

OFFICE OF THE COUNCIL

COUNCIL MEMBERS

JIM JOLLY
PRESIDENT

LAURA M. TOY
VICE PRESIDENT

SCOTT BAHR
ROB GJONAJ DONOVIC
BRANDON McCULLOUGH
KATHLEEN E. McINTYRE
SCOTT MORGAN



33000 CIVIC CENTER DRIVE
LIVONIA, MICHIGAN 48154-3097
(734) 466-2250
citycouncil@livonia.gov

OFFICE OF THE COUNCIL

**ELECTRONIC AGENDA PACKET FOR
THE REGULAR MEETING OF
MONDAY, JUNE 6, 2022
7:00 P.M.**

**The electronic agenda is compiled, produced and
distributed by the City Council Staff.
(734) 466-2250**

The official documents are on file in the City Clerk's office.

**1946th Regular Meeting of the Council of the City of Livonia
Monday, June 6, 2022**

7:00 p.m. – City Hall Auditorium
33000 Civic Center Drive
Livonia, Michigan

CALL TO ORDER

INVOCATION/PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENTATION OF MINUTES Minutes of the 1945th Regular Meeting of May 16, 2022

AUDIENCE COMMUNICATION

REPORTS FROM THE MAYOR AND OTHER CITY OFFICIALS

[Communication from the Department of Finance, dated May 16, 2022, re: forwarding Quarterly Investment Report for the City of Livonia for the quarter ending February 28, 2022.](#)

CONSENT AGENDA

1. [REAPPOINTMENT OF DAVID BONGERO TO THE LIVONIA PLANNING COMMISSION: Office of the Mayor, re: for a three-year term, which will expire on June 9, 2025.](#)
2. [REQUEST FOR AUTHORIZATION TO PURCHASE 450 PRIVACY SCREEN VOTING BOOTHS: Office of the City Clerk, re: to replace old and broken voting booths used for voting privacy at all polling locations throughout the City, from budgeted funds.](#)
3. [REQUEST TO APPROVE DESIGNATION OF AUTHORIZED DEPOSITORIES: Department of Finance, re: to allow the City to collect property tax payments and water bills, as well as purchase Certificates of Deposit and pooled accounts, at these financial institutions.](#)
4. [REQUEST FOR AUTHORIZATION TO PURCHASE ONE \(1\) 2022 DODGE CHARGER UTILIZING THE STATE OF MICHIGAN BID PRICING: Division of Police, re: to replace an unrepairable vehicle, from budgeted funds.](#)
5. [REQUEST FOR AUTHORIZATION TO PURCHASE FIVE \(5\) 2022 FORD RANGERS UTILIZING THE STATE OF MICHIGAN BID PRICING: Inspection Department, re: to be used by the Inspection/Ordinance Department, from budgeted funds.](#)

UNFINISHED BUSINESS

6. PROPOSED AMENDMENT TO THE LIVONIA CODE OF ORDINANCE, AS AMENDED: Department of Law, re: to Section 040 of Title 13, Chapter 08 (Water Services Rates and Revenues) to provide for changes in the water service consumption rates to become effective with the first billing on or after July 1, 2022.
7. PROPOSED AMENDMENT TO THE LIVONIA CODE OF ORDINANCE, AS AMENDED: Department of Law, re: to Section 050 of Title 13, Chapter 08 (Water Service Rates and Revenues) to provide changes in the water service consumption rates to become effective with the first billing on or after July 1, 2022.
8. PROPOSED AMENDMENT TO THE LIVONIA CODE OF ORDINANCE, AS AMENDED: Department of Law, re: to Section 120 of Title 13, Chapter 20 (Livonia Sewage Disposal System) to provide for changes to the sewer disposal and maintenance rates to become effective with the first billing on or after July 1, 2022.
9. PROPOSED AMENDMENT TO THE LIVONIA CODE OF ORDINANCE, AS AMENDED: Department of Law, re: Section 130 of Title 13, Chapter 20 (Livonia Sewage Disposal System) to provide for changes to the special rates for designated uses to become effective with the first billing on or after July 1, 2022.
10. PROPOSED AMENDMENT TO THE LIVONIA CODE OF ORDINANCE, AS AMENDED: Department of Law, re: to Section 050 of Title 13, Chapter 28 (Industrial Waste Surcharge) to provide for changes in the industrial waste surcharge rate to become effective with the first billing on or after July 1, 2022.
11. PROPOSED AMENDMENT TO THE LIVONIA CODE OF ORDINANCES, AS AMENDED: Department of Law, re: to Amend Chapter 37 (Delivery and Placement of Written Materials) to Title 8.

NEW BUSINESS

AUDIENCE COMMUNICATION

SUSAN M. NASH, CITY CLERK

NOTICE(S)

In accordance with Title II of the American with Disabilities Act as it pertains to access to Public Meetings, the City Clerk's Office of the City of Livonia, upon adequate notice, will make reasonable accommodations for persons with special needs. Please call (734) 466-2236 or email clerk@livonia.gov if you need assistance. Council agendas are available on the City's website – www.livonia.gov - under Government, City Council, Agendas.



LETTER TO THE LIVONIA CITY COUNCIL

Finance
May 16, 2022

MEETING DATE

Regular Meeting of
June 6, 2022

PREPARED BY

DeAnne Bates, Program Supervisor,

AGENDA ITEM

Communication from the Department of Finance, dated May 16, 2022, re: forwarding Quarterly Investment Report for the City of Livonia for the quarter ending February 28, 2022.

BACKGROUND

Public Act 213 of 2007 requires that a quarterly written report shall be provided to the governing body regarding the investment of public funds. Attached for Council's information is a summary of investments for the City of Livonia as of February 28, 2022. All investments are in compliance with the City's Investment Policy and Michigan Public Act 20.

RECOMMENDATION

We respectfully request that City Council receive and file this report.

FISCAL CONSIDERATION

N/A

ATTACHMENTS

1. 2022 Quarterly Investments - 1st Quarter

APPROVED BY

Handwritten signature of Michael T. Slater in blue ink.

Michael Slater, Finance Director

Date: May 16, 2022

Handwritten signature of Maureen Miller Brosnan in blue ink.

Maureen Miller Brosnan, Mayor

Date: May 20, 2022

**SCHEDULE OF POOLED CASH HELD
AS OF
February 28, 2022**

02/28/22	Comerica Bank	Money Mkt, Pooled, etc.	60,613,057.54
02/28/22	Flagstar	Money Market	<u>83,883.54</u>
			<u>60,696,941.08</u>

**SCHEDULE OF U.S. TREASURY AND AGENCY
SECURITIES HELD**

DATE OF PURCHASE	DESCRIPTION		MATURITY DATE	HISTORICAL COST
03/04/19	#246 - FFCB	3133EKBV7	03/01/22	998,850.00
04/15/19	#248 - USA Treasury	912828XG0	06/30/22	1,042,210.55
05/24/19	#249 - FHLMC	313380GJ0	09/09/22	1,042,009.50
06/21/19	#250 - FHLMC	3130A3KM5	12/09/22	819,264.00
06/21/19	#251 - USA Treasury	9128283C2	10/31/22	1,009,573.66
09/16/19	#252 - USA Treasury	9128284U1	06/30/23	1,170,073.53
09/30/19	#253 - USA Treasury	912828VB3	05/15/23	1,005,664.06
10/31/19	#254 - FNMA	3135G0V34	02/05/24	1,083,610.50
11/15/19	#255 - USA Treasury	9128285K2	10/31/23	1,116,607.10
01/31/20	#256 - USA Treasury	912828Y61	07/31/23	1,125,138.67
02/21/20	#257 - FFCB	3133ELNW0	02/21/23	1,080,979.56
04/07/20	#262 - FHLB	313382AX1	03/10/23	1,046,110.00
06/24/20	#266 - FHLMC	3134GVV96	06/24/24	675,000.00
07/08/20	#267 - FHLMC	3134GV4S4	07/08/24	600,000.00
08/13/20	#269 - FHLMC	3134GWHR0	05/13/24	1,000,000.00
08/26/20	#270 - FNMA	3136G4V75	02/24/25	1,298,781.25
09/17/20	#271 - FNMA	3135G0X24	01/07/25	1,422,117.00
10/30/20	#272 - FNMA	3136G46A6	10/27/23	984,753.75
12/16/20	#273 - FNMA	3135G06M0	12/16/24	1,300,000.00
01/11/21	#274 - FHLB	3130AKK21	12/08/23	650,117.00
01/28/21	#275 - FNMA	3135GACA7	04/15/25	1,124,212.50
02/26/21	#276 - USA Treasury	912828TJ9	08/25/22	1,200,569.37
04/30/21	#277 - USA Treasury	9128286R6	04/30/24	697,408.59
04/30/21	#278 - USA Treasury	912828TY6	11/15/22	675,213.15
05/26/21	#279 - FHLB	3130AMK92	11/26/24	1,500,000.00
07/02/21	#280 - STATE OF MI	594612BD4	05/15/27	1,261,584.00
08/24/21	#281 - USA Treasury	912828YH7	08/24/21	1,135,664.06
12/10/21	#282 - USA Treasury	912828TY6	11/15/22	480,753.54
12/10/21	#283 - USA Treasury	912828Z29	01/15/23	1,012,190.85
02/24/22	#284 - USA Treasury	912828ZX1	02/24/22	599,181.70
02/24/22	#285 - USA Treasury	912828R28	02/24/22	1,004,143.98
02/28/22	SECURITIES - TOTAL			31,161,781.86
02/28/22	SECURITIES - POOLED FUND			<u>12,532.61</u>
				<u>31,174,314.47</u>

CERTIFICATES OF DEPOSITS HELD

**As of
February 28, 2022**

DATE OF PURCHASE	CERTIFICATE HELD AT	PRINCIPAL AMOUNT	DATE OF MATURITY
10/26/21	FLAG	1,000,000.00	03/01/22
11/02/21	FLAG	2,000,000.00	03/08/22
11/09/21	FLAG	3,000,000.00	03/15/22
11/16/21	HUNT	2,000,000.00	03/22/22
12/07/21	HUNT	2,000,000.00	03/29/22
12/14/21	FLAG	2,000,000.00	04/05/22
12/21/21	FLAG	3,000,000.00	04/12/22
12/28/21	FLAG	2,000,000.00	04/19/22
01/04/22	FLAG	3,000,000.00	04/26/22
01/11/22	FLAG	3,000,000.00	05/03/22
01/18/22	FLAG	5,000,000.00	05/10/22
01/25/22	FLAG	2,000,000.00	05/17/22
02/01/22	FLAG	4,000,000.00	05/24/22
02/08/22	FLAG	6,000,000.00	05/31/22
02/15/22	FLAG	2,000,000.00	06/07/22
02/22/22	FLAG	1,000,000.00	06/14/22
		43,000,000.00	



LETTER TO THE LIVONIA CITY COUNCIL

1.

Mayor's Office
May 4, 2022

MEETING DATE

Study Meeting of May
16, 2022

PREPARED BY

Janice Centers, Executive Assistant to the Mayor - Program Supervisor,

AGENDA ITEM

REAPPOINTMENT OF DAVID BONGERO TO THE LIVONIA PLANNING COMMISSION: Office of the Mayor, re: for a three-year term, which will expire on June 9, 2025.

BACKGROUND

Honorable Members of the City Council, City of Livonia
RE: Reappointment of David Bongero to the Planning Commission

Dear Council Members:

I am herewith submitting to you, for your consideration and approval, the reappointment of Mr. David Bongero, 34623 Sarah Beth Lane, Livonia, Michigan 48152, as a member of the Planning Commission for a term that will expire on June 9, 2025.

Your approval on this reappointment is respectfully requested.

Sincerely,
Maureen Miller Brosnan, Mayor

RECOMMENDATION

Reappoint David Bongero to the Livonia Planning Commission for a three-year term.

FISCAL CONSIDERATION

N/A

ATTACHMENTS

None

APPROVED BY

A handwritten signature in black ink, reading "Maureen Miller Brosnan". The signature is written in a cursive, flowing style.

Date: May 05, 2022

Maureen Miller Brosnan, Mayor

**CITY OF LIVONIA – CITY COUNCIL
MINUTES OF STUDY MEETING HELD MAY 16, 2022**

1

Meeting was called to order at 8:00 p.m. by President Jim Jolly. Present: Vice President Laura Toy, Scott Bahr, Rob Donovic, Scott Morgan, and Brandon McCullough, Kathleen McIntyre. Absent: None.

Elected and appointed officials present: City Clerk, Susan Nash, Mark Taormina, Director of Planning and Economic Development, Todd Zilincik, City Engineer, Mike Fisher; Assistant City Attorney, Jerome Hanna, Director of Inspection and Ordinance, and Jacob Rushlow, Assistant Director of Public Works.

1. REAPPOINTMENT OF DAVID BONGERO TO THE LIVONIA PLANNING COMMISSION: Office of the Mayor, re: for a three-year term, which will expire on June 9, 2025.

Mark Taormina, Director of Planning and Economic Development, presented the request to Council. David Bongero stated that he has worked with very talented people and has learned so much from Mark.

Councilmember Kathleen McIntyre noted they are lucky to have Mr. Bongero and offered an approving resolution for the Consent agenda.

Councilmember Rob Donovic noted that Mr. Bongero has done great work and the city is fortunate to have him.

Councilmember Brandon McCullough stated that he agreed with his colleagues and that Mr. Bongero is one of the smartest people in the construction field and happy to have him on the Commission.

Council President Jim Jolly stated that Mr. Bongero is a unicorn that brings the theory and the practice to the table.

DIRECTION:

APPROVAL

CONSENT

ElectionSource

4615 Danvers Drive SE
Grand Rapids, MI 49512
Phone: 616-464-2283
Fax: (616) 464-0926

Quote #:
0-39898

City of Livonia
Susan Nash – City Clerk
33000 Civic Center Drive
City Hall, 1st Floor
Livonia, MI 48154

Phone: 734-466-2230
Fax:
Email:
PO #

Date: 12/20/2021
Rep.: Steve DeLongchamp
sdelongchamp@electionsource.com

Qty	Item #	Name	Price	Total
450	VB-EZVOTE	Select EZ vote 21 x 18 x 39 Weights only 7.7 lbs Corrugated plastic privacy screen Aluminum shock corded legs - Easy Assembly - Built in handle - Legs and Screen store under the booth 90 day warranty	\$102.00	\$45,900.00
1	Shipping	Shipping is included - Susan Nash Discount Steve to Deliver	included	included
Sub Total				\$45,900.00
Shipping & Handling				\$.00
Taxes				0.000% \$.00
TOTAL				\$45,900.00

Comments:

Office Use Only:

Thank you for your business.

By signing you accept the terms of this quote

Signature _____ Title _____ Date _____

This quote is valid for 90 days. Shipping & Handling prices are estimated are subject to change. Unless otherwise quoted freight is FOB Grand Rapids, MI. Taxes may also be additional dependent upon your state laws.

(/)

Search keyword, category, brand or part



PRODUCTS



0

\$0.00

Home (/) > Voting Booths (/collections/voting-booths) > SELECT EZ VOTE VOTING BOOTH VB-EZVOTE



TOP

SELECT EZ VOTE VOTING BOOTH VB-EZVOTE

\$104.00

OUT OF STOCK

SKU:

DESCRIPTION



The Select EZ Vote is a high quality booth at an affordable price. -Durable flat writing surface -21" X 18" Writing Surface -39" High -Weights only 7.7 lbs! -Corrugated plastic privacy Screen -Aluminum shock-corded legs -Easy Assembly -Built in handle -The legs and screen store under the booth. Booth has a 90 day warranty. VB-EZVOTE

BESTSELLER PRODUCTS



**Inclusion Solutions**

2000 Greenleaf St.
Suite 3 Evanston, IL 60202
www.inclusionsolutions.com
Email contact@inclusionsolutions.com
Tel 847-869-2500
Fax 847-869-2515

Sales Quote

Quote #	SQ-009705
Date	1/26/2022

Billing Address **Livonia MI, City Clerk**
33000 Civic Center Drive
Livonia, MI
48154

Shipping Address **Livonia MI, City Clerk**
33000 Civic Center Drive
Livonia, MI
48154

Contact Susan Nash
Phone (734) 466-2233

Email Address snash@livonia.gov

Sales Rep	
Clark Fetridge	

Product	Description	Quantity	Unit Price	Sub-Total
PS	Poll Star Standard Voting Booth	450	\$165.00	\$74,250.00

Sub-Total	\$74,250.00
Shipping	\$3,607.00
Total	\$77,857.00

To approve quote, sign and fax back to 847-869-2515 or sign, scan document, and email to sales@inclusionsolutions.com

Quote Approved by: _____ (Sign Here)

*By signing this quote, I authorize Inclusion Solutions to ship the product listed herein and acknowledge that I have followed all state, county, or local purchasing requirements



Poll Star Voting Booth

Price: \$155.00

1

ADD TO CART

SKU: PS

- Overall height - 60"
- Writing surface height - 39.5" H x 18" D x 21" W
- Legs width - 28" W x 25" D
- Storage case dimensions - 23" x 19.5" x 3"
- Weight - 10 lbs.

