - Public Affairs Specialist	2	1	1	1	1
501053 - Public Affairs Specialist II	2	2	2	2	2
8653080 - Executive Management Team	0	1	1	1	1

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
POSITION DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER  
DEPARTMENT 48 - WATER DEPARTMENT - RETAIL**

Department # - Department Name					
Fund # - Fund Name					
Appropriation # - Appropriation Name	FY2022 Adopted	FY2023 Mayor Recommend	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
Cost Center # - Cost Center Name					
Job Code - Job Title					
<b>20169 - WDWSR-R Finance</b>	<b>74</b>	<b>76</b>	<b>76</b>	<b>76</b>	<b>76</b>
<b>484001 - WDWSR-R Chief Financial Officer</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
501014 - Manager	1	1	1	1	1
501025 - Professional Administrative Analyst	2	2	2	2	2
8653080 - Executive Management Team	3	3	3	3	3
<b>484111 - WDWSR-R Finance.</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>
501014 - Manager	2	3	3	3	3
501025 - Professional Administrative Analyst	5	5	5	5	5
501032 - Accountant II	2	3	3	3	3
501051 - Professional Administrative Analyst II	1	1	1	1	1
8653080 - Executive Management Team	5	2	2	2	2
929103 - Administrative Special Services Staff III	0	1	1	1	1
<b>484121 - WDWSR-R Procurement</b>	<b>26</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>29</b>
501014 - Manager	1	2	2	2	2
501025 - Professional Administrative Analyst	4	3	3	3	3
501027 - Procurement Specialist	5	1	1	1	1
501049 - Procurement Specialist II	1	0	0	0	0
501050 - Procurement Specialist III	3	9	9	9	9
502005 - Team Leader	3	3	3	3	3
502018 - Materials Management Specialist	5	6	6	6	6
8653080 - Executive Management Team	4	5	5	5	5
<b>484131 - WDWSR-R Treasury</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
501014 - Manager	1	1	1	1	1
501025 - Professional Administrative Analyst	3	3	3	3	3

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
POSITION DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER  
DEPARTMENT 48 - WATER DEPARTMENT - RETAIL**

Department # - Department Name					
Fund # - Fund Name					
Appropriation # - Appropriation Name	FY2022 Adopted	FY2023 Mayor Recommend	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
Cost Center # - Cost Center Name					
Job Code - Job Title					
<b>484151 - WDWSO- R Budget</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
8653080 - Executive Management Team	2	2	2	2	2
929103 - Administrative Special Services Staff III	0	1	1	1	1
<b>484161 - WDWSO-R Billing &amp; Collect</b>	<b>19</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>
501014 - Manager	2	2	2	2	2
501025 - Professional Administrative Analyst	2	1	1	1	1
501029 - Customer Service Specialist	2	0	0	0	0
501037 - Customer Service Specialist II	5	6	6	6	6
501038 - Customer Service Specialist III	4	5	5	5	5
501051 - Professional Administrative Analyst II	0	1	1	1	1
502005 - Team Leader	2	1	1	1	1
8653080 - Executive Management Team	2	2	2	2	2
<b>484171 - WDWSO-R Internal Audit</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
8653080 - Executive Management Team	2	1	1	1	1
<b>20170 - WDWSO-R Customer Service</b>	<b>85</b>	<b>83</b>	<b>83</b>	<b>83</b>	<b>83</b>
<b>485111 - WDWSO-R Customer Service.</b>	<b>85</b>	<b>83</b>	<b>83</b>	<b>83</b>	<b>83</b>
501004 - Chief Customer Service Officer	1	1	1	1	1
501014 - Manager	1	1	1	1	1
501025 - Professional Administrative Analyst	2	2	2	2	2
501029 - Customer Service Specialist	40	40	40	40	40
501037 - Customer Service Specialist II	12	12	12	12	12
501038 - Customer Service Specialist III	16	18	18	18	18
501048 - Customer Service Specialist IV	1	1	1	1	1
502005 - Team Leader	7	5	5	5	5

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
POSITION DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER  
DEPARTMENT 48 - WATER DEPARTMENT - RETAIL**

Department # - Department Name					
Fund # - Fund Name					
Appropriation # - Appropriation Name	FY2022	FY2023	FY2024	FY2025	FY2026
Cost Center # - Cost Center Name	Adopted	Mayor	Forecast	Forecast	Forecast
Job Code - Job Title		Recommend			
81601103 - Administrative Assistant III	1	0	0	0	0
8653080 - Executive Management Team	4	3	3	3	3
<b>Grand Total</b>	<b>634</b>	<b>594</b>	<b>594</b>	<b>594</b>	<b>594</b>



# SEWERAGE (49)

## Department Overview

### **MISSION:**

The Water and Sewerage Department (DWSD) strives to exceed our customers' expectations through the efficient distribution of treated water, collection of wastewater for treatment, and the provision of services that promote healthy communities and economic growth.

The Sewerage Department is administratively part of DWSD while maintained as a separate Fund in the City of Detroit Accounting System. The DWSD sewer system originated in 1836, and today it consists of nine pump stations, nine wet weather treatment facilities to reduce combined sewer overflows (CSO) during major rain or snow events, and a total of 3,433 miles of sewer lines that carry rainwater, snowmelt and untreated sewage to the Water Resource Recovery Facility – the largest, single-site wastewater treatment facility in North America. The facilities are leased to and operated by the Great Lakes Water Authority (GLWA). DWSD has installed 16 green stormwater infrastructure projects since 2015 that manage more than 61 million gallons of stormwater annually, further reducing CSOs and helping beautify neighborhoods. The Department currently services and sets water, sewer and drainage rates for more than 175,000 customers.

The Sewerage Disposal System's roles:

- Convey sanitary and combined sewage collected throughout the service area to the GLWA operated facilities in accordance with applicable service agreements, such that public health is protected and the treated effluent discharged to the Detroit and Rouge Rivers is in compliance with limits established by the Department's National Pollution Discharge Elimination System (NPDES) Permit and other applicable wastewater, air pollution and solid waste disposal laws, rules and regulations imposed by courts and agencies.
- Maintain and upgrade the Detroit Local System and serve as first responder for necessary repairs occurring within Detroit.
- Serve as the retail advocate for Detroit based constituents (Detroit Retail Class), including households, businesses, non-profits, and faith-based organizations, in the procuring of water and sewerage services from GLWA
- Serve as the collection agent for the Detroit Retail Class.

### **STRATEGIC PRIORITIES:**

Bifurcated from GLWA on January 1, 2016, Detroit maintains its own local system under the authority of the seven-member Board of Water Commissioners as appointed by the Mayor. The Detroit local system is made up of approximately 3,000 miles of sewer collection pipe and 2,700 miles of water mains serving the neighborhoods. Detroit has full authority to repair and rebuild the local system and serves as first responder to all service disruptions, including those of GLWA-leased assets, located within the City's boundaries.

## SEWERAGE (49)

GLWA will continue to operate the regional water and sewer assets which include the wastewater treatment facility and, under the auspices of a shared services agreement, will operate the DWSD-owned wet weather facilities. GLWA operates under the authority of a six-member board appointed by several constituencies of the authority: two (2) appointed by the Mayor of Detroit, one (1) each by Wayne, Oakland and Macomb Counties, and one (1) by the Governor from the service area outside the three counties.

**Department Name:** Sewerage Department - Retail

**Department #:** 49

**Budget Summary:**

	FY2021 Actual		FY2022 Adopted		FY2023 Mayor Recommend	
	General Fund	All Funds	General Fund	All Funds	General Fund	All Funds
Total Revenues	-	358,268,560	-	441,026,310	-	409,817,928
Total Expenditures	-	362,945,358	-	441,026,310	-	409,667,828
<b>Net Tax Cost</b>	-	<b>4,676,798</b>	-	-	-	<b>(150,100)</b>

	FY2024 Forecast		FY2025 Forecast		FY2026 Forecast	
	General Fund	All Funds	General Fund	All Funds	General Fund	All Funds
Total Revenues	-	418,469,812	-	427,806,932	-	435,789,385
Total Expenditures	-	418,320,613	-	427,655,003	-	435,635,844
<b>Net Tax Cost</b>	-	<b>(149,199)</b>	-	<b>(151,929)</b>	-	<b>(153,541)</b>

Positions (by FTE):	1/1/2022 Actual	FY2022 Adopted	FY2023 Mayor Recommend	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
General Fund	-	-	-	-	-	-
Non-General Fund	25	25	26	26	26	26
<b>Total Positions</b>	<b>25</b>	<b>25</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>26</b>

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
EXPENDITURES BY SUMMARY CATEGORY - ALL FUNDS  
DEPARTMENT 49 - SEWERAGE DEPARTMENT - RETAIL**

Department # - Department Name Summary Category	FY2022 Adopted	FY2023 Mayor Recommend	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
<b>49 - Sewerage Department - Retail</b>	<b>441,026,310</b>	<b>409,667,828</b>	<b>418,320,613</b>	<b>427,655,003</b>	<b>435,635,844</b>
Salaries & Wages	25,391,200	20,644,600	21,082,252	21,516,939	21,705,857
Employee Benefits	25,623,200	20,929,900	20,560,530	20,662,373	20,744,785
Professional & Contractual Services	75,770,610	10,594,800	10,849,076	11,109,454	11,331,642
Operating Supplies	6,895,000	5,832,300	5,960,191	6,103,235	6,225,300
Operating Services	9,645,000	5,964,600	6,107,747	6,254,328	6,379,411
Equipment Acquisition	15,822,500	1,398,400	1,431,962	1,466,329	1,495,656
Fixed Charges	4,460,600	-	-	-	-
Other Expenses	277,418,200	344,303,228	352,328,855	360,542,345	367,753,193
<b>Grand Total</b>	<b>441,026,310</b>	<b>409,667,828</b>	<b>418,320,613</b>	<b>427,655,003</b>	<b>435,635,844</b>

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
REVENUES BY SUMMARY CATEGORY - ALL FUNDS  
DEPARTMENT 49 - SEWERAGE DEPARTMENT - RETAIL**

Department # - Department Name Summary Category	FY2022 Adopted	FY2023 Mayor Recommend	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
<b>49 - Sewerage Department - Retail</b>	<b>441,026,310</b>	<b>409,817,928</b>	<b>418,469,812</b>	<b>427,806,932</b>	<b>435,789,385</b>
Revenues from Use of Assets	72,696,410	74,471,128	75,633,345	77,146,012	78,688,932
Sales & Charges for Services	340,009,300	318,495,900	324,722,307	332,184,477	338,254,482
Fines, Forfeits, & Penalties	2,604,000	1,750,000	2,709,202	2,763,386	2,818,653
Miscellaneous	25,716,600	15,100,900	15,404,958	15,713,057	16,027,318
<b>Grand Total</b>	<b>441,026,310</b>	<b>409,817,928</b>	<b>418,469,812</b>	<b>427,806,932</b>	<b>435,789,385</b>

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
EXPENDITURES BY SUMMARY CATEGORY - FUND DETAIL  
DEPARTMENT 49 - SEWERAGE DEPARTMENT - RETAIL**

Department # - Department Name Fund # - Fund Name Summary Category	FY2022 Adopted	FY2023 Mayor Recommend	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
<b>49 - Sewerage Department - Retail</b>	<b>441,026,310</b>	<b>409,667,828</b>	<b>418,320,613</b>	<b>427,655,003</b>	<b>435,635,844</b>
<b>5820 - DWSD - R - Sewer</b>	<b>371,768,800</b>	<b>350,255,200</b>	<b>357,719,732</b>	<b>365,842,105</b>	<b>372,586,688</b>
Salaries & Wages	25,391,200	20,644,600	21,082,252	21,516,939	21,705,857
Employee Benefits	25,623,200	20,929,900	20,560,530	20,662,373	20,744,785
Professional & Contractual Services	13,798,700	10,594,800	10,849,076	11,109,454	11,331,642
Operating Supplies	6,895,000	5,832,300	5,960,191	6,103,235	6,225,300
Operating Services	9,645,000	5,964,600	6,107,747	6,254,328	6,379,411
Equipment Acquisition	13,347,500	1,398,400	1,431,962	1,466,329	1,495,656
Other Expenses	277,068,200	284,890,600	291,727,974	298,729,447	304,704,037
<b>5821 - SDWSD-R Imp &amp; Ext</b>	<b>43,540,910</b>	<b>44,411,728</b>	<b>45,299,963</b>	<b>46,205,962</b>	<b>47,130,081</b>
Professional & Contractual Services	40,565,910	-	-	-	-
Equipment Acquisition	2,475,000	-	-	-	-
Fixed Charges	150,000	-	-	-	-
Other Expenses	350,000	44,411,728	45,299,963	46,205,962	47,130,081
<b>5831 - SDWSD -R Swr Bond Fund</b>	<b>25,716,600</b>	<b>15,000,900</b>	<b>15,300,918</b>	<b>15,606,936</b>	<b>15,919,075</b>
Professional & Contractual Services	21,406,000	-	-	-	-
Fixed Charges	4,310,600	-	-	-	-
Other Expenses	-	15,000,900	15,300,918	15,606,936	15,919,075
<b>Grand Total</b>	<b>441,026,310</b>	<b>409,667,828</b>	<b>418,320,613</b>	<b>427,655,003</b>	<b>435,635,844</b>

