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TO: Sandra Jeffers

Gary Brown, Director
Detroit Water and Sewer Department

FROM: David Whitaker, Director 
Legislative Policy Division

DATE: March 20, 2025

RE: Detroit Water and Sewerage Department FY 2025-2026 Budget Analysis

Attached is our analysis regarding the Detroit Water and Sewerage Department Budget for the City's Fiscal Year 2025-2026.

Please be prepared to respond to the questions raised in our analysis during your scheduled hearing on **Friday, March 21, 2025, at 1:00 p.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.

Attachment: Water and Sewerage departments Mayor's proposed budget schedules
Attachment: Finance Committee Presentation Final Proposed FY 2026 Operating Budget
Attachment: Proposed FY 2026 Water & Sewer Rates Schedule (page 18 of previous attachment)

cc: Councilmembers
Auditor General's Office
Istakur Rahman, DWSD Chief Financial Officer
Jay Rising, City of Detroit CFO
Tanya Stoudemire, Chief Deputy CFO – Policy & Administration Director & Interim Budget Director
Donnie Johnson, Deputy CFO/Budget Director
Marcus von Kapff, Group Executive-COO
Justin Buss, Budget Analyst
Malik Washington, Mayor's Office

Detroit Water and Sewerage Department (48) and (49)

Analysis by the Legislative Policy Division for the City's FY 2025-2026 Budget

Mission of Water Department

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 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.

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 the first responder for 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.

Mission of Sewerage Department

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, singlesite wastewater treatment facility in North America. The facilities are leased to and operated by the Great Lakes Water Authority (GLWA). DWSD has installed 17 green stormwater infrastructure projects since 2015 that manage more than 60 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 230,000 accounts (approx. 175,000 households and 30,000 businesses/nonprofits).

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.

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.

Attached is the Mayor's proposed budget for DWSD's Water Fund (Fund 5720) for FY 2026-2029. The Water Fund's operating budget for FY 2026 totals \$142,789,698 (B48-7). The Water Fund figures in the Mayor's proposed budget are placeholder numbers since the Mayor presented his proposed FY 2026 budget to the Council on February 28, 2025.

Meanwhile, DWSD presented \$149,172,400 as the Water Fund's proposed FY 2026 operating budget figure to the Board of Water Commissioners (BOWC) Finance Committee at a public meeting on March 12, 2025, and the BOWC is scheduled to meet on March 19, 2025, to consider approving the proposed operating budget. DWSD will provide an update on the FY 2026 Water Fund budget as approved by the BOWC at the council budget hearing on Friday, March 21, 2025.

Also attached is the Mayor's proposed budget for DWSD's Sewerage Fund (Fund 5820) for FY 2026-2029. The Sewer Fund's operating budget for FY 2026 totals \$362,540,130 (B49-7). The Sewer Fund figures in the Mayor's proposed budget are placeholder numbers since the Mayor presented his proposed FY 2026 budget to the Council on February 28, 2025.

Meanwhile, DWSD presented \$372,141,400 as the Sewer Fund's proposed FY 2026 operating budget figure to the BOWC Finance Committee at a public meeting on March 12, 2025. The BOWC is scheduled to meet on March 19, 2025, to consider approving the proposed operating budget. DWSD will provide an update on the FY 2026 Sewer Fund budget as approved by the BOWC at the council budget hearing on Friday, March 21, 2025.

On February 5, 2025, and again on March 5, 2025, the DWSD Executive Team presented a preliminary fiscal year 2026 Budget to their Finance Committee. The Team considered these factors in developing the Budget:

- Affordability – keep rate increases below 4% and support water conservation initiatives;
- Compassionate and responsive Customer Service;
- Operations that support and preserve Public Health; meet or exceed all federal, state and local Regulations;
- Employee and asset Safety;
- Water and Sewer Upgrades (including Lead Service Line replacement); and
- Employee Focus – training, retention and recruitment.

On March 12, 2025, the DWSD Finance Committee approved and recommended the FY 2026 budget to the Board of Water Commissioners (BOWC). This will be submitted to the BOWC's next meeting for approval on March 19, 2025.

Presented at the March 12, 2025 Finance Committee meeting, was a 3.5% increase in rates across the water, sewer & drainage systems (except Private Fireline, was a 1.6% increase for the Water Fund) to recover the revenue required to operate the water, sewer & drainage systems, and meet the budgetary considerations for FY 2026.

Comments presented by the Executive Team:

- The proposed operating budgets were developed with the goal to keep any rate increase affordable, and at the same time not compromising service level initiatives,
- The increase in Revenue Requirement is primarily due to increases in GLWA's Wholesale Charges, bad debt expense, personnel and non-personal expenses, along with pension expense.
- This Budget proposes a 3.5% increase in water, sewer and drainage rates across the System (except Private Fireline) to recover the Revenue Requirement required to operate the System for FY 2026.

During the FY 2021 budget review, LPD asked if DWSD's management planned to come to City Council for approval of rate increases and budgets. DWSD's management responded by saying no. The third attachment represents LPD's FY 2021 questions and department's responses that provide more detail as to why the answer was no.

Issues and Questions

LPD raises issues and questions based on our review of the Water Fund budget per pages B48-1 through B48-18 in the Mayor's proposed FY 2026-2029 four-year financial plan budget book. In addition, we raise issues and questions based on our review of the Sewerage Fund budget per pages B49-1 through B49-12 in the Mayor's proposed FY 2026-2029 four-year financial plan budget book.

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 2026 for both the Water Fund and the Sewer Fund. Please provide which appropriation/cost center the new initiative/request/proposal is impacting in FY 2026.
2. On page B48-5, please explain the \$43.6 million increase in Professional & Contractual Services in the Water Fund's FY 2026 budget. Please explain which service levels will be improved and which service deliverables that are backlogged will be addressed.
3. On page B48-5, please explain the \$6.1 million increase in Operating Supplies the Water Fund's FY 2026 budget.
4. On page B48-6, please explain the \$ 10.3 million increase in Grants, Shared Taxes & Revenues in the Water Fund's FY 2026 budget.
5. On page B48-6, please explain the \$11.2 million increase in Revenues from Use of Assets in the Water FY 2026 budget.
6. On page B48-6, please explain the \$11.4 million increase in Sales & Charges for Services in the Water FY2026 budget.
7. On page B48-6, please explain the \$21.1 million increase in Contributions & Transfers in the Water Fund's FY 2026 budget.
8. On page B48-6, please explain the zero budget amount in Miscellaneous in the Water Fund's FY 2026 budget.
9. On page B48-7, please explain the \$23.2 million increase in professional & contractual services in Water Fund 5721 in FY 2026?
10. On page B48-8, please explain the \$10.3 million increase in Grants Shared Taxes & Revenues in the Water Fund 5721 in FY 2026 budget.
11. On page B48-8, please explain the \$12.2 million increase in Revenues from Use of Assets in the Water Fund 5721 in FY 2026 budget.
12. On page B48-8, please explain the \$20.3 million increase in Contributions & Transfers in the Water Fund 5740 in the FY 2026 budget.
13. On page B49-5, please explain the \$46.6 million increase in Professional & Contractual Services in the Sewerage Fund's FY 2026 budget. Please explain which service levels will be improved and which service deliverables that are backlogged will be addressed.
14. On page B49-6, please explain the \$38.7 million increase in Grants, Shared Taxes & Revenues in the Sewerage Fund FY 2026 budget.
15. On page B49-6, please explain the \$19.6 million increase in Sales & Charges in the Sewerage Fund's FY 2026 budget.
16. On page B49-7, please explain the \$17.7 million increase in Other Expenses in the Sewerage Fund's FY 2026 budget.

17. On page B49-7, please explain the \$39.3 million increase in Professional & Contractual Services in the Sewerage Fund 5821 in FY 2026 budget.
18. What amount, if any, does DWSD anticipate receiving from the Federal infrastructure funds in FY 2026?
19. Please provide an update on the Lifeline plan, including number of enrollees, and how it impacts the revenue for FY 2026.
20. How many residences are enrolled into the Lifeline Plan as of March 17, 2025?
21. How does the number of residences enrolled as of March 17, 2025 compare with expectations?
22. Please explain the 10/30/50 plan and how it impacts the revenue for FY2026.
23. How many residences are enrolled into the 10/30/50 plan as of March 17, 2025?
24. Please provide DWSD's retail water and rate hikes for the last 5 fiscal years: FY 2021 through FY 2025. How does the proposed water and sewer rate increases of 3.5% for FY 2026 compare to the last 5 years?

WATER (48)

Mission

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WATER (48)

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Operating Programs and Services

- **Provide delivery of potable water** for more than 175,000 households and 30,000 businesses/nonprofits, 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.

Goals, Strategic Priorities and Related City Outcomes

Goals / Strategic Priorities	Timeframe	Related City Outcome
1. Continue to provide and procure resources to support water affordability through the Lifeline Plan and an effective payment plan through EasyPay and the Self-Service Customer Portal to the benefit of our customers in keeping water services on while improving the collection rate.	July 2025 – June 2029	Economic Equity & Opportunity
2. Replace at least 3,500 lead service lines – 8,000 lines if additional state and/or federal funding is received – with a goal to remove all lines within 10 years.	July 2025 – June 2029	Safer Neighborhoods
3. Paint 5,000 fire hydrants which reduces corrosion.	July 2025 – June 2029	Efficient & Innovative Operations

WATER (48)

Budget By Service

Services	FY 2026 Mayor Proposed	FY 2026 Mayor Proposed FTE
Water Distribution	\$294,433,098	650.0
Total:	\$294,433,098	650.0

Metrics and Data

Metrics	Data	Related Goal #
Number of lead service lines replaced	12,000 since 2018	2
Percentage of hydrants out of service and in need of repair or replacement	0.5% of hydrants out of service and in need of repair or replacement as of July 2024	3
Amount billed	Dollars-water revenue; average annual rate increase since FY17 has been 2.9%	1
Percentage of customers using the Self-Service Customer Portal	47% payments made online as of July 2024	1

Department 48 - Water Department

Budget Summary

	FY2024 Actual		FY2025 Adopted		FY2026 Mayor Proposed	
	General Fund	All Funds	General Fund	All Funds	General Fund	All Funds
Total Revenues	-	215,720,827	-	244,744,200	-	294,433,098
Total Expenditures	-	189,645,814	-	244,744,200	-	294,433,098
Net Tax Cost	-	(26,075,013)	-	-	-	-

	FY2027 Forecast		FY2028 Forecast		FY2029 Forecast	
	General Fund	All Funds	General Fund	All Funds	General Fund	All Funds
Total Revenues	-	300,321,760	-	306,328,194	-	312,454,758
Total Expenditures	-	300,321,760	-	306,328,194	-	312,454,758
Net Tax Cost	-	-	-	-	-	-

General Fund Recurring vs One-Time Expenditures

	FY2025 Adopted	FY2026 Mayor Proposed
Recurring Expenditures	-	-
One-Time Expenditures	-	-
Total Expenditures	-	-

Positions (by FTE)

	2/5/2025 Actual	FY2025 Adopted	FY2026 Mayor Proposed	FY2027 Forecast	FY2028 Forecast	FY2029 Forecast
General Fund	-	-	-	-	-	-
Non-General Fund	640.00	650.00	650.00	650.00	650.00	650.00
ARPA	-	-	-	-	-	-
Total Positions	640.00	650.00	650.00	650.00	650.00	650.00