DESCRIPTION

The Poll Star Booth is extremely easy to assemble and can be placed into service in just minutes. Superior design and precision manufacturing offer you the following benefits; lightweight, minimal storage space requirements, attractive design, and low cost. Built to last with grey plastic table, aluminum legs, white corrugated plastic curtains, and black corrugated plastic container.

Product features:

- Rugged structural injection molded base
- Easy to assemble aluminum legs
- Durable 4mm corrugated plastic side panels
- Corrugated plastic storage case

SHOP BY CATEGORY

[ADA Compliance \(https://inclusionsolutions.com/product-category/ada-compliance/\)](https://inclusionsolutions.com/product-category/ada-compliance/)



[Election Products \(https://inclusionsolutions.com/product-category/election-products/\)](https://inclusionsolutions.com/product-category/election-products/)



[Gas Stations \(https://inclusionsolutions.com/product-category/gas-stations/\)](https://inclusionsolutions.com/product-category/gas-stations/)

[PPE Supplies \(https://inclusionsolutions.com/product-category/ppe-supplies/\)](https://inclusionsolutions.com/product-category/ppe-supplies/)



[Signage & Displays \(https://inclusionsolutions.com/product-category/signage-and-displays/\)](https://inclusionsolutions.com/product-category/signage-and-displays/)



[Voting Booths \(https://inclusionsolutions.com/product-category/voting-booths/\)](https://inclusionsolutions.com/product-category/voting-booths/)

OUR THINKING

Hollister's Holiday Hello and Happenings

Read More →

(https://inclusionsolutions.com/hollisters-holiday-hello-and-happenings/)

Alternative Language Ballots Aren't Enough: Translation Help at the Polls

Read More →

(https://inclusionsolutions.com/alternative-language-ballots-translation-help/)

Sorry, But You're Not Allowed to Vote

Read More →

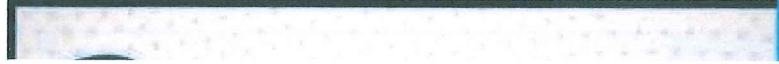
(https://inclusionsolutions.com/polling-place-accessibility-lacking-2016-national-election/)

Tweets by @InclusionSolution

Inclusion Solutions Retweeted

 Election Asst. Comm.
@EACgov

While you're scrolling Twitter on your lunch break, take a minute to check out helpamericavote.gov to see how you can become a poll worker in your community and [#HelpAmericaVote2022](https://twitter.com/HelpAmericaVote2022)



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View on Twitter

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View Catalog

[/https://inclusionsolutions.com/wp-content/uploads/2022/01/IScatalog2022-sm.pdf](https://inclusionsolutions.com/wp-content/uploads/2022/01/IScatalog2022-sm.pdf)

Inclusion Solutions offers the world's finest voting booth, covid-safe polling place solutions, indoor and outdoor election signage, language translation services, and more.

About >

Our Team >

Press >

POPULAR PRODUCTS

[4 Station Franklin Voting Booth](https://inclusionsolutions.com/product/4-station-franklin-voting-booth/)

[/https://inclusionsolutions.com/product/4-station-franklin-voting-booth/](https://inclusionsolutions.com/product/4-station-franklin-voting-booth/)

[Purify-One UV Wand](https://inclusionsolutions.com/product/purify-one-uv-wand/)

[/https://inclusionsolutions.com/product/purify-one-uv-wand/](https://inclusionsolutions.com/product/purify-one-uv-wand/)

[MXB-ICX Dual Station Voting Booth](https://inclusionsolutions.com/product/mxb-icx-dual-station-voting-booth-cx-printer-shelves/)

[/https://inclusionsolutions.com/product/mxb-dual-station-voting-booth-cx-printer-shelves/](https://inclusionsolutions.com/product/mxb-dual-station-voting-booth-cx-printer-shelves/)

CONTACT US

2000 Greenleaf Street, Suite 3
Evanston, IL 60202

t 847.869.2500

(tel:847.869.2500)

f 847.869.2515

1.866.232.5487

(tel:1.866.232.5487) (toll free)

<mailto:sales@inclusionsolutions.com>

<https://www.facebook.com/incl>

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[/privacy-policy/](#) Site by [Slantz](https://slantz.net) [/https://slantz.net](https://slantz.net)

REQUEST A QUOTE

NAME

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PHONE

Are you Interested in any of our products?

- ☐ RAMPS
- ☐ ALERT SYSTEMS
- ☐ SIGNS
- ☐ VOTING BOOTHS
- ☐ OTHER

MESSAGE

**Indicates required field*

SUBMIT

CONTACT US

For more information about our products and services, please call us or fill out the form below.

t 847.869.2500

t 800.314.5232 video relay for hearing user

NAME

EMAIL

ARE YOU INTERESTED IN ANY OF OUR PRODUCTS?

- ☐ RAMPS
- ☐ ALERT SYSTEMS
- ☐ SIGNS
- ☐ VOTING BOOTHS
- ☐ OTHER

DO YOU NEED A SITE SURVEY?

- ☐ YES
- ☐ NO

MESSAGE

**indicates required field*

SUBMIT

PRODUCT CATALOG

Download our product catalog and browse our collection of available products.

DOWNLOAD ([HTTPS://INCLUSIONSOLUTIONS.COM/WP-CONTENT/UPLOADS/2021/09/ISCATALOG2021-15SEPT-SM.PDF](https://inclusionsolutions.com/wp-content/uploads/2021/09/ISCATALOG2021-15SEPT-SM.PDF))

**Inclusion Solutions**

2000 Greenleaf St.
Suite 3 Evanston, IL 60202
www.inclusionsolutions.com
Email contact@inclusionsolutions.com
Tel 847-869-2500
Fax 847-869-2515

Sales Quote

Quote #	SQ-009706
Date	1/26/2022

Billing Address **Livonia MI, City Clerk**
33000 Civic Center Drive
Livonia, MI
48154

Shipping Address **Livonia MI, City Clerk**
33000 Civic Center Drive
Livonia, MI
48154

Contact Susan Nash
Phone (734) 466-2233

Email Address snash@livonia.gov

Sales Rep
Clark Fetridge

Product	Description	Quantity	Unit Price	Discount per Unit	Sub-Total
4SFRKLN	Franklin@ 4-Station Voting Booth	113	\$899.00	\$15.00	\$99,892.00

Remarks

Provides a total of 452 voting stations.

Sub-Total

\$99,892.00

Shipping

\$2,111.00

Total

\$102,003.00

To approve quote, sign and fax back to 847-869-2515 or sign, scan document, and email to sales@inclusionsolutions.com

Quote Approved by: _____ (Sign Here)

*By signing this quote, I authorize Inclusion Solutions to ship the product listed herein and acknowledge that I have followed all state, county, or local purchasing requirements



LETTER TO THE LIVONIA CITY COUNCIL

2.

City Clerk
March 22, 2022

MEETING DATE

Study Meeting of May
16, 2022.

PREPARED BY

Lori Miller, Deputy City Clerk,

AGENDA ITEM

REQUEST FOR AUTHORIZATION TO PURCHASE 450 PRIVACY SCREEN VOTING BOOTHS:
Office of the City Clerk, re: to replace old and broken voting booths used for voting privacy at all polling locations throughout the City, from budgeted funds.

BACKGROUND

On election days, the Clerk's Office sends out 450 voting booths to provide privacy to voters when voting at the precincts. Our current booths are old, broken and beyond repair. The Clerk's Office solicited three quotes for the purchase of new voting booths. The lowest quote received for the type of voting booths to be replaced was from ElectionSource in the amount of \$45,900.00 on December 20, 2021. Funds have been budgeted for this purpose.

RECOMMENDATION

Approve purchase of 450 voting booths from ElectionSource in the amount of \$45,900.00

FISCAL CONSIDERATION

Funding in the amount of \$45,900.00 from Capital Outlay Account (101-262-971-000).

ATTACHMENTS

1. Voting Booths, Quotes

APPROVED BY

Handwritten signature of Susan Nash in cursive.

Susan Nash, MiPMC, City Clerk

Date: February 17, 2022

Handwritten signature of Michael T. Slater in cursive.

Date: May 02, 2022

Michael Slater, Finance Director

**CITY OF LIVONIA – CITY COUNCIL
MINUTES OF STUDY MEETING HELD MAY 16, 2022**

2

Meeting was called to order at 8:00 p.m. by President Jim Jolly. Present: Vice President Laura Toy, Scott Bahr, Rob Donovic, Scott Morgan, and Brandon McCullough, Kathleen McIntyre. Absent: None.

Elected and appointed officials present: City Clerk, Susan Nash, Mark Taormina, Director of Planning and Economic Development, Todd Zilincik, City Engineer, Mike Fisher; Assistant City Attorney, Jerome Hanna, Director of Inspection and Ordinance, and Jacob Rushlow, Assistant Director of Public Works.

2. REQUEST FOR AUTHORIZATION TO PURCHASE 450 PRIVACY SCREEN VOTING BOOTHS: Office of the City Clerk, re: to replace old and broken voting booths used for voting privacy at all polling locations throughout the City, from budgeted funds.

Susan M. Nash, City Clerk, presented the request to Council.

Council Vice President Laura Toy offered and approving resolution on the Consent agenda, stating that the Clerk has done a superior job keeping things straight with their voting.

Councilmember Scott Bahr asked what the life expectancy is for the new booths. Clerk Susan Nash stated that she did not know, but they come in two parts. What they have now comes in a suitcase and held together with duct tape. The new booths are tables with a removable and replaceable cardboard screen. Councilmember Bahr asked if the old booths were twenty-plus years old. Clerk Nash confirmed they were at least that old.

Council President Jim Jolly asked if chairs would be needed if they are a tabletop structure. Clerk Susan Nash stated they do not. They are a platform with legs and the same height as the current booths. They only have chairs at the Voter-Assisted Terminal for handicapped voters or available for someone that prefers to sit.

DIRECTION:

APPROVAL

CONSENT



LETTER TO THE LIVONIA CITY COUNCIL

3.

Finance
May 2, 2022

MEETING DATE

Study Meeting of May
16, 2022

PREPARED BY

DeAnne Bates, Program Supervisor,

AGENDA ITEM

REQUEST TO APPROVE DESIGNATION OF AUTHORIZED DEPOSITORIES: Department of Finance, re: to allow the City to collect property tax payments and water bills, as well as purchase Certificates of Deposit and pooled accounts, at these financial institutions.

BACKGROUND

In accordance with Chapter VII, Section 11 of the City Charter, it is respectfully requested that City Council designate the following financial institutions as authorized depositories of City funds:

Bank of America	Huntington National Bank
Citizens Bank	Independent Bank
Comerica Bank	JP Morgan Chase Bank
Community Choice Credit Union	Key Bank
Fifth Third Bank	PFM Asset Management
Flagstar Bank	PNC Bank

This authorization will allow the City to collect property tax payments and water bills, as well as purchase Certificates of Deposit and pooled accounts, at these locations.

This list is intended to supersede all previous Council authorizations.

RECOMMENDATION

Approve financial institutions as authorized depositories of City funds.

FISCAL CONSIDERATION

N/A

ATTACHMENTS

None

APPROVED BY



Michael Slater, Finance Director

Date: May 03, 2022



Maureen Miller Brosnan, Mayor

Date: May 05, 2022

**CITY OF LIVONIA – CITY COUNCIL
MINUTES OF STUDY MEETING HELD MAY 16, 2022**

3

Meeting was called to order at 8:00 p.m. by President Jim Jolly. Present: Vice President Laura Toy, Scott Bahr, Rob Donovic, Scott Morgan, and Brandon McCullough, Kathleen McIntyre. Absent: None.

Elected and appointed officials present: City Clerk, Susan Nash, Mark Taormina, Director of Planning and Economic Development, Todd Zilincik, City Engineer, Mike Fisher; Assistant City Attorney, Jerome Hanna, Director of Inspection and Ordinance, and Jacob Rushlow, Assistant Director of Public Works.

3. REQUEST TO APPROVE DESIGNATION OF AUTHORIZED DEPOSITORIES:
Department of Finance, re: to allow the City to collect property tax payments and water bills, as well as purchase Certificates of Deposit and pooled accounts, at these financial institutions.

Mike Slater, Finance Director, presented the request to Council.

Council Vice President Laura Toy offered an approving resolution for the Consent agenda.

DIRECTION:

APPROVAL

CONSENT

Claim #2105380 – 2021 Dodge Durango - 1C4SDJFT5MC642240

Actual Cash Value (ACV)

The ACV on the vehicle is \$40,500.00.

Salvage

There were 3 salvage bid made on the vehicle :

Wellers	\$5800.00
Middleton	\$5001.00
Neuners	\$5300.00

******Salvage bids are only guaranteed for 10 days and they do not include any equipment or graphics, but they do include wheels and tires******

Settlement Options

1. MMRMA can pay the full ACV of **\$40,500.00** to the Member and the vehicle is sold to the highest salvage bidder and the MMRMA would apply the salvage amount to the claim, which would reduce the cost of the claim.
2. MMRMA can pay the Member the ACV less the highest salvage bid, and the Member can keep the vehicle, which would be in the amount of **\$34,700.00**. *However, if this option is chosen the Member would have to advise the MMRMA to make sure the vehicle is still eligible to remain on the policy.*

If the vehicle is at a body shop, please pay any storage or towing fees incurred and send the invoice to the MMRMA for reimbursement. If those fees are not paid before the Salvage Company picks up the vehicle, they will have to pay those fees prior to taking possession of the vehicle.

Please review and advise how you would like to move forward. If you are not authorized to make this decision, please let me know who is and I will follow up with them.



LETTER TO THE LIVONIA CITY COUNCIL

4.

Police
May 3, 2022

MEETING DATE

Study Meeting of
May 16, 2022

PREPARED BY

Diane Warterian, Program Supervisor,

AGENDA ITEM

REQUEST FOR AUTHORIZATION TO PURCHASE ONE (1) 2022 DODGE CHARGER UTILIZING THE STATE OF MICHIGAN BID PRICING: Division of Police, re: to replace an unrepairable vehicle, from budgeted funds.

BACKGROUND

Police vehicle #21-23 was involved in a crash on 10-16-21 and subsequently deemed to be unrepairable by Michigan Municipal Risk Management Authority (MMRMA). This 2021 Dodge Durango will be sold as salvage by MMRMA. The City will then receive a \$40,500.00 settlement for the insurance claim. The funds for the totaled Durango were originally expensed from account #101-325-985-000 and should be returned to the same fund. The Police Department proposes using \$34,273.00 of these funds to purchase a replacement vehicle. The vehicle selected is a 2022 Dodge Charger.

RECOMMENDATION

Pursuant to Finance Ordinance 3.04.140 d.4, we are requesting a waiver of the City's sealed bid process, based on the police department's association with the State of Michigan

FISCAL CONSIDERATION

We request to purchase the following from the State of Michigan Bid: 2022 Dodge Charger Police Pursuit Package AWD @ \$34,273.00 from budgeted funds available in account no. 101-325-985-000.

LaFontaine CDJR - Lansing
6131 S. Pennsylvania Avenue
Lansing, MI 48911
(517) 394-1022

ATTACHMENTS

1. Replacement vehicle quote from LaFontaine
2. Replacement vehicle Claim number 21-05380
3. LTC S051622 Req to purch Dodge Charger

APPROVED BY

A blue ink signature of Thomas Goralski, written in a cursive style.

Thomas Goralski, Police Chief

Date: May 03, 2022

A blue ink signature of Michael Slater, written in a cursive style.

Michael Slater, Finance Director

Date: May 03, 2022

A blue ink signature of Paul Bernier, written in a cursive style.

Paul Bernier, City Attorney

Date: May 05, 2022

A blue ink signature of Maureen Miller Brosnan, written in a cursive style.