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
REVENUES BY SUMMARY CATEGORY - FUND DETAIL  
DEPARTMENT 49 - SEWERAGE DEPARTMENT - RETAIL**

Department # - Department Name Fund # - Fund Name Summary Category	FY2022 Adopted	FY2023 Mayor Recommend	FY2024 Forecast	FY2025 Forecast	FY2026 Forecast
<b>49 - Sewerage Department - Retail</b>	<b>441,026,310</b>	<b>409,817,928</b>	<b>418,469,812</b>	<b>427,806,932</b>	<b>435,789,385</b>
<b>5820 - DWSD - R - Sewer</b>	<b>371,768,800</b>	<b>350,405,300</b>	<b>357,868,931</b>	<b>365,994,034</b>	<b>372,740,229</b>
Revenues from Use of Assets	29,155,500	30,059,400	30,333,382	30,940,050	31,558,851
Sales & Charges for Services	340,009,300	318,495,900	324,722,307	332,184,477	338,254,482
Fines, Forfeits, & Penalties	2,604,000	1,750,000	2,709,202	2,763,386	2,818,653
Miscellaneous	-	100,000	104,040	106,121	108,243
<b>5821 - SDWSD-R Imp &amp; Ext</b>	<b>43,540,910</b>	<b>44,411,728</b>	<b>45,299,963</b>	<b>46,205,962</b>	<b>47,130,081</b>
Revenues from Use of Assets	43,540,910	44,411,728	45,299,963	46,205,962	47,130,081
<b>5831 - SDWSD -R Swr Bond Fund</b>	<b>25,716,600</b>	<b>15,000,900</b>	<b>15,300,918</b>	<b>15,606,936</b>	<b>15,919,075</b>
Miscellaneous	25,716,600	15,000,900	15,300,918	15,606,936	15,919,075
<b>Grand Total</b>	<b>441,026,310</b>	<b>409,817,928</b>	<b>418,469,812</b>	<b>427,806,932</b>	<b>435,789,385</b>

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER - EXPENDITURES  
DEPARTMENT 49 - SEWERAGE DEPARTMENT - RETAIL**

Department # - Department Name					
Fund # - Fund Name	FY2022	FY2023	FY2024	FY2025	FY2026
Appropriation # - Appropriation Name	Adopted	Mayor	Forecast	Forecast	Forecast
Cost Center # - Cost Center Name		Recommend			
<b>49 - Sewerage Department - Retail</b>	<b>441,026,310</b>	<b>409,667,828</b>	<b>418,320,613</b>	<b>427,655,003</b>	<b>435,635,844</b>
<b>5820 - DWSD - R - Sewer</b>	<b>371,768,800</b>	<b>350,255,200</b>	<b>357,719,732</b>	<b>365,842,105</b>	<b>372,586,688</b>
<b>20177 - SDWSD-R Administration</b>	<b>1,684,700</b>	<b>1,090,500</b>	<b>1,099,550</b>	<b>1,122,114</b>	<b>1,137,514</b>
491001 - SDWSD-R Chief Exec Officer	1,375,000	901,300	906,842	925,015	936,903
491601 - SDWSD- R BOWC	309,700	189,200	192,708	197,099	200,611
<b>20178 - SDWSD-R Operations</b>	<b>35,498,500</b>	<b>25,321,600</b>	<b>25,631,138</b>	<b>26,183,542</b>	<b>26,541,112</b>
492223 - SDWSD- R Storm Drainage	5,833,200	2,773,000	2,800,175	2,857,432	2,896,253
492401 - SDWSD-R Deputy Director Administration	2,215,100	1,707,400	1,739,049	1,778,708	1,810,452
492411 - SDWSD-R Field Engineering	4,609,700	2,948,700	2,944,198	2,999,495	3,031,173
492421 - SDWSD-R Facility Oper	5,851,000	4,450,500	4,544,070	4,650,186	4,737,764
492422 - SDWSD-R Fleet Operations	3,644,200	2,368,700	2,432,966	2,500,148	2,515,870
492431 - SDWSD-R Maint & Repair	9,255,700	8,063,800	8,132,031	8,295,831	8,403,954
492432 - SDWSD-R Meter Operations	3,764,400	3,009,500	3,038,649	3,101,742	3,145,646
492435 - SDWSD-R Lead Service	325,200	-	-	-	-
<b>20179 - SDWSD-R Compliance</b>	<b>17,810,200</b>	<b>13,518,900</b>	<b>13,724,298</b>	<b>14,025,848</b>	<b>14,255,071</b>
493101 - SDWSD-R General Counsel	1,254,400	1,052,500	1,070,034	1,093,988	1,112,688
493201 - SDWSD-R Org Development	1,334,600	830,400	837,406	854,630	866,421
493301 - SDWSD-R Info Technology	10,951,100	8,605,800	8,756,771	8,954,563	9,110,846
493411 - SDWSD-R Compliance-Security	2,556,300	2,045,100	2,058,671	2,098,844	2,123,814
493421 - SDWSD-R Compliance-Public Affairs	1,713,800	985,100	1,001,416	1,023,823	1,041,302
<b>20180 - SDWSD-R Finance</b>	<b>12,635,100</b>	<b>9,534,900</b>	<b>9,666,761</b>	<b>9,876,826</b>	<b>10,033,772</b>
494001 - SDWSD-R Chief Financial Officer	3,476,000	2,182,500	2,222,340	2,272,885	2,313,196
494111 - SDWSD-R Finance	1,633,000	974,000	976,079	994,757	1,005,899



**CITY OF DETROIT  
BUDGET DEVELOPMENT  
FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER - EXPENDITURES  
DEPARTMENT 49 - SEWERAGE DEPARTMENT - RETAIL**

Department # - Department Name					
Fund # - Fund Name	FY2022	FY2023	FY2024	FY2025	FY2026
Appropriation # - Appropriation Name	Adopted	Mayor	Forecast	Forecast	Forecast
Cost Center # - Cost Center Name		Recommend			
494121 - SDWSD-R Procurement	2,024,600	1,688,500	1,694,504	1,727,298	1,747,332
494131 - SDWSD-R Treasury	1,843,700	1,374,700	1,403,062	1,435,704	1,462,516
494151 - SDWSD- R Budget	259,400	48,900	49,878	50,876	51,385
494161 - SDWSD-R Billing & Collect	2,792,700	2,951,700	3,000,422	3,067,512	3,119,788
494171 - SDWSD-R Internal Audit	605,700	314,600	320,476	327,794	333,656
<b>20181 - SDWSD-R Customer Service</b>	<b>4,164,800</b>	<b>3,530,200</b>	<b>3,532,986</b>	<b>3,599,536</b>	<b>3,637,895</b>
495111 - SDWSD-R Customer Service	4,164,800	3,530,200	3,532,986	3,599,536	3,637,895
<b>20183 - SDWSD-R Non Operating Expense</b>	<b>299,975,500</b>	<b>297,259,100</b>	<b>304,064,999</b>	<b>311,034,239</b>	<b>316,981,324</b>
497111 - SDWSD-R Non-Operating Exp	299,975,500	297,259,100	304,064,999	311,034,239	316,981,324
<b>5821 - SDWSD-R Imp &amp; Ext</b>	<b>43,540,910</b>	<b>44,411,728</b>	<b>45,299,963</b>	<b>46,205,962</b>	<b>47,130,081</b>
<b>20243 - SDWSD-R Improvement &amp; Extension</b>	<b>43,540,910</b>	<b>44,411,728</b>	<b>45,299,963</b>	<b>46,205,962</b>	<b>47,130,081</b>
497711 - SDWSD-R Improvement & Extension Swr	43,540,910	44,411,728	45,299,963	46,205,962	47,130,081
<b>5831 - SDWSD -R Swr Bond Fund</b>	<b>25,716,600</b>	<b>15,000,900</b>	<b>15,300,918</b>	<b>15,606,936</b>	<b>15,919,075</b>
<b>20310 - SDWSDR 2015 Bond</b>	<b>25,716,600</b>	<b>15,000,900</b>	<b>15,300,918</b>	<b>15,606,936</b>	<b>15,919,075</b>
497800 - SDWSDR Bond 2015	25,716,600	15,000,900	15,300,918	15,606,936	15,919,075
<b>Grand Total</b>	<b>441,026,310</b>	<b>409,667,828</b>	<b>418,320,613</b>	<b>427,655,003</b>	<b>435,635,844</b>

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER - REVENUES  
DEPARTMENT 49 - SEWERAGE DEPARTMENT - RETAIL**

Department # - Department Name					
Fund # - Fund Name	FY2022	FY2023	FY2024	FY2025	FY2026
Appropriation # - Appropriation Name	Adopted	Mayor	Forecast	Forecast	Forecast
Cost Center # - Cost Center Name		Recommend			
<b>49 - Sewerage Department - Retail</b>	<b>441,026,310</b>	<b>409,817,928</b>	<b>418,469,812</b>	<b>427,806,932</b>	<b>435,789,385</b>
<b>5820 - DWSD - R - Sewer</b>	<b>371,768,800</b>	<b>350,405,300</b>	<b>357,868,931</b>	<b>365,994,034</b>	<b>372,740,229</b>
<b>20184 - SDWSD-R Operating Revenue</b>	<b>371,768,800</b>	<b>350,405,300</b>	<b>357,868,931</b>	<b>365,994,034</b>	<b>372,740,229</b>
497211 - SDWSD-R Receiving Revenue	371,768,800	350,405,300	357,868,931	365,994,034	372,740,229
<b>5821 - SDWSD-R Imp &amp; Ext</b>	<b>43,540,910</b>	<b>44,411,728</b>	<b>45,299,963</b>	<b>46,205,962</b>	<b>47,130,081</b>
<b>20243 - SDWSD-R Improvement &amp; Extension</b>	<b>43,540,910</b>	<b>44,411,728</b>	<b>45,299,963</b>	<b>46,205,962</b>	<b>47,130,081</b>
497711 - SDWSD-R Improvement & Extension Swr	43,540,910	44,411,728	45,299,963	46,205,962	47,130,081
<b>5831 - SDWSD -R Swr Bond Fund</b>	<b>25,716,600</b>	<b>15,000,900</b>	<b>15,300,918</b>	<b>15,606,936</b>	<b>15,919,075</b>
<b>20310 - SDWSDR 2015 Bond</b>	<b>25,716,600</b>	<b>15,000,900</b>	<b>15,300,918</b>	<b>15,606,936</b>	<b>15,919,075</b>
497800 - SDWSDR Bond 2015	25,716,600	15,000,900	15,300,918	15,606,936	15,919,075
<b>Grand Total</b>	<b>441,026,310</b>	<b>409,817,928</b>	<b>418,469,812</b>	<b>427,806,932</b>	<b>435,789,385</b>

**CITY OF DETROIT  
BUDGET DEVELOPMENT  
POSITION DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER  
DEPARTMENT 49 - SEWERAGE DEPARTMENT - RETAIL**

Department # - Department Name					
Fund # - Fund Name					
Appropriation # - Appropriation Name	FY2022	FY2023	FY2024	FY2025	FY2026
Cost Center # - Cost Center Name	Adopted	Mayor	Forecast	Forecast	Forecast
Job Code - Job Title		Recommend			
<b>49 - Sewerage Department - Retail</b>	<b>25</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>26</b>
<b>5820 - DWSD - R - Sewer</b>	<b>25</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>26</b>
<b>20178 - SDWSD-R Operations</b>	<b>25</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>26</b>
<b>492223 - SDWSD- R Storm Drainage</b>	<b>25</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>26</b>
501014 - Manager	2	2	2	2	2
501025 - Professional Administrative Analyst	2	2	2	2	2
501029 - Customer Service Specialist	1	0	0	0	0
501037 - Customer Service Specialist II	3	4	4	4	4
501038 - Customer Service Specialist III	1	1	1	1	1
502003 - Engineer	7	7	7	7	7
502005 - Team Leader	1	2	2	2	2
502011 - Inspector	3	3	3	3	3
502034 - Engineer II	3	3	3	3	3
502038 - Engineering Technician III	1	1	1	1	1
502043 - Inspector II	0	1	1	1	1
8653080 - Executive Management Team	1	0	0	0	0
<b>Grand Total</b>	<b>25</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>26</b>