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

Department # - Department Name Summary Category	FY2025 Adopted	FY2026 Mayor Proposed	FY2027 Forecast	FY2028 Forecast	FY2029 Forecast
48 - Water Department	244,744,200	294,433,098	300,321,760	306,328,194	312,454,758
Salaries & Wages	20,056,345	20,056,345	20,446,334	20,844,120	21,249,872
Employee Benefits	6,570,541	6,570,541	6,673,418	6,778,352	6,885,388
Professional & Contractual Services	108,552,714	152,122,114	155,149,457	158,237,183	161,386,494
Operating Supplies	4,970,500	11,089,998	12,415,885	13,778,888	15,179,836
Operating Services	5,075,300	5,089,430	5,140,324	5,191,722	5,243,636
Equipment Acquisition	3,425,100	3,410,970	3,441,705	3,472,748	3,504,100
Capital Outlays	2,875,000	2,875,000	2,903,750	2,932,788	2,962,116
Fixed Charges	8,891,188	8,891,188	8,980,100	9,069,901	9,160,600
Other Expenses	84,327,512	84,327,512	85,170,787	86,022,492	86,882,716
Grand Total	244,744,200	294,433,098	300,321,760	306,328,194	312,454,758

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

Department # - Department Name Summary Category	FY2025 Adopted	FY2026 Mayor Proposed	FY2027 Forecast	FY2028 Forecast	FY2029 Forecast
48 - Water Department	244,744,200	294,433,098	300,321,760	306,328,194	312,454,758
Grants, Shared Taxes, & Revenues	43,797,000	54,051,840	55,132,877	56,235,534	57,360,245
Revenues from Use of Assets	59,910,500	71,042,286	72,463,131	73,912,395	75,390,642
Sales & Charges for Services	127,887,200	139,259,682	142,044,876	144,885,773	147,783,488
Fines, Forfeits, & Penalties	1,177,500	1,201,050	1,225,071	1,249,572	1,274,564
Contributions & Transfers	7,762,000	28,878,240	29,455,805	30,044,920	30,645,819
Miscellaneous	4,210,000	-	-	-	-
Grand Total	244,744,200	294,433,098	300,321,760	306,328,194	312,454,758

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

Department # - Department Name Fund # - Fund Name Summary Category	FY2025 Adopted	FY2026 Mayor Proposed	FY2027 Forecast	FY2028 Forecast	FY2029 Forecast
48 - Water Department	244,744,200	294,433,098	300,321,760	306,328,194	312,454,758
5720 - DWSD - R - Water	136,670,200	142,789,698	145,645,492	148,558,401	151,529,569
Salaries & Wages	19,195,400	19,195,400	19,568,170	19,948,393	20,336,230
Employee Benefits	6,263,700	6,263,700	6,361,806	6,461,872	6,563,944
Professional & Contractual Services	8,407,000	8,407,000	8,491,070	8,575,984	8,661,741
Operating Supplies	4,970,500	11,089,998	12,415,885	13,778,888	15,179,836
Operating Services	5,063,300	5,077,430	5,128,204	5,179,481	5,231,273
Equipment Acquisition	351,600	337,470	337,470	337,470	337,470
Fixed Charges	8,091,188	8,091,188	8,172,100	8,253,821	8,336,359
Other Expenses	84,327,512	84,327,512	85,170,787	86,022,492	86,882,716
5721 - WDWSD-R Imp & Ext	98,612,000	121,857,360	124,294,507	126,780,397	129,316,005
Salaries & Wages	860,945	860,945	878,164	895,727	913,642
Employee Benefits	306,841	306,841	311,612	316,480	321,444
Professional & Contractual Services	90,685,714	113,931,074	116,278,646	118,673,843	121,117,629
Operating Services	10,000	10,000	10,100	10,201	10,303
Equipment Acquisition	3,073,500	3,073,500	3,104,235	3,135,278	3,166,630
Capital Outlays	2,875,000	2,875,000	2,903,750	2,932,788	2,962,116
Fixed Charges	800,000	800,000	808,000	816,080	824,241
5740 - WDWSD- R Wtr 2020 Bond Fund	9,462,000	29,786,040	30,381,761	30,989,396	31,609,184
Professional & Contractual Services	9,460,000	29,784,040	30,379,741	30,987,356	31,607,124
Operating Services	2,000	2,000	2,020	2,040	2,060
Grand Total	244,744,200	294,433,098	300,321,760	306,328,194	312,454,758

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

Department # - Department Name Fund # - Fund Name Summary Category	FY2025 Adopted	FY2026 Mayor Proposed	FY2027 Forecast	FY2028 Forecast	FY2029 Forecast
48 - Water Department	244,744,200	294,433,098	300,321,760	306,328,194	312,454,758
5720 - DWSD - R - Water	136,670,200	142,789,698	145,645,492	148,558,401	151,529,569
Revenues from Use of Assets	3,395,500	2,328,966	2,375,545	2,423,056	2,471,517
Sales & Charges for Services	127,887,200	139,259,682	142,044,876	144,885,773	147,783,488
Fines, Forfeits, & Penalties	1,177,500	1,201,050	1,225,071	1,249,572	1,274,564
Miscellaneous	4,210,000	-	-	-	-
5721 - WDWSD-R Imp & Ext	98,612,000	121,857,360	124,294,507	126,780,397	129,316,005
Grants, Shared Taxes, & Revenues	43,797,000	54,051,840	55,132,877	56,235,534	57,360,245
Revenues from Use of Assets	54,815,000	66,979,320	68,318,906	69,685,285	71,078,990
Contributions & Transfers	-	826,200	842,724	859,578	876,770
5740 - WDWSD- R Wtr 2020 Bond Fund	9,462,000	29,786,040	30,381,761	30,989,396	31,609,184
Revenues from Use of Assets	1,700,000	1,734,000	1,768,680	1,804,054	1,840,135
Contributions & Transfers	7,762,000	28,052,040	28,613,081	29,185,342	29,769,049
Grand Total	244,744,200	294,433,098	300,321,760	306,328,194	312,454,758

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

Department # - Department Name					
Fund # - Fund Name	FY2025	FY2026	FY2027	FY2028	FY2029
Appropriation # - Appropriation Name	Adopted	Mayor Proposed	Forecast	Forecast	Forecast
Cost Center # - Cost Center Name					
48 - Water Department	244,744,200	294,433,098	300,321,760	306,328,194	312,454,758
5720 - DWSD - R - Water	136,670,200	142,789,698	145,645,492	148,558,401	151,529,569
20166 - WDWSD-R Administration	830,200	830,200	840,865	851,702	862,716
481001 - WDWSD-R Chief Exec Officer	649,500	649,500	657,966	666,574	675,327
481601 - WDWSD- R BOWC	180,700	180,700	182,899	185,128	187,389
20167 - WDWSD-R Operations	26,225,400	26,225,400	26,622,981	27,027,440	27,438,914
482223 - WDWSD-R Stormwater Drainage	1,062,000	1,062,000	1,078,572	1,095,433	1,112,596
482411 - WDWSD-R Field Engineering	5,208,400	5,208,400	5,292,008	5,377,147	5,463,845
482421 - WDWSD-R Facility Oper	4,188,600	4,188,600	4,235,241	4,282,460	4,330,263
482422 - WDWSD-R Fleet Operations	2,665,900	2,665,900	2,699,721	2,734,033	2,768,845
482431 - WDWSD-R Maint & Repair	9,620,300	9,620,300	9,782,368	9,947,449	10,115,606
482432 - WDWSD- R Meter Operations	3,119,500	3,119,500	3,167,707	3,216,758	3,266,669
482435 - WDWSD-R Lead Service	360,700	360,700	367,364	374,160	381,090
20168 - WDWSD-R Compliance	10,344,500	10,344,500	10,485,065	10,627,851	10,772,907
483101 - WDWSD-R General Counsel	1,338,300	1,338,300	1,354,253	1,370,443	1,386,875
483201 - WDWSD-R Org Development	860,800	860,800	874,923	889,304	903,950
483301 - WDWSD-R Info Technology	5,843,500	5,843,500	5,916,953	5,991,467	6,067,062
483411 - WDWSD-R Compliance-Security	1,493,500	1,493,500	1,520,024	1,547,057	1,574,611
483421 - WDWSD-R Compliance-Public Affairs	808,400	808,400	818,912	829,580	840,409
20169 - WDWSD-R Finance	6,866,200	6,880,330	6,975,840	7,072,905	7,171,562
484001 - WDWSD-R Chief Financial Officer	1,785,500	1,799,630	1,820,352	1,841,353	1,862,641
484111 - WDWSD-R Finance.	760,200	760,200	772,433	784,908	797,631
484121 - WDWSD-R Procurement	1,343,100	1,343,100	1,366,706	1,390,763	1,415,283
484131 - WDWSD-R Treasury	1,010,200	1,010,200	1,021,893	1,033,736	1,045,732
484151 - WDWSD- R Budget	181,300	181,300	184,705	188,177	191,719
484161 - WDWSD-R Billing & Collect	1,418,800	1,418,800	1,437,829	1,457,150	1,476,770

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

Department # - Department Name					
Fund # - Fund Name	FY2025	FY2026	FY2027	FY2028	FY2029
Appropriation # - Appropriation Name	Adopted	Mayor Proposed	Forecast	Forecast	Forecast
Cost Center # - Cost Center Name					
484171 - WDWSD-R Internal Audit	367,100	367,100	371,922	376,818	381,786
20170 - WDWSD-R Customer Service	1,688,000	1,688,000	1,719,648	1,751,925	1,784,846
485111 - WDWSD-R Customer Service	1,688,000	1,688,000	1,719,648	1,751,925	1,784,846
20172 - WDWSD-R Non Operating Expense	90,715,900	90,701,770	91,605,413	92,518,093	93,439,898
487111 - WDWSD-R Non-Operating	90,715,900	90,701,770	91,605,413	92,518,093	93,439,898
20276 - WDWSD-R Stores	-	6,119,498	7,395,680	8,708,485	10,058,726
487611 - WDWSD-R Cost Cl-Gen Stores	-	6,119,498	7,395,680	8,708,485	10,058,726
5721 - WDWSD-R Imp & Ext	98,612,000	121,857,360	124,294,507	126,780,397	129,316,005
20244 - WDWSD-R Improvement & Extension	98,612,000	121,857,360	124,294,507	126,780,397	129,316,005
487711 - WDWSD-R Improvement & Extension Wtr	98,612,000	121,857,360	124,294,507	126,780,397	129,316,005
5740 - WDWSD- R Wtr 2020 Bond Fund	9,462,000	29,786,040	30,381,761	30,989,396	31,609,184
20334 - WDWSD-R Wtr 2020 Bond Fund	9,462,000	29,786,040	30,381,761	30,989,396	31,609,184
487801 - WDWSD-R Wtr 2020 Bond Fund	9,462,000	29,786,040	30,381,761	30,989,396	31,609,184
Grand Total	244,744,200	294,433,098	300,321,760	306,328,194	312,454,758

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

Department # - Department Name					
Fund # - Fund Name	FY2025	FY2026	FY2027	FY2028	FY2029
Appropriation # - Appropriation Name	Adopted	Mayor Proposed	Forecast	Forecast	Forecast
Cost Center # - Cost Center Name					
48 - Water Department	244,744,200	294,433,098	300,321,760	306,328,194	312,454,758
5720 - DWSD - R - Water	136,670,200	142,789,698	145,645,492	148,558,401	151,529,569
20173 - WDWSD-R Operating Revenue	136,670,200	142,789,698	145,645,492	148,558,401	151,529,569
487211 - WDWSD-R Receiving Revenue	136,670,200	142,789,698	145,645,492	148,558,401	151,529,569
5721 - WDWSD-R Imp & Ext	98,612,000	121,857,360	124,294,507	126,780,397	129,316,005
20244 - WDWSD-R Improvement & Extension	98,612,000	121,857,360	124,294,507	126,780,397	129,316,005
487711 - WDWSD-R Improvement & Extension Wtr	98,612,000	121,857,360	124,294,507	126,780,397	129,316,005
5740 - WDWSD- R Wtr 2020 Bond Fund	9,462,000	29,786,040	30,381,761	30,989,396	31,609,184
20334 - WDWSD-R Wtr 2020 Bond Fund	9,462,000	29,786,040	30,381,761	30,989,396	31,609,184
487801 - WDWSD-R Wtr 2020 Bond Fund	9,462,000	29,786,040	30,381,761	30,989,396	31,609,184
Grand Total	244,744,200	294,433,098	300,321,760	306,328,194	312,454,758