Maureen Miller Brosnan, Mayor

Date: May 05, 2022

**CITY OF LIVONIA – CITY COUNCIL
MINUTES OF STUDY MEETING HELD MAY 16, 2022**

4

Meeting was called to order at 8:00 p.m. by President Jim Jolly. Present: Vice President Laura Toy, Scott Bahr, Rob Donovic, Scott Morgan, and Brandon McCullough, Kathleen McIntyre. Absent: None.

Elected and appointed officials present: City Clerk, Susan Nash, Mark Taormina, Director of Planning and Economic Development, Todd Zilincik, City Engineer, Mike Fisher; Assistant City Attorney, Jerome Hanna, Director of Inspection and Ordinance, and Jacob Rushlow, Assistant Director of Public Works.

4. REQUEST FOR AUTHORIZATION TO PURCHASE ONE (1) 2022 DODGE CHARGER UTILIZING THE STATE OF MICHIGAN BID PRICING: Division of Police, re: to replace an unrepairable vehicle, from budgeted funds.

Thomas Goralski, Livonia Chief of Police, presented the request to Council.

Councilmember Rob Donovic asked if the officer was ok, taking note the request was from a damaged vehicle. Chief Goralski stated that the officer was not injured from the crash.

Councilmember Rob Donovic offered an approving resolution for the Consent agenda.

DIRECTION:

APPROVAL

CONSENT

2022 Ranger Super Cab, Super Crew XL Major Standard Equipment

MECHANICAL

- 2.3L EcoBoost® Engine with Auto Start-Stop Technology
- 4x4 Electronic-Shift-On-the-Fly (ESOF) – NA w/PU Box Delete (R1A)
- Axle, Front – Independent Front Suspension (IFS)
- Brakes – Anti-Lock Brake System (ABS)
- Electronic Power-Assist Steering (EPAS) 4x4 only
- Electronic Ten-Speed Automatic Transmission
- Jack
- SelectShift® Automatic Transmission
- Shock Absorbers, Gas – Front and Rear
- Springs, Front – Coil
- Springs, Rear – Leaf, Two-Stage Linear Rate

EXTERIOR

- Black Wheel Lip Molding
- Black Mesh Grille w/Black Surround
- Cargo Lamp – Integrated with Center High-mounted Stop Lamp (CHMSL)
- Easy Fuel® Capless Fuel-Filler – NA w/PU Box Delete (R1A)
- Locking Fuel Cap – PU Box Delete Only
- Exhaust – Single Rear
- Fuel Tank – Standard Range 18 Gallon
- Fully Boxed Steel Frame
- Handles, Black – Door and Tailgate
- Hooks – Pickup Box Tie-Down, four (4) – NA w/PU Box Delete (R1A)
- Hooks – Front Tow 4x4, two (2)
- Mirrors, Sideview – Manual-folding, Manual Glass with Black Skull Caps and Integrated Spotter Mirrors
- Ranger XL Fender Badge
- Spare Tire Carrier – Rear Under Frame
- Spare Tire (Full-Sized) – NA w/PU Box Delete (R1A)
- Steel Bumper, Front & Rear – Black – Rear NA w/PU Box Delete (R1A)
- Tailgate – Manual Locking – NA w/PU Box Delete (R1A)
- Tires – P255/70R 16" A/S BSW
- Towing TBD lb – Tow bar only
- Trailer Sway Control
- Trailer Towing – 4-pin wiring, ball mounting provisions in rear bumper
- Wheels – 16" Silver Steel
- Windshield wipers – Intermittent Speed

INTERIOR/COMFORT

- 2.3" Productivity Screen in Instrument Cluster
- 3.5" LCD Display in Center Stack
- Black Vinyl Floor Covering
- Cupholders
- Dome Light
- Locking Glove Box
- Manual Air Conditioning, Single Zone
- Power door unlock and lock
- Powerpoint 12V – Front (2), Rear (1)

- Rear-window with Fixed Glass
- Seat, Front
 - 8-Way Manual Adjustment Drivers Seat w/Lumbar
 - 6-Way Manual Adjustment Passenger Seat
 - Bucket Seats
 - Manual Reclining Seats (included w/Driver and Passenger)
 - Vinyl Trim
 - Flow-through console with shifter
- Seat, Rear
 - Armrest (SuperCrew®)
 - Bench Seat (SuperCrew®)
 - Removable Cushions (SuperCab)
 - Under seat storage
- Sliding Visor, Driver & Passenger
- Steering Wheel, Black Urethane – Manual Tilt/Telescoping and Manual Locking
- Vinyl Console Lid
- Windows
 - Power Front/Rear Windows (SuperCrew®)
 - Power Front Windows (SuperCab)
 - One-Touch Up/Down Driver Window

SAFETY/SECURITY

- Airbags
 - Driver and Passenger Front Airbags
 - Safety Canopy® side-curtain airbags
- Belt-Minder® (front safety belt reminder)
- Daytime Running Lamps (DRL)
- Halogen Headlamps w/amber turn indicator glass
- LATCH (Lower Anchors and Tether Anchors for Children)
- My Key
- Reflector, Wiper-Activated Headlamps
- SecuriLock® Passive Anti-Theft System
- Tire Pressure Monitoring System (TPMS)

DRIVER ASSIST

- Autolamp – Auto On/Off Headlamps
- Pre-Collision Assist with Automatic Emergency Braking (AEB) (Pedestrian Detection, Forward Collision Warning, Dynamic Brake Support)
 - Rear View Camera – NA w/PU Box Delete (R1A)

FUNCTIONAL

- AM/FM stereo w/Bluetooth Pass Thru and 4 Audio Speakers
- Extended Service Interval Monitor
- FordPass™ Connect
 - 4G LTE Wi-Fi® hotspot connects up to 10 devices
 - Remotely start, lock and unlock vehicle2
 - Schedule specific times to remotely start vehicle
 - Locate parked vehicle
 - Check vehicle status

Note: Ford Telematics™ Prep included for Fleet ONLY: FordPass™ Connect enables telematics services through authorized partners. Activate at www.fleet.ford.com or call 888-459-0255.

- USB Port – one (1)

XL 100A Super Cab 126.8" WB 6 Ft. Box

[] Base Price R1E, 4x2 (2.3L 4 cyl EcoBoost Engine w/ Electronic 10-Spd Transmission) 99H/44U	\$22,626.00
[] Base Price R1F, 4x4 (2.3L 4 cyl EcoBoost Engine w/ Electronic 10-Spd Transmission) 99H/44U	\$24,873.00

XL 100A Super Crew 126.8" WB 5 Ft. Box

[] Base Price R4E, 4x2 (2.3L 4 cyl EcoBoost Engine w/ Electronic 10-Spd Transmission) 99H/44U	\$24,419.00
[X] Base Price R4F, 4x4 (2.3L 4 cyl EcoBoost Engine w/ Electronic 10-Spd Transmission) 99H/44U	\$26,952.00

<u>Available Options</u>	<u>Option Code</u>	<u>Price</u>
[] Cloth Front Bucket Seats	QH	N/C
[X] <u>XL Mid Package</u>	101A	1135.00
• Cruise Control • Day/Night Rearview Mirror • Perimeter Anti-Theft Alarm • Power Glass Sideview Mirrors • Remote Key Fob w/Tailgate Lock • 6 Audio Speakers • SYNC® Enhanced Voice Recognition Communications and Entertainment System with (911 Assist®, 4.2" LCD Display in Center Stack, Applink®, and Smart Charging USB Port – one (1))		
[] <u>Ford Co-Pilot360 Assist Package (Only Available w/101A Pkg)</u>	67G	625.00
• Auto-High Beams Headlamps • BLIS® (Blind Spot Information System) w/Cross-Traffic Alert and Trailer Tow Monitoring • Lane-Keeping System (Lane-Keeping Aid, Lane-Keeping Alert and Driver Alert System) • Pre-Collision Assist with Automatic Emergency Braking (AEB) (Pedestrian Detection, Forward Collision Warning, Dynamic Brake Support)		
[] <u>STX Appearance Package (Only Available w/101A Pkg)</u>	76F	1095.00
• 17" Silver-Painted Aluminum Wheel • Premium Cloth Bucket Seats • Box Decal (NA with FX4 Off-Road Pkg 914) • Fog Lamps		
[] <u>FX4 Off-Road Package (Only Available w/101A Pkg and STX Pkg (76F) 914</u>		1295.00
• <u>4x4 Only</u> • 4x4 "FX4 Off-Road" bodyside decal • 17" Off-Road OWL Tires (TGT) • Electronic-Locking Rear Differential • Exposed Steel bash plate • Off-Road Screen in Cluster • Off-Road tuned suspension • Remove front air dam • Skid Plates: Radiator, Electronic Power-Assist Steering (EPAS), fuel tank, and transfer case • Terrain Management System™ • Trail Control™		
[] <u>Chrome Appearance Package (Not Available w/STX Pkg (76F)</u>	76H	365.00
• Chrome Front & Rear Bumper • Fog Lamps • Wheel-lip Molding, Body-Color		
[] <u>XL Power Equipment Group (Included in 101A Package)</u>	67F	355.00
• Perimeter Alarm • Power Glass Sideview Mirrors • Remote Key Fob • Remote Tailgate Lock		
[X] <u>Trailer Tow Package</u>	53R	495.00
• 4-pin/7-pin wiring harness • Class IV trailer hitch receiver		
[X] <u>SYNC® (Included in 101A Package)</u>	58E	870.00
• Enhanced Voice Recognition Communications and Entertainment System • 911 Assist® • 4.2" LCD Display in Center Stack • Applink® • Smart Charging USB Port – one (1)		
[] <u>SYNC®3 (Only Available w/101A Package)</u>	58M	350.00
• Enhanced Voice Recognition Communications and Entertainment System • 911 Assist® • 8" LCD Capacitive Touchscreen in Center Stack with Swipe Capability • Applink® • Apple CarPlay® and Android Auto Compatibility • Smart Charging USB Port – two (2) Note: Includes Dual-Zone Electronic Climate Control (DEATC), Privacy Glass w/Rear Defrost and SiriusXM® Satellite Radio		
[] <u>Bed Utility Package</u>	86Q	395.00
• Bedliner – Plastic Drop-in • 12V Power Plug		

☐ Cruise Control (Included in 101A Package)	52B	225.00
☐ 2 nd Row Seat Delete (Super Cab Only)- Credit	87A	(-215.00)
☒ 110V AC Power Outlet (Only Available w/101A Package)	55K	120.00
☒ Electronic-Locking Rear Differential	X73	420.00
☐ Carpet Flooring w/Floor Mats	16E	145.00
☐ Engine Block Heater	41H	80.00
☐ Front License Plate Holder	153	N/C
☐ Manual-Sliding Rear Window w/ Privacy Glass with Defroster	43D	225.00
☒ Running Boards – 5” Rectangular - Black	18Y	635.00
☒ Tonneau Pickup Box Cover – Soft Folding	94D	525.00
☐ Tonneau Pickup Box Cover – Hard Folding	94E	995.00
☐ Tonneau Pickup Box Cover – Retractable	94J	1695.00
☒ SecuriCode™ Keyless-Entry Keypad	63C	95.00
☐ Splash Guards/Mud Flaps Front and Rear	17B	130.00
☐ Pickup Box Extender (Not Available w/Bed Utility Package-86Q)	94B	295.00
☒ Spray-In Bedliner	86S	495.00
☐ 17” Silver-Painted Aluminum Wheels w/LT 265/65 R17 A/T OWL Tires	64Y/TEW	610.00
☐ Back up Alarm System	60H	140.00
☒ Reverse Sensing System (Only Available w/101A Package)	55U	110.00
☐ LED Warning Strokes by Sound Off Signal – Amber (Ford Accessory); includes center high-mounted stop light bar and two (2) forward facing interior mounted lights	66F	650.00
☐ LED Warning Strokes by Sound Off Signal – Amber/White with rear work light feature (Ford Accessory); includes center high-mounted stop light bar and two (2) forward facing interior mounted lights.	66G	695.00

Note: Rear white lights can be turned on solid to provide additional work area lighting

TOTAL \$ 31,332.00

Colors & Trim Availability:

<u>Exterior</u>	<u>Interior</u> <u>(Ebony) (SH)</u>	
Shadow Black	(G1)	☐
Oxford White	(YZ)	☒
Race Red	(PQS)	☐
Iconic Silver	(JS)	☐
Carbonized Gray	(M7)	☐
Velocity Blue	(E7)	☐



April 18, 2022

City of Livonia Inspection Department
Attn: Jerome Hanna
33000 Civic Center Drive
Livonia, MI 48154

Dear Jerome Hanna:

I have put your Vehicles on the Trade-in bid program and the high bid came back to as:

(2) 2015 Ford Escape's	\$11,200.00
Vin# 1FMCU9GX5GUB25731 (\$5,600)	
Vin# 1FNCU9GX9FUB96977 (\$5,600)	

This quote is only good until September 28th, 2022.
If you have any questions please call me.

Respectfully submitted,

Bill Campbell

Bill Campbell
Fleet Sales Manager

TRUCK & TRAILER *Specialties, Inc.*

900 Grand Oaks Drive | Howell, MI 48843 | www.ttspec.com | ph: (517) 552-3855 | fx: (517) 552-3666

March 28, 2022

City of Livonia

13405 Surrey Street, Livonia, MI 48150

Jerome Hanna ph: (734) 466-2582, Gary Garrison, ph: (734) 564-6592 & Buzz Kirby, ph: (734) 564-6594

HQ0003028

Equipment Quotation

The following pricing will be based on City of Rochester Hills RFP-RH-20-023 contract awarded September 2020

Chassis information:

2022 Ford Ranger XL, Super Crew, 4x4 with 5' box and vinyl flooring

Install Custom Lighting & Electrical including the following:

Switches in cab for wig-wag lighting and warning lighting

Two (2) SoundOff 4" mPower (mo. EMPC2SMS4) amber/green flashers in chassis grille

Two (2) SoundOff nForce deck (mo. ENFSLDG12) amber/green flashers in rear window, upper corners

Two (2) SoundOff 3" mPower (mo. EMPS10016-P) amber/green flashers side-facing in Ranger emblem

SoundOff "wig-wag" circuit for rear STT lights (operational when in Park and headlights are turned "off")

Install WeatherTech Floor Liners, 1st row only, Black (mos. WT4415181V)

Above installed equipment pricing: \$2,335.00 ea.

Payment Terms: Net 30. Pricing effective for 30 days.

FOB: City of Livonia

Thank you for the opportunity to quote.

Respectfully submitted by,
Jon Luea/Brian Bouwman



LETTER TO THE LIVONIA CITY COUNCIL

5.

**Inspection
May 3, 2022**

MEETING DATE

Study Meeting of May
16, 2022

PREPARED BY

Karen Thompson, Program Supervisor,

AGENDA ITEM

REQUEST FOR AUTHORIZATION TO PURCHASE FIVE (5) 2022 FORD RANGERS UTILIZING THE STATE OF MICHIGAN BID PRICING: Inspection Department, re: to be used by the Inspection/Ordinance Department, from budgeted funds.

BACKGROUND

The 2021-2022 approved capital budget includes funds to purchase five (5) vehicles for the Inspection/Ordinance Department. Arrangements were made to incorporate the new vehicle purchases through the State bid process (contract No. 071-B77 00180), an extended purchasing program made available to local governments through the State of Michigan. The State bid this year was awarded to and accepted by Signature Ford.

The Ford Ranger was chosen for several reasons, as follows:

1. The total cost of the vehicles (with safety lights) is \$165,535.00 and is within budget.
2. Ford Motor Co. is a preferred vendor because of its participation in the State Bidding process and produces a quality U.S. made vehicle.
3. The City Equipment Fleet Manager has recommended this vehicle and believes the city will experience a better maintenance cost factor with these vehicles than other possible choices.
4. We believe this vehicle will perform admirably for the five (5) to seven (7) year projected vehicle life.
5. These vehicles are four-wheel drive as they must operate in all emergency conditions. They will be equipped with strobe lighting and emergency equipment as needed, which greatly increases safety when on major roadways.

Unit pricing for this purchase is as follows:

1. Five (5) 2022 Ford Ranger pickups. Cost: \$33,012.00 each \$165,060.00 total
2. Vehicles will be upfitted by Truck & Trailer Specialties, Inc through City of Rochester Hills contract RFP-RH-20-023 with floor liners, wig wag lighting in head lights and taillights, rear window

flashers, chassis grill flashers and side-facing flashers. Cost: \$2,335.00 each \$11,675.00 total

3. The completed cost of the vehicles is: \$176,735.00
4. Trade in two (2) 2015 Ford Escapes at \$5,600.00 each for a total trade in value of \$11,200.00. An additional vehicle requiring repairs in excess of its value will be disposed of at auction.