## ATTACHMENT II

	Adopted Budget FY 2022	Operating Budget Proposed Budget FY 2023	Difference
<b>DWSD Water Fund (Fund 5720):</b>			
Commodity Sales	\$ 70,930,800	62,315,300	(8,615,500)
Service Charges	28,208,600	56,679,400	28,470,800
Firelines	3,941,700	4,771,800	830,100
Fees, Permits & Penalties	6,428,400	3,900,800	(2,527,600)
Total Retail Revenue	<u>109,509,500</u>	<u>127,667,300</u>	<u>18,157,800</u>
Non-Retail Revenue	13,432,300	13,066,300	(366,000)
<b>Total Water Fund revenues</b>	<b><u>\$ 122,941,800</u></b>	<b><u>140,733,600</u></b>	<b><u>17,791,800</u></b>
Administration	\$ 722,300	971,300	249,000
Operations	20,209,400	23,998,200	3,788,800
Compliance	7,633,200	9,695,000	2,061,800
Finance	5,414,600	7,212,600	1,798,000
Customer Service	1,785,100	1,455,900	(329,200)
Net Direct Expenses	<u>35,764,600</u>	<u>43,333,000</u>	<u>7,568,400</u>
Non-Departmental (Indirect) Expenses	85,058,500	91,046,900	5,988,400
Revenue Financed Capital (Use of Fund Balance)	2,118,700	6,353,700	4,235,000
Total Indirect Expenses	<u>87,177,200</u>	<u>97,400,600</u>	<u>10,223,400</u>
<b>Total Water Fund expenses</b>	<b><u>\$ 122,941,800</u></b>	<b><u>140,733,600</u></b>	<b><u>17,791,800</u></b>
<b>DWSD Sewerage Fund (Fund 5820):</b>			
Commodity Sales	\$ 144,589,500	119,100,800	(25,488,700)
Service Charges	14,684,400	14,604,300	(80,100)
Drainage Fees	179,133,600	183,174,500	4,040,900
Permits, Penalties & IWC	8,312,600	9,255,000	942,400
Total Retail Revenue	<u>346,720,100</u>	<u>326,134,600</u>	<u>(20,585,500)</u>
Non-Retail Revenue	25,048,700	24,270,700	(778,000)
<b>Total Sewerage Fund revenues</b>	<b><u>\$ 371,768,800</u></b>	<b><u>350,405,300</u></b>	<b><u>(21,363,500)</u></b>
Administration	1,684,700	1,090,500	(594,200)
Operations	35,542,300	25,321,600	(10,220,700)
Compliance	17,810,200	13,519,000	(4,291,200)
Finance	12,635,000	9,685,000	(2,950,000)
Customer Service	4,164,800	3,530,200	(634,600)
Net Direct Expenses	<u>71,837,000</u>	<u>53,146,300</u>	<u>(18,690,700)</u>
Non-Departmental (Indirect) Expenses	292,100,900	295,860,700	3,759,800
Revenue Financed Capital (Use of Fund Balance)	7,830,900	1,398,300	(6,432,600)
Total Indirect Expenses	<u>299,931,800</u>	<u>297,259,000</u>	<u>(2,672,800)</u>
<b>Total Sewerage Fund expenses</b>	<b><u>\$ 371,768,800</u></b>	<b><u>350,405,300</u></b>	<b><u>(21,363,500)</u></b>



**Presentation to BOWC Finance Committee**  
**PROPOSED FY2023 OPERATING BUDGET**

March 2, 2022

# Current Budget Environment



- Last year, DWSD engaged Stantec to perform a comprehensive rate study for both Water and Sewer operations. The **Cost of Service Analysis (COSA)** phase of the study was recently completed and the results of the **COSA** have been incorporated into the proposed budget.
- Stantec's **Cost of Service Analysis** resulted in a significant shift of costs from Sewer to Water operations. While **total system** revenue requirements have only increased \$3.2 million (0.7%) from the current year forecast, **Water increased by \$22.2 million (18.7%)** and **Sewer decreased \$19.0 million (5.1%)**.
- Current **Residential** customer collection rates have dropped from over 90% (Pre-Covid) to less than 75%. Consequently, Bad Debt expense is projected \$5million over current forecast and \$7 million over the current FY 22 budget.
- The FY 23 proposed budget adds 44 new positions considered necessary to support DWSD's strategic initiatives, including the development of a **Lead Service Line Replacement Program** and the **transitioning of the CIPMO** from AECOM to Field Engineering.
- Contractual service budgets are \$5 million higher than current year forecast but consistent with current year budget. Covid has contributed to delays in executing on several current year priorities.

# Impact of Cost Reallocation on Revenue Requirements



Combined Revenue Requirement	Budget FY 2022	Forecast FY 2022	Proposed Budget FY 2023	Increase (Decrease)	% Change
	(millions)	(millions)	(millions)	(millions)	
Water Fund Total Revenue Requirement	\$ 116.84	\$ 118.56	\$ 140.73	\$ 22.17	18.7%
Sewer Fund Total Revenue Requirement	365.86	369.40	350.41	(18.99)	-5.1%
<b>Total Revenue Requirement</b>	<b>\$ 482.70</b>	<b>\$ 487.96</b>	<b>\$ 491.14</b>	<b>\$ 3.18</b>	<b>0.7%</b>
Shared Services Revenue	(4.12)	(4.12)	(2.50)	1.62	-39.4%
GLWA's Share of Legacy Costs	(34.84)	(34.84)	(34.84)		
<b>Total Net Revenue Requirement</b>	<b>\$ 443.74</b>	<b>\$ 449.00</b>	<b>\$ 453.80</b>	<b>\$ 4.81</b>	<b>1.1%</b>
Water Fund Rate Revenue Requirement	\$ 99.45	\$ 102.09	\$ 123.77	\$ 21.67	21.2%
Sewer Fund Rate Revenue Requirement	331.60	334.86	316.88	(17.98)	-5.4%
<b>Total Rate Revenue Requirement</b>	<b>\$ 431.06</b>	<b>\$ 436.95</b>	<b>\$ 440.65</b>	<b>\$ 3.69</b>	<b>0.8%</b>

- The impact of cost reallocation on the combined system is an increase of \$3.2 million (0.7%) in **Total Revenue Requirement** over FY 22 Forecast
- The increase is \$4.8 million (1.1%) on a **Net Revenue Requirement** basis and is due to a decrease of \$1.6 million in Shared Services revenue projection in FY 23
- The impact on **Rate Revenue Requirement** for the combined system is an increase of \$3.7 million (0.8%) over FY 22 Forecast



# Net Revenue Requirement

Water & Sewer Funds Combined	Budget FY 2022	Forecast FY 2022	Proposed Budget FY 2023	Increase (Decrease)	% Change
<b>Net Revenue Requirement</b>	(millions)	(millions)	(millions)	(millions)	
Net Operations & Maintenance Expenses	\$ 144.47	\$ 138.29	\$ 154.01	\$ 15.73	11.4%
Wholesale Charges, IWC & WRAP Contribution	214.86	214.91	217.78	2.87	1.3%
Net Debt & Capital	84.38	95.80	82.01	(13.79)	-14.4%
<b>Total Net Revenue Requirement</b>	<b>\$ 443.72</b>	<b>\$ 449.00</b>	<b>\$ 453.80</b>	<b>\$ 4.81</b>	<b>1.1%</b>

- Net Revenue requirement reflecting projected annual expenses increased due to increase in net Operations & Maintenance (O&M) expenses and decrease in Revenue Financed Capital (RFC) compared to FY 22 Forecast
- Net O&M expenses increased primarily due to increase in Salaries & Wages, Contractual Services and Bad Debt estimates and decrease in Shared Services revenues
- Wholesale Charges increase is based on GLWA's FY 23 estimates
- RFC decreased due to projected budgetary savings in the FY 22 Forecast





# Net Operations & Maintenance Expenses

Water & Sewer Funds Combined	Budget FY 2022	Forecast FY 2022	Proposed Budget FY 2023	Increase (Decrease)	% Change
<b>Operations &amp; Maintenance Expenses</b>	(millions)	(millions)	(millions)	(millions)	
Salaries & Wages	\$ 35.15	\$ 36.79	\$ 37.94	\$ 1.15	3.1%
Employee Benefits	15.86	11.68	13.35	1.67	14.3%
Professional & Contractual Services	17.64	13.67	18.71	5.04	36.9%
Shared Services Expenses	3.87	3.93	3.86	(0.07)	-1.8%
Supplies & Other Expenses	19.54	18.18	19.03	0.85	4.7%
Utilities	3.35	2.94	3.58	0.64	21.9%
Bad Debt	53.18	55.22	60.03	4.81	8.7%
<b>Total Operations &amp; Maintenance Expenses</b>	<b>\$148.59</b>	<b>\$142.41</b>	<b>\$ 156.51</b>	<b>\$ 14.10</b>	<b>9.9%</b>
Less: Shared Services Revenues	4.12	4.12	2.50	(1.62)	-39.4%
<b>Net Operations &amp; Maintenance Expenses</b>	<b>\$144.47</b>	<b>\$138.29</b>	<b>\$ 154.01</b>	<b>\$ 15.73</b>	<b>11.4%</b>

- Salaries & Wages and Employee Benefits increases are due to increase in projected FTE count for FY 23
- Contractual Services increase is partly due to budgetary savings in the forecast due to the pandemic. Normal expenditure patterns anticipated in FY 23. FY 23 also includes a new budget of \$1 million for sewer cleaning based on recent flooding
- Bad Debt increase reflects current decline in collection trend for residential customers
- Decrease in Shared Services revenue due to anticipated decrease in WAM license



# Wholesale Charges

	Budget FY 2022	Forecast FY 2022	Proposed Budget FY 2023	Increase (Decrease)	% Change
<b>Water Fund</b>					
<b>Wholesale Charges &amp; WRAP Contribution</b>	(millions)	(millions)	(millions)	(millions)	
DWSD Share of Cost Pool	\$ 42.51	\$ 42.51	\$ 43.69	\$ 1.17	2.8%
Less: Equity Credit	(20.70)	(20.70)	(20.70)		
WRAP Contribution	0.67	0.62	0.84	0.22	34.4%
<b>Total Wholesale Charges &amp; WRAP Contribution</b>	<b>\$ 22.48</b>	<b>\$ 22.44</b>	<b>\$ 23.83</b>	<b>\$ 1.39</b>	<b>6.2%</b>
<b>Sewer Fund</b>					
<b>Wholesale Charges, IWC &amp; WRAP Contribution</b>	(millions)	(millions)	(millions)	(millions)	
DWSD Share of Cost Pool	\$194.90	\$194.90	\$ 196.56	\$ 1.66	0.9%
Less: Equity Credit	(5.52)	(5.52)	(5.52)		
IWC Charges	1.48	1.62	1.62		
WRAP Contribution	1.52	1.47	1.30	(0.18)	-12.1%
<b>Total Wholesale Charges, IWC and WRAP</b>	<b>\$192.38</b>	<b>\$192.47</b>	<b>\$ 193.95</b>	<b>\$ 1.48</b>	<b>0.8%</b>
<b>Total Water &amp; Sewer Funds Combined</b>	<b>\$214.86</b>	<b>\$214.91</b>	<b>\$ 217.78</b>	<b>\$ 2.87</b>	<b>1.3%</b>

- Wholesale Charges are based on GLWA's estimates and is projected at an increase of 3% for the Water Fund and 1% for the Sewer Fund prior to Equity Credit



# Debt & Capital

Water & Sewer Funds Combined	Budget FY 2022	Forecast FY 2022	Proposed Budget FY 2023	Increase (Decrease)	% Change
<b>Debt &amp; Capital</b>	(millions)	(millions)	(millions)	(millions)	
Bond Debt Service	\$ 59.71	\$ 59.71	\$ 59.71		
Legacy Costs	49.38	49.38	49.38		
Revenue Financed Capital	10.13	21.54	7.75	(13.79)	-64.0%
<b>Total Debt &amp; Capital</b>	<b>\$ 119.22</b>	<b>\$ 130.63</b>	<b>\$ 116.85</b>	<b>\$ (13.79)</b>	<b>-10.6%</b>
Less: GLWA Share of Legacy Costs	(34.84)	(34.84)	(34.84)		
<b>Total Net Debt &amp; Capital</b>	<b>\$ 84.38</b>	<b>\$ 95.80</b>	<b>\$ 82.01</b>	<b>\$ (13.79)</b>	<b>-14.4%</b>