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

Department # - Department Name	FY2025	FY2026	FY2027	FY2028	FY2029
Fund # - Fund Name	Adopted	Mayor Proposed	Forecast	Forecast	Forecast
Appropriation # - Appropriation Name					
Cost Center # - Cost Center Name					
Job Code - Job Title					
48 - Water Department	650.00	650.00	650.00	650.00	650.00
5720 - DWSD - R - Water	650.00	650.00	650.00	650.00	650.00
20166 - WDWSD-R Administration	7.00	7.00	7.00	7.00	7.00
481001 - WDWSD-R Chief Exec Officer	6.00	6.00	6.00	6.00	6.00
929101 - Administrative Special Services Staff 1	2.00	2.00	2.00	2.00	2.00
929107 - Administrative Special Services Staff 2 Exempt	1.00	1.00	1.00	1.00	1.00
501003 - Chief Operating Officer	1.00	1.00	1.00	1.00	1.00
501025 - Professional Administrative Analyst 1	1.00	1.00	1.00	1.00	1.00
8653080 - Executive Management Team	1.00	1.00	1.00	1.00	1.00
481601 - WDWSD- R BOWC	1.00	1.00	1.00	1.00	1.00
501025 - Professional Administrative Analyst 1	1.00	1.00	1.00	1.00	1.00
20167 - WDWSD-R Operations	385.00	385.00	385.00	385.00	385.00
482411 - WDWSD-R Field Engineering	69.00	69.00	69.00	69.00	69.00
929108 - Administrative Special Services Staff 3 Exempt	1.00	1.00	1.00	1.00	1.00
929102 - Administrative Special Services Staff 2	2.00	2.00	2.00	2.00	2.00
8653080 - Executive Management Team	4.00	4.00	4.00	4.00	4.00
501014 - Manager	3.00	3.00	3.00	3.00	3.00
501015 - Systems Planning Officer	1.00	1.00	1.00	1.00	1.00
501046 - Office Support Specialist 2	3.00	3.00	3.00	3.00	3.00
501047 - Office Support Specialist 3	3.00	3.00	3.00	3.00	3.00
501052 - Professional Administrative Analyst 3	1.00	1.00	1.00	1.00	1.00
502002 - Field Services Director	1.00	1.00	1.00	1.00	1.00
502003 - Engineer 1	5.00	5.00	5.00	5.00	5.00
502005 - Team Leader	4.00	4.00	4.00	4.00	4.00
502011 - Inspector 1	17.00	17.00	17.00	17.00	17.00
502016 - Field Services Technician AFSCME 1	1.00	1.00	1.00	1.00	1.00

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

Department # - Department Name					
Fund # - Fund Name					
Appropriation # - Appropriation Name	FY2025 Adopted	FY2026 Mayor Proposed	FY2027 Forecast	FY2028 Forecast	FY2029 Forecast
Cost Center # - Cost Center Name					
Job Code - Job Title					
502033 - Electrical Instrumentation Control Tech 3	1.00	1.00	1.00	1.00	1.00
502034 - Engineer 2	5.00	5.00	5.00	5.00	5.00
502035 - Engineer 3	5.00	5.00	5.00	5.00	5.00
502036 - Engineer 4	5.00	5.00	5.00	5.00	5.00
502037 - Engineering Technician 2	2.00	2.00	2.00	2.00	2.00
502038 - Engineering Technician 3	1.00	1.00	1.00	1.00	1.00
502043 - Inspector 2	4.00	4.00	4.00	4.00	4.00
482421 - WDWSD-R Facility Oper	15.00	15.00	15.00	15.00	15.00
929101 - Administrative Special Services Staff 1	2.00	2.00	2.00	2.00	2.00
501025 - Professional Administrative Analyst 1	1.00	1.00	1.00	1.00	1.00
501014 - Manager	1.00	1.00	1.00	1.00	1.00
501046 - Office Support Specialist 2	1.00	1.00	1.00	1.00	1.00
502005 - Team Leader	2.00	2.00	2.00	2.00	2.00
502015 - Maintenance Technician AFSCME	4.00	4.00	4.00	4.00	4.00
502044 - Maintenance Technician MBTC	4.00	4.00	4.00	4.00	4.00
482422 - WDWSD-R Fleet Operations	20.00	20.00	20.00	20.00	20.00
501025 - Professional Administrative Analyst 1	1.00	1.00	1.00	1.00	1.00
501014 - Manager	1.00	1.00	1.00	1.00	1.00
502005 - Team Leader	3.00	3.00	3.00	3.00	3.00
501051 - Professional Administrative Analyst 2	1.00	1.00	1.00	1.00	1.00
502030 - Automotive Fleet Technician 2	14.00	14.00	14.00	14.00	14.00
482431 - WDWSD-R Maint & Repair	214.00	214.00	214.00	214.00	214.00
081008 - Complaint Investigator	2.00	2.00	2.00	2.00	2.00
501025 - Professional Administrative Analyst 1	3.00	3.00	3.00	3.00	3.00
8653080 - Executive Management Team	10.00	10.00	10.00	10.00	10.00
501014 - Manager	3.00	3.00	3.00	3.00	3.00

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

Department # - Department Name					
Fund # - Fund Name					
Appropriation # - Appropriation Name	FY2025 Adopted	FY2026 Mayor Proposed	FY2027 Forecast	FY2028 Forecast	FY2029 Forecast
Cost Center # - Cost Center Name					
Job Code - Job Title					
502005 - Team Leader	16.00	16.00	16.00	16.00	16.00
502011 - Inspector 1	4.00	4.00	4.00	4.00	4.00
502016 - Field Services Technician AFSCME 1	134.00	134.00	134.00	134.00	134.00
502043 - Inspector 2	2.00	2.00	2.00	2.00	2.00
501031 - Office Support Specialist 1	2.00	2.00	2.00	2.00	2.00
502019 - Field Services Coordinations Specialist	7.00	7.00	7.00	7.00	7.00
502020 - Special Projects Technician	4.00	4.00	4.00	4.00	4.00
502040 - Field Services Technician Teamsters 2	22.00	22.00	22.00	22.00	22.00
502045 - Field Service Technician AFSCME 1A	2.00	2.00	2.00	2.00	2.00
502046 - Field Service Technician MBTC 1A	3.00	3.00	3.00	3.00	3.00
482432 - WDWSD- R Meter Operations	63.00	63.00	63.00	63.00	63.00
501029 - Customer Service Specialist 1	1.00	1.00	1.00	1.00	1.00
501025 - Professional Administrative Analyst 1	1.00	1.00	1.00	1.00	1.00
8653080 - Executive Management Team	3.00	3.00	3.00	3.00	3.00
502005 - Team Leader	5.00	5.00	5.00	5.00	5.00
502016 - Field Services Technician AFSCME 1	40.00	40.00	40.00	40.00	40.00
502015 - Maintenance Technician AFSCME	1.00	1.00	1.00	1.00	1.00
502019 - Field Services Coordinations Specialist	2.00	2.00	2.00	2.00	2.00
502040 - Field Services Technician Teamsters 2	1.00	1.00	1.00	1.00	1.00
502045 - Field Service Technician AFSCME 1A	5.00	5.00	5.00	5.00	5.00
501037 - Customer Service Specialist 2	2.00	2.00	2.00	2.00	2.00
501038 - Customer Service Specialist 3	1.00	1.00	1.00	1.00	1.00
502018 - Materials Management Specialist	1.00	1.00	1.00	1.00	1.00
482435 - WDWSD-R Lead Service	4.00	4.00	4.00	4.00	4.00
8653080 - Executive Management Team	1.00	1.00	1.00	1.00	1.00
502005 - Team Leader	1.00	1.00	1.00	1.00	1.00

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

Department # - Department Name	FY2025	FY2026	FY2027	FY2028	FY2029
Fund # - Fund Name	Adopted	Mayor Proposed	Forecast	Forecast	Forecast
Appropriation # - Appropriation Name					
Cost Center # - Cost Center Name					
Job Code - Job Title					
502011 - Inspector 1	2.00	2.00	2.00	2.00	2.00
20168 - WDWSD-R Compliance	95.00	95.00	95.00	95.00	95.00
483101 - WDWSD-R General Counsel	9.00	9.00	9.00	9.00	9.00
929108 - Administrative Special Services Staff 3 Exempt	1.00	1.00	1.00	1.00	1.00
929101 - Administrative Special Services Staff 1	1.00	1.00	1.00	1.00	1.00
501025 - Professional Administrative Analyst 1	1.00	1.00	1.00	1.00	1.00
8653080 - Executive Management Team	3.00	3.00	3.00	3.00	3.00
501031 - Office Support Specialist 1	1.00	1.00	1.00	1.00	1.00
501018 - Associate General Counsel 1	1.00	1.00	1.00	1.00	1.00
501036 - Associate General Counsel 2	1.00	1.00	1.00	1.00	1.00
483201 - WDWSD-R Org Development	11.00	11.00	11.00	11.00	11.00
501025 - Professional Administrative Analyst 1	1.00	1.00	1.00	1.00	1.00
8653080 - Executive Management Team	1.00	1.00	1.00	1.00	1.00
501014 - Manager	3.00	3.00	3.00	3.00	3.00
501051 - Professional Administrative Analyst 2	1.00	1.00	1.00	1.00	1.00
501008 - Organizational Development Director	1.00	1.00	1.00	1.00	1.00
501024 - Human Resources Generalist	4.00	4.00	4.00	4.00	4.00
483301 - WDWSD-R Info Technology	35.00	35.00	35.00	35.00	35.00
929107 - Administrative Special Services Staff 2 Exempt	1.00	1.00	1.00	1.00	1.00
8653080 - Executive Management Team	1.00	1.00	1.00	1.00	1.00
501014 - Manager	1.00	1.00	1.00	1.00	1.00
501051 - Professional Administrative Analyst 2	1.00	1.00	1.00	1.00	1.00
501007 - Information Technology Director	1.00	1.00	1.00	1.00	1.00
501011 - Information Technology Manager Applications Deli	1.00	1.00	1.00	1.00	1.00
501013 - Information Technology Manager Customer Service	1.00	1.00	1.00	1.00	1.00
501016 - Applications Analyst 1	2.00	2.00	2.00	2.00	2.00

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

Department # - Department Name					
Fund # - Fund Name					
Appropriation # - Appropriation Name	FY2025	FY2026	FY2027	FY2028	FY2029
Cost Center # - Cost Center Name	Adopted	Mayor Proposed	Forecast	Forecast	Forecast
Job Code - Job Title					
501034 - Applications Analyst 2	3.00	3.00	3.00	3.00	3.00
501035 - Applications Analyst 3	7.00	7.00	7.00	7.00	7.00
501040 - Data Base Administrator 3	2.00	2.00	2.00	2.00	2.00
501042 - Infrastructure Administrator 2	2.00	2.00	2.00	2.00	2.00
501043 - Infrastructure Administrator 3	2.00	2.00	2.00	2.00	2.00
501045 - Information Technology Project Manager 3	2.00	2.00	2.00	2.00	2.00
501055 - Service Desk Analyst 2	4.00	4.00	4.00	4.00	4.00
501056 - Service Desk Analyst 3	1.00	1.00	1.00	1.00	1.00
502041 - GIS Analyst 2	3.00	3.00	3.00	3.00	3.00
483411 - WDWSD-R Compliance-Security	34.00	34.00	34.00	34.00	34.00
501025 - Professional Administrative Analyst 1	1.00	1.00	1.00	1.00	1.00
8653080 - Executive Management Team	1.00	1.00	1.00	1.00	1.00
501014 - Manager	2.00	2.00	2.00	2.00	2.00
502005 - Team Leader	2.00	2.00	2.00	2.00	2.00
501023 - Environmental Health Safety Coordinator 1	5.00	5.00	5.00	5.00	5.00
503003 - Security Lieutenant	1.00	1.00	1.00	1.00	1.00
503006 - Security Officer	22.00	22.00	22.00	22.00	22.00
483421 - WDWSD-R Compliance-Public Affairs	6.00	6.00	6.00	6.00	6.00
501014 - Manager	1.00	1.00	1.00	1.00	1.00
501017 - Public Affairs Officer	1.00	1.00	1.00	1.00	1.00
501028 - Public Affairs Specialist 1	3.00	3.00	3.00	3.00	3.00
501053 - Public Affairs Specialist 2	1.00	1.00	1.00	1.00	1.00
20169 - WDWSD-R Finance	75.00	75.00	75.00	75.00	75.00
484001 - WDWSD-R Chief Financial Officer	5.00	5.00	5.00	5.00	5.00
929108 - Administrative Special Services Staff 3 Exempt	1.00	1.00	1.00	1.00	1.00
8653080 - Executive Management Team	3.00	3.00	3.00	3.00	3.00