RECOMMENDATION

It is the recommendation of the Inspection Department that City Council:

1. Authorize the purchase of five (5) 2022 Ford Ranger pickups under the State of Michigan extended purchasing program (contract No. 071-B77 00180) from Signature Ford, 1960 E. Main St, Owasso, MI 48867 in the total amount of \$165,060.00 (\$153,860.00 net of trade-in) from funds in the Capital Projects Funds for the Inspection/Ordinance Department (101-371-985-000 & 226-521-985-000).
2. Authorize the up fitting of the five (5) Ford Ranger pickups under the City of Rochester Hills contract (RFP-RH-13-030) from Truck and Trailer Specialties Inc. 1200 Victory Drive, Howell MI 48843, in the amount of \$11,675.00.
3. Authorize the Director of Inspection to make any minor adjustments as needed.

FISCAL CONSIDERATION

Budgeted funds of \$153,860.00 and \$11,675.00 are available in account no. 101-371-985-000 & 226-521-985-000.

ATTACHMENTS

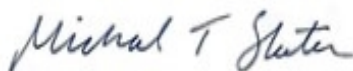
1. 2022 Ranger proposed
2. LID Trade In Letter
3. Livonia Ford Ranger Upfit RFQ Quote 032822

APPROVED BY



Jerome Hanna, Director of Inspection

Date: May 03, 2022



Date: May 04, 2022

Michael Slater, Finance Director

A handwritten signature in black ink, appearing to read "Maureen Miller Brosnan". The signature is written in a cursive, flowing style.

Maureen Miller Brosnan, Mayor

Date: May 05, 2022

**CITY OF LIVONIA – CITY COUNCIL
MINUTES OF STUDY MEETING HELD MAY 16, 2022**

5

Meeting was called to order at 8:00 p.m. by President Jim Jolly. Present: Vice President Laura Toy, Scott Bahr, Rob Donovic, Scott Morgan, and Brandon McCullough, Kathleen McIntyre. Absent: None.

Elected and appointed officials present: City Clerk, Susan Nash, Mark Taormina, Director of Planning and Economic Development, Todd Zilincik, City Engineer, Mike Fisher; Assistant City Attorney, Jerome Hanna, Director of Inspection and Ordinance, and Jacob Rushlow, Assistant Director of Public Works.

5. REQUEST FOR AUTHORIZATION TO PURCHASE FIVE (5) 2022 FORD RANGERS UTILIZING THE STATE OF MICHIGAN BID PRICING: Inspection Department, re: to be used by the Inspection/Ordinance Department, from budgeted funds.

Jerome Hanna, Director of Inspection, presented the request to Council.

Councilmember Brandon McCullough offered an approving resolution for the Consent agenda.

Councilmember Rob Donovic asked what happens to the vehicles that Ordinance used. Jerome Hanna stated that the vehicles to trade in are high-mileage vehicles, so he will shift them around throughout the department.

DIRECTION:

APPROVAL

CONSENT



LETTER TO THE LIVONIA CITY COUNCIL

6.

Law
May 5, 2022

MEETING DATE

Regular Meeting of
June 6, 2022

PREPARED BY

Brenda Smyser, Program Supervisor,

AGENDA ITEM

PROPOSED AMENDMENT TO THE LIVONIA CODE OF ORDINANCE, AS AMENDED:
Department of Law, re: to Section 040 of Title 13, Chapter 08 (Water Services Rates and Revenues) to provide for changes in the water service consumption rates to become effective with the first billing on or after July 1, 2022.

BACKGROUND

At your study meeting of May 16, 2022, you referred the preparation of an ordinance amendment to Section 13.08.040 of the Livonia Code of Ordinances, to the Department of Law for submission to Council. This ordinance amendment reflects the requested changes to the water consumption rates.

Accordingly, this proposed amendment is hereby submitted for your consideration and possible adoption.

RECOMMENDATION

FIRST READ

and Industrial Waste Control charges effective with the first billing on and after July 1, 2022.

FISCAL CONSIDERATION

None

ATTACHMENTS

1. 2022 Attachment I - Per Unit Increase
2. 2022 Attachment II - Comparison of Communities For Distribution.xlsx
3. 2022 Attachment III - Statement of Revenue and Expense
4. LTC-Water Board Ltr Re Rates
5. LTC S051622 Req to adjust water and sewer rates
6. Proposed Ordinance 13.08.040 - 2022
7. S051622 Water Consumption Rates Minutes

APPROVED BY



Paul Bernier, City Attorney

Date: May 17, 2022



Maureen Miller Brosnan, Mayor

Date: May 20, 2022

Attachment ICITY OF LIVONIA
WATER AND SEWER RATES PER BILLING UNIT (100 CF)

"SMALL USERS" 5/8 to 1 Inch Meters

As of July 1, 2022

NO FIXED INCREASE TO SMALL OR LARGE METERS WITH 9% WATER LOSS

	LOW USAGE 10 UNITS PER QUARTER			MEDIUM USAGE 20 UNITS PER QUARTER			HIGH USAGE 30 UNITS PER QUARTER		
	<u>7/1/2021</u>	<u>7/1/2022</u>	<u>CHANGE (%)</u>	<u>7/1/2021</u>	<u>7/1/2022</u>	<u>CHANGE (%)</u>	<u>7/1/2021</u>	<u>7/1/2022</u>	<u>CHANGE (%)</u>
Per Unit Charge:									
2021 - Water per Billing Unit	2.73	\$ 27.30		\$ 54.60			\$ 81.90		
2022 - Water per Billing Unit	2.89	28.90		57.80			86.70		
2021 - Sewer per Billing Unit	2.79	27.90		55.80			83.70		
2022 - Sewer per Billing Unit	2.90	29.00		58.00			87.00		
2021 Fixed Charge	69.75	<u>69.75</u>		<u>69.75</u>			<u>69.75</u>		
2022 Fixed Charge	69.75	<u>69.75</u>		<u>69.75</u>			<u>69.75</u>		
Total Charge	<u>\$ 124.95</u>	<u>\$ 127.65</u>	<u>2.16%</u>	<u>\$ 180.15</u>	<u>\$ 185.55</u>	<u>3.00%</u>	<u>\$ 235.35</u>	<u>\$ 243.45</u>	<u>3.44%</u>

Footnotes:⁽¹⁾ "CFW", a billing unit, 100 cubic feet of water, is 748.052 gallons.⁽²⁾ 20 units of water is the average usage for a Livonia residential water customer.

Attachment II

**RESIDENTIAL WATER AND SEWER BILL
COMPARISON OF COMMUNITIES
Charges for 10, 20 and 30 Billing Units (CFW)⁽¹⁾ per Quarter
5/8 Inch Meter
As of April 25, 2022**

Purpose: The following comparison is provided to show the amount of a quarterly residential water customer bill based on various hypothetical water usage amounts.

<u>COMMUNITY</u>	<u>LOW USAGE - 10 UNITS</u>	<u>AVERAGE USAGE - 20 UNITS⁽²⁾</u>	<u>HIGH USAGE - 30 UNITS</u>
Canton - with Sump - 2021 Rate	98.07	174.75	251.43
<i>Livonia - 2022 Rate</i>	<i>127.65</i>	<i>185.55</i>	<i>243.45</i>
Plymouth (City of) - 2021 Rate	109.41	207.26	305.11
Canton - without Sump - 2021 Rate	131.67	208.35	285.03
Westland - 2021 Rate	144.33	221.16	297.99
Redford Township - 2021 Rate	134.80	226.10	317.40
Farmington Hills - 2021 Rate	140.59	245.53	333.40
Northville (City of) - 2021 Rate	149.12	282.73	416.34

Footnotes:

⁽¹⁾ "CFW", a billing unit, 100 cubic feet of water, is 748.052 gallons. Communities bill in different units of measurement, such as 1,000 gallons. This analysis converts the various methodologies to a common format.

⁽²⁾ 20 units of water is the average usage for a Livonia residential water customer.

⁽³⁾ Comparison rates are based on most recent information available

**ATTACHMENT III
COMBINED STATEMENT OF REVENUE AND EXPENSES**

	FY 15/16 AUDIT	FY 16/17 AUDIT	FY 17/18 AUDIT	FY 18/19 AUDIT	FY 19/20 AUDIT	FY 20/21 AUDIT	FY 21/22 Projected	FY 22/23 RATE ANALYSIS	FY 22/23 RATE ANALYSIS W/O INCREASE
OPERATING REVENUE									
Customer billings	36,291,332	36,653,877	39,834,062	39,713,701	39,107,543	38,347,261	41,092,595	41,787,016	40,157,512
Fines and forfeitures	1,760,443	1,751,702	1,851,194	1,857,586	1,407,064	1,498,126	1,820,000	1,820,000	1,820,000
Service Connections	39,331	37,977	80,819	54,206	49,899	66,385	30,000	77,500	77,500
Other Revenue	<u>343,528</u>	<u>100,508</u>	<u>101,016</u>	<u>73,726</u>	<u>52,377</u>	<u>94,969</u>	<u>78,000</u>	<u>267,621</u>	<u>267,621</u>
Total Operating Revenue	<u>38,434,634</u>	<u>38,544,064</u>	<u>41,867,091</u>	<u>41,699,219</u>	<u>40,616,883</u>	<u>40,006,741</u>	<u>43,020,595</u>	<u>43,952,137</u>	<u>42,322,634</u>
OPERATING EXPENSES									
Cost of Water	13,316,848	13,463,652	13,931,174	12,746,276	11,633,702	11,783,956	12,265,743	12,501,098	12,501,098
Cost of Sewage Disposal	14,469,546	14,469,546	14,469,546	15,496,996	16,994,074	16,764,493	16,730,202	17,435,227	17,435,227
System maintenance and operation	5,265,237	5,673,119	6,921,054	4,110,636	5,164,796	5,494,898	7,539,001	7,647,176	7,647,176
General and Administrative	910,561	1,057,499	1,071,356	1,070,456	1,172,959	1,241,712	1,370,791	1,359,104	1,359,104
GASB 75 OPEB expense			875,000						
Depreciation	<u>2,962,102</u>	<u>3,148,353</u>	<u>3,314,702</u>	<u>3,427,755</u>	<u>3,682,943</u>	<u>3,797,231</u>	<u>3,922,243</u>	<u>3,922,243</u>	<u>3,922,243</u>
Total Operating Expense	<u>36,924,294</u>	<u>37,812,169</u>	<u>40,582,832</u>	<u>36,852,119</u>	<u>38,648,474</u>	<u>39,082,290</u>	<u>41,827,980</u>	<u>42,864,847</u>	<u>42,864,847</u>
Operating income	<u>1,510,340</u>	<u>731,895</u>	<u>1,284,259</u>	<u>4,847,100</u>	<u>1,968,409</u>	<u>924,451</u>	<u>1,192,615</u>	<u>1,087,290</u>	<u>(542,214)</u>
NON OPERATING REVENUE (EXPENSE)									
Interest Income	63,389	102,678	238,443	489,429	245,340	(10,295)	54,708	16,500	(63,500)
Interest Expense	(306,932)	(327,007)	(328,908)	(301,006)	(339,904)	(392,591)	(298,604)	(382,865)	(382,865)
Gain on Sale of Assets	<u>9,775</u>	<u>44,286</u>	<u>63,275</u>	<u>31,550</u>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>-</u>
Total Nonoperating Revenue(Expense)	<u>(233,768)</u>	<u>(180,043)</u>	<u>(27,190)</u>	<u>219,973</u>	<u>(94,564)</u>	<u>(402,886)</u>	<u>(203,896)</u>	<u>(366,365)</u>	<u>(446,365)</u>
EXTRAORDINARY ITEM	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTION AND EXTRAORDINARY ITEMS	<u>1,276,572</u>	<u>551,852</u>	<u>1,257,069</u>	<u>5,067,073</u>	<u>1,873,845</u>	<u>521,565</u>	<u>988,719</u>	<u>720,926</u>	<u>(988,578)</u>



DEPARTMENT OF PUBLIC WORKS

MAUREEN MILLER BROSNAN
MAYOR

DONALD R. ROHRAFF
DIRECTOR OF PUBLIC WORKS

DOUGLAS L. MOORE, MSA
ASSISTANT DIRECTOR OF PUBLIC WORKS

JACOB A. RUSHLOW, PE
ASSISTANT DIRECTOR OF PUBLIC WORKS



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LIVONIA, MICHIGAN 48150-4202
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MAINTENANCE SERVICES

- Roads
- Parks
- Water
- Sewer
- Building
- Animal Control
- Forestry
- Equipment
- Storm Drains
- Traffic Signs
- Solid Waste / Recycling

April 26, 2022

Water and Sewer Board
City of Livonia

Subject: Water and Sewer Fund Review, Water and Sewer Rates Adjustments. Industrial Surcharge Rate, Industrial Waste Control Charge (Effective July 1, 2022)

Dear Board Members:

This report provides a review of the performance of the Water and Sewer Fund for FY 2022, as well as a recommendation to adjust the water and sewer rates to Livonia customers, including charges to some of the commercial/industrial customers in Livonia. The following topics are discussed in this report:

- Increase in wholesale water and sewer cost
- A review of the Water and Sewer Fund performance for FY 2021
- Proposed Water and Sewer Fund rate adjustments for 2022
- Ordinance amendments reflecting recommended rate adjustments

Change in Wholesale Water and Sewer Cost

The Great Lakes Water Authority (GLWA) increased the wholesale cost of water to the City of Livonia by 3.4%. The cost to the City of Livonia per billing unit of 100 cubic feet (approximately 750 gallons) has increased by 5 cents, from \$1.01 to \$1.06. The GLWA fixed monthly charges have increased by \$15,700 per month, from \$607,100 to \$622,800 per month.

In response to the Highland Park bad debt passthrough, the City wrote a letter to Governor Whitmer requesting greater involvement from the State of Michigan in resolving this dispute. Additionally, the Administration prepared a request, and City

Council approved, for the Highland Park portion of the bad debt to be held in escrow until the matter is resolved.

Wayne County charges sewage disposal as a fixed monthly fee to the City of Livonia. The cost is estimated to increase 6% from \$1,353,319 to \$1,434,518. The increase in rates is the result of large Wayne County improvement projects planned and budgeted in previous fiscal years that were delayed due to COVID-19.

A Review of the Water and Sewer Fund Performance for Fiscal Year 2021

The Water and Sewer Fund experienced a net operating gain of \$521,565 before contributions from developers, grant reimbursements, and special assessment revenue (reference Attachment III). Every year, the goal of rate setting is to generate enough income to cover anticipated operating expenses, debt service payments, and capital improvements. Although the fiscal year 2021 operating revenue was down nearly \$3 million from the projected amount, a result of lower sales due to a rainy summer, operating expenses were also down \$2.7 million.

Projected Water and Sewer Fund Rate Adjustments for 2022

Wholesale Charges:

The Great Lakes Water Authority (GLWA) and Wayne County wholesale charges to the City of Livonia for 2022 are shown below in Table 1. Each unit is 100 cubic feet. Approximately 41.35% of Great Lakes Water Authority and Wayne County's total fixed costs are passed through to our customers in fixed format, with the remaining 58.65% being adjusted back into the per-unit charges for water and sewer.

TABLE 1

Description	<u>2021</u>	<u>2022</u>	<u>\$ / % Change</u>
GLWA Per Unit (water)	\$ 1.01	\$1.06	\$ 0.05 / 4.95%
GLWA Fixed Cost per month (water)	\$607,100	\$622,800	\$15,700 / 2.59%
Wayne County Fixed Cost per month (sewer)	\$1,353,319	\$1,434,518	\$81,199 / 6.00%

The GLWA is also adjusting the Industrial Surcharge Rates and the Industrial Waste Control Charges as shown in the Summary and Recommendations in the Water and Sewer Ordinance revisions. All four of the Industrial Surcharge rates have increased. The Industrial Waste Control Charges, which are based on meter size, have been increased by 1.13% across the board. Both the Industrial Surcharge Rate and the Industrial Waste Control Charges affect *only* commercial and industrial customers. These charges continue to be a pass-through to the affected customer with no additional charge by the City of Livonia.

City of Livonia Charges:

A continuing effort is being made to provide services in the most efficient, cost-effective manner possible. Operating, maintenance and administration expenses are constantly monitored to keep costs within budget. All policies and procedures are regularly reviewed, and processes and procedures are implemented to contain cost while providing excellent service. Operations and maintenance will continue to monitor water main breaks, weather conditions and the state of our infrastructure to find ways of reducing expenses. Administration is also exploring ways to provide customer billing and collection services that reduce cost while providing improved service to the customer.