- Decrease in RFC is due to budgetary savings in the forecast for FY 22



# Summary of Revenues & Expenses - Water Fund

	Budget FY 2022	Forecast FY 2022	Proposed Budget FY 2023	Increase (Decrease)	% Change
<b>Retail Revenues</b>	(millions)	(millions)	(millions)	(millions)	
Commodity Sales	\$ 66.90	\$ 69.43	\$ 62.32	\$ (7.12)	-10.3%
Service Charges	28.64	28.62	56.68	28.06	98.0%
Firelines	3.92	4.04	4.77	0.73	18.1%
Fees, Permits & Penalties	3.81	2.90	3.90	1.00	34.6%
<b>Total Retail Revenues</b>	<b>\$ 103.27</b>	<b>\$ 104.99</b>	<b>\$ 127.67</b>	<b>\$ 22.68</b>	<b>21.6%</b>
Non-Retail Revenues	13.57	13.57	13.07	(0.50)	-3.7%
<b>Total Revenues</b>	<b>\$ 116.84</b>	<b>\$ 118.56</b>	<b>\$ 140.73</b>	<b>\$ 22.17</b>	<b>18.7%</b>
<b>Revenue Requirement</b>					
Departmental (Direct) Expenses					
Administration	\$ 0.65	\$ 0.55	\$ 0.97	\$ 0.42	76.7%
Operations	16.86	14.13	24.00	9.87	69.8%
Compliance	8.63	8.25	11.15	2.90	35.1%
Finance	5.11	4.68	7.21	2.53	54.0%
<b>Total Department (Direct) Expenses</b>	<b>\$ 31.24</b>	<b>\$ 27.62</b>	<b>\$ 43.33</b>	<b>\$ 15.72</b>	<b>56.9%</b>
Non-Departmental (Indirect) Expenses	85.06	87.39	91.05	3.65	4.2%
Revenue Financed Capital	0.54	3.55	6.35	2.80	78.8%
<b>Total Revenue Requirement</b>	<b>\$ 116.84</b>	<b>\$ 118.56</b>	<b>\$ 140.73</b>	<b>\$ 22.17</b>	<b>18.7%</b>

- Increase in total revenue requirement is due to reallocation of certain costs from Sewer Fund to Water Fund based on Stantec's COSA
- Increase in Water Fund revenue requirement is offset by decrease in Sewer Fund revenue requirement



# Summary of Revenues & Expenses - Sewer Fund

	Budget FY 2022	Forecast FY 2022	Proposed Budget FY 2023	Increase (Decrease)	% Change
	(millions)	(millions)	(millions)	(millions)	
<b>Retail Revenues</b>					
Commodity Sales	\$ 136.88	\$ 139.94	\$ 119.10	\$ (20.84)	-14.9%
Service Charges	14.91	15.03	14.60	(0.43)	-2.8%
Drainage Charges	176.73	176.80	180.08	3.28	1.9%
Highway Drainage	3.09	3.09	3.09		
Permits, Penalties & IWC Charges	8.87	9.15	9.26	0.11	1.3%
<b>Total Retail Revenues</b>	<b>\$ 340.47</b>	<b>\$ 344.01</b>	<b>\$ 326.14</b>	<b>\$ (17.87)</b>	<b>-5.2%</b>
Non-Retail Revenues	25.39	25.39	24.27	(1.12)	-4.4%
<b>Total Revenues</b>	<b>\$ 365.86</b>	<b>\$ 369.40</b>	<b>\$ 350.41</b>	<b>\$ (18.99)</b>	<b>-5.1%</b>
<b>Revenue Requirement</b>					
Departmental (Direct) Expenses					
Administration	\$ 1.51	\$ 1.28	\$ 1.09	\$ (0.19)	-15.0%
Operations	30.60	28.11	25.32	(2.79)	-9.9%
Compliance	20.13	19.25	17.05	(2.20)	-11.4%
Finance	12	10.93	9.68	(1.25)	-11.4%
<b>Total Department (Direct) Expenses</b>	<b>\$ 64.17</b>	<b>\$ 59.58</b>	<b>\$ 53.15</b>	<b>\$ (6.43)</b>	<b>-10.8%</b>
Non-Departmental (Indirect) Expenses	292.10	291.83	295.86	4.03	1.4%
Revenue Financed Capital	9.59	17.99	1.40	(16.59)	-92.2%
<b>Total Revenue Requirement</b>	<b>\$ 365.86</b>	<b>\$ 369.40</b>	<b>\$ 350.41</b>	<b>\$ (18.99)</b>	<b>-5.1%</b>

- Decrease in total revenue requirement is due to reallocation of certain costs from Sewer Fund to Water fund based on Stantec's COSA
- Decrease in Sewer Fund revenue requirement is offset by increase in Water Fund revenue requirement

# FTE Comparison



Cost Center	Budget FY 2022 FTE	Proposed Budget FY 2023 FTE	Increase (Decrease)
Chief Exec Officer	7	7	
BOWC	1	1	
Deputy Director Administration	4	5	1
Field Engineering	61	64	3
Facility Operation	17	14	(3)
Storm Water Management	25	26	1
Fleet Operation	18	18	
Maintenance & Repairs	153	169	16
Meter Operation	53	62	9
Lead Service	3	3	
General Counsel	6	6	
Organization Development	9	9	
Information Trechnology	28	34	6
Security	35	37	2
Public Affairs	6	6	
Customer Service	83	83	
Chief Financial Officer	6	6	
Finance (Controller)	15	15	
Procurement	23	29	6
Treasury	3	4	1
Budget	3	3	
Billing & Collection	16	18	2
Internal Audit	1	1	
<b>Grand Total</b>	<b>576</b>	<b>620</b>	<b>44</b>

# Next Steps



- DWSD Finance will continue to work with Stantec to refine the COSA and develop a **proposed rate structure** that will generate sufficient revenue and cash flows to satisfy the **Retail Revenue Requirements**
- Preliminary Water and Sewer Rate Review by Finance Committee
- Public Hearing and BOWC Water and Sewer Rate Review
- Approval of Water and Sewer Rates

## Appendices

**Appendix 1 *Non-Departmental Expenses***

**Appendix 2 *Appropriations***

**Fiscal Year 2023**





## Appendix 1

# Non-Departmental (Indirect) Expenses

	Budget FY 2022	Forecast FY 2022	Water Fund	Change	% Change	Budget FY 2022	Forecast FY 2022	Sewer Fund	Change	% Change
			Proposed Budget FY 2023					Proposed Budget FY 2023		
<b>Non-Departmental (Indirect) Expenses</b>	(millions)	(millions)	(millions)	(millions)		(millions)	(millions)	(millions)	(millions)	
Wholesale Charges	\$ 21.81	\$ 21.81	\$ 22.99	\$ 1.17	5.4%	\$ 189.38	\$ 189.38	\$ 191.04	\$ 1.66	0.9%
Obligation to GLWA	33.44	33.44	33.44			26.27	26.27	26.27		
Pension	19.52	19.52	19.52			25.88	25.88	25.88		
Bad Debt Expense	8.12	10.50	12.77	2.27	21.6%	45.06	44.72	47.27	2.55	5.7%
Series B and C Notes	1.49	1.49	1.49			2.49	2.49	2.49		
IWC Charges						1.50	1.62	1.62		
WRAP Contribution	0.67	0.62	0.84	0.22	34.4%	1.52	1.47	1.30	(0.18)	-12.1%
<b>Total Non-Departmental Expenses</b>	<b>\$ 85.06</b>	<b>\$ 87.39</b>	<b>\$ 91.05</b>	<b>\$ 3.65</b>	<b>4.2%</b>	<b>\$ 292.10</b>	<b>\$ 291.83</b>	<b>\$ 295.86</b>	<b>\$ 4.03</b>	<b>1.4%</b>



## Appropriation – Administration

	Budget FY 2022	Forecast 2022	Proposed Budget FY 2023	Increase (Decrease)	% Change
Combined Water and Sewer Funds	(millions)	(millions)	(millions)	(millions)	
Salaries & Wages	\$ 1.03	\$ 0.94	\$ 1.01	\$ 0.06	6.7%
Employee Benefits	0.49	0.21	0.36	0.15	75.0%
Professional & Contractual Services	-	0.07	-	(0.07)	-100.0%
Supplies & Other Expenses	0.63	0.62	0.70	0.08	12.5%
<b>Total Revenue Requirement</b>	<b>\$ 2.15</b>	<b>\$ 1.83</b>	<b>\$ 2.06</b>	<b>\$ 0.23</b>	<b>12.5%</b>

## Appropriation – Operations

	Budget FY 2022	Forecast 2022	Proposed Budget FY 2023	Increase (Decrease)	% Change
Combined Water and Sewer Funds	(millions)	(millions)	(millions)	(millions)	
Salaries & Wages	\$ 19.27	\$ 20.40	\$ 20.76	\$ 0.37	1.8%
Employee Benefits	8.43	6.56	7.27	0.71	10.8%
Professional & Contractual Services	9.10	6.43	10.88	4.46	69.3%
Shared Services Expenses	2.00	2.00	2.00	-	0.0%
Supplies & Other Expenses	5.30	3.92	4.82	0.90	23.0%
Utilities	3.35	2.94	3.58	0.64	21.9%
<b>Total Revenue Requirement</b>	<b>\$ 47.46</b>	<b>\$ 42.24</b>	<b>\$ 49.32</b>	<b>\$ 7.08</b>	<b>16.8%</b>



## Appropriation – Compliance

	Budget FY 2022	Forecast 2022	Proposed Budget FY 2023	Increase (Decrease)	% Change
Combined Water and Sewer Funds	(millions)	(millions)	(millions)	(millions)	
Salaries & Wages	\$ 9.90	\$ 10.20	\$ 10.48	\$ 0.28	2.8%
Employee Benefits	4.62	3.45	3.70	0.25	7.2%
Professional & Contractual Services	3.99	3.84	3.83	(0.01)	-0.2%
Shared Services Expenses	1.58	1.65	1.58	(0.07)	-4.3%
Supplies & Other Expenses	8.68	8.36	8.61	0.24	2.9%
<b>Total Revenue Requirement</b>	<b>\$ 28.76</b>	<b>\$ 27.50</b>	<b>\$ 28.20</b>	<b>\$ 0.70</b>	<b>2.5%</b>

## Appropriation – Finance

	Budget FY 2022	Forecast 2022	Proposed Budget FY 2023	Increase (Decrease)	% Change
Combined Water and Sewer Funds	(millions)	(millions)	(millions)	(millions)	
Salaries & Wages	\$ 4.95	\$ 5.25	\$ 5.69	\$ 0.44	8.3%
Employee Benefits	2.32	1.46	2.02	0.56	38.4%
Professional & Contractual Services	4.55	3.34	3.99	0.65	19.6%
Shared Services Expenses	0.29	0.29	0.29	0.00	0.0%
Supplies & Other Expenses	4.94	5.28	4.91	(0.37)	-7.0%
<b>Total Revenue Requirement</b>	<b>\$ 17.04</b>	<b>\$ 15.61</b>	<b>\$ 16.90</b>	<b>\$ 1.28</b>	<b>8.2%</b>



## **Detroit Water & Sewerage Department**

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# December 2021 Financial Review

## BOWC Finance Committee

March 2, 2022

# December 2021 Highlights



- **Cash and Investments**

- Operating cash balances have been stable, largely due to budgetary savings. At December 31, **Cash @ DWSD** amounted to \$15.1 and \$24.0 million in the Water and Sewer Funds, respectively. **Cash @ GLWA** amounted to \$7.9 and \$7.1 million in the Water and Sewer Funds, respectively.

- **Billing/Collection**

- The average age of residential accounts receivable continues to increase. As of December 31, residential accounts averaged 261 days representing an increase of 84 days (47%) since June 2020. The 3-month average collection rate for Residential accounts was 75% . By comparison, the pre-pandemic collection rate exceeded 95% as of December 2019.

- **Budget**

- The preliminary results of the Stantec rate study indicates a significantly higher FY 2023 Water Revenue Requirement that will be offset, in part, by a lower Sewer Revenue Requirement. The Preliminary FY 2023 Budget will be adjusted to reflect the changes before adoption.

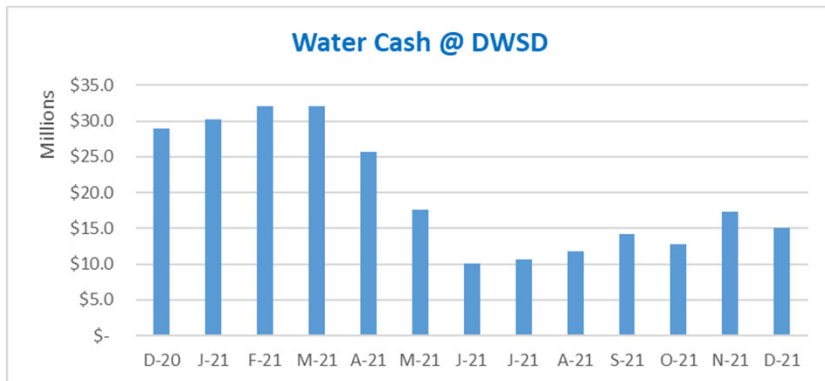
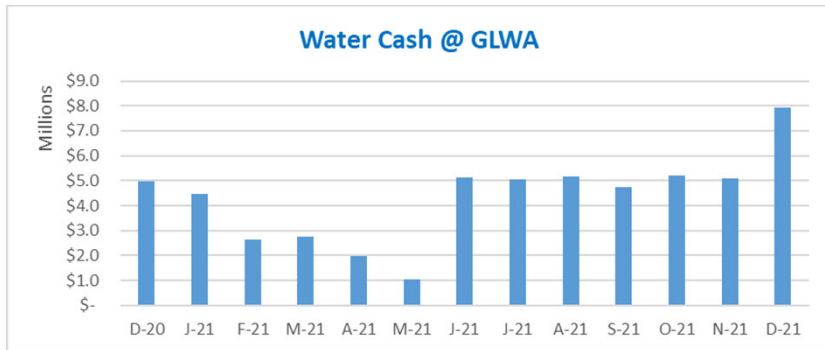
- **Capital Spending**

- DWSD continues to investigate and plan for new federal infrastructure funding.