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

Department # - Department Name					
Fund # - Fund Name					
Appropriation # - Appropriation Name	FY2025	FY2026	FY2027	FY2028	FY2029
Cost Center # - Cost Center Name	Adopted	Mayor Proposed	Forecast	Forecast	Forecast
Job Code - Job Title					
501051 - Professional Administrative Analyst 2	1.00	1.00	1.00	1.00	1.00
484111 - WDWSD-R Finance.	13.00	13.00	13.00	13.00	13.00
929103 - Administrative Special Services Staff 3	1.00	1.00	1.00	1.00	1.00
501025 - Professional Administrative Analyst 1	5.00	5.00	5.00	5.00	5.00
8653080 - Executive Management Team	3.00	3.00	3.00	3.00	3.00
501052 - Professional Administrative Analyst 3	1.00	1.00	1.00	1.00	1.00
501051 - Professional Administrative Analyst 2	1.00	1.00	1.00	1.00	1.00
501022 - Accountant 1	2.00	2.00	2.00	2.00	2.00
484121 - WDWSD-R Procurement	26.00	26.00	26.00	26.00	26.00
501025 - Professional Administrative Analyst 1	1.00	1.00	1.00	1.00	1.00
8653080 - Executive Management Team	4.00	4.00	4.00	4.00	4.00
501014 - Manager	1.00	1.00	1.00	1.00	1.00
502005 - Team Leader	3.00	3.00	3.00	3.00	3.00
501051 - Professional Administrative Analyst 2	1.00	1.00	1.00	1.00	1.00
502018 - Materials Management Specialist	6.00	6.00	6.00	6.00	6.00
501027 - Procurement Specialist 1	1.00	1.00	1.00	1.00	1.00
501049 - Procurement Specialist 2	3.00	3.00	3.00	3.00	3.00
501050 - Procurement Specialist 3	6.00	6.00	6.00	6.00	6.00
484131 - WDWSD-R Treasury	4.00	4.00	4.00	4.00	4.00
501025 - Professional Administrative Analyst 1	2.00	2.00	2.00	2.00	2.00
501014 - Manager	1.00	1.00	1.00	1.00	1.00
501051 - Professional Administrative Analyst 2	1.00	1.00	1.00	1.00	1.00
484151 - WDWSD- R Budget	3.00	3.00	3.00	3.00	3.00
8653080 - Executive Management Team	1.00	1.00	1.00	1.00	1.00
501051 - Professional Administrative Analyst 2	2.00	2.00	2.00	2.00	2.00
484161 - WDWSD-R Billing & Collect	22.00	22.00	22.00	22.00	22.00

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

Department # - Department Name					
Fund # - Fund Name					
Appropriation # - Appropriation Name	FY2025 Adopted	FY2026 Mayor Proposed	FY2027 Forecast	FY2028 Forecast	FY2029 Forecast
Cost Center # - Cost Center Name					
Job Code - Job Title					
501025 - Professional Administrative Analyst 1	1.00	1.00	1.00	1.00	1.00
8653080 - Executive Management Team	2.00	2.00	2.00	2.00	2.00
501014 - Manager	2.00	2.00	2.00	2.00	2.00
501052 - Professional Administrative Analyst 3	1.00	1.00	1.00	1.00	1.00
502005 - Team Leader	4.00	4.00	4.00	4.00	4.00
501051 - Professional Administrative Analyst 2	1.00	1.00	1.00	1.00	1.00
501037 - Customer Service Specialist 2	6.00	6.00	6.00	6.00	6.00
501038 - Customer Service Specialist 3	5.00	5.00	5.00	5.00	5.00
484171 - WDWSD-R Internal Audit	2.00	2.00	2.00	2.00	2.00
501014 - Manager	1.00	1.00	1.00	1.00	1.00
501051 - Professional Administrative Analyst 2	1.00	1.00	1.00	1.00	1.00
20170 - WDWSD-R Customer Service	88.00	88.00	88.00	88.00	88.00
485111 - WDWSD-R Customer Service	88.00	88.00	88.00	88.00	88.00
501029 - Customer Service Specialist 1	45.00	45.00	45.00	45.00	45.00
501025 - Professional Administrative Analyst 1	2.00	2.00	2.00	2.00	2.00
8653080 - Executive Management Team	5.00	5.00	5.00	5.00	5.00
501014 - Manager	2.00	2.00	2.00	2.00	2.00
502005 - Team Leader	7.00	7.00	7.00	7.00	7.00
501037 - Customer Service Specialist 2	6.00	6.00	6.00	6.00	6.00
501038 - Customer Service Specialist 3	15.00	15.00	15.00	15.00	15.00
501004 - Chief Customer Service Officer	1.00	1.00	1.00	1.00	1.00
501048 - Customer Service Specialist 4	5.00	5.00	5.00	5.00	5.00
Grand Total	650.00	650.00	650.00	650.00	650.00

SEWERAGE (49)

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 17 green stormwater infrastructure projects since 2015 that manage more than 60 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 230,000 accounts (approx. 175,000 households and 30,000 businesses/nonprofits).

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.

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.

SEWERAGE (49)

Operating Programs and Services

- **Wastewater Collection** conveys combined untreated sanitary sewage and stormwater 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 National Pollution Discharge Elimination System (NPDES) Permit co-held by DWSD and GLWA, 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 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.

Goals, Strategic Priorities and Related City Outcomes

Goals / Strategic Priorities	Timeframe	Related City Outcome
1. Clean 600 miles of sewer to provide capacity to the current design standards – clean entire system in a five-year cycle.	July 2025 – June 2029	Efficient & Innovative Operations
2. Inspect and clean 8,000 catch basins to reduce street flooding.	July 2025 – June 2029	Efficient & Innovative Operations
3. Complete the Far West project's detention basins and sewers to remove 100 million gallons of rainwater and snowmelt annually from the combined sewer system and construct and complete design of several other stormwater projects.	July 2025 – June 2029	Efficient & Innovative Operations

Budget By Service

Services	FY 2026 Mayor Proposed	FY 2026 Mayor Proposed FTE
Wastewater Collection	\$452,258,718	28.0
Total:	\$452,258,718	28.0

SEWERAGE (49)

Metrics and Data

Metrics	Data	Related Goal #
Millions of gallons of stormwater managed annually	153 million gallons via DWSD GSI projects and stormwater ordinance compliance as of July 2024	1

Department 49 - Sewerage Department

Budget Summary

	FY2024 Actual		FY2025 Adopted		FY2026 Mayor Proposed	
	General Fund	All Funds	General Fund	All Funds	General Fund	All Funds
Total Revenues	-	384,561,562	-	387,942,900	-	452,258,718
Total Expenditures	-	328,739,845	-	387,942,900	-	452,258,718
Net Tax Cost	-	(55,821,718)	-	-	-	-

	FY2027 Forecast		FY2028 Forecast		FY2029 Forecast	
	General Fund	All Funds	General Fund	All Funds	General Fund	All Funds
Total Revenues	-	461,303,894	-	470,529,971	-	479,940,569
Total Expenditures	-	461,303,894	-	470,529,971	-	479,940,569
Net Tax Cost	-	-	-	-	-	-

General Fund Recurring vs One-Time Expenditures

	FY2025 Adopted	FY2026 Mayor Proposed
Recurring Expenditures	-	-
One-Time Expenditures	-	-
Total Expenditures	-	-

Positions (by FTE)

	2/5/2025 Actual	FY2025 Adopted	FY2026 Mayor Proposed	FY2027 Forecast	FY2028 Forecast	FY2029 Forecast
General Fund	-	-	-	-	-	-
Non-General Fund	29.00	28.00	28.00	28.00	28.00	28.00
ARPA	-	-	-	-	-	-
Total Positions	29.00	28.00	28.00	28.00	28.00	28.00

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

Department # - Department Name Summary Category	FY2025 Adopted	FY2026 Mayor Proposed	FY2027 Forecast	FY2028 Forecast	FY2029 Forecast
49 - Sewerage Department	387,942,900	452,258,718	461,303,894	470,529,971	479,940,569
Salaries & Wages	23,397,900	23,397,900	23,853,518	24,318,249	24,792,279
Employee Benefits	7,690,500	7,690,500	7,810,878	7,933,665	8,058,910
Professional & Contractual Services	48,446,200	95,037,388	96,884,948	98,768,924	100,690,047
Operating Supplies	6,715,200	6,715,200	6,782,352	6,850,175	6,918,680
Operating Services	5,871,300	5,887,170	5,946,042	6,005,500	6,065,550
Equipment Acquisition	4,543,000	4,527,130	4,557,865	4,588,908	4,620,260
Capital Outlays	2,875,000	2,875,000	2,903,750	2,932,788	2,962,116
Fixed Charges	3,935,100	3,935,100	3,974,452	4,014,197	4,054,339
Other Expenses	284,468,700	302,193,330	308,590,089	315,117,565	321,778,388
Grand Total	387,942,900	452,258,718	461,303,894	470,529,971	479,940,569

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

Department # - Department Name Summary Category	FY2025 Adopted	FY2026 Mayor Proposed	FY2027 Forecast	FY2028 Forecast	FY2029 Forecast
49 - Sewerage Department	387,942,900	452,258,718	461,303,894	470,529,971	479,940,569
Grants, Shared Taxes, & Revenues	-	38,660,040	39,433,241	40,221,906	41,026,344
Revenues from Use of Assets	52,886,800	51,227,256	52,251,802	53,296,837	54,362,773
Sales & Charges for Services	328,513,700	348,087,954	355,049,714	362,150,708	369,393,721
Fines, Forfeits, & Penalties	1,322,500	1,348,950	1,375,929	1,403,448	1,431,517
Contributions & Transfers	5,219,900	12,934,518	13,193,208	13,457,072	13,726,214
Grand Total	387,942,900	452,258,718	461,303,894	470,529,971	479,940,569

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

Department # - Department Name Fund # - Fund Name Summary Category	FY2025 Adopted	FY2026 Mayor Proposed	FY2027 Forecast	FY2028 Forecast	FY2029 Forecast
49 - Sewerage Department	387,942,900	452,258,718	461,303,894	470,529,971	479,940,569
5820 - DWSD - R - Sewer	344,815,500	362,540,130	369,790,934	377,186,752	384,730,486
Salaries & Wages	23,397,900	23,397,900	23,853,518	24,318,249	24,792,279
Employee Benefits	7,690,500	7,690,500	7,810,878	7,933,665	8,058,910
Professional & Contractual Services	11,268,700	11,268,700	11,381,387	11,495,199	11,610,152
Operating Supplies	6,715,200	6,715,200	6,782,352	6,850,175	6,918,680
Operating Services	5,869,900	5,885,770	5,944,628	6,004,072	6,064,108
Equipment Acquisition	1,469,500	1,453,630	1,453,630	1,453,630	1,453,630
Fixed Charges	3,935,100	3,935,100	3,974,452	4,014,197	4,054,339
Other Expenses	284,468,700	302,193,330	308,590,089	315,117,565	321,778,388
5821 - SDWSD-R Imp & Ext	36,907,500	76,202,670	77,726,724	79,281,258	80,866,883
Professional & Contractual Services	30,958,500	70,253,670	71,718,234	73,212,682	74,737,622
Operating Services	500	500	505	510	515
Equipment Acquisition	3,073,500	3,073,500	3,104,235	3,135,278	3,166,630
Capital Outlays	2,875,000	2,875,000	2,903,750	2,932,788	2,962,116
5831 - SDWSD - R Swr Bond Fund	6,219,900	13,515,918	13,786,236	14,061,961	14,343,200
Professional & Contractual Services	6,219,000	13,515,018	13,785,327	14,061,043	14,342,273
Operating Services	900	900	909	918	927
Grand Total	387,942,900	452,258,718	461,303,894	470,529,971	479,940,569