TABLE 2 below reflects the recommended rate adjustments for low-, medium- and high-volume users with small meters. There are 37,630 users with small meters.

**CITY OF LIVONIA
WATER AND SEWER RATES PER BILLING UNIT (100 CF)
"SMALL USERS" 5/8 to 1 Inch Meters
As of July 1, 2022**

		LOW USAGE			MEDIUM USAGE			HIGH USAGE		
		<u>10 UNITS/QUARTER</u>			<u>20 UNITS/QUARTER</u>			<u>30 UNITS/QUARTER</u>		
<u>Per Unit Charge:</u>		<u>7/1/2021</u>	<u>7/1/2022</u>	<u>Chg</u> <u>(%)</u>	<u>7/1/2021</u>	<u>7/1/2022</u>	<u>Chg</u> <u>(%)</u>	<u>7/1/2021</u>	<u>7/1/2022</u>	<u>Chg</u> <u>(%)</u>
2021 Water per Billing Unit	2.73	\$ 27.30			\$ 54.60			\$ 81.90		
2022 Water per Billing Unit	2.89		\$ 28.90			\$ 57.80			\$ 86.70	
2021 Sewer per Billing Unit	2.79	\$ 27.90			\$ 55.80			\$ 83.70		
2022 Sewer per Billing Unit	2.90		\$ 29.00			\$ 58.00			\$ 87.00	
2021 Fixed Charge	69.75	<u>\$ 69.75</u>			<u>\$ 69.75</u>			<u>\$ 69.75</u>		
2022 Fixed Charge	69.75		<u>\$ 69.75</u>			<u>\$ 69.75</u>			<u>\$ 69.75</u>	
Total Charge		<u>\$ 124.95</u>	<u>\$ 127.65</u>	<u>2.16%</u>	<u>\$ 180.55</u>	<u>\$ 185.55</u>	<u>3.00%</u>	<u>\$ 235.35</u>	<u>\$ 243.45</u>	<u>3.44%</u>

The table below reflects the recommended rate adjustments for "large users" of meter sizes 1½" to 10".

TABLE 3

CITY OF LIVONIA – WATER AND SEWER RATES PER BILLING UNIT (100 CF)
 "LARGE USERS" – METER SIZE OVER 1 INCH – As of July 1, 2022

PER UNIT RATES	<u>#/Meters</u>	<u>2021/22</u>	<u>2022/23</u>	<u>Incr./Decr.</u>	<u>Incr.</u>
Cost of Water per Billing Unit		2.73	2.89	0.16	5.86%
Cost of Sewer per Billing Unit		2.79	2.90	0.11	3.94%
Large User Charge		2.63	2.87	<u>0.24</u>	9.13%
QUARTERLY FIXED FEES PER METER					
1 1/2 " Meter	628	205.02	205.02	0	0.0%
2" Meter	689	263.16	263.16	0	0.0%
3" Meter	151	345.78	345.78	0	0.0%
4" Meter	79	528.36	528.36	0	0.0%
6" Meter	16	1,407.60	1,407.60	0	0.0%
8" Meter	8	3,987.18	3,987.18	0	0.0%
10" Meter	1	11,493.36	11,493.36	0	0.0%

Impact of Water and Sewer improvement projects

Planned water and sewer improvement projects have had some impact on the proposed Water and Sewer Fund rate adjustments for 2022.

The City continues to perform sewer cured-in-place-pipe (CIPP) lining in the northwest quadrant of Section 34. This year's plan includes CIPP lining of approximately 2.9 miles of sewer pipe ranging from 8-inch to 36-inch diameter at a cost of \$1.3M. Preparation for the CIPP lining work will start in June/July 2022 and CIPP lining is planned for August 2022.

The City has embarked on a Footing Drain Disconnection program to significantly reduce the amount of clean water entering into our sanitary sewer system. The program began in 2017 in response to the May 2011 sewer backup settlement. Due to the reduction in flows that we've observed and the overwhelming support from homeowners, we have decided to continue this program for 2022 at a cost of \$1,000,000.

Ordinance amendments reflecting recommended rate adjustments

The 2022/23 total per unit rate increase to the average residential user is 3.0% (reference Attachment I). For comparison, please find Attachment II that highlights the Water and Sewer cost of other communities. Even with this rate change, Livonia rates continue to remain much lower than most surrounding communities.

It is recommended and requested that the Water and Sewer Board proceed with the amendments to the Water and Sewer Ordinance as follows:

13.08.40 Water Consumption rates

EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022

Per Unit Charges

GLWA per 100 cubic feet	2.14
City of Livonia per 100 cubic feet	<u>0.75</u>
Per Unit Charge per 100 cubic feet	2.89

Large User Charge per 100 cubic feet: Meter sizes 1.5 inch or larger	<u>0.96</u>
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TOTAL Large User Charge per 100 cubic Feet	<u>3.85</u>
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13.08.050A Quarterly Fixed Fee per Meter (water)

EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022

5/8 Inch Meter	23.27
3/4 Inch Meter	23.27
1 Inch Meter	23.27
1 ½ Inch Meter	68.40
2 Inch Meter	87.79
3 Inch Meter	115.36
4 Inch Meter	176.27
6 Inch Meter	469.59
8 Inch Meter	1,330.17
10 Inch Meter	3,834.32

13.08.050B Seasonal Flat rate Water, per quarter

81.07

EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022

13.20.120 Sewer Disposal Rates

EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022

Per Unit Charges

Wayne County per 100 cubic feet	2.15
City of Livonia per 100 cubic feet	<u>0.75</u>
Per Unit Charge per 100 cubic feet	2.90

Large User Charge per 100 cubic feet: Meter sizes 1.5 inch or larger	<u>1.91</u>
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TOTAL Large User Charge per 100 cubic Feet	<u>4.81</u>
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Quarterly Fixed Fee per Meter (sewer)**EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022**

5/8	Inch Meter	46.48
3/4	Inch Meter	46.48
1	Inch Meter	46.48
1 ½	Inch Meter	136.62
2	Inch Meter	175.37
3	Inch Meter	230.42
4	Inch Meter	352.09
6	Inch Meter	938.01
8	Inch Meter	2,657.01
10	Inch Meter	7,659.04

Industrial Waste Control Monthly Meter Charges (GLWA)

5/8	Inch Meter	3.58
3/4	Inch Meter	5.37
1	Inch Meter	8.95
1 ½	Inch Meter	19.69
2	Inch Meter	28.64
3	Inch Meter	51.91
4	Inch Meter	71.60
6	Inch Meter	107.40
8	Inch Meter	179.00
10	Inch Meter	250.60
12	Inch Meter	286.40
14	Inch Meter	358.00
16	Inch Meter	429.60
18	Inch Meter	501.20
20	Inch Meter	572.80
24	Inch Meter	644.40
30	Inch Meter	716.00

13.20.130 Flat Rate Sewer per Quarter

104.48

EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022

13.20.130 Special Rates - for Designated Users**EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022***Seasonal user with Kitchen or Bathroom Facilities:**50% of Current per unit Sewage Charge***Per Unit Charges**

Wayne County per 100 cubic feet 1.08

City of Livonia per 100 cubic feet 0.37

Per Unit Charge per 100 cubic feet 1.45

Large User Charge per 100 cubic feet: Meter sizes
1.5 inch or larger 0.96**TOTAL Base Charge for Large User 2.41****13.28.050 Industrial Waste Pollutant Strength Surcharges****EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022**Dollar/pound for treating BOD (Biochemical Oxygen Demand) in
excess of 275 mg/l 0.351Dollar/pound for treating TSS (Total Suspended Solids) in excess
of 350 mg/l 0.482

Dollar/pound for treating P (Phosphorus) in excess of 12 mg/l 6.448

Dollar/pound for treating FOG (Fats, Oils & Grease) in excess of
100 mg/l 0.112

Very Truly Yours,



Jacob Rushlow
Assistant Director of Public Works

Connie Kumpula
Chief Accountant

DR/CC/jar

Attachment I: Effect of Rate Adjustment on Typical Residential Bill

Attachment II: Residential Water and Sewer Bill Comparison of Communities

Attachment III: Combined Statement of Revenue and Expenses

cc: Mayor, City Clerk, City Attorney, Finance Director, City Engineer, Chief Accountant

Attachment I

CITY OF LIVONIA
WATER AND SEWER RATES PER BILLING UNIT (100 CF)
"SMALL USERS" 5/8 to 1 Inch Meters
As of July 1, 2022
NO FIXED INCREASE TO SMALL OR LARGE METERS WITH 9% WATER LOSS

	LOW USAGE 10 UNITS			MEDIUM USAGE 20 UNITS			HIGH USAGE 30 UNITS		
	7/1/2021	7/1/2022	CHANGE (%)	7/1/2021	7/1/2022	CHANGE (%)	7/1/2021	7/1/2022	CHANGE (%)
Per Unit Charge:									
2021 - Water per Billing Unit	2.73	\$ 27.30		\$ 54.60		\$	\$ 81.90		
2022 - Water per Billing Unit	2.89	28.90		57.80			86.70		
2021 - Sewer per Billing Unit	2.79	27.90		55.80			83.70		
2022 - Sewer per Billing Unit	2.90	29.00		58.00			87.00		
2021 Fixed Charge	69.75	69.75		69.75			69.75		
2022 Fixed Charge	69.75	69.75		69.75			69.75		
Total Charge		<u>\$ 124.95</u>	<u>2.16%</u>	<u>\$ 180.15</u>	<u>\$ 185.55</u>	<u>3.00%</u>	<u>\$ 235.35</u>	<u>\$ 243.45</u>	<u>3.44%</u>

Footnotes:

(1) "CFW", a billing unit, 100 cubic feet of water, is 748.052 gallons.

(2) 20 units of water is the average usage for a Livonia residential water customer.

Attachment II

**RESIDENTIAL WATER AND SEWER BILL
COMPARISON OF COMMUNITIES
Charges for 10, 20 and 30 Billing Units (CFW)⁽¹⁾ per Quarter
5/8 Inch Meter
As of April 25, 2022**

Purpose: The following comparison is provided to show the amount of a quarterly residential water customer bill based on various hypothetical water usage amounts.

<u>COMMUNITY</u>	<u>LOW USAGE - 10 UNITS</u>	<u>AVERAGE USAGE - 20 UNITS⁽²⁾</u>	<u>HIGH USAGE - 30 UNITS</u>
Canton - with Sump - 2021 Rate	98.07	174.75	251.43
<i>Livonia - 2022 Rate</i>	<i>127.65</i>	<i>185.55</i>	<i>243.45</i>
Plymouth (City of) - 2021 Rate	109.41	207.26	305.11
Canton - without Sump - 2021 Rate	131.67	208.35	285.03
Westland - 2021 Rate	144.33	221.16	297.99
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Farmington Hills - 2021 Rate	140.59	245.53	333.40
Northville (City of) - 2021 Rate	149.12	282.73	416.34

Footnotes:

⁽¹⁾ "CFW", a billing unit, 100 cubic feet of water, is 748.052 gallons. Communities bill in different units of measurement, such as 1,000 gallons. This analysis converts the various methodologies to a common format.

⁽²⁾ 20 units of water is the average usage for a Livonia residential water customer.

⁽³⁾ Comparison rates are based on most recent information available

ATTACHMENT III
COMBINED STATEMENT OF REVENUE AND EXPENSES

	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 22/23
	AUDIT	AUDIT	AUDIT	AUDIT	AUDIT	AUDIT	Projected	RATE ANALYSIS	RATE ANALYSIS W/O INCREASE
OPERATING REVENUE									
Customer billings	36,291,332	36,653,877	39,834,062	39,713,701	39,107,543	38,347,261	41,092,595	41,787,016	40,157,512
Fines and forfeitures	1,760,443	1,751,702	1,851,194	1,857,586	1,407,064	1,498,126	1,820,000	1,820,000	1,820,000
Service Connections	39,331	37,977	80,819	54,206	49,899	66,385	30,000	77,500	77,500
Other Revenue	343,528	100,508	101,016	73,726	52,377	94,969	78,000	267,621	267,621
Total Operating Revenue	38,434,634	38,544,064	41,867,091	41,699,219	40,616,883	40,006,741	43,020,595	43,952,137	42,322,634
OPERATING EXPENSES									
Cost of Water	13,316,848	13,463,652	13,931,174	12,746,276	11,633,702	11,783,956	12,265,743	12,501,098	12,501,098
Cost of Sewage Disposal	14,469,546	14,469,546	14,469,546	15,496,996	16,994,074	16,764,493	16,730,202	17,435,227	17,435,227
System maintenance and operation	5,265,237	5,673,119	6,921,054	4,110,636	5,164,796	5,494,898	7,539,001	7,647,176	7,647,176
General and Administrative	910,561	1,057,499	1,071,356	1,070,456	1,172,959	1,241,712	1,370,791	1,359,104	1,359,104
GASB 75 OPEB expense			875,000						
Depreciation	2,962,102	3,148,353	3,314,702	3,427,755	3,682,943	3,797,231	3,922,243	3,922,243	3,922,243
Total Operating Expense	36,924,294	37,812,169	40,582,832	36,852,119	38,648,474	39,082,290	41,827,980	42,864,847	42,864,847
Operating income	1,510,340	731,895	1,284,259	4,847,100	1,968,409	924,451	1,192,615	1,087,290	(542,214)
NON OPERATING REVENUE (EXPENSE)									
Interest Income	63,389	102,678	238,443	489,429	245,340	(10,295)	54,708	16,500	(63,500)
Interest Expense	(306,932)	(327,007)	(328,908)	(301,006)	(339,904)	(392,591)	(298,604)	(382,865)	(382,865)
Gain on Sale of Assets	9,775	44,286	63,275	31,550	-	-	40,000	-	-
Total Nonoperating Revenue(Expense)	(233,768)	(180,043)	(27,190)	219,973	(94,564)	(402,886)	(203,896)	(366,365)	(446,365)
EXTRAORDINARY ITEM									
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTION AND EXTRAORDINARY ITEMS	1,276,572	551,852	1,257,069	5,067,073	1,873,845	521,565	988,719	720,926	(988,578)



LETTER TO THE LIVONIA CITY COUNCIL

6.

DPW
May 3, 2022

MEETING DATE

Study Meeting of May
16, 2022

PREPARED BY

Jill Russell, Secretary III,

AGENDA ITEM

REQUEST TO ADJUST WATER AND SEWER CONSUMPTION RATES, INDUSTRIAL SURCHARGE RATE AND INDUSTRIAL WASTE CONTROL CHARGE: Department of Public Works, re: to become effective on July 1, 2022.

BACKGROUND

Livonia's Department of Public Works and Finance Department have worked together on the water and sewer rates proposed for implementation on July 1, 2022. In calculating the new rates, a review was made to determine how the fiscal year 2021 rates performed in conjunction with the budget, along with an analysis of the effects of the proposed new rates on our small-, medium- and large-water users.

Incorporating an increase of wholesale charges from the Great Lakes Water Authority and an expected reduction in water sales charges, the recommended new rates will impact customers in the following manner:

1. The proposed water and sewer rate increase is 3.0 percent (3.0%) this year for the average residential user, which is an increase of \$5.40 per quarter. Average use is based on consumption of 20 units (2,000 cubic feet) per quarter, which is 15,000 gallons of water.
2. The rate increase is mainly due to a pass-through of the changes to the water charges from our wholesale provider coupled with an anticipated decrease in water sales. GLWA increased the wholesale per unit charge by \$0.05 or 3.4 percent (3.4%) from \$1.01 to \$1.06. GLWA also increased the month fixed fee by \$15,700 or 1.2 percent (1.2%).
3. No change to Livonia's fixed rates is recommended. An increase in future years remains possible, depending on current and future yearly sales.
4. City of Livonia users still pay much less for water than users in most surrounding communities pay for an equal amount of water.
5. The new rates will be in effect from July 1, 2022, through June 30, 2023.

Additional detailed information is included in the attached letter to the Water and Sewer Board.

RECOMMENDATION

It is recommended that Council approve the new Water & Sewer Rates, Industrial Surcharge Rate and Industrial Waste Control charges effective with the first billing on and after July 1, 2022.