# Water Funds

# Water Operating Cash

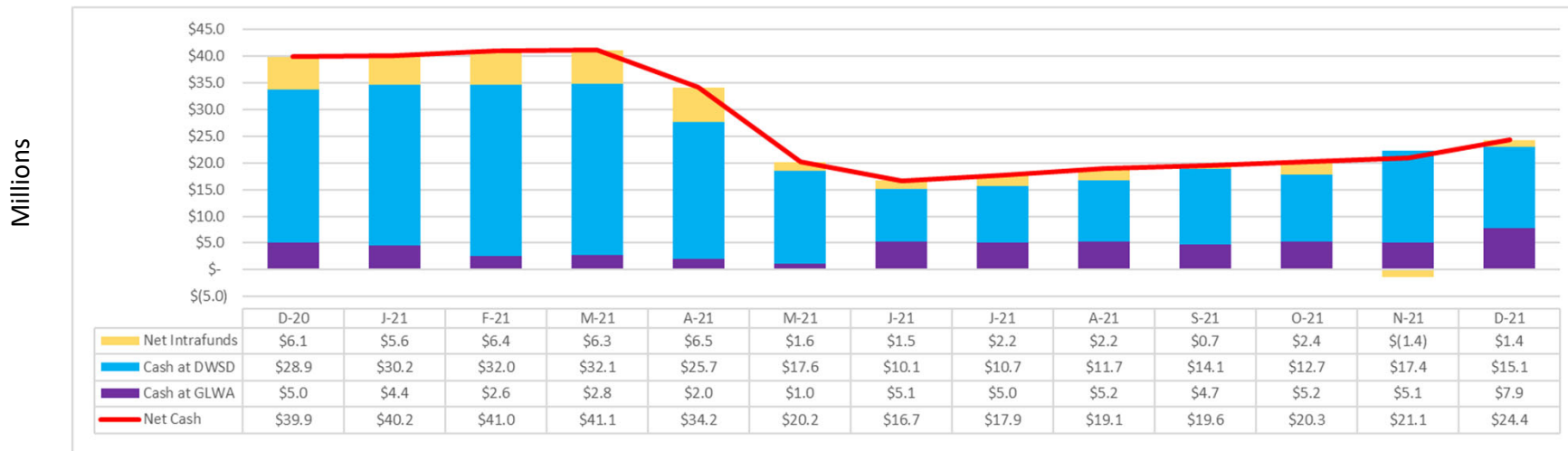


- Total Cash @ GLWA (including Budget Stabilization deposits) amounted to \$7.9 million on December 31st.
- Due to reduced FY 2022 operating budgets and higher bad debt assumptions, Cash @ GLWA balances have remained positive and steady over the last four months.
- FY 2021 collections were adversely impacted by Covid and the moratorium on service interruptions. In June, DWSD transferred \$4 million back to GLWA to mitigate the shortfalls.
- In April 2021, DWSD began transferring excess Operating Cash to the Water I&E fund to support revenue-financed capital expenses. The Water Operating Fund had \$15.1 million on deposit at the end of December.

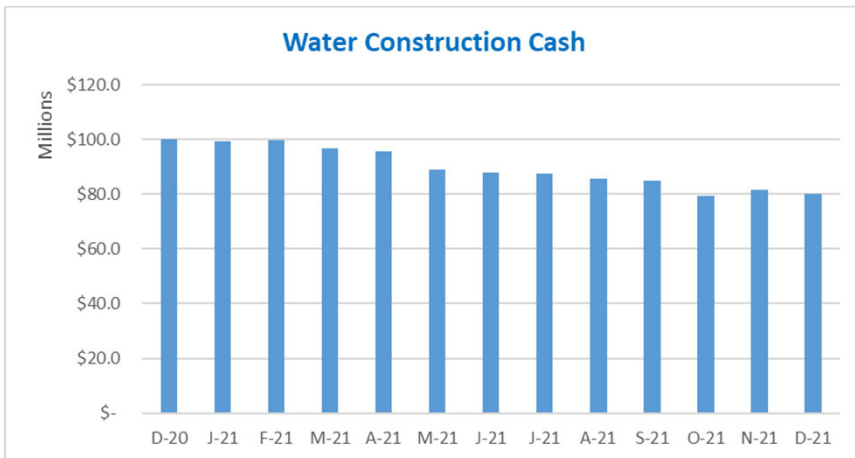
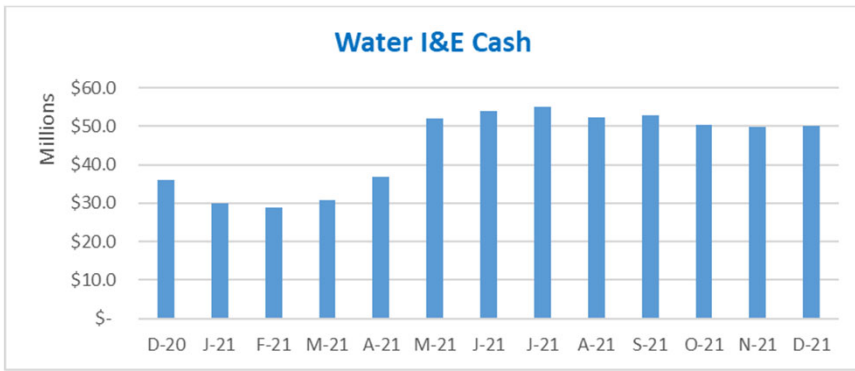


# Water Combined Operating Cash and Interfund Balances

- In April 2021, DWSD began transferring operating cash the I&E Fund to support revenue-financed capital programs.
- Combined operating and interfund balances reflect steady improvement since June 2021.

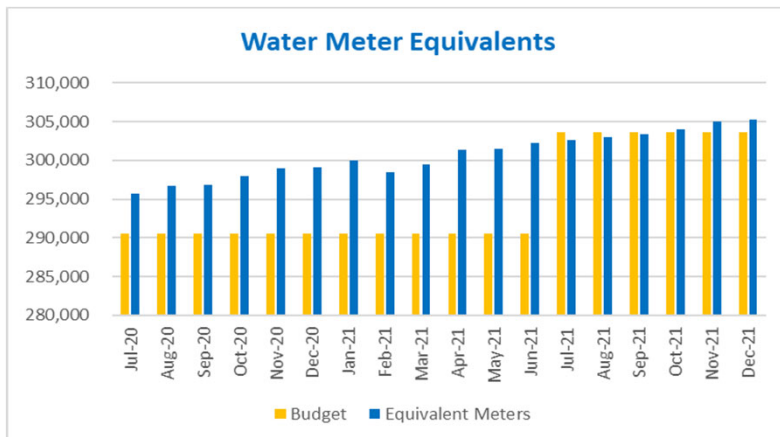
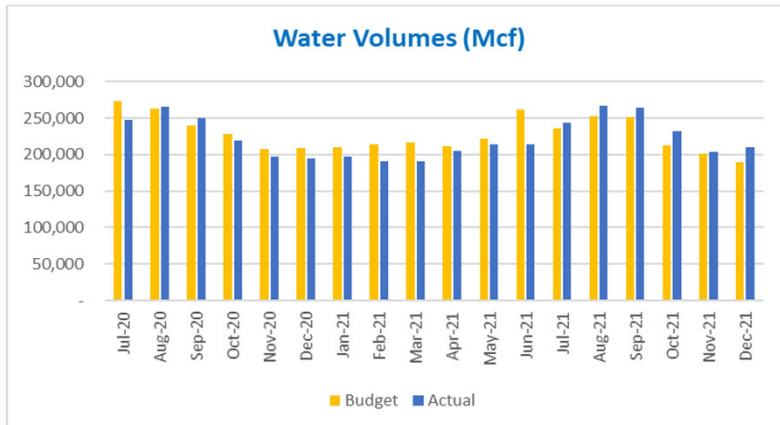


# Water I&E and Construction Cash



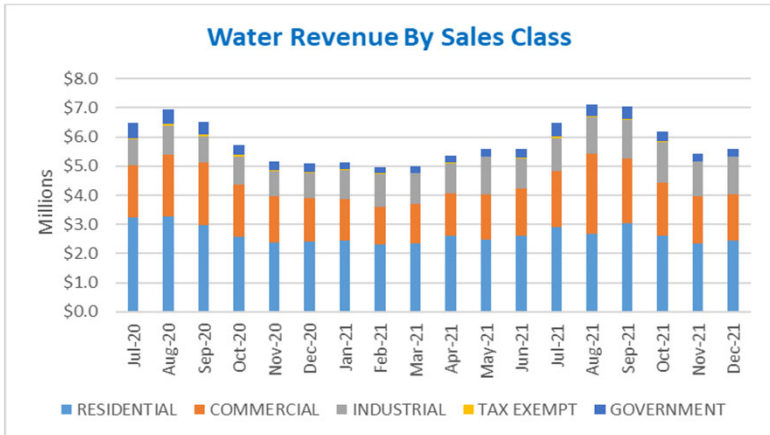
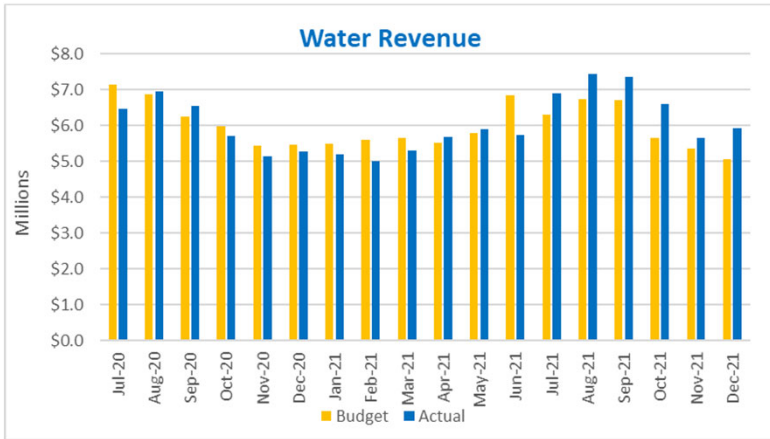
- Water I&E cash balances increased following transfers from operating accounts in the 4<sup>th</sup> Quarter of FY 2021. Those transfers support revenue-financed capital expenses budgeted in the I&E Fund.
- A balance of \$50.1 million was on deposit in the I&E Fund at the end of December.
- DWSD continues to spend down Construction Funds in support of the Water Capital Improvement Program. A total of \$80.1 million remained in the Construction Fund at the end of December. There are no current plans for the issuance of new bonds in the immediate future.

# Water Revenue Metrics



- Recent FY 2022 Water Volumes reflect normal seasonal drops going into winter months.
- Actual water volumes have exceeded allocated budgets in each month of FY 2022.
- Effective July 1, FY 2022 budgeted meter equivalents were increased reflecting recent historical growth. As the number of water accounts continues to grow, total meter equivalents should continue to exceed budgeted levels

# Water Revenue Trends

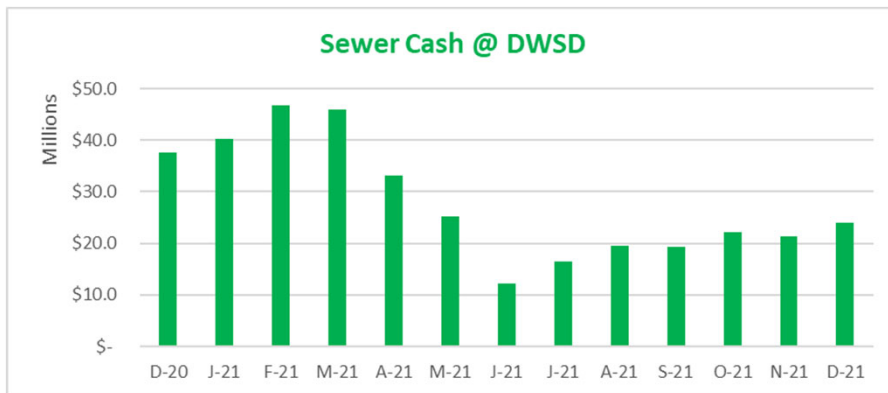
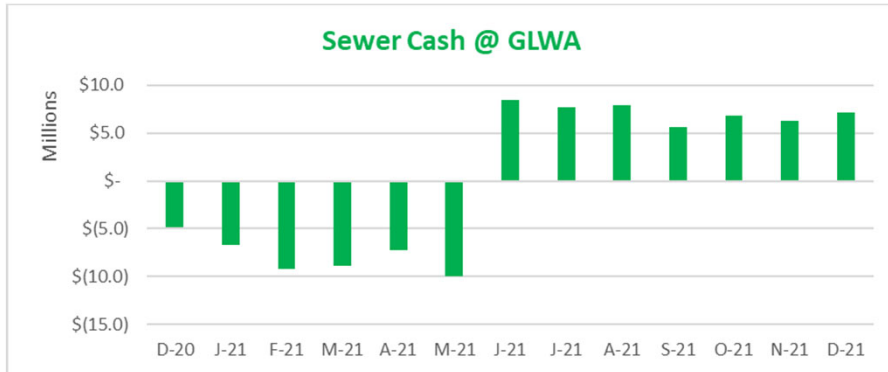


- Recent FY 2022 Water Revenue trends reflect seasonal volume trends.
- Residential customers represent approximately 50% of billed revenues.
- Year-to-date Actual Revenues are trending above Budgeted Revenues through November.