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

Department # - Department Name Fund # - Fund Name Summary Category	FY2025 Adopted	FY2026 Mayor Proposed	FY2027 Forecast	FY2028 Forecast	FY2029 Forecast
49 - Sewerage Department	387,942,900	452,258,718	461,303,894	470,529,971	479,940,569
5820 - DWSD - R - Sewer	344,815,500	362,540,130	369,790,934	377,186,752	384,730,486
Revenues from Use of Assets	14,979,300	13,103,226	13,365,291	13,632,596	13,905,248
Sales & Charges for Services	328,513,700	348,087,954	355,049,714	362,150,708	369,393,721
Fines, Forfeits, & Penalties	1,322,500	1,348,950	1,375,929	1,403,448	1,431,517
5821 - SDWSD-R Imp & Ext	36,907,500	76,202,670	77,726,724	79,281,258	80,866,883
Grants, Shared Taxes, & Revenues	-	38,660,040	39,433,241	40,221,906	41,026,344
Revenues from Use of Assets	36,907,500	37,104,030	37,846,111	38,603,033	39,375,093
Contributions & Transfers	-	438,600	447,372	456,319	465,446
5831 - SDWSD -R Swr Bond Fund	6,219,900	13,515,918	13,786,236	14,061,961	14,343,200
Revenues from Use of Assets	1,000,000	1,020,000	1,040,400	1,061,208	1,082,432
Contributions & Transfers	5,219,900	12,495,918	12,745,836	13,000,753	13,260,768
Grand Total	387,942,900	452,258,718	461,303,894	470,529,971	479,940,569

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

Department # - Department Name					
Fund # - Fund Name	FY2025	FY2026	FY2027	FY2028	FY2029
Appropriation # - Appropriation Name	Adopted	Mayor Proposed	Forecast	Forecast	Forecast
Cost Center # - Cost Center Name					
49 - Sewerage Department	387,942,900	452,258,718	461,303,894	470,529,971	479,940,569
5820 - DWSD - R - Sewer	344,815,500	362,540,130	369,790,934	377,186,752	384,730,486
20177 - SDWSD-R Administration	932,300	932,300	944,279	956,450	968,818
491001 - SDWSD-R Chief Exec Officer	729,400	729,400	738,909	748,577	758,406
491601 - SDWSD- R BOWC	202,900	202,900	205,370	207,873	210,412
20178 - SDWSD-R Operations	27,937,100	27,937,100	28,357,710	28,785,554	29,220,766
492223 - Stormwater Drainage	3,457,800	3,457,800	3,511,754	3,566,659	3,622,531
492411 - SDWSD-R Field Engineering	4,637,500	4,637,500	4,711,944	4,787,750	4,864,943
492421 - SDWSD-R Facility Oper	4,704,100	4,704,100	4,756,481	4,809,509	4,863,195
492422 - SDWSD-R Fleet Operations	2,613,100	2,613,100	2,646,251	2,679,884	2,714,004
492431 - SDWSD-R Maint & Repair	9,429,900	9,429,900	9,588,757	9,750,569	9,915,396
492432 - SDWSD-R Meter Operations	3,094,700	3,094,700	3,142,523	3,191,183	3,240,697
20179 - SDWSD-R Compliance	14,508,600	14,508,600	14,702,803	14,900,034	15,100,342
493101 - SDWSD-R General Counsel	1,503,000	1,503,000	1,520,913	1,539,091	1,557,544
493201 - SDWSD-R Org Development	966,900	966,900	982,766	998,926	1,015,377
493301 - SDWSD-R Info Technology	9,453,600	9,453,600	9,572,430	9,692,981	9,815,278
493411 - SDWSD-R Compliance-Security	1,677,300	1,677,300	1,707,089	1,737,452	1,768,398
493421 - SDWSD-R Compliance-Public Affairs	907,800	907,800	919,605	931,584	943,745
20180 - SDWSD-R Finance	9,558,000	9,573,870	9,705,903	9,840,067	9,976,408
494001 - SDWSD-R Chief Financial Officer	2,005,300	2,021,170	2,044,444	2,068,033	2,091,940
494111 - SDWSD-R Finance	853,900	853,900	867,642	881,657	895,950
494121 - SDWSD-R Procurement	1,508,500	1,508,500	1,535,014	1,562,035	1,589,578
494131 - SDWSD-R Treasury	1,134,400	1,134,400	1,147,529	1,160,826	1,174,296
494151 - SDWSD- R Budget	203,500	203,500	207,320	211,215	215,189
494161 - SDWSD-R Billing & Collect	3,440,300	3,440,300	3,486,439	3,533,290	3,580,865
494171 - SDWSD-R Internal Audit	412,100	412,100	417,515	423,011	428,590

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

Department # - Department Name					
Fund # - Fund Name	FY2025	FY2026	FY2027	FY2028	FY2029
Appropriation # - Appropriation Name	Adopted	Mayor Proposed	Forecast	Forecast	Forecast
Cost Center # - Cost Center Name					
20181 - SDWSD-R Customer Service	4,092,200	4,092,200	4,168,928	4,247,185	4,327,003
495111 - SDWSD-R Customer Service	4,092,200	4,092,200	4,168,928	4,247,185	4,327,003
20183 - SDWSD-R Non Operating Expense	287,787,300	305,496,060	311,911,311	318,457,462	325,137,149
497111 - SDWSD-R Non-Operating	287,787,300	305,496,060	311,911,311	318,457,462	325,137,149
5821 - SDWSD-R Imp & Ext	36,907,500	76,202,670	77,726,724	79,281,258	80,866,883
20243 - SDWSD-R Improvement & Extension	36,907,500	76,202,670	77,726,724	79,281,258	80,866,883
497711 - SDWSD-R Improvement & Extension Swr	36,907,500	76,202,670	77,726,724	79,281,258	80,866,883
5831 - SDWSD -R Swr Bond Fund	6,219,900	13,515,918	13,786,236	14,061,961	14,343,200
20310 - SDWSDR 2015 Bond	6,219,900	13,515,918	13,786,236	14,061,961	14,343,200
497800 - SDWSDR Bond 2015	6,219,900	13,515,918	13,786,236	14,061,961	14,343,200
Grand Total	387,942,900	452,258,718	461,303,894	470,529,971	479,940,569

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

Department # - Department Name					
Fund # - Fund Name	FY2025	FY2026	FY2027	FY2028	FY2029
Appropriation # - Appropriation Name	Adopted	Mayor Proposed	Forecast	Forecast	Forecast
Cost Center # - Cost Center Name					
49 - Sewerage Department	387,942,900	452,258,718	461,303,894	470,529,971	479,940,569
5820 - DWSD - R - Sewer	344,815,500	362,540,130	369,790,934	377,186,752	384,730,486
20184 - SDWSD-R Operating Revenue	344,815,500	362,540,130	369,790,934	377,186,752	384,730,486
497211 - SDWSD-R Receiving Revenue	344,815,500	362,540,130	369,790,934	377,186,752	384,730,486
5821 - SDWSD-R Imp & Ext	36,907,500	76,202,670	77,726,724	79,281,258	80,866,883
20243 - SDWSD-R Improvement & Extension	36,907,500	76,202,670	77,726,724	79,281,258	80,866,883
497711 - SDWSD-R Improvement & Extension Swr	36,907,500	76,202,670	77,726,724	79,281,258	80,866,883
5831 - SDWSD -R Swr Bond Fund	6,219,900	13,515,918	13,786,236	14,061,961	14,343,200
20310 - SDWSDR 2015 Bond	6,219,900	13,515,918	13,786,236	14,061,961	14,343,200
497800 - SDWSDR Bond 2015	6,219,900	13,515,918	13,786,236	14,061,961	14,343,200
Grand Total	387,942,900	452,258,718	461,303,894	470,529,971	479,940,569

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

Department # - Department Name	FY2025	FY2026	FY2027	FY2028	FY2029
Fund # - Fund Name	Adopted	Mayor Proposed	Forecast	Forecast	Forecast
Appropriation # - Appropriation Name					
Cost Center # - Cost Center Name					
Job Code - Job Title					
49 - Sewerage Department	28.00	28.00	28.00	28.00	28.00
5820 - DWSD - R - Sewer	28.00	28.00	28.00	28.00	28.00
20178 - SDWSD-R Operations	28.00	28.00	28.00	28.00	28.00
492223 - Stormwater Drainage	28.00	28.00	28.00	28.00	28.00
501025 - Professional Administrative Analyst 1	2.00	2.00	2.00	2.00	2.00
501014 - Manager	2.00	2.00	2.00	2.00	2.00
502002 - Field Services Director	1.00	1.00	1.00	1.00	1.00
502003 - Engineer 1	4.00	4.00	4.00	4.00	4.00
502005 - Team Leader	3.00	3.00	3.00	3.00	3.00
502011 - Inspector 1	3.00	3.00	3.00	3.00	3.00
502034 - Engineer 2	2.00	2.00	2.00	2.00	2.00
502035 - Engineer 3	4.00	4.00	4.00	4.00	4.00
502038 - Engineering Technician 3	1.00	1.00	1.00	1.00	1.00
502043 - Inspector 2	1.00	1.00	1.00	1.00	1.00
501038 - Customer Service Specialist 3	2.00	2.00	2.00	2.00	2.00
501048 - Customer Service Specialist 4	3.00	3.00	3.00	3.00	3.00
Grand Total	28.00	28.00	28.00	28.00	28.00



FINAL PROPOSED FY 2026 OPERATING BUDGET Rates and Schedule of Fees

BOWC Finance Committee

March 12, 2025

Budget Considerations

The DWSD Executive Team considered these factors in developing the Budget:

- ✓ **Affordability** – keep rate increases below 4% and support Water Conservation initiatives
- ✓ Compassionate and responsive **Customer Service**
- ✓ Operations that support and preserve **Public Health**; meet or exceed all Federal, State and Local Regulations
- ✓ Employee and Asset **Safety**
- ✓ Water and Sewer **Upgrades** (including Lead Service Line Replacement)
- ✓ **Employee Focus** – training, retention and recruitment

Current Budget Environment and Highlights

- The Proposed FY 2026 Operating Budget was developed with the goal to keep rate affordable and at the same time not compromise on service level initiatives. The Budget incorporates expenditures required to operate DWSD's Systems (Water and Sewer) for FY 2026.
- These expenditures become the basis for determining the Revenues required to operate and is termed as "Revenue Requirement". Total System-wide Revenue Requirement increased by 5.2% or \$25.9 million.
- Departmental or Direct expenses increased by 5.6% or approximately \$6.0 million and Non-Departmental or indirect expenses increased by 5.2% or \$20.2 million over FY 2025. Revenue Financed Capital increase is projected at \$2.6 million, a reduction of \$0.3 million over FY 2025.
- The increase in Revenue Requirement in FY 2026 is primarily due to increases in GLWA's Wholesale Charges (\$12.3 million), Bad Debt (\$6.1 million), Personnel expenses (\$2.1 million), Non-personnel expenses (\$3.4 million) and Pension expense (\$1.9 million).
- Personnel costs increase is due to addition of net 20 new positions. These new additions are for Operations and are critical to improving DWSD's service level and backlog reduction.
- The Total Systemwide Revenue Requirement of \$521.3 million is offset by non-rate revenue of \$25.9 million resulting in a rate revenue requirement of \$495.4 million. This represents a 4.8% rate revenue increase over FY 2025 on a System-wide basis.
- The 4.8% increase in Rate Revenue is offset by increase in volume and meter count averaging in the range of 1.1% to 2.0% over FY 2025. This offset resulted in a rate increase of 3.5% on a System-wide basis.
- This Budget proposes a 3.5% increase in rates across the System (except Private Fireline) to recover the Revenue required to operate the System and meet the budgetary considerations for FY 2026.