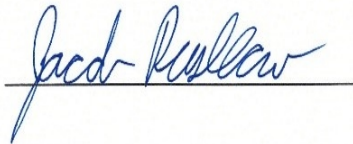
FISCAL CONSIDERATION

None

ATTACHMENTS

1. 2022 Attachment I - Per Unit Increase
2. 2022 Attachment II - Comparison of Communities For Distribution.xlsx
3. 2022 Attachment III - Statement of Revenue and Expense
4. LTC-Water Board Ltr Re Rates

APPROVED BY



Date: May 03, 2022

Jacob Rushlow, P.E., Assistant Director of Public Works



Date: May 03, 2022

Don Rohraff, Director of Public Works



Date: May 03, 2022

Michael Slater, Finance Director



Date: May 03, 2022

Paul Bernier, City Attorney



Date: May 05, 2022

Maureen Miller Brosnan, Mayor

**AN ORDINANCE AMENDING SECTION 040 OF TITLE
13, CHAPTER 08 (WATER SERVICE RATES AND
REVENUES) OF THE LIVONIA CODE OF
ORDINANCES, AS AMENDED.**

THE CITY OF LIVONIA ORDAINS:

Section 1. Section 040 of Title 13, Chapter 08 the Livonia Code of Ordinances, as amended, is hereby amended to read as follows:

13.08.040 Consumption rates. Effective with the first billing on and after July 1, 202~~1~~², water use will be charged at the following rates:

CHARGE DESCRIPTION	AMOUNT PER 100 CUBIC FEET
Base Charge	
GLWA per 100 cubic feet of water used	\$ 2. 03 ¹⁴
City of Livonia per 100 cubic feet of water used	<u>\$ 0.70⁵</u>
Use Charge per 100 cubic feet of water used	<u>\$ 2.73⁸⁹</u>
Large User (meters sizes 1.5 inch or larger)	
Charge per 100 cubic feet of water used	\$ 0. 86 ⁹⁶
Total Use Charge for Large Users per 100 cubic feet of water used	<u>\$ 3.59⁸⁵</u>

Rates presently established shall continue for bills issued before July 1, 202~~1~~².

Section 2. All ordinances or parts of ordinances in conflict herewith are hereby repealed only to the extent necessary to give this ordinance full force and effect.

Section 3. Should any portion of this ordinance be held invalid for any reason, such holding shall not be construed as affecting the validity of any of the remaining portions of this ordinance.

CITY OF LIVONIA – CITY COUNCIL
MINUTES OF STUDY MEETING HELD MAY 16, 2022

6,7,8,9,10

Meeting was called to order at 8:00 p.m. by President Jim Jolly. Present: Vice President Laura Toy, Scott Bahr, Rob Donovic, Scott Morgan, and Brandon McCullough, Kathleen McIntyre. Absent: None.

Elected and appointed officials present: City Clerk, Susan Nash, Mark Taormina, Director of Planning and Economic Development, Todd Zilincik, City Engineer, Mike Fisher; Assistant City Attorney, Jerome Hanna, Director of Inspection and Ordinance, and Jacob Rushlow, Assistant Director of Public Works.

6. REQUEST TO ADJUST WATER AND SEWER CONSUMPTION RATES, INDUSTRIAL SURCHARGE RATE AND INDUSTRIAL WASTE CONTROL CHARGE: Department of Public Works, re: to become effective on July 1, 2022.

Jacob Rushlow, Assistant Superintendent of Public Works, and Connie Kumpula, Chief Accountant, presented the request to Council.

Council President Jim Jolly stated that there has been a lot of information regarding the Highland Park water debt and asked to what extent that was factored into the rate adjustments. A resolution was passed refusing to pay their debt and asked to verify that it was not considered as part of the rate increase. Connie Kumpula stated that GLWA sets their revenue requirement, and it is built into that revenue requirement. To make up for that, the city divided the \$40,000.00 by twelve, from their debt that was built in, and reduced the payment to GLWA each month. Councilmember Scott Bahr clarified that the residents are still paying that rate, but since that money is being held in escrow until everything is resolved. Once that happens, the residents would get that portion back

Councilmember Bahr asked to clarify what was meant by the expected reduction in water sales charges, if that meant they are expected to sell less water to residents. Connie Kumpula agreed, stating that has been the trend over the last couple of years. Councilmember Bahr asked what impact that had on the rates. Connie replied that when you sell less water, you have less spread to cover the fixed costs. Councilmember Bahr asked what the decreased usage was attributed to. Jacob Rushlow stated that it was being more conscious of how water is used and changes to water fixtures are reducing water use, along with industrial side, they are recycling the water used which makes the water use more efficient.

Councilmember Bahr asked about the rate impact of the sanitary water running through the sewer system. Jacob Rushlow stated that it impacts rates because it is another Capital Improvement Project, which reduces the flow into the sanitary system that needs to be treated.

Councilmember Bahr asked if there can be a separation of sewer and clean water. Jacob Rushlow stated that there isn't a good and efficient way to monitor and meter the gravity flow of water coming out of the drain and sewer pipe.

Councilmember Bahr asked how we compare to surrounding communities. Jacob Rushlow stated that Canton has built a water storage facility that helps control their peak flows. Councilmember Bahr asked about an update on Livonia doing the same. Jacob said they are polishing up a preliminary engineering study right now for a water storage reservoir in Livonia which should be done in the next few months. Once they meet with Finance after that, they can move forward.

Councilmember Scott Bahr offered and approving resolution for the Regular agenda.

Council Vice President Laura Toy asked to put the subject matter of water rates into the Environmental Committee to discuss when it is appropriate. Council President Jim Jolly stated that this might already be in committee.

DIRECTION:

APPROVAL

REGULAR



LETTER TO THE LIVONIA CITY COUNCIL

7.

Law
May 10, 2022

MEETING DATE

Regular Meeting of
June 6, 2022

PREPARED BY

Brenda Smyser, Program Supervisor,

AGENDA ITEM

PROPOSED AMENDMENT TO THE LIVONIA CODE OF ORDINANCE, AS AMENDED:
Department of Law, re: to Section 050 of Title 13, Chapter 08 (Water Service Rates and Revenues) to provide changes in the water service consumption rates to become effective with the first billing on or after July 1, 2022.

BACKGROUND

At your study meeting of May 16, 2022, you referred the preparation of an ordinance amendment to Section 13.08.050 of the Livonia Code of Ordinances, to the Department of Law for submission to Council. This ordinance amendment reflects the requested changes to the water consumption rates.

Accordingly, this proposed amendment is hereby submitted for your consideration and possible adoption.

RECOMMENDATION

FIRST READ

and Industrial Waste Control charges effective with the first billing on and after July 1, 2022.

FISCAL CONSIDERATION

None

ATTACHMENTS

1. 2022 Attachment I - Per Unit Increase
2. 2022 Attachment II - Comparison of Communities For Distribution.xlsx
3. 2022 Attachment III - Statement of Revenue and Expense
4. LTC-Water Board Ltr Re Rates
5. LTC S051622 Req to adjust water and sewer rates
6. Proposed Ordinance 13.08.050 - 2022
7. S051622 Water Consumption Rates Minutes

APPROVED BY



Paul Bernier, City Attorney

Date: May 17, 2022



Maureen Miller Brosnan, Mayor

Date: May 20, 2022

Attachment ICITY OF LIVONIA
WATER AND SEWER RATES PER BILLING UNIT (100 CF)

"SMALL USERS" 5/8 to 1 Inch Meters

As of July 1, 2022

NO FIXED INCREASE TO SMALL OR LARGE METERS WITH 9% WATER LOSS

	LOW USAGE 10 UNITS PER QUARTER			MEDIUM USAGE 20 UNITS PER QUARTER			HIGH USAGE 30 UNITS PER QUARTER		
	<u>7/1/2021</u>	<u>7/1/2022</u>	<u>CHANGE (%)</u>	<u>7/1/2021</u>	<u>7/1/2022</u>	<u>CHANGE (%)</u>	<u>7/1/2021</u>	<u>7/1/2022</u>	<u>CHANGE (%)</u>
Per Unit Charge:									
2021 - Water per Billing Unit	2.73	\$ 27.30		\$ 54.60			\$ 81.90		
2022 - Water per Billing Unit	2.89	28.90		57.80			86.70		
2021 - Sewer per Billing Unit	2.79	27.90		55.80			83.70		
2022 - Sewer per Billing Unit	2.90	29.00		58.00			87.00		
2021 Fixed Charge	69.75	<u>69.75</u>		<u>69.75</u>			<u>69.75</u>		
2022 Fixed Charge	69.75	<u>69.75</u>		<u>69.75</u>			<u>69.75</u>		
Total Charge	<u>\$ 124.95</u>	<u>\$ 127.65</u>	<u>2.16%</u>	<u>\$ 180.15</u>	<u>\$ 185.55</u>	<u>3.00%</u>	<u>\$ 235.35</u>	<u>\$ 243.45</u>	<u>3.44%</u>

Footnotes:⁽¹⁾ "CFW", a billing unit, 100 cubic feet of water, is 748.052 gallons.⁽²⁾ 20 units of water is the average usage for a Livonia residential water customer.

Attachment II

**RESIDENTIAL WATER AND SEWER BILL
COMPARISON OF COMMUNITIES
Charges for 10, 20 and 30 Billing Units (CFW)⁽¹⁾ per Quarter
5/8 Inch Meter
As of April 25, 2022**

Purpose: The following comparison is provided to show the amount of a quarterly residential water customer bill based on various hypothetical water usage amounts.

<u>COMMUNITY</u>	<u>LOW USAGE - 10 UNITS</u>	<u>AVERAGE USAGE - 20 UNITS⁽²⁾</u>	<u>HIGH USAGE - 30 UNITS</u>
Canton - with Sump - 2021 Rate	98.07	174.75	251.43
<i>Livonia - 2022 Rate</i>	<i>127.65</i>	<i>185.55</i>	<i>243.45</i>
Plymouth (City of) - 2021 Rate	109.41	207.26	305.11
Canton - without Sump - 2021 Rate	131.67	208.35	285.03
Westland - 2021 Rate	144.33	221.16	297.99
Redford Township - 2021 Rate	134.80	226.10	317.40
Farmington Hills - 2021 Rate	140.59	245.53	333.40
Northville (City of) - 2021 Rate	149.12	282.73	416.34

Footnotes:

⁽¹⁾ "CFW", a billing unit, 100 cubic feet of water, is 748.052 gallons. Communities bill in different units of measurement, such as 1,000 gallons. This analysis converts the various methodologies to a common format.

⁽²⁾ 20 units of water is the average usage for a Livonia residential water customer.

⁽³⁾ Comparison rates are based on most recent information available

**ATTACHMENT III
COMBINED STATEMENT OF REVENUE AND EXPENSES**

	FY 15/16 AUDIT	FY 16/17 AUDIT	FY 17/18 AUDIT	FY 18/19 AUDIT	FY 19/20 AUDIT	FY 20/21 AUDIT	FY 21/22 Projected	FY 22/23 RATE ANALYSIS	FY 22/23 RATE ANALYSIS W/O INCREASE
OPERATING REVENUE									
Customer billings	36,291,332	36,653,877	39,834,062	39,713,701	39,107,543	38,347,261	41,092,595	41,787,016	40,157,512
Fines and forfeitures	1,760,443	1,751,702	1,851,194	1,857,586	1,407,064	1,498,126	1,820,000	1,820,000	1,820,000
Service Connections	39,331	37,977	80,819	54,206	49,899	66,385	30,000	77,500	77,500
Other Revenue	<u>343,528</u>	<u>100,508</u>	<u>101,016</u>	<u>73,726</u>	<u>52,377</u>	<u>94,969</u>	<u>78,000</u>	<u>267,621</u>	<u>267,621</u>
Total Operating Revenue	<u>38,434,634</u>	<u>38,544,064</u>	<u>41,867,091</u>	<u>41,699,219</u>	<u>40,616,883</u>	<u>40,006,741</u>	<u>43,020,595</u>	<u>43,952,137</u>	<u>42,322,634</u>
OPERATING EXPENSES									
Cost of Water	13,316,848	13,463,652	13,931,174	12,746,276	11,633,702	11,783,956	12,265,743	12,501,098	12,501,098
Cost of Sewage Disposal	14,469,546	14,469,546	14,469,546	15,496,996	16,994,074	16,764,493	16,730,202	17,435,227	17,435,227
System maintenance and operation	5,265,237	5,673,119	6,921,054	4,110,636	5,164,796	5,494,898	7,539,001	7,647,176	7,647,176
General and Administrative	910,561	1,057,499	1,071,356	1,070,456	1,172,959	1,241,712	1,370,791	1,359,104	1,359,104
GASB 75 OPEB expense			875,000						
Depreciation	<u>2,962,102</u>	<u>3,148,353</u>	<u>3,314,702</u>	<u>3,427,755</u>	<u>3,682,943</u>	<u>3,797,231</u>	<u>3,922,243</u>	<u>3,922,243</u>	<u>3,922,243</u>
Total Operating Expense	<u>36,924,294</u>	<u>37,812,169</u>	<u>40,582,832</u>	<u>36,852,119</u>	<u>38,648,474</u>	<u>39,082,290</u>	<u>41,827,980</u>	<u>42,864,847</u>	<u>42,864,847</u>
Operating income	<u>1,510,340</u>	<u>731,895</u>	<u>1,284,259</u>	<u>4,847,100</u>	<u>1,968,409</u>	<u>924,451</u>	<u>1,192,615</u>	<u>1,087,290</u>	<u>(542,214)</u>
NON OPERATING REVENUE (EXPENSE)									
Interest Income	63,389	102,678	238,443	489,429	245,340	(10,295)	54,708	16,500	(63,500)
Interest Expense	(306,932)	(327,007)	(328,908)	(301,006)	(339,904)	(392,591)	(298,604)	(382,865)	(382,865)
Gain on Sale of Assets	<u>9,775</u>	<u>44,286</u>	<u>63,275</u>	<u>31,550</u>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>-</u>
Total Nonoperating Revenue(Expense)	<u>(233,768)</u>	<u>(180,043)</u>	<u>(27,190)</u>	<u>219,973</u>	<u>(94,564)</u>	<u>(402,886)</u>	<u>(203,896)</u>	<u>(366,365)</u>	<u>(446,365)</u>
EXTRAORDINARY ITEM	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTION AND EXTRAORDINARY ITEMS	<u>1,276,572</u>	<u>551,852</u>	<u>1,257,069</u>	<u>5,067,073</u>	<u>1,873,845</u>	<u>521,565</u>	<u>988,719</u>	<u>720,926</u>	<u>(988,578)</u>



DEPARTMENT OF PUBLIC WORKS

MAUREEN MILLER BROSNAN
MAYOR

DONALD R. ROHRAFF
DIRECTOR OF PUBLIC WORKS

DOUGLAS L. MOORE, MSA
ASSISTANT DIRECTOR OF PUBLIC WORKS

JACOB A. RUSHLOW, PE
ASSISTANT DIRECTOR OF PUBLIC WORKS



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MAINTENANCE SERVICES

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April 26, 2022

Water and Sewer Board
City of Livonia

Subject: Water and Sewer Fund Review, Water and Sewer Rates Adjustments. Industrial Surcharge Rate, Industrial Waste Control Charge (Effective July 1, 2022)

Dear Board Members:

This report provides a review of the performance of the Water and Sewer Fund for FY 2022, as well as a recommendation to adjust the water and sewer rates to Livonia customers, including charges to some of the commercial/industrial customers in Livonia. The following topics are discussed in this report:

- Increase in wholesale water and sewer cost
- A review of the Water and Sewer Fund performance for FY 2021
- Proposed Water and Sewer Fund rate adjustments for 2022
- Ordinance amendments reflecting recommended rate adjustments

Change in Wholesale Water and Sewer Cost

The Great Lakes Water Authority (GLWA) increased the wholesale cost of water to the City of Livonia by 3.4%. The cost to the City of Livonia per billing unit of 100 cubic feet (approximately 750 gallons) has increased by 5 cents, from \$1.01 to \$1.06. The GLWA fixed monthly charges have increased by \$15,700 per month, from \$607,100 to \$622,800 per month.

In response to the Highland Park bad debt passthrough, the City wrote a letter to Governor Whitmer requesting greater involvement from the State of Michigan in resolving this dispute. Additionally, the Administration prepared a request, and City

Council approved, for the Highland Park portion of the bad debt to be held in escrow until the matter is resolved.

Wayne County charges sewage disposal as a fixed monthly fee to the City of Livonia. The cost is estimated to increase 6% from \$1,353,319 to \$1,434,518. The increase in rates is the result of large Wayne County improvement projects planned and budgeted in previous fiscal years that were delayed due to COVID-19.