# Sewer Funds

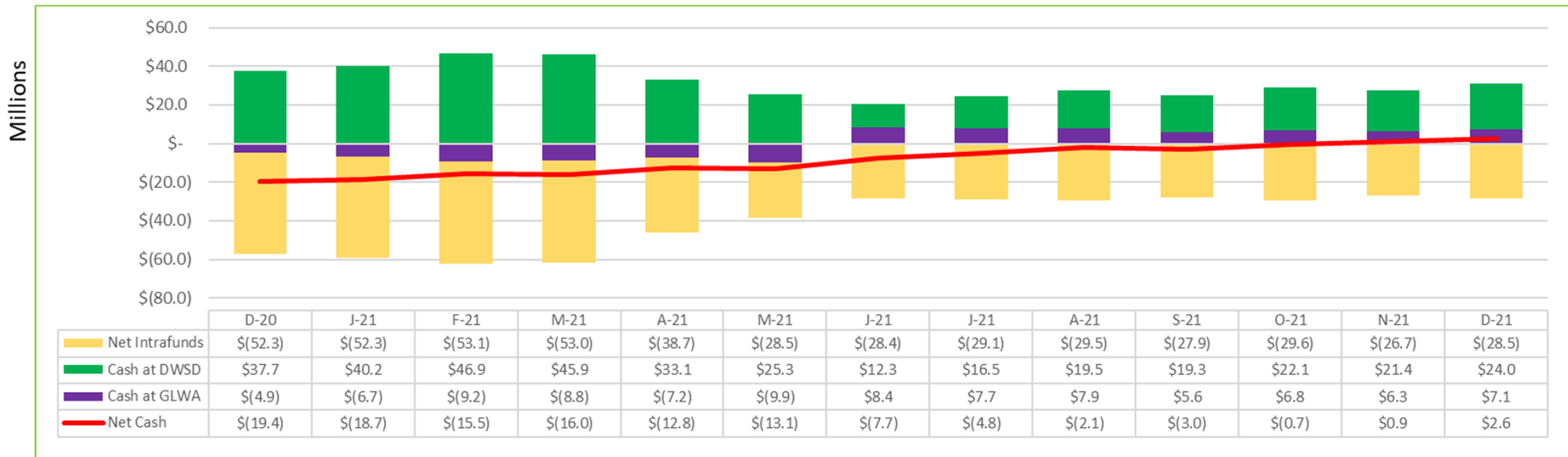
# Sewer Operating Cash



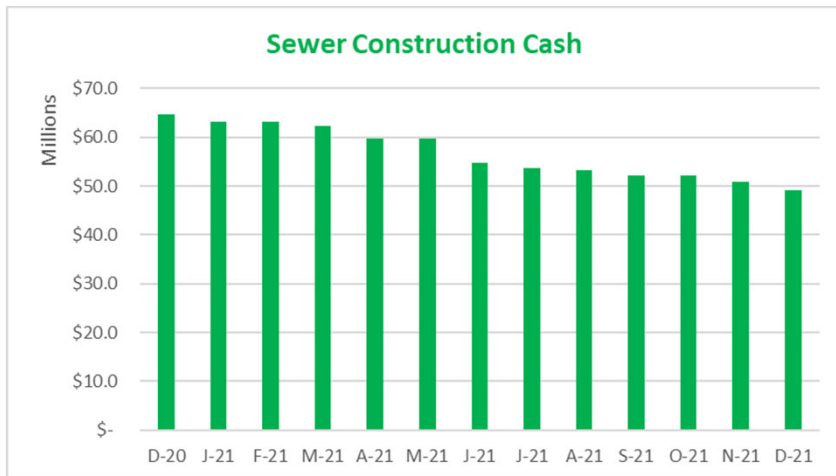
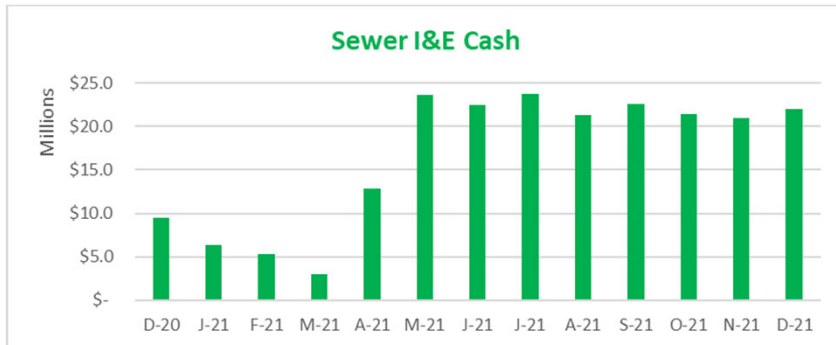
- A Delinquent Tax Advance of \$8.9 million was deposited to the GLWA Trust in June.
- In June, DWSD transfer approximately \$10 million to the GLWA Trust to mitigate collection shortfalls that accrued through most of FY 2021.
- In April, DWSD began transferring operating cash to the I&E Fund to support revenue-financed capital expenses.
- In July 2021, DWSD lowered the targeted minimum operating cash reserve target to 90 days.

# Net Operating Cash and Interfund - Sewer

- Net Sewer Operating Cash has steadily improved since accruing a \$50 million deficit over the first two years following bifurcation.
- The Net Sewer Operating Cash and Interfund position improved to \$2.6 million as of December 31st.



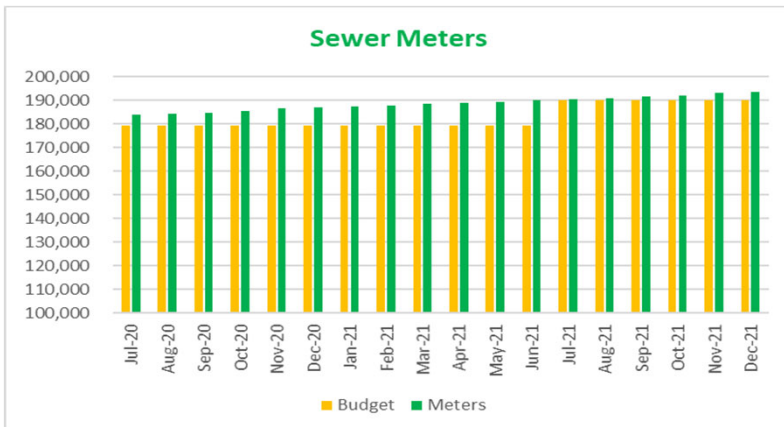
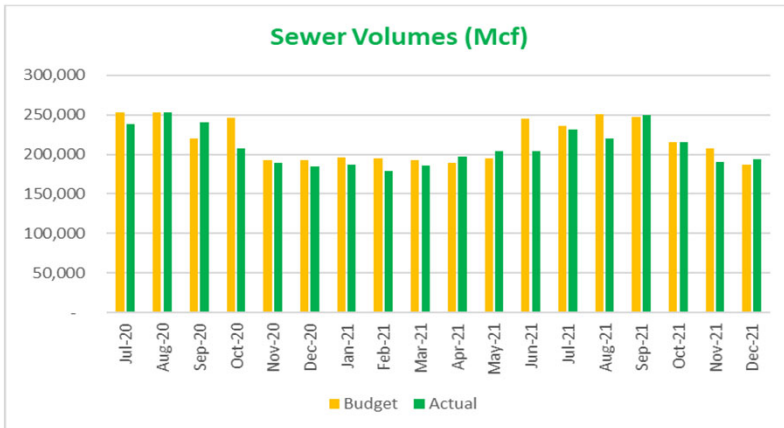
## Sewer I&E and Construction Cash



- Beginning in April, the I&E Fund began receiving transfers from Operating accounts in support of budgeted revenue-financed capital expenses.
- At the end of December, \$22.0 million was on deposit in the Sewer I&E Fund.
- DWSD continues to execute the Capital Improvement Plan and spend down construction cash balances. Approximately \$49.1 million was on deposit in the Construction Fund as of December 31.

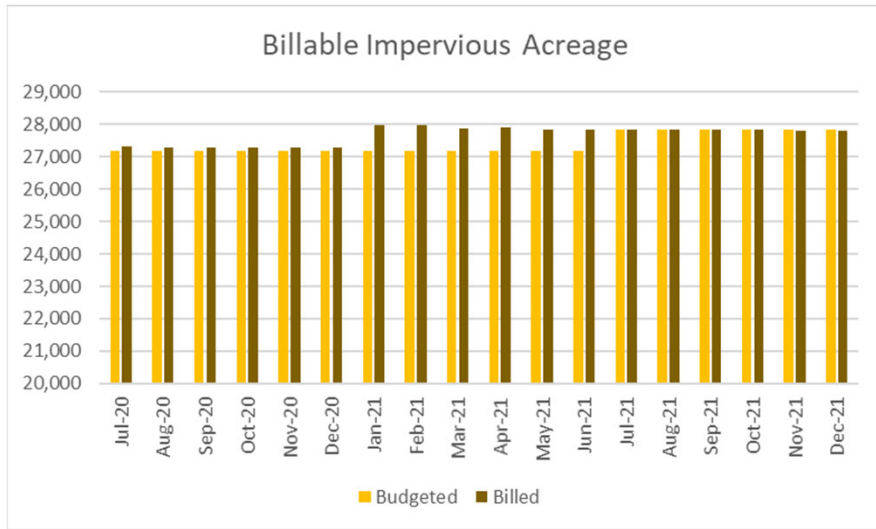


# Sewer Revenue Metrics



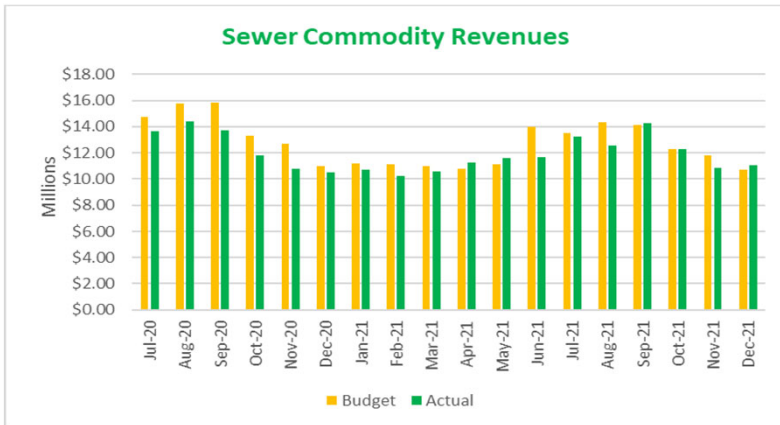
- Sewer Volumes fell slightly below the average monthly budget assumption in December deviating slightly from normal seasonal trends.
- Volumes increase during the summer months due to higher demand
- The number of sewer meters have been reporting above budgeted targets since the beginning of FY 2022

# Drainage Metrics

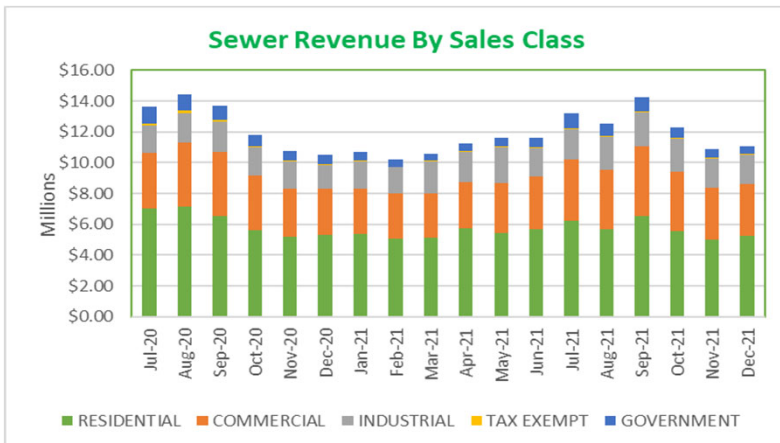


- FY 2022 Drainage budget reflects increases to Billable Impervious Acreage based on reconciled flyover data.
- Impervious Acreage continues to be billed at budgeted targets with no foreseeable variances.