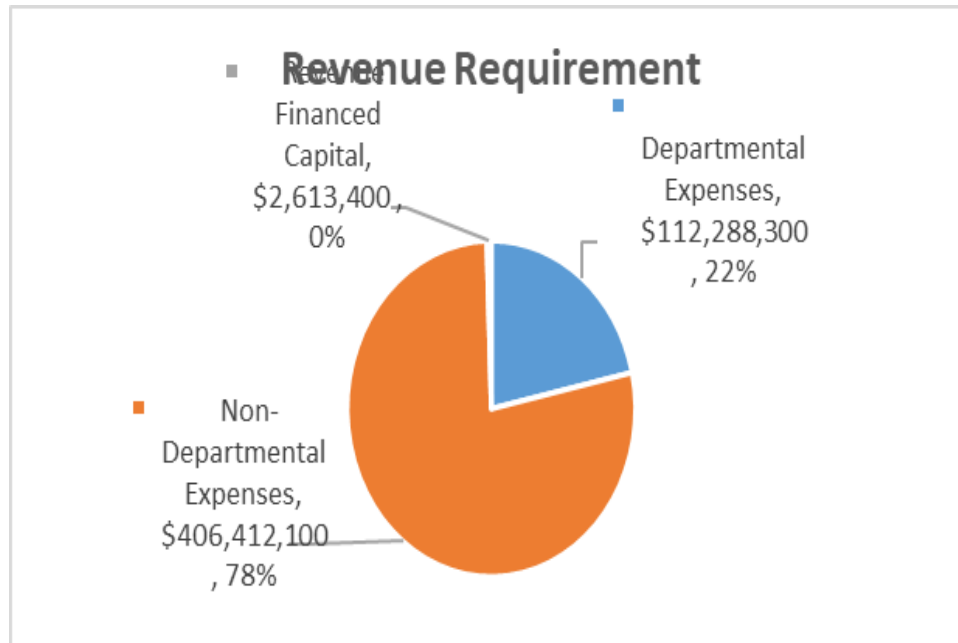
Revenue Requirement - Systemwide



Water & Sewer Funds Combined	Approved Budget FY 2025	Proposed Budget FY 2026	Change	% Change
Revenue Requirement (Total Expenses)	\$ 495,421,400	\$ 521,313,800	\$ 25,892,400	5.2%
<i>What Makes up Revenue Requirement</i>				
Departmental Expenses	106,325,600	112,288,300	5,962,700	5.6%
Non-Departmental Expenses	386,174,600	406,412,100	20,237,500	5.2%
Revenue Finance Capital	2,921,200	2,613,400	(307,800)	-10.5%
Total Revenue Requirement	\$ 495,421,400	\$ 521,313,800	\$ 25,892,400	5.2%
<i>How Revenue Requirement is Financed</i>				
Retail Revenue	\$ 484,191,800	\$ 508,850,200	\$ 24,658,400	5.1%
Non-Retail Revenue:	11,229,600	12,463,600	1,234,000	11.0%
Total Revenue Requirement	\$ 495,421,400	\$ 521,313,800	\$ 25,892,400	5.2%
Revenue Requirement by Fund				
Water Fund Total Revenue Requirement	\$ 139,989,900	\$ 149,172,400	\$ 9,182,500	6.6%
Sewer Fund Total Revenue Requirement	\$ 355,431,500	\$ 372,141,400	\$ 16,709,900	4.7%
Total Revenue Requirement by Fund	\$ 495,421,400	\$ 521,313,800	\$ 25,892,400	5.2%

- Three components make up the Revenue Requirement and reflect the projected annual expense budget required to operate the System as a whole.
- Revenue Requirement is financed by Retail and Non-Retail Revenues.
- Water Fund Revenue Requirement increased by 6.6% while Sewer Fund Revenue Requirement increased by 4.7 % with an overall Systemwide Revenue Requirement increase of 5.2%.

Revenue Requirement - Systemwide



- This slide summarizes the projected share of each of the three components of Revenue Requirement.
- Departmental or direct expenses (generally controllable by DWSD) of \$112.3 million represents 22% of the total Revenue Requirement.
- Non-Departmental or indirect expenses (expenses over which DWSD has no or very little control) of \$406.4 million make up 78% of the total Revenue Requirement.



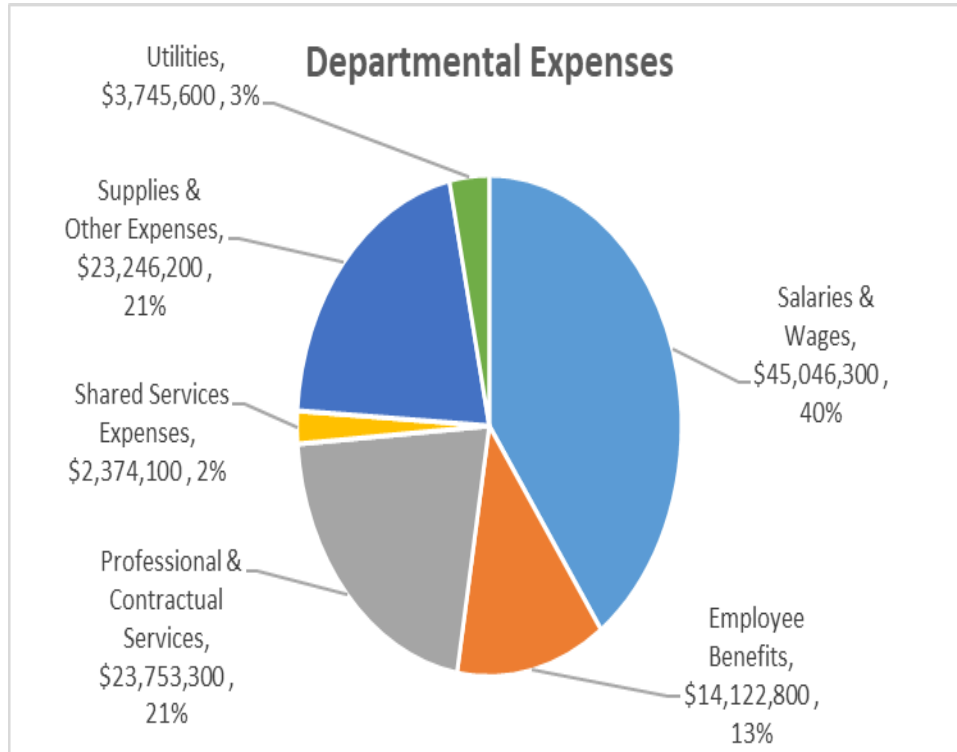
Departmental Expenses - Systemwide

Water & Sewer Funds Combined	Approved Budget FY 2025	Proposed Budget FY 2026	Change	% Change
Departmental Expenses				
Salaries/Wages	\$ 42,978,600	\$ 45,046,300	\$ 2,067,700	4.8%
Employee Benefits (Fringes)	13,585,800	14,122,800	537,000	4.0%
Professional & Contractual Services	23,523,100	23,753,300	230,200	1.0%
Shared Services Expense	2,770,000	2,374,100	(395,900)	-14.3%
Supplies & Other	19,863,300	23,246,200	3,382,900	17.0%
Utilities	<u>3,604,800</u>	<u>3,745,600</u>	<u>140,800</u>	<u>3.9%</u>
Total Departmental Expenses	\$ 106,325,600	\$ 112,288,300	\$ 5,962,700	5.6%

- Departmental expenses increased by 5.6% or approximately \$6.0 million over FY 2025.
- Majority of the increase is in Personnel and Non-personnel costs such as Supplies and Other costs to help improve service levels as well as to address back log in service deliverables.
- Increase in personnel costs is due to the addition of net 20 new positions to strengthen service level effort. Increase in Supplies and Other costs is due to increased activities planned with more Full Time Equivalents (FTEs).



Departmental Expenses - Systemwide



- This slide summarizes the share of the various departmental expenses in the Revenue Requirement structure.
- Personnel costs consisting of Salaries & Wages and Benefits make up 53% of the total Departmental expenses budget.
- Headcount is projected to increase by net 20 FTEs (addition of 22 in Operations and reduction of 2 FTEs in other non-operational areas) and is primarily to support DWSD's strategic initiatives to provide better service delivery and to also to catch up on backlog of service deliverables.



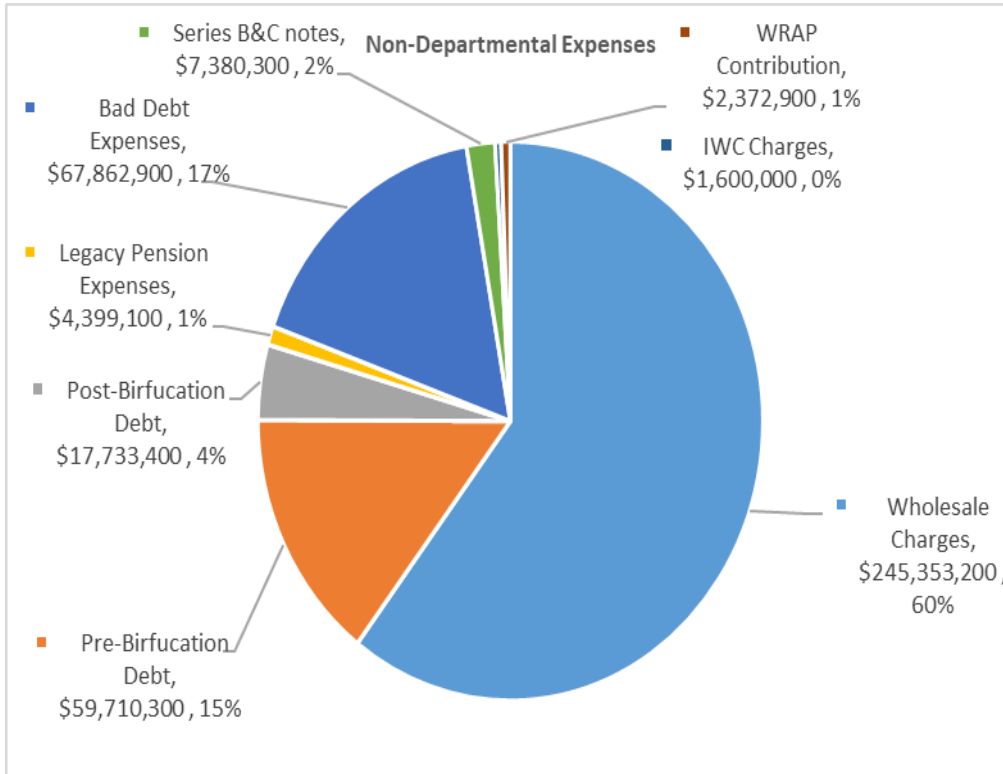
Non-Departmental Expenses - Systemwide

Water & Sewer Funds Combined	Approved Budget FY 2025	Proposed Budget FY 2026	Change	% Change
Non-Departmental Expenses				
Wholesale Charges	\$ 233,019,000	\$ 245,353,200	\$ 12,334,200	5.3%
Obligation to GLWA	59,710,300	59,710,300	-	0.0%
Post Bifurcation Debt Service	17,832,500	17,733,400	(99,100)	-0.6%
Pension	2,500,000	4,399,100	1,899,100	76.0%
B and C Notes	7,521,900	7,380,300	(141,600)	-1.9%
Bad Debt	61,741,400	67,862,900	6,121,500	9.9%
Industrial Waste Charges (IWC)	1,600,000	1,600,000	-	
Water Retail Assistance Program (WRAP)	2,249,500	2,372,900	123,400	5.5%
Total Non-Departmental Expenses	\$ 386,174,600	\$ 406,412,100	\$ 20,237,500	5.2%

- Non-Departmental expenses increased by 5.2% or \$20.2 million over FY 2025.
- Wholesale Charges increase of \$12.3 million is due increase in GLWA's Revenue Requirements.
- Bad Debt increased by \$6.1 million due to increase in Revenue Requirement and adjustment to the collection rate.
- Increase in Pension expense is based on Required Contribution per the Actuary Report.