A Review of the Water and Sewer Fund Performance for Fiscal Year 2021

The Water and Sewer Fund experienced a net operating gain of \$521,565 before contributions from developers, grant reimbursements, and special assessment revenue (reference Attachment III). Every year, the goal of rate setting is to generate enough income to cover anticipated operating expenses, debt service payments, and capital improvements. Although the fiscal year 2021 operating revenue was down nearly \$3 million from the projected amount, a result of lower sales due to a rainy summer, operating expenses were also down \$2.7 million.

Projected Water and Sewer Fund Rate Adjustments for 2022

Wholesale Charges:

The Great Lakes Water Authority (GLWA) and Wayne County wholesale charges to the City of Livonia for 2022 are shown below in Table 1. Each unit is 100 cubic feet. Approximately 41.35% of Great Lakes Water Authority and Wayne County's total fixed costs are passed through to our customers in fixed format, with the remaining 58.65% being adjusted back into the per-unit charges for water and sewer.

TABLE 1

Description	<u>2021</u>	<u>2022</u>	<u>\$ / % Change</u>
GLWA Per Unit (water)	\$ 1.01	\$1.06	\$ 0.05 / 4.95%
GLWA Fixed Cost per month (water)	\$607,100	\$622,800	\$15,700 / 2.59%
Wayne County Fixed Cost per month (sewer)	\$1,353,319	\$1,434,518	\$81,199 / 6.00%

The GLWA is also adjusting the Industrial Surcharge Rates and the Industrial Waste Control Charges as shown in the Summary and Recommendations in the Water and Sewer Ordinance revisions. All four of the Industrial Surcharge rates have increased. The Industrial Waste Control Charges, which are based on meter size, have been increased by 1.13% across the board. Both the Industrial Surcharge Rate and the Industrial Waste Control Charges affect *only* commercial and industrial customers. These charges continue to be a pass-through to the affected customer with no additional charge by the City of Livonia.

City of Livonia Charges:

A continuing effort is being made to provide services in the most efficient, cost-effective manner possible. Operating, maintenance and administration expenses are constantly monitored to keep costs within budget. All policies and procedures are regularly reviewed, and processes and procedures are implemented to contain cost while providing excellent service. Operations and maintenance will continue to monitor water main breaks, weather conditions and the state of our infrastructure to find ways of reducing expenses. Administration is also exploring ways to provide customer billing and collection services that reduce cost while providing improved service to the customer.

TABLE 2 below reflects the recommended rate adjustments for low-, medium- and high-volume users with small meters. There are 37,630 users with small meters.

**CITY OF LIVONIA
WATER AND SEWER RATES PER BILLING UNIT (100 CF)
"SMALL USERS" 5/8 to 1 Inch Meters
As of July 1, 2022**

		LOW USAGE			MEDIUM USAGE			HIGH USAGE		
		<u>10 UNITS/QUARTER</u>			<u>20 UNITS/QUARTER</u>			<u>30 UNITS/QUARTER</u>		
<u>Per Unit Charge:</u>		<u>7/1/2021</u>	<u>7/1/2022</u>	<u>Chg</u> <u>(%)</u>	<u>7/1/2021</u>	<u>7/1/2022</u>	<u>Chg</u> <u>(%)</u>	<u>7/1/2021</u>	<u>7/1/2022</u>	<u>Chg</u> <u>(%)</u>
2021 Water per Billing Unit	2.73	\$ 27.30			\$ 54.60			\$ 81.90		
2022 Water per Billing Unit	2.89		\$ 28.90			\$ 57.80			\$ 86.70	
2021 Sewer per Billing Unit	2.79	\$ 27.90			\$ 55.80			\$ 83.70		
2022 Sewer per Billing Unit	2.90		\$ 29.00			\$ 58.00			\$ 87.00	
2021 Fixed Charge	69.75	<u>\$ 69.75</u>			<u>\$ 69.75</u>			<u>\$ 69.75</u>		
2022 Fixed Charge	69.75		<u>\$ 69.75</u>			<u>\$ 69.75</u>			<u>\$ 69.75</u>	
Total Charge		<u>\$ 124.95</u>	<u>\$ 127.65</u>	<u>2.16%</u>	<u>\$ 180.55</u>	<u>\$ 185.55</u>	<u>3.00%</u>	<u>\$ 235.35</u>	<u>\$ 243.45</u>	<u>3.44%</u>

The table below reflects the recommended rate adjustments for "large users" of meter sizes 1½" to 10".

TABLE 3

CITY OF LIVONIA – WATER AND SEWER RATES PER BILLING UNIT (100 CF)
 "LARGE USERS" – METER SIZE OVER 1 INCH – As of July 1, 2022

PER UNIT RATES	<u>#/Meters</u>	<u>2021/22</u>	<u>2022/23</u>	<u>Incr./Decr.</u>	<u>Incr.</u>
Cost of Water per Billing Unit		2.73	2.89	0.16	5.86%
Cost of Sewer per Billing Unit		2.79	2.90	0.11	3.94%
Large User Charge		2.63	2.87	<u>0.24</u>	9.13%
QUARTERLY FIXED FEES PER METER					
1 1/2 " Meter	628	205.02	205.02	0	0.0%
2" Meter	689	263.16	263.16	0	0.0%
3" Meter	151	345.78	345.78	0	0.0%
4" Meter	79	528.36	528.36	0	0.0%
6" Meter	16	1,407.60	1,407.60	0	0.0%
8" Meter	8	3,987.18	3,987.18	0	0.0%
10" Meter	1	11,493.36	11,493.36	0	0.0%

Impact of Water and Sewer improvement projects

Planned water and sewer improvement projects have had some impact on the proposed Water and Sewer Fund rate adjustments for 2022.

The City continues to perform sewer cured-in-place-pipe (CIPP) lining in the northwest quadrant of Section 34. This year's plan includes CIPP lining of approximately 2.9 miles of sewer pipe ranging from 8-inch to 36-inch diameter at a cost of \$1.3M. Preparation for the CIPP lining work will start in June/July 2022 and CIPP lining is planned for August 2022.

The City has embarked on a Footing Drain Disconnection program to significantly reduce the amount of clean water entering into our sanitary sewer system. The program began in 2017 in response to the May 2011 sewer backup settlement. Due to the reduction in flows that we've observed and the overwhelming support from homeowners, we have decided to continue this program for 2022 at a cost of \$1,000,000.

Ordinance amendments reflecting recommended rate adjustments

The 2022/23 total per unit rate increase to the average residential user is 3.0% (reference Attachment I). For comparison, please find Attachment II that highlights the Water and Sewer cost of other communities. Even with this rate change, Livonia rates continue to remain much lower than most surrounding communities.

It is recommended and requested that the Water and Sewer Board proceed with the amendments to the Water and Sewer Ordinance as follows:

13.08.40 Water Consumption rates

EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022

Per Unit Charges

GLWA per 100 cubic feet	2.14
City of Livonia per 100 cubic feet	<u>0.75</u>
Per Unit Charge per 100 cubic feet	2.89

Large User Charge per 100 cubic feet: Meter sizes 1.5 inch or larger	<u>0.96</u>
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TOTAL Large User Charge per 100 cubic Feet	<u>3.85</u>
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13.08.050A Quarterly Fixed Fee per Meter (water)

EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022

5/8 Inch Meter	23.27
3/4 Inch Meter	23.27
1 Inch Meter	23.27
1 ½ Inch Meter	68.40
2 Inch Meter	87.79
3 Inch Meter	115.36
4 Inch Meter	176.27
6 Inch Meter	469.59
8 Inch Meter	1,330.17
10 Inch Meter	3,834.32

13.08.050B Seasonal Flat rate Water, per quarter

81.07

EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022

13.20.120 Sewer Disposal Rates

EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022

Per Unit Charges

Wayne County per 100 cubic feet	2.15
City of Livonia per 100 cubic feet	<u>0.75</u>
Per Unit Charge per 100 cubic feet	2.90

Large User Charge per 100 cubic feet: Meter sizes 1.5 inch or larger	<u>1.91</u>
---	-------------

TOTAL Large User Charge per 100 cubic Feet	<u>4.81</u>
---	--------------------

Quarterly Fixed Fee per Meter (sewer)**EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022**

5/8	Inch Meter	46.48
3/4	Inch Meter	46.48
1	Inch Meter	46.48
1 ½	Inch Meter	136.62
2	Inch Meter	175.37
3	Inch Meter	230.42
4	Inch Meter	352.09
6	Inch Meter	938.01
8	Inch Meter	2,657.01
10	Inch Meter	7,659.04

Industrial Waste Control Monthly Meter Charges (GLWA)

5/8	Inch Meter	3.58
3/4	Inch Meter	5.37
1	Inch Meter	8.95
1 ½	Inch Meter	19.69
2	Inch Meter	28.64
3	Inch Meter	51.91
4	Inch Meter	71.60
6	Inch Meter	107.40
8	Inch Meter	179.00
10	Inch Meter	250.60
12	Inch Meter	286.40
14	Inch Meter	358.00
16	Inch Meter	429.60
18	Inch Meter	501.20
20	Inch Meter	572.80
24	Inch Meter	644.40
30	Inch Meter	716.00

13.20.130 Flat Rate Sewer per Quarter

104.48

EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022

13.20.130 Special Rates - for Designated Users**EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022***Seasonal user with Kitchen or Bathroom Facilities:**50% of Current per unit Sewage Charge***Per Unit Charges**

Wayne County per 100 cubic feet 1.08

City of Livonia per 100 cubic feet 0.37

Per Unit Charge per 100 cubic feet 1.45

Large User Charge per 100 cubic feet: Meter sizes
1.5 inch or larger 0.96**TOTAL Base Charge for Large User 2.41****13.28.050 Industrial Waste Pollutant Strength Surcharges****EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022**Dollar/pound for treating BOD (Biochemical Oxygen Demand) in
excess of 275 mg/l 0.351Dollar/pound for treating TSS (Total Suspended Solids) in excess
of 350 mg/l 0.482

Dollar/pound for treating P (Phosphorus) in excess of 12 mg/l 6.448

Dollar/pound for treating FOG (Fats, Oils & Grease) in excess of
100 mg/l 0.112

Very Truly Yours,



Jacob Rushlow
Assistant Director of Public Works

Connie Kumpula
Chief Accountant

DR/CC/jar

Attachment I: Effect of Rate Adjustment on Typical Residential Bill

Attachment II: Residential Water and Sewer Bill Comparison of Communities

Attachment III: Combined Statement of Revenue and Expenses

cc: Mayor, City Clerk, City Attorney, Finance Director, City Engineer, Chief Accountant

Attachment I

CITY OF LIVONIA
WATER AND SEWER RATES PER BILLING UNIT (100 CF)
"SMALL USERS" 5/8 to 1 Inch Meters
As of July 1, 2022
NO FIXED INCREASE TO SMALL OR LARGE METERS WITH 9% WATER LOSS

	LOW USAGE 10 UNITS			MEDIUM USAGE 20 UNITS			HIGH USAGE 30 UNITS		
	7/1/2021	7/1/2022	CHANGE (%)	7/1/2021	7/1/2022	CHANGE (%)	7/1/2021	7/1/2022	CHANGE (%)
Per Unit Charge:									
2021 - Water per Billing Unit	2.73	\$ 27.30		\$ 54.60		\$	\$ 81.90		
2022 - Water per Billing Unit	2.89	28.90		57.80			86.70		
2021 - Sewer per Billing Unit	2.79	27.90		55.80			83.70		
2022 - Sewer per Billing Unit	2.90	29.00		58.00			87.00		
2021 Fixed Charge	69.75	69.75		69.75			69.75		
2022 Fixed Charge	69.75	69.75		69.75			69.75		
Total Charge		<u>\$ 124.95</u>	<u>2.16%</u>	<u>\$ 180.15</u>	<u>\$ 185.55</u>	<u>3.00%</u>	<u>\$ 235.35</u>	<u>\$ 243.45</u>	<u>3.44%</u>

Footnotes:

(1) "CFW", a billing unit, 100 cubic feet of water, is 748.052 gallons.

(2) 20 units of water is the average usage for a Livonia residential water customer.

Attachment II

**RESIDENTIAL WATER AND SEWER BILL
COMPARISON OF COMMUNITIES
Charges for 10, 20 and 30 Billing Units (CFW)⁽¹⁾ per Quarter
5/8 Inch Meter
As of April 25, 2022**

Purpose: The following comparison is provided to show the amount of a quarterly residential water customer bill based on various hypothetical water usage amounts.

<u>COMMUNITY</u>	<u>LOW USAGE - 10 UNITS</u>	<u>AVERAGE USAGE - 20 UNITS⁽²⁾</u>	<u>HIGH USAGE - 30 UNITS</u>
Canton - with Sump - 2021 Rate	98.07	174.75	251.43
<i>Livonia - 2022 Rate</i>	<i>127.65</i>	<i>185.55</i>	<i>243.45</i>
Plymouth (City of) - 2021 Rate	109.41	207.26	305.11
Canton - without Sump - 2021 Rate	131.67	208.35	285.03
Westland - 2021 Rate	144.33	221.16	297.99
Redford Township - 2021 Rate	134.80	226.10	317.40
Farmington Hills - 2021 Rate	140.59	245.53	333.40
Northville (City of) - 2021 Rate	149.12	282.73	416.34

Footnotes:

⁽¹⁾ "CFW", a billing unit, 100 cubic feet of water, is 748.052 gallons. Communities bill in different units of measurement, such as 1,000 gallons. This analysis converts the various methodologies to a common format.

⁽²⁾ 20 units of water is the average usage for a Livonia residential water customer.

⁽³⁾ Comparison rates are based on most recent information available

ATTACHMENT III
COMBINED STATEMENT OF REVENUE AND EXPENSES

	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 22/23
	AUDIT	AUDIT	AUDIT	AUDIT	AUDIT	AUDIT	Projected	RATE	RATE
								ANALYSIS	ANALYSIS
								W/O INCREASE	W/O INCREASE
OPERATING REVENUE									
Customer billings	36,291,332	36,653,877	39,834,062	39,713,701	39,107,543	38,347,261	41,092,595	41,787,016	40,157,512
Fines and forfeitures	1,760,443	1,751,702	1,851,194	1,857,586	1,407,064	1,498,126	1,820,000	1,820,000	1,820,000
Service Connections	39,331	37,977	80,819	54,206	49,899	66,385	30,000	77,500	77,500
Other Revenue	343,528	100,508	101,016	73,726	52,377	94,969	78,000	267,621	267,621
Total Operating Revenue	38,434,634	38,544,064	41,867,091	41,699,219	40,616,883	40,006,741	43,020,595	43,952,137	42,322,634
OPERATING EXPENSES									
Cost of Water	13,316,848	13,463,652	13,931,174	12,746,276	11,633,702	11,783,956	12,265,743	12,501,098	12,501,098
Cost of Sewage Disposal	14,469,546	14,469,546	14,469,546	15,496,996	16,994,074	16,764,493	16,730,202	17,435,227	17,435,227
System maintenance and operation	5,265,237	5,673,119	6,921,054	4,110,636	5,164,796	5,494,898	7,539,001	7,647,176	7,647,176
General and Administrative	910,561	1,057,499	1,071,356	1,070,456	1,172,959	1,241,712	1,370,791	1,359,104	1,359,104
GASB 75 OPEB expense			875,000						
Depreciation	2,962,102	3,148,353	3,314,702	3,427,755	3,682,943	3,797,231	3,922,243	3,922,243	3,922,243
Total Operating Expense	36,924,294	37,812,169	40,582,832	36,852,119	38,648,474	39,082,290	41,827,980	42,864,847	42,864,847
Operating income	1,510,340	731,895	1,284,259	4,847,100	1,968,409	924,451	1,192,615	1,087,290	(542,214)
NON OPERATING REVENUE (EXPENSE)									
Interest Income	63,389	102,678	238,443	489,429	245,340	(10,295)	54,708	16,500	(63,500)
Interest Expense	(306,932)	(327,007)	(328,908)	(301,006)	(339,904)	(392,591)	(298,604)	(382,865)	(382,865)
Gain on Sale of Assets	9,775	44,286	63,275	31,550	-	-	40,000	-	-
Total Nonoperating Revenue(Expense)	(233,768)	(180,043)	(27,190)	219,973	(94,564)	(402,886)	(203,896)	(366,365)	(446,365)
EXTRAORDINARY ITEM									
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTION AND EXTRAORDINARY ITEMS	1,276,572	551,852	1,257,069	5,067,073	1,873,845	521,565	988,719	720,926	(988,578)



LETTER TO THE LIVONIA CITY COUNCIL

6.