# Sewer Revenue Trends



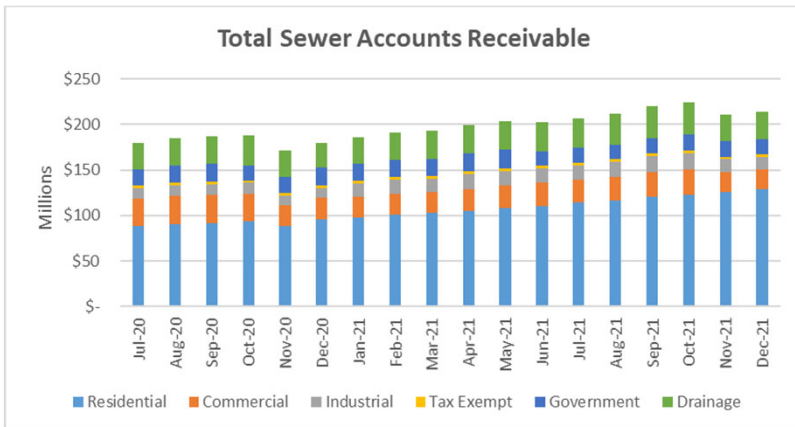
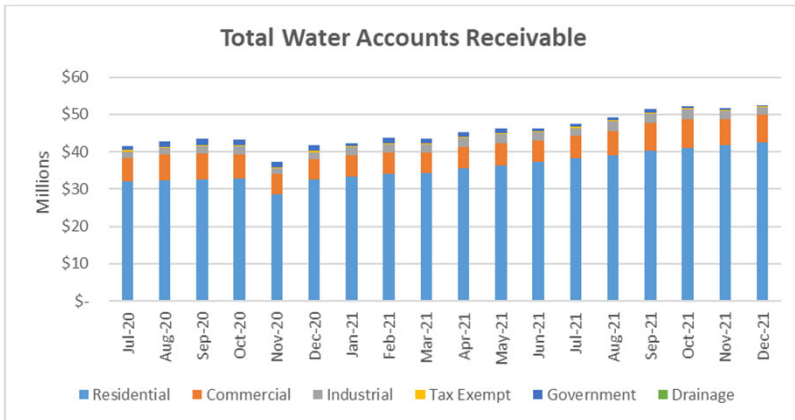
- Recent months' Sewer Revenues reflect normal seasonal volumetric increases for summer months and reductions going into winter.
- Year-to-date Sewer Retail Revenues continue to exceed budgeted revenues for FY 2022.





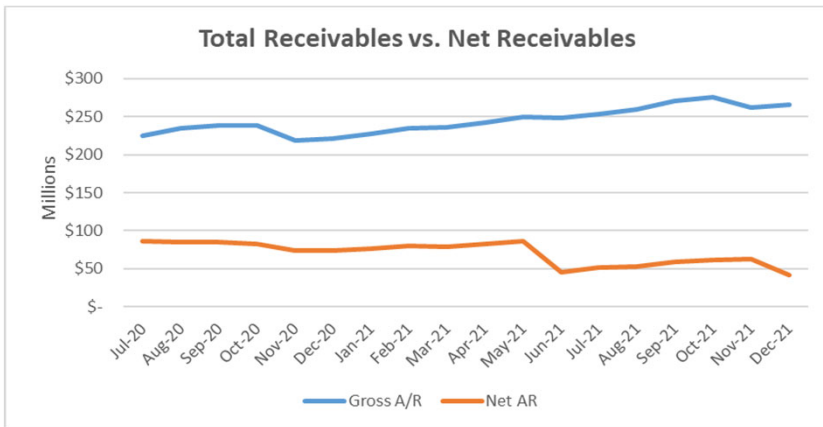
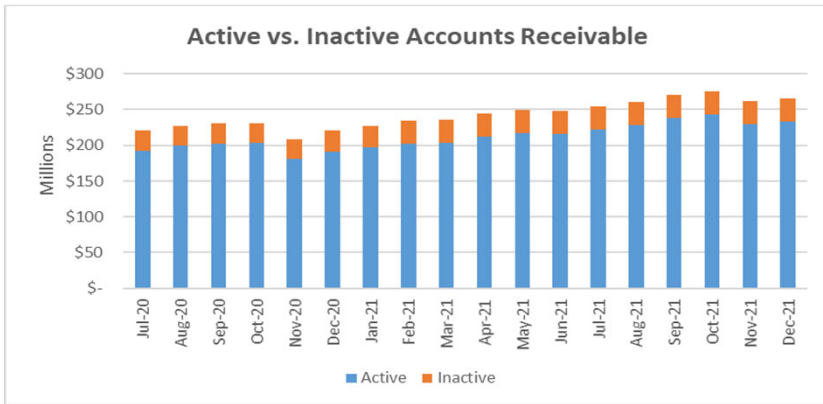
# Accounts Receivable

# Accounts Receivable Trends



- **Total Water** Accounts Receivable have increased \$10.3 million (24.8%) over the past 12 months.
- **Residential Water** Accounts increased \$10.1 million (31.1%) over the same period accounting for 98% of the total increase in Accounts Receivable.
- **Total Sewer** Accounts Receivable have increased \$33.6 million (18.7%) over the past 12 months.
- **Residential Sewer** Accounts increased \$33.0 million (34.4%) over the same period accounting for 98% of the total increase in Accounts Receivable.

# Accounts Receivable Trends



- **Inactive Accounts Receivable** have increased \$1.9 million (6.2%) over the past 12-month period. All of the increase is can be attributed to Residential Accounts.
- **Non-Residential Accounts** transferred to the Tax Roll were written off in December 2021.
- **Net Accounts Receivable** (*Receivables net of the Allowance for Doubtful Accounts*) have declined as DWSD continues to increase Bad Debt Expense assumptions due to increases in the average age of **Residential** accounts.



## Impacts of Covid-19



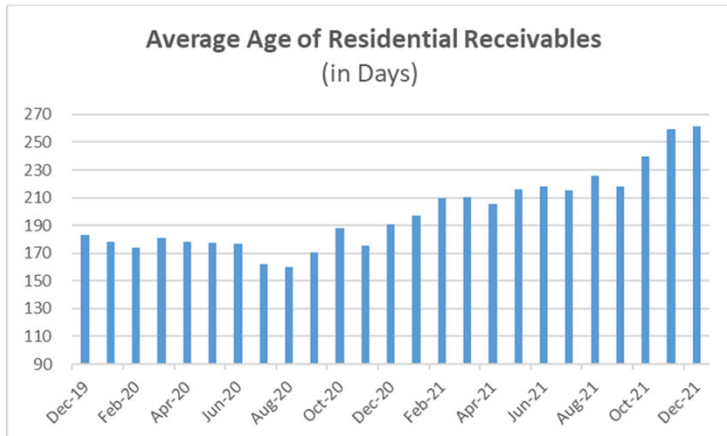
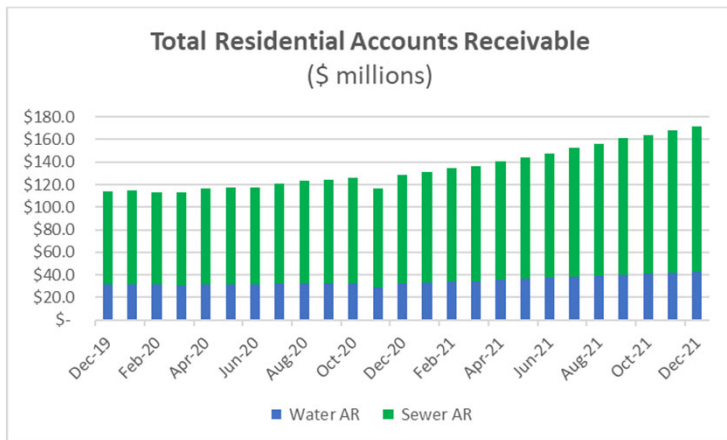
# Historical Accounts Receivable

- Average age of Residential receivables has increased by 84 days (47%) since June 2020.
- Age of other sales classes have shown general improvement due to stepped-up collection efforts.

Sales Class	June 30, 2020			June 30, 2021			December 31, 2021		
	Sales	Receivables	Days in AR	Sales	Receivables	Days in AR	Sales	Receivables	Days in AR
Residential	\$ 15,433,298	\$ 90,963,941	177	\$ 16,228,584	\$ 118,059,548	218	\$ 16,062,142	\$ 139,962,115	261
Commercial	7,613,552	33,547,848	132	8,168,258	30,456,422	112	8,333,558	28,619,555	103
Industrial	3,493,954	12,613,274	108	4,860,341	16,951,221	105	5,135,132	15,275,273	89
Tax Exempt	491,259	2,914,384	178	571,304	3,258,181	171	619,172	2,678,475	130
Government	2,975,998	17,860,445	180	2,611,085	15,121,194	174	2,490,198	17,815,770	215
Drainage Only	3,052,765	28,034,656	276	3,895,026	31,851,540	245	4,033,119	28,561,287	212
<b>Total Active Accounts</b>	<b>\$ 33,060,825</b>	<b>185,934,549</b>	<b>169</b>	<b>\$ 36,334,597</b>	<b>215,698,107</b>	<b>178</b>	<b>\$ 36,673,321</b>	<b>232,912,475</b>	<b>191</b>
Inactive Accounts Receivable		27,911,704			32,356,774			32,447,967	
<b>Total Accounts Receivable</b>		<b>213,846,253</b>			<b>248,054,881</b>			<b>265,360,442</b>	
Allowance for Doubtful Accounts		(142,881,820)			(202,171,655)			(223,125,133)	
<b>Net Accounts Receivable</b>		<b>\$ 70,964,433</b>			<b>\$ 45,883,226</b>			<b>\$ 42,235,309</b>	

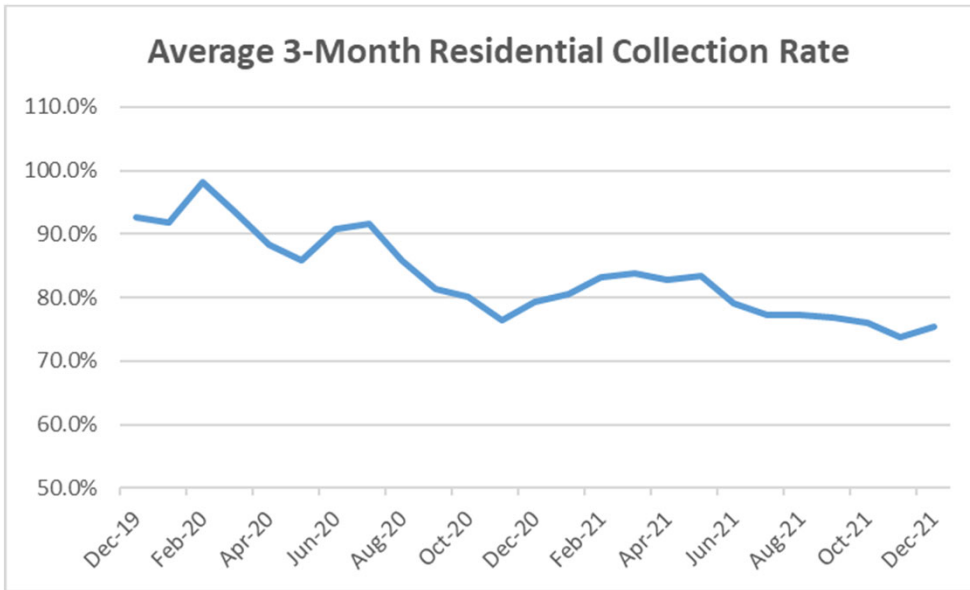


# Total Residential Accounts Receivable have increased over 50% since the advent of Covid.



- Total Residential Accounts Receivable have increased \$57.7 million (50.7%) since December 2019.
- DWSD Residential Receivables are on average 79 days older than they were two years ago.
- The average age of receivables directly corresponds to the level of difficulty in collection and Bad Debt expense.

# Residential Collection Rate



- DWSD’s average collection rate has dropped 20 percentage points from pre-Covid levels.
- Each percentage point represents an annualized loss of \$1.9 million.
- A 20% reduction in collection rate represents an annual loss of \$38 million in collections.