Non-Departmental Expenses - Systemwide



- This slide summarizes the share of each non-departmental or indirect expense in the Revenue Requirement structure.
- These expenses represent costs over which DWSD has no or little control.
- Wholesale Charges are based on GLWA's Revenue Requirement and makes up 60% of total Non-Departmental or indirect costs.
- Pre and Post Bifurcation debt are fixed commitments for DWSD and accounts for 19% of the total.
- Bad Debt is the 3rd largest cost category and accounts for 17% of the total Non-Departmental or indirect costs.



What Funds Revenue Requirement?

Water & Sewer Funds Combined	Approved Budget FY 2025	Proposed Budget FY 2026	Change	% Change
What Makes up Retail Revenue				
Rate Revenue				
Commodity Sales	\$ 232,985,800	\$ 244,608,300	\$ 11,622,500	5.0%
Service Charges	41,016,000	43,134,000	2,118,000	5.2%
Drainage Revenue	196,351,800	205,371,800	9,020,000	4.6%
Fireline Revenue	2,138,200	2,292,100	153,900	7.2%
Total Rate Revenue	\$ 472,491,800	\$ 495,406,200	\$ 22,914,400	4.8%
Non-Rate Revenue				
Permits, Fees, Etc.	\$ 11,700,000	\$ 13,444,000	\$ 1,744,000	14.9%
Total Non-Rate Revenue	\$ 11,700,000	\$ 13,444,000	\$ 1,744,000	14.9%
Total Retail Revenue	\$ 484,191,800	\$ 508,850,200	\$ 24,658,400	5.1%
What Makes up Non-Retail Revenue				
Shared Services Revenue	2,500,000	2,500,000	-	0.0%
IWC Charges	1,600,000	1,600,000	-	
GLWA Share of Legacy Costs	7,129,600	8,363,600	1,234,000	17.3%
Total Non-Retail Revenue	\$ 11,229,600	\$ 12,463,600	\$ 1,234,000	11.0%
Total Revenue Requirement	\$ 495,421,400	\$ 521,313,800	\$ 25,892,400	5.2%

- Revenue Requirement is funded by **Retail Revenue** (Rate Revenue and Non-Rate Revenue) and **Non-Retail Revenue** (Shared Services Revenue and GLWA's share of Legacy costs).



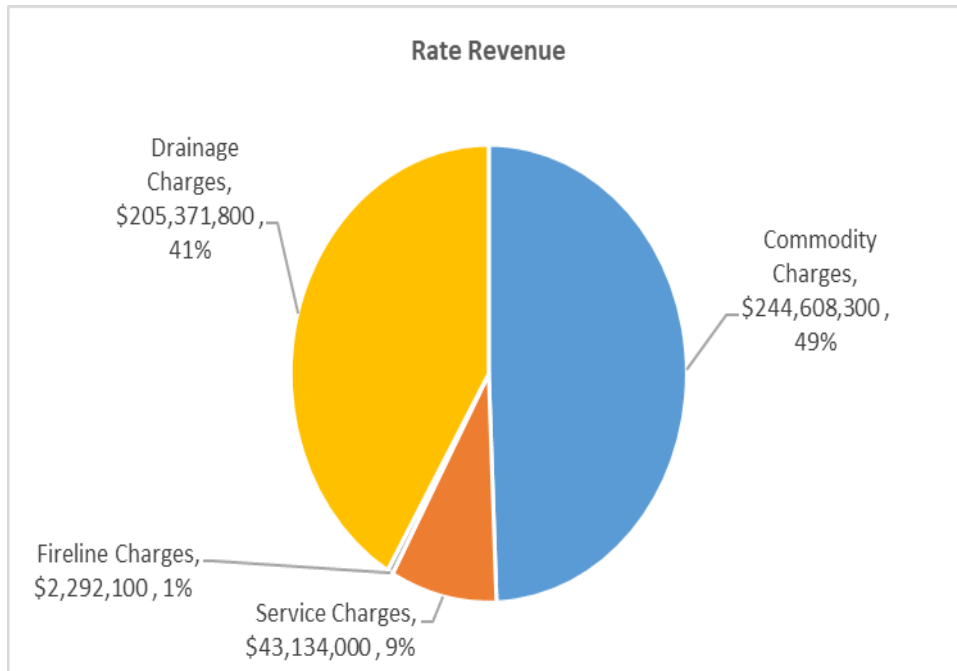
Components of Rate Revenue Requirement

Water & Sewer Funds Combined	Approved Budget FY 2025	Proposed Budget FY 2026	Change	% Change
Rate Revenue Requirement				
Commodity Charges	\$ 232,985,800	\$ 244,608,300	\$ 11,622,500	5.0%
Service Charges	41,016,000	43,134,000	2,118,000	5.2%
Fireline Charges	2,138,200	2,292,100	153,900	7.2%
Drainage Charges	<u>196,351,800</u>	<u>205,371,800</u>	<u>9,020,000</u>	4.6%
Total Rate Revenue Requirement	\$ 472,491,800	\$ 495,406,200	\$ 22,914,400	4.8%
Rate Revenue Requirement by Fund				
Water Fund Rate Revenue Requirement	\$ 132,829,100	\$ 140,140,100	\$ 7,311,000	5.5%
Sewer Fund Rate Revenue Requirement	<u>339,662,700</u>	<u>355,266,100</u>	<u>15,603,400</u>	4.6%
Total Rate Revenue Requirement by Fund	\$ 472,491,800	\$ 495,406,200	\$ 22,914,400	4.8%
Rate Revenue Requirement				
Total Revenue Requirement	\$ 495,421,400	\$ 521,313,800	\$ 25,892,400	5.2%
Less: Shared Services Revenue	(2,500,000)	(2,500,000)	-	-
Less: GLWA's share of Pension	(7,129,600)	(8,363,600)	(1,234,000)	17.3%
Less: IWC Charges	(1,600,000)	(1,600,000)	-	0.0%
Less: Non-Rate Revenue	<u>(11,700,000)</u>	<u>(13,444,000)</u>	<u>(1,744,000)</u>	14.9%
Total Rate Revenue Requirement	\$ 472,491,800	\$ 495,406,200	\$ 22,914,400	4.8%

- This chart breaks down Rate Revenue Requirement by revenue categories.
- Both Water and Sewer Fund Rate Revenue requirements are projected to increase by 5.5% and 4.6%, respectively with a System-wide increase of 4.8%.
- This increase in Rate Revenue Requirement is offset by the projected increase in Volume data for Water, Fireline, Sewer and Drainage.



Components of Rate Revenue Requirement



- This slide represents the share of each Rate Revenue source that is required to fund the Revenue Requirement.
- Commodity Charges make up 49% of total Rate Revenue Requirement.
- Service Charges make up 9%.
- Fireline Charges accounts for 1% of the Revenue Requirement.
- Drainage Charges make 41% of the total Rate Revenue Requirement.



Summary of Revenues and Expenses - Water Fund

Water & Sewerage
Department

Water Fund	Approved Budget FY 2025	Proposed Budget FY 2026	Change	% Change
Revenue Requirement				
Retail Revenue				
Commodity Sales	\$ 105,338,800	\$ 111,097,500	\$ 5,758,700	5.5%
Service Charges	25,352,100	26,750,500	1,398,400	5.5%
Firelines	2,138,200	2,292,100	153,900	7.2%
Permits, Penalties and Other Revenue	3,700,000	5,124,000	1,424,000	38.5%
Total Retail Revenue	\$ 136,529,100	\$ 145,264,100	\$ 8,735,000	6.4%
Non-Retail Revenue				
GLWA's Share of Legacy Costs	\$ 2,283,300	\$ 2,730,800	\$ 447,500	19.6%
Shared Services	1,177,500	1,177,500	-	0.0%
Total Non-Retail Revenue	\$ 3,460,800	\$ 3,908,300	\$ 447,500	12.9%
Total Revenue Requirement	\$ 139,989,900	\$ 149,172,400	\$ 9,182,500	6.6%
Revenue Requirement				
Departmental (Direct) Expense				
Administration	\$ 835,900	\$ 824,000	\$ (11,900)	-1.4%
Operations	26,710,000	28,666,100	1,956,100	7.3%
Compliance	13,572,100	14,822,400	1,250,300	9.2%
Finance	6,528,200	6,549,000	20,800	0.3%
Total Departmental (Direct) Expense	\$ 47,646,200	\$ 50,861,500	\$ 3,215,300	6.7%
Non-Departmental (Indirect) Expense	90,823,400	96,806,600	5,983,200	6.6%
Revenue Financed Capital	1,520,300	1,504,300	(16,000)	-1.1%
Total Revenue Requirement	\$ 139,989,900	\$ 149,172,400	\$ 9,182,500	6.6%



Summary of Revenues and Expenses - Sewer Fund

Water & Sewerage
Department

Sewer Fund	Approved Budget FY 2025	Proposed Budget FY 2026	Change	% Change
Revenue Requirement				
Retail Revenue				
Commodity Sales	\$ 127,647,000	\$ 133,510,800	\$ 5,863,800	4.6%
Service Charges	15,663,900	16,383,500	719,600	4.6%
Drainage Fees	196,351,800	205,371,800	9,020,000	4.6%
Permits, Penalties and Other Revenue	8,000,000	8,320,000	320,000	4.0%
Total Retail Revenue	\$ 347,662,700	\$ 363,586,100	\$ 15,923,400	4.6%
Non-Retail Revenue				
GLWA's Share of Legacy Costs	\$ 4,846,300	\$ 5,632,800	\$ 786,500	16.2%
IWC Charges	1,600,000	1,600,000	-	0.0%
Shared Services	1,322,500	1,322,500	-	0.0%
Total Non-Retail Revenue	\$ 7,768,800	\$ 8,555,300	\$ 786,500	10.1%
Total Revenue Requirement	\$ 355,431,500	\$ 372,141,400	\$ 16,709,900	4.7%
Revenue Requirement				
Departmental (Direct) Expense				
Administration	\$ 938,900	\$ 925,600	\$ (13,300)	-1.4%
Operations	28,786,200	30,595,400	1,809,200	6.3%
Compliance	19,758,600	20,683,000	924,400	4.7%
Finance	9,195,700	9,222,800	27,100	0.3%
Total Departmental (Direct) Expense	\$ 58,679,400	\$ 61,426,800	\$ 2,747,400	4.7%
Non-Departmental (Indirect) Expense	295,351,200	309,605,500	14,254,300	4.8%
Revenue Financed Capital	1,400,900	1,109,100	(291,800)	-20.8%
Total Revenue Requirement	\$ 355,431,500	\$ 372,141,400	\$ 16,709,900	4.7%

Combined Water and Sewer FTEs



Cost Center	Approved Budget FY 2025 FTE	Proposed Budget FY 2026 FTE	Increase (Decrease)
Operation & Maintenance (O&M)			
Chief Exec Officer	5	5	-
BOWC	1	1	-
Deputy Director	1	1	-
Facility Operation	16	16	-
Storm Water Management	28	28	-
Fleet Operation	22	22	-
Maintenance & Repairs	232	243	11
Meter Operation	63	74	11
General Counsel	9	7	(2)
Organization Development	18	17	(1)
Information Technology	38	38	-
Security	31	31	-
Public Affairs	6	8	2
Customer Service	96	96	-
Chief Financial Officer	3	3	-
Finance (Controller)	16	15	(1)
Procurement	26	26	-
Treasury	4	4	-
Budget	3	3	-
Billing & Collection	18	18	-
Internal Audit	2	2	-
Total for O&M	638	658	20
Improvement & Extension (I&E)			
Field Engineering	72	72	-
Lead Service	25	25	-
Total for I&E	97	97	-
Grand Total (O&M and I&E)	735	755	20

- FTEs increase by net 20 headcount for Operating budget and no change in the I&E Budget.
- Increase in FTEs is primarily in Operations Cost Centers.
- This strategy of increasing headcount for Operations is in keeping with DWSD's strategic initiative to enhance service levels and reduce backlog in service deliveries.