# THANK YOU!

## Detroit Water & Sewerage Department

For more information visit: [www.detroitmi.gov/dwsd](http://www.detroitmi.gov/dwsd)



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Gary A Brown  
*Director*

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313-267-8000 • [gary.brown@detroitmi.gov](mailto:gary.brown@detroitmi.gov)

TO: Detroit City Council President Brenda Jones  
Members of the Detroit City Council  
David Whitaker, Director, Legislative Policy Division

FROM: Gary Brown, Director  
Thomas Naughton, Chief Financial Officer  
Detroit Water and Sewerage Department

DATE: September 27, 2020

RE: Legislative Policy Division's Detroit Water and Sewerage Department FY 2020-  
2021 REVISED Budget Analysis

This represents the Detroit Water and Sewerage Department's (DWSD) responses to requests from Detroit City Council's Legislative Policy Division (LPD) for information regarding the DWSD's FY2021 Budget on March 13 and July 8, 2020. The City of Detroit Board of Water Commissioners formally approved DWSD's FY2021 and FY2022 budgets on April 15, 2020, after holding the required public hearing. DWSD will make an informational presentation to this Honorable Body regarding the approved budget and answer questions. For your consideration and review in advance of the presentation, our responses to the requests for information from the LPD/City Council are itemized below:

### **Issues and Questions**

1. Please detail the additional reduction of 10 FTEs. What are these positions?

**DWSD Response:** Additional reduction is composed of the following:

Chief Executive Officer (Increase of one FTE)

+1 Chief Operating Officer

Field Engineering (Reduction of nine FTEs)

-2 Engineers

-4 Inspectors

-2 Engineering Techs

-1 Office Support Specialist

Fleet Operations (Reduction of one FTEs)

-1 Automotive Techs

Field Services (Reduction of six FTEs)

-10 Field Service Technicians

- +1 Professional Administrative Analyst
- +1 Office Support Specialist
- +1 Inspector
- +1 GIS Analyst

Information Technology (Increase of three FTEs)

- +1 IT Director-Applications
- +1 GIS Analyst
- +1 Application Analyst

Chief Financial Officer (Increase of two FTEs)

- +2 Executive Management Team

2. Why are the Water Fund penalties and fees increasing \$2.1 million or 77.6% from the FY 2020 Budget?

**DWSD Response:** Penalties and Fees budget was increased for FY 2021 based on actual collection experience in FY 2020.

3. Why are Drainage Fees increasing by \$5.7 million for FY 2021?

**DWSD Response:** The drainage rate increased from \$602 to \$626 per impervious acre. In addition, the transition credits continue to be phased out. Rate increases were offset in part by reductions in impervious acres.

4. What is the Sewerage Fund \$2.6 million Highway Drainage revenue for FY 2021? Why wasn't there a Highway Drainage revenue for FY 2020?

**DWSD Response:** Highway Drainage revenue is a new category created in FY 2021. It was part of Drainage Fees in FY 2020.

5. What are the plans to amend the FY 2020 and FY 2021 budgets for the fiscal impact of the COVID-19 pandemic once they become known? Please share revised FY 2021 budgets based on the anticipated fiscal impact of the COVID-19 pandemic, if available. (Please note that LPD is submitting a report on the impact of the COVID-19 pandemic on the FY 2020 Water and Sewer Fund financial operations and measures DWSD is undertaking to mitigate the fiscal impact of the pandemic under separate cover.)

**DWSD Response:** There are no plans yet to amend the FY 2020 and FY 2021 budgets for the fiscal impact of the pandemic. Revised budgets will be shared, when amended.

## **Responses to Original/Updated Issues and Questions**

### Issues and Questions

1. In LPD’s FY 2020 DWSD budget analysis report, we asked “Does the DWSD plan on coming to City Council for approval of the FY 2020 rates and FY 2020 budget?” DWSD provided the following response:

**DWSD Response:** DWSD will not seek City Council approval of FY 2020 rates or the FY 2020 and FY 2021 budgets as it is not required to do so. Pursuant to Sec. 7-1202 of the 2012 Detroit City Charter, the Board of Water Commissioners directs the DWSD in the supply of water drainage and sewerage services within the City and establishes the rates to be paid by the owner or occupant of each house or building using water, drainage or sewerage services.<sup>1</sup> Judge Sean Cox's December 15, 2015 Order<sup>2</sup> (entered in anticipation of the bifurcation of DWSD into a separate regional wholesale system and a Detroit retail operation) reiterated the powers granted to the BOWC under Article 7, Chapter 12. The Court also stated the BOWC rates shall be developed to satisfy the revenue requirements established by the GLWA for water and sewer service as well as the expenses of operating the local water and sewer infrastructure, consistent with the Water and Sewer Services Agreement approved and executed by the City and the Authority.<sup>3</sup> Lastly, the Order states in the event the BOWC fails to comply with the requirements of the Water and Sewer Services Agreement with respect to rate-setting, billing, collection and enforcement for the local water and sewer systems, the GLWA may assume that responsibility. DWSD's budget and obligations under the Water and Sewer Services Agreement are based on rates and these matters fall within the purview of the BOWC, only.

Furthermore, the City's Comprehensive Annual Financial Report clearly designates DWSD as an enterprise agency. As such, the Uniform Budgeting and Accounting Act, MCL 141.421 et. seq. does not require DWSD to have its budget approved by City Council.<sup>4</sup>

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<sup>1</sup> This charter-mandated power to direct DWSD and establish the retail rates for Detroit customers is separate from its (former) charter-mandated power to set wholesale rates for customers outside the city limits. As a result of the bifurcation of DWSD into a Detroit retail operation governed by the BOWC and a regional wholesale system with a separate governing body (Great Lakes Water Authority), the BOWC no longer sets wholesale rates for customers.

<sup>2</sup> *United States v City of Detroit, et al*, United States District Court case No. 77-cv-71100-SFC

<sup>3</sup> As this Honorable Body is aware, since Detroit is no longer a municipal water and sewerage system that serves more than 40% of the population of the state, Sec. 5e of the Home Rule City Act, requiring the governing body to vote on rates, is inapplicable. (MCL 117.5e)

<sup>4</sup>“Budget” means a plan of financial operation for a given period of time, including an estimate of all proposed expenditures from the funds of a local unit and the proposed means of financing the expenditures. **Budget does not include . . . (c) An enterprise fund.** (MCL141.422a)

Lastly, DWSD's revenues are not considered during the City's Revenue Estimating Conference (Sec. 8-213, Detroit City Charter) because DWSD is an enterprise agency that does not require a general fund subsidy.

While this response is not intended to be a formal statement of DWSD's legal position, absent a federal court order or a super-majority vote of an Ad Hoc Root Cause Committee to do so, DWSD will not seek City Council approval for rates or budgets. Rather, DWSD will continue to make informational presentations and comply with the Memorandum of Understanding between DWSD and City Council that requires the Board of Water Commissioners to hold its regular meetings to present/approve the budget and rates during the evening in the community.

If we ask a similar question, "Does the DWSD plan on coming to City Council for approval of the FY 2021 rates and FY 2021 budget?", would the response given last year still apply?

**DWSD Response:** Yes.

2. Please explain the major proposed capital projects for FY 2021?

**DWSD Response:**

The major proposed capital projects include water and sewer system improvements in North Rosedale Park (DWS-907 \$18.6Million) and Cornerstone Village (\$26.3 Million). We are also constructing our largest green stormwater infrastructure project to date on Oakman Boulevard between Joy Rd and Tireman, which also includes watermain replacement (PC-801A \$8.7 Million). Major facilities projects include replacement of the roof at the DWSD Central Services Facility located at 6425 Huber (\$7 Million) and rehabilitation of the elevators at the Water Board Building located at 735 Randolph (\$2.1 Million).

3. What are the major initiatives and focus for the DWSD FY 2021 Budget?

**DWSD Response:** DWSD focused on sound financial management and several strategic initiatives in formulating its FY 2021 Budget: maximizing the useful life of infrastructure assets through preventive maintenance, which will also reduce the number and severity of emergency repairs; identifying and billing the true value of services provided through enhanced or expanded field services and reducing revenue water loss; continuing a capital improvement plan to rehabilitate or replace 1% to 2% of water and sewer lines and implement stormwater management infrastructure; reducing customer financial burden by continuing traditional affordability programs such as WRAP and the toilet replacement

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program; and ensuring DWSD complies with the new "Lead and Copper Rule." We are focused on improving customer service through offering a wider variety of options to conduct transactions in a contactless environment and out in the neighborhoods as we reduce our backlog of property restorations.

We are also working collaboratively with Deputy Mayor Conrad Mallet and his team to support the Community Health Corps initiative, which will provide holistic, wraparound services for Detroiters living in extreme poverty and who are not eligible for WRAP or a payment plan. We will continue to apply for and utilize all available dollars through coronavirus relief packages to assist customers who are having difficulty paying their bills and who require minor and major plumbing repairs.

4. How much of the annual \$50 million Lease revenue due to DWSD is being applied to pay debt service in the FY 2021 budget?

**DWSD Response:** Of the \$50 Million Lease payment from GLWA, DWSD will use \$8.8M to pay Series 2016A, Series 2016B, Series 2020A, Series 2020B, and SRF Water bonds and \$2.2M to pay Series 2018A Sewer bonds.

5. What was the total WRAP/assistance to Detroit customers for FY 2019 and FY 2020 (to date) for the Water and Sewer Funds? How much WRAP assistance is included in DWSD's FY 2021 budget?

**DWSD Response:** The WRAP assistance provided to Detroit Customers totaled \$1.6M in FY2019 and \$2.6M in FY2020. In FY 2021, DWSD has budgeted a total of \$2M to benefit the WRAP program.

6. How many new residential accounts were added in calendar year 2019? How many residential accounts were deleted in calendar year 2019?

**DWSD Response:** During 2019, 17,601 residential accounts were added and 17,156 accounts that were active in Jan 2019 are now inactive as of Dec 2019. Accounts remain in our system as inactive accounts and cannot be deleted.

7. How many water shut-offs were there in calendar year 2019?

**DWSD Response:** There were 27,479 residential and 918 non-residential service interruptions for non-payment in calendar year 2019. Water was restored to all properties pursuant to Governor Whitmer's executive order.

8. How many homeowner water service line replacements were made in calendar year 2019 under the State mandated "Lead & Copper Rule"? How were the costs of the replacements funded?



What was the total cost? What is the number of service line replacements and cost projected for the FY 2021 Budget?

**DWSD Response:** DWSD currently replaces lead service lines when the watermain is replaced and funds this replacement with the capital improvement program. However, in 2019 DWSD received a \$1,000,000 grant from the Michigan Department of Environment, Great Lakes and Energy (EGLE) for lead service line replacement (LSLR). In 2019, There were a total of 580 LSLR in 2019. Of these, 165 were funded by the EGLE grant. The total cost of services lines replaced was \$2,245,000 of which \$1,245,000 was funded by capital improvement dollars. The costs for lead service lines is included as per linear foot unit amount in the water main replacement contracts as such there is no dedicated budget amount. For the contracts active in FY2021, DWSD estimates there may be 800 to 1,000 lead service lines.

9. What is the FY 2021 revenue budget for fire hydrant maintenance that will be billed to the Detroit Fire Department?

**DWSD Response:** DWSD does not bill Detroit Fire Department (DFD) for fire hydrant maintenance.

10. How does DWSD's liquidity look for the Sewer Fund at June 30, 2020? What is the amount owed to GLWA as of June 30, 2020 for loans to DWSD?

**DWSD Response:** At June 30, 2020, the DWSD Sewer Fund had unrestricted cash balances of \$43.4M and \$82.2M in restricted in cash and investments. In addition, the Sewer Fund had a deficit balance of \$10.2M in the Cash Held at GLWA account.

11. Why is the DWSD transitioning the CIPMO contract from the consultant AECOM to in-house staff in Field Engineering? Was AECOM performing satisfactory on the contract? What are the expected savings from this transition?

**DWSD Response:** It was always DWSD's intent to transition work from the consultant to in house staff as the program was stood up, new business processes were adopted, software implemented, and training of staff is occurring. AECOM has performed satisfactorily on the contract. There is no "expected" savings in the traditional sense due to this transition, ultimately additional staff will be hired to provide those services and any remaining funds will be used to fund the construction of the capital program. Capital investment in the system may result in potential savings due to reduced operations and maintenance costs and payment of claims/settlements associated with the water and sewer infrastructure. In addition, there will always be certain services like design and condition assessment work that will be solicited via a request for proposals

12. What is DWSD's level of vacancies as of June 30, 2020, pre-COVID and post-COVID? Is this due to cost and revenue constraints? What is the impact of the vacancies on maintenance and other DWSD services?

**DWSD Response:** DWSD had 98 vacancies on June 30, 2020. The number of vacancies cannot be attributed to funding constraints. Certain field operations have high rates of turnover. In addition, DWSD continues to transition a number of functions from contractual services to in-house. Often the timing of these transitions are difficult to forecast. In hiring new employees, the department is frequently constrained by noncompetitive wage and benefit packages.

13. DWSD's April 2020 Review report for the BOWC's Finance Committee reported \$54.2 million in past due accounts receivable over 180 days in April 2020 for residential customers. In the same report the 3 month rolling average collection rate for residential customers was 85%. With such a large amount of old delinquent receivables how is it that DWSD's collection rate is so high? Are the old receivables included in the calculation of the collection rate? If they are not why aren't they written off?

**DWSD Response:** Rolling Average Collection Rates are determined by dividing the most recent months' collections by the corresponding billed revenue for the same period. A calculated collection rate of 100% would imply that, excluding write-offs, total accounts receivable are neither increasing nor decreasing.

We hope you find the above helpful and informative.

GAB/TN/DNP

cc: Councilmembers  
Dave Massaron, Chief Financial Officer  
Auditor General's Office  
Tanya Stoudemire, Budget Director  
Avery Peeples, Mayor's Office