Summary of Volume & Rate Data - Water Fund



Water & Sewerage
Department

Water Fund	Approved Budget FY 2025	Proposed Budget FY 2026	Change	% Change
Volumetric Charges				
Units (Mcf)				
Tier 1 Volume (up to 0.6 Mcf)	851,000	867,400	16,400	1.9%
Tier 1 Volume Rate per Mcf	\$ 26.69	\$ 27.61	\$ 0.93	3.5%
Total Tier 1 Volumetric Charges	\$ 22,710,800	\$ 23,952,400	\$ 1,241,600	5.5%
Tier 2 Volume (> 0.6Mcf)	1,727,000	1,760,600	33,600	1.9%
Tier 2 Volume Rate per Mcf	\$ 47.84	\$ 49.50	\$ 1.65	3.5%
Total Tier 2 Volumetric Charges	\$ 82,628,000	\$ 87,145,100	\$ 4,517,100	5.5%
Total Volumetric Charges	\$ 105,338,800	\$ 111,097,500	\$ 5,758,700	5.5%
Services Charges				
Equivalent Units				
Customers (Meters)	193,200	198,000	4,800	2.5%
Service Line Equivalents	245,500	251,000	5,500	2.2%
Connections Equivalent	370,200	374,000	3,800	1.0%
Charges per Equivalent Unit per Month				
Customers (Meters)	\$ 3.04	\$ 3.13	\$ 0.09	3.0%
Service Line Equivalents	\$ 2.80	\$ 2.89	\$ 0.09	3.2%
Connections Equivalent	\$ 2.26	\$ 2.36	\$ 0.10	4.4%
Rate per 5/8" Equivalent Meter per Month	\$ 8.10	\$ 8.38	\$ 0.28	3.5%
Number of Months	12	12	12	
Total Service Charges	\$ 25,352,100	\$ 26,750,500	\$ 1,398,400	5.5%
Fireline Charges				
6" Equivalent Connections	2,057	2,170	113	0.05
Rate per 6" Equivalent Unit per Month	\$ 86.62	\$ 88.02	\$ 1.40	1.6%
Number of Months	12	12		
Total Fireline Charges	\$ 2,138,200	\$ 2,292,100	\$ 153,900	7.2%
Total Rate Revenue Requirement	\$ 132,829,100	\$ 140,140,100	\$ 7,311,000	5.5%

Summary of Volume & Rate Data - Sewer Fund



Water & Sewerage
Department

Sewer Fund	Approved Budget FY 2025	Proposed Budget FY 2026	Change	% Change
Volumetric Charges				
Units (Mcf)				
Residential Average Winter Usage	952,600	962,900	10,300	1.1%
Non-Residential Volume	1,212,400	1,225,600	13,200	1.1%
Total Volume	2,165,000	2,188,500	23,500	1.1%
Sewer Volume Rate per Mcf	\$ 58.96	\$ 61.01	\$ 2.05	3.5%
Total Volumetric Charges	\$ 127,647,000	\$ 133,510,800	\$ 5,863,800	4.6%
Service Charges				
Equivalent Units				
Customers (Meters)	193,000	195,300	2,300	0.01
Meter & Service Lines	193,200	195,300	2,100	0.01
Charges per Equivalent Unit per Month				
Customers (Meters)	\$ 3.17	\$ 3.27	\$ 0.10	3.2%
Service Line Equivalents	\$ 3.59	\$ 3.72	\$ 0.13	3.6%
Rate per 5/8" Equivalent Meter per Month	\$ 6.76	\$ 6.99	\$ 0.23	3.4%
Number of Months	12	12	12	
Total Service Charges	\$ 15,663,900	\$ 16,383,500	\$ 719,600	4.6%
Drainage Charges				
Impervious Acres	26,100	27,000	900.00	3.4%
Rate per Impervious Acre per Month	\$ 718.06	\$ 742.88	\$ 24.82	3.5%
Number of Months	12	12		
Total Drainage Charges	\$ 224,896,400	\$ 240,693,100	\$ 15,796,700	7.0%
Credits	(28,544,600)	(35,321,300)	(6,776,700)	23.7%
Total Drainage Charges	\$ 196,351,800	\$ 205,371,800	\$ 9,020,000	4.6%
Total Rate Revenue Requirement	\$ 339,662,700	\$ 355,266,100	\$ 15,603,400	4.6%



Summary of Rates – Water and Sewer Funds

Water Fund	Approved Budget FY 2025	Proposed Budget FY 2026	Change	% Change
Proposed Rates				
Volumetric Rate per Mcf				
Tier 1 (upto 0.6 Mcf)	\$ 26.69	\$ 27.61	\$ 0.93	3.5%
Tier 2 (> 0.6Mcf)	\$ 47.84	\$ 49.50	\$ 1.65	3.5%
Service Rate/equivalent unit per month	\$ 8.10	\$ 8.38	\$ 0.28	3.5%
Fireline Rate/equivalent unit per month	\$ 86.62	\$ 88.02	\$ 1.40	1.6%
Sewer Fund	Approved Budget FY 2025	Proposed Budget FY 2026	Change	% Change
Proposed Rates				
Volumetric Rate per Mcf	\$ 58.96	\$ 61.01	\$ 2.05	3.5%
Service Rate/equivalent unit per month	\$ 6.76	\$ 6.99	\$ 0.23	3.4%
Drainage Rate per Billable acre per month	\$ 718.06	\$ 742.88	\$ 24.82	3.5%

- DWSD is proposing a 3.5% rate increase over the FY 2025 Rate for Water, Sewer and Drainage services to meet its Revenue Requirements.
- The 3.5% increase translates to \$0.93 increase per Mcf or per 7,480 gallons for Tier 1 customers and \$1,65 increase per Mcf or per 7,480 gallons for Tier 2 water customers.
- The 3.5% Sewer Volumetric rate increase translates to \$2.05 increase per Mcf or per 7,480 gallons.
- Service Rates increased by \$0.28 and \$0.23 per equivalent unit per month for Water and Sewer.
- The 3.5% Drainage Charge increase translates to an increase of \$24.82 per acre per month. Fireline Charges are projected to increase by \$1.40 per unit per month.



Schedule of Fees – Water and Sewer Funds

Water & Sewerage
Department

Service Type	Approved Fee FY 2025	Proposed Fee FY 2026
Water and /or Sewer Services Permit Plan Review Fees		
Residential Zoning*	Complimentary	\$150.00/ 1st Cycle;
		\$ 75.00/ Subsequent Cycles
Non-Residential Zoning		
*Four (4) Units or Less		\$700.00/ 1st Cycle;
		\$ 350.00/ Subsequent Cycles
Stop Box Replacement	\$1,500.00	\$2,000.00
Water Turn On/Off (Maintenance & Repair and Meter Operations)	\$45.00	\$45.00
Real Estate Closing Fee (Non-AMR Accounts Only)	\$45.00	\$45.00
Water Service Line Reconnection Permit Inspection	\$660.00	\$650.00
Sewer Permit Inspection (fee relative to scope of work) <i>Permit valid for one year from issue date</i>	\$650.00	\$650.00
Water Permit Inspection (fee relative to scope of work) <i>Permit valid for one year from issue date</i>	\$650.00	\$650.00
Demolitions		
Water line disconnection (<i>restoration not included*</i>)	\$1,000.00	\$1,000.00
Hydrant water use for residential demolition	\$450.00	\$450.00
Hydrant water use for commercial demolition	\$2,450.00	\$2,450.00
Stormwater Management Plan Review Fees		
Preliminary plan review, and initial review of plans and comment letter, as-built plan review, and an inspection of the as-built project	\$2,550.00	\$2,550.00
Additional plan reviews (per plan review beyond initial)	\$400.00	\$400.00
Additional inspections (per inspection beyond initial)	\$750.00	\$750.00
*Cost for restoration by DWSD will vary based on type of restoration required, estimate will be provided		
o Grass	Same as FY 26 for all 3	Up to \$500.00
o Sidewalk		Up to \$1,500.00
o Road		Up to \$15,000.00
Hydro excavation (NEW)	-	\$400.00



Schedule of Fees – Water and Sewer Funds

Water & Sewerage
Department

Penalty Type	Approved Fee FY 2025	Proposed Fee FY 2026
NSF (non-sufficient funds)	\$40.00	\$40.00
Missed Appointment (any type)	\$45.00	\$45.00
Illegal Turn-on		
1st Offense	\$250.00	\$250.00
2nd Offense	\$500.00	\$500.00
On the second offense, unless full payment of all fees is made or a payment plan is initiated, the service line will be disconnected, and an additional fee will be assessed.	\$660.00	\$660.00
Tampered/Cut Cable (AMR)		
1st Offense	\$50.00	\$50.00
2nd Offense	\$100.00	\$100.00
3rd Offense	\$150.00	\$150.00
Illegal dig Up or Illegal Water and/or Sewer Taps		
1st Offense	\$1,000.00	\$1,000.00
2nd Offense	\$3,000.00	\$3,000.00
3rd Offense	\$5,000.00	\$5,000.00
Meter Operations		
Damaged Meter Equipment		
Meter sizes 5/8" - 1"	\$165.00	\$165.00
Meter sizes 1.5" - 2"	\$675.00	\$675.00
Meter sizes 3" - 12"	\$2,435.00	\$2,435.00
Damaged AMR equipment (MIU)	\$180.00	\$180.00
Unrecovered Meter	Per unrecovered meter depreciation charge table	Per unrecovered meter depreciation charge table
Late Fee (assessed for each bill on previous ending balance)	5%	5%
Tampering with lock (if digging is necessary)	\$800.00	\$800.00

Customer Impact of FY 2026 Budget

These value-added benefits will occur through the proposed Budget:

- **Clean 600 miles of Sewer** to provide capacity to the current design standards -- clean entire system in a five-year cycle.
- **Inspect and clean 8,000 Catch Basins** to reduce street flooding.
- **Replace at least 3,500 Lead Service Lines – 8,000 lines if additional State and/or Federal funding is received** – with a goal to remove all lines within 10 years – nearly 12,000 have been replaced since 2018.
- **Paint 5,000 Fire Hydrants** which reduces corrosion.
- Complete the **Far West project's detention basins and sewers to remove 100 million gallons of rainwater and snowmelt annually** from the combined Sewer System and construct and complete design of several other stormwater projects.
- Continue to provide and procure resources to support Water Affordability through the **Lifeline Plan** and an effective payment plan through **EasyPay** to the benefit of our customers in keeping water services on while **improving the collection rate**.

Next Steps

- DWSD is seeking the BOWC Finance Committee's approval of the FY 2026 Final Proposed Operating Budget, the Rates and the Schedule of Fees for FY 2026 and is also seeking the Committee's recommendation of the Operating Budget, the Rates and the Schedule of Fees to the full Board of Water Commissioners for approval on March 19, 2025.
- City of Detroit Council review of DWSD's FY 2026 Operating Budget, the Rates and the Schedule of Fees will be on March 21, 2025.
- FY 2026 Rates and the Schedule of Fees become effective on **July 1, 2025**.



THANK YOU!

Detroit Water & Sewerage Department

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Water & Sewerage
Department

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Director

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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.¹ Judge Sean Cox's December 15, 2015 Order² (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.³ 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.⁴

¹ 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.

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

³ 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)

⁴ "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.** (MCL 141.422a)

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 applies?

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 \$18.6 Million) 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

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 it is 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 Peebles, Mayor's Office