DPW
May 3, 2022

MEETING DATE

Study Meeting of May
16, 2022

PREPARED BY

Jill Russell, Secretary III,

AGENDA ITEM

REQUEST TO ADJUST WATER AND SEWER CONSUMPTION RATES, INDUSTRIAL SURCHARGE RATE AND INDUSTRIAL WASTE CONTROL CHARGE: Department of Public Works, re: to become effective on July 1, 2022.

BACKGROUND

Livonia's Department of Public Works and Finance Department have worked together on the water and sewer rates proposed for implementation on July 1, 2022. In calculating the new rates, a review was made to determine how the fiscal year 2021 rates performed in conjunction with the budget, along with an analysis of the effects of the proposed new rates on our small-, medium- and large-water users.

Incorporating an increase of wholesale charges from the Great Lakes Water Authority and an expected reduction in water sales charges, the recommended new rates will impact customers in the following manner:

1. The proposed water and sewer rate increase is 3.0 percent (3.0%) this year for the average residential user, which is an increase of \$5.40 per quarter. Average use is based on consumption of 20 units (2,000 cubic feet) per quarter, which is 15,000 gallons of water.
2. The rate increase is mainly due to a pass-through of the changes to the water charges from our wholesale provider coupled with an anticipated decrease in water sales. GLWA increased the wholesale per unit charge by \$0.05 or 3.4 percent (3.4%) from \$1.01 to \$1.06. GLWA also increased the month fixed fee by \$15,700 or 1.2 percent (1.2%).
3. No change to Livonia's fixed rates is recommended. An increase in future years remains possible, depending on current and future yearly sales.
4. City of Livonia users still pay much less for water than users in most surrounding communities pay for an equal amount of water.
5. The new rates will be in effect from July 1, 2022, through June 30, 2023.

Additional detailed information is included in the attached letter to the Water and Sewer Board.

RECOMMENDATION

It is recommended that Council approve the new Water & Sewer Rates, Industrial Surcharge Rate and Industrial Waste Control charges effective with the first billing on and after July 1, 2022.

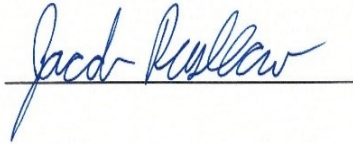
FISCAL CONSIDERATION

None

ATTACHMENTS

1. 2022 Attachment I - Per Unit Increase
2. 2022 Attachment II - Comparison of Communities For Distribution.xlsx
3. 2022 Attachment III - Statement of Revenue and Expense
4. LTC-Water Board Ltr Re Rates

APPROVED BY



Date: May 03, 2022

Jacob Rushlow, P.E., Assistant Director of Public Works



Date: May 03, 2022

Don Rohraff, Director of Public Works



Date: May 03, 2022

Michael Slater, Finance Director



Date: May 03, 2022

Paul Bernier, City Attorney



Date: May 05, 2022

Maureen Miller Brosnan, Mayor

**AN ORDINANCE AMENDING SECTION 050 OF TITLE
13, CHAPTER 08 (WATER SERVICE RATES AND
REVENUES) OF THE LIVONIA CODE OF
ORDINANCES, AS AMENDED.**

THE CITY OF LIVONIA ORDAINS:

Section 1. Section 050 of Title 13, Chapter 08 the Livonia Code of Ordinances, as amended, is hereby amended to read as follows:

13.08.050 Fixed rates. A. In addition to the charge for water usage, effective with the first billing on and after July 1, 202~~1~~², there will be a fixed quarterly charge, determined by meter size, as follows:

METER SIZE	QUARTERLY CHARGE
5/8 Inch	\$ 22.893.27
3/4 Inch	\$ 22.893.27
1 Inch	\$ 22.893.27
1 1/2" Meter	\$ 67.308.40
2" Meter	\$ 86.387.79
3" Meter	\$ 113.505.36
4" Meter	\$ 173.436.27
6" Meter	\$ 462.039.59
8" Meter	\$ 1,308.7530.17
10" Meter	\$ 3,772.58834.32

B. Seasonal Flat rate Water, per quarter \$ ~~77.4981.07~~.

Section 2. All ordinances or parts of ordinances in conflict herewith are hereby repealed only to the extent necessary to give this ordinance full force and effect.

Section 3. Should any portion of this ordinance be held invalid for any reason, such holding shall not be construed as affecting the validity of any of the remaining portions of this ordinance.

CITY OF LIVONIA – CITY COUNCIL
MINUTES OF STUDY MEETING HELD MAY 16, 2022

6,7,8,9,10

Meeting was called to order at 8:00 p.m. by President Jim Jolly. Present: Vice President Laura Toy, Scott Bahr, Rob Donovic, Scott Morgan, and Brandon McCullough, Kathleen McIntyre. Absent: None.

Elected and appointed officials present: City Clerk, Susan Nash, Mark Taormina, Director of Planning and Economic Development, Todd Zilincik, City Engineer, Mike Fisher; Assistant City Attorney, Jerome Hanna, Director of Inspection and Ordinance, and Jacob Rushlow, Assistant Director of Public Works.

6. REQUEST TO ADJUST WATER AND SEWER CONSUMPTION RATES, INDUSTRIAL SURCHARGE RATE AND INDUSTRIAL WASTE CONTROL CHARGE:
Department of Public Works, re: to become effective on July 1, 2022.

Jacob Rushlow, Assistant Superintendent of Public Works, and Connie Kumpula, Chief Accountant, presented the request to Council.

Council President Jim Jolly stated that there has been a lot of information regarding the Highland Park water debt and asked to what extent that was factored into the rate adjustments. A resolution was passed refusing to pay their debt and asked to verify that it was not considered as part of the rate increase. Connie Kumpula stated that GLWA sets their revenue requirement, and it is built into that revenue requirement. To make up for that, the city divided the \$40,000.00 by twelve, from their debt that was built in, and reduced the payment to GLWA each month. Councilmember Scott Bahr clarified that the residents are still paying that rate, but since that money is being held in escrow until everything is resolved. Once that happens, the residents would get that portion back

Councilmember Bahr asked to clarify what was meant by the expected reduction in water sales charges, if that meant they are expected to sell less water to residents. Connie Kumpula agreed, stating that has been the trend over the last couple of years. Councilmember Bahr asked what impact that had on the rates. Connie replied that when you sell less water, you have less spread to cover the fixed costs. Councilmember Bahr asked what the decreased usage was attributed to. Jacob Rushlow stated that it was being more conscious of how water is used and changes to water fixtures are reducing water use, along with industrial side, they are recycling the water used which makes the water use more efficient.

Councilmember Bahr asked about the rate impact of the sanitary water running through the sewer system. Jacob Rushlow stated that it impacts rates because it is another Capital Improvement Project, which reduces the flow into the sanitary system that needs to be treated.

Councilmember Bahr asked if there can be a separation of sewer and clean water. Jacob Rushlow stated that there isn't a good and efficient way to monitor and meter the gravity flow of water coming out of the drain and sewer pipe.

Councilmember Bahr asked how we compare to surrounding communities. Jacob Rushlow stated that Canton has built a water storage facility that helps control their peak flows. Councilmember Bahr asked about an update on Livonia doing the same. Jacob said they are polishing up a preliminary engineering study right now for a water storage reservoir in Livonia which should be done in the next few months. Once they meet with Finance after that, they can move forward.

Councilmember Scott Bahr offered and approving resolution for the Regular agenda.

Council Vice President Laura Toy asked to put the subject matter of water rates into the Environmental Committee to discuss when it is appropriate. Council President Jim Jolly stated that this might already be in committee.

DIRECTION:

APPROVAL

REGULAR



LETTER TO THE LIVONIA CITY COUNCIL

8.

Law
May 10, 2022

MEETING DATE

Regular Meeting of
June 6, 2022

PREPARED BY

Brenda Smyser, Program Supervisor,

AGENDA ITEM

PROPOSED AMENDMENT TO THE LIVONIA CODE OF ORDINANCE, AS AMENDED:
Department of Law, re: to Section 120 of Title 13, Chapter 20 (Livonia Sewage Disposal System) to provide for changes to the sewer disposal and maintenance rates to become effective with the first billing on or after July 1, 2022.

BACKGROUND

At your study meeting of May 16, 2022, you referred the preparation of an ordinance amendment to Section 13.20.120 of the Livonia Code of Ordinances, to the Department of Law for submission to Council. This ordinance amendment reflects the requested changes to the water consumption rates.

Accordingly, this proposed amendment is hereby submitted for your consideration and possible adoption.

RECOMMENDATION

FIRST READ

and Industrial Waste Control charges effective with the first billing on and after July 1, 2022.

FISCAL CONSIDERATION

None

ATTACHMENTS

1. 2022 Attachment I - Per Unit Increase
2. 2022 Attachment II - Comparison of Communities For Distribution.xlsx
3. 2022 Attachment III - Statement of Revenue and Expense
4. LTC-Water Board Ltr Re Rates
5. LTC S051622 Req to adjust water and sewer rates
6. Proposed Ordinance 13.20.120 - 2022
7. S051622 Water Consumption Rates Minutes

APPROVED BY



Paul Bernier, City Attorney

Date: May 17, 2022



Maureen Miller Brosnan, Mayor

Date: May 20, 2022

Attachment ICITY OF LIVONIA
WATER AND SEWER RATES PER BILLING UNIT (100 CF)

"SMALL USERS" 5/8 to 1 Inch Meters

As of July 1, 2022

NO FIXED INCREASE TO SMALL OR LARGE METERS WITH 9% WATER LOSS

	LOW USAGE 10 UNITS PER QUARTER			MEDIUM USAGE 20 UNITS PER QUARTER			HIGH USAGE 30 UNITS PER QUARTER		
	<u>7/1/2021</u>	<u>7/1/2022</u>	<u>CHANGE (%)</u>	<u>7/1/2021</u>	<u>7/1/2022</u>	<u>CHANGE (%)</u>	<u>7/1/2021</u>	<u>7/1/2022</u>	<u>CHANGE (%)</u>
Per Unit Charge:									
2021 - Water per Billing Unit	2.73	\$ 27.30		\$ 54.60			\$ 81.90		
2022 - Water per Billing Unit	2.89	28.90		57.80			86.70		
2021 - Sewer per Billing Unit	2.79	27.90		55.80			83.70		
2022 - Sewer per Billing Unit	2.90	29.00		58.00			87.00		
2021 Fixed Charge	69.75	<u>69.75</u>		<u>69.75</u>			<u>69.75</u>		
2022 Fixed Charge	69.75	<u>69.75</u>		<u>69.75</u>			<u>69.75</u>		
Total Charge	<u>\$ 124.95</u>	<u>\$ 127.65</u>	<u>2.16%</u>	<u>\$ 180.15</u>	<u>\$ 185.55</u>	<u>3.00%</u>	<u>\$ 235.35</u>	<u>\$ 243.45</u>	<u>3.44%</u>

Footnotes:⁽¹⁾ "CFW", a billing unit, 100 cubic feet of water, is 748.052 gallons.⁽²⁾ 20 units of water is the average usage for a Livonia residential water customer.

Attachment II

**RESIDENTIAL WATER AND SEWER BILL
COMPARISON OF COMMUNITIES
Charges for 10, 20 and 30 Billing Units (CFW)⁽¹⁾ per Quarter
5/8 Inch Meter
As of April 25, 2022**

Purpose: The following comparison is provided to show the amount of a quarterly residential water customer bill based on various hypothetical water usage amounts.

<u>COMMUNITY</u>	<u>LOW USAGE - 10 UNITS</u>	<u>AVERAGE USAGE - 20 UNITS⁽²⁾</u>	<u>HIGH USAGE - 30 UNITS</u>
Canton - with Sump - 2021 Rate	98.07	174.75	251.43
<i>Livonia - 2022 Rate</i>	<i>127.65</i>	<i>185.55</i>	<i>243.45</i>
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Redford Township - 2021 Rate	134.80	226.10	317.40
Farmington Hills - 2021 Rate	140.59	245.53	333.40
Northville (City of) - 2021 Rate	149.12	282.73	416.34

Footnotes:

⁽¹⁾ "CFW", a billing unit, 100 cubic feet of water, is 748.052 gallons. Communities bill in different units of measurement, such as 1,000 gallons. This analysis converts the various methodologies to a common format.

⁽²⁾ 20 units of water is the average usage for a Livonia residential water customer.

⁽³⁾ Comparison rates are based on most recent information available

**ATTACHMENT III
COMBINED STATEMENT OF REVENUE AND EXPENSES**

	FY 15/16 AUDIT	FY 16/17 AUDIT	FY 17/18 AUDIT	FY 18/19 AUDIT	FY 19/20 AUDIT	FY 20/21 AUDIT	FY 21/22 Projected	FY 22/23 RATE ANALYSIS	FY 22/23 RATE ANALYSIS W/O INCREASE
OPERATING REVENUE									
Customer billings	36,291,332	36,653,877	39,834,062	39,713,701	39,107,543	38,347,261	41,092,595	41,787,016	40,157,512
Fines and forfeitures	1,760,443	1,751,702	1,851,194	1,857,586	1,407,064	1,498,126	1,820,000	1,820,000	1,820,000
Service Connections	39,331	37,977	80,819	54,206	49,899	66,385	30,000	77,500	77,500
Other Revenue	<u>343,528</u>	<u>100,508</u>	<u>101,016</u>	<u>73,726</u>	<u>52,377</u>	<u>94,969</u>	<u>78,000</u>	<u>267,621</u>	<u>267,621</u>
Total Operating Revenue	<u>38,434,634</u>	<u>38,544,064</u>	<u>41,867,091</u>	<u>41,699,219</u>	<u>40,616,883</u>	<u>40,006,741</u>	<u>43,020,595</u>	<u>43,952,137</u>	<u>42,322,634</u>
OPERATING EXPENSES									
Cost of Water	13,316,848	13,463,652	13,931,174	12,746,276	11,633,702	11,783,956	12,265,743	12,501,098	12,501,098
Cost of Sewage Disposal	14,469,546	14,469,546	14,469,546	15,496,996	16,994,074	16,764,493	16,730,202	17,435,227	17,435,227
System maintenance and operation	5,265,237	5,673,119	6,921,054	4,110,636	5,164,796	5,494,898	7,539,001	7,647,176	7,647,176
General and Administrative	910,561	1,057,499	1,071,356	1,070,456	1,172,959	1,241,712	1,370,791	1,359,104	1,359,104
GASB 75 OPEB expense			875,000						
Depreciation	<u>2,962,102</u>	<u>3,148,353</u>	<u>3,314,702</u>	<u>3,427,755</u>	<u>3,682,943</u>	<u>3,797,231</u>	<u>3,922,243</u>	<u>3,922,243</u>	<u>3,922,243</u>
Total Operating Expense	<u>36,924,294</u>	<u>37,812,169</u>	<u>40,582,832</u>	<u>36,852,119</u>	<u>38,648,474</u>	<u>39,082,290</u>	<u>41,827,980</u>	<u>42,864,847</u>	<u>42,864,847</u>
Operating income	<u>1,510,340</u>	<u>731,895</u>	<u>1,284,259</u>	<u>4,847,100</u>	<u>1,968,409</u>	<u>924,451</u>	<u>1,192,615</u>	<u>1,087,290</u>	<u>(542,214)</u>
NON OPERATING REVENUE (EXPENSE)									
Interest Income	63,389	102,678	238,443	489,429	245,340	(10,295)	54,708	16,500	(63,500)
Interest Expense	(306,932)	(327,007)	(328,908)	(301,006)	(339,904)	(392,591)	(298,604)	(382,865)	(382,865)
Gain on Sale of Assets	<u>9,775</u>	<u>44,286</u>	<u>63,275</u>	<u>31,550</u>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>-</u>
Total Nonoperating Revenue(Expense)	<u>(233,768)</u>	<u>(180,043)</u>	<u>(27,190)</u>	<u>219,973</u>	<u>(94,564)</u>	<u>(402,886)</u>	<u>(203,896)</u>	<u>(366,365)</u>	<u>(446,365)</u>
EXTRAORDINARY ITEM	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTION AND EXTRAORDINARY ITEMS	<u>1,276,572</u>	<u>551,852</u>	<u>1,257,069</u>	<u>5,067,073</u>	<u>1,873,845</u>	<u>521,565</u>	<u>988,719</u>	<u>720,926</u>	<u>(988,578)</u>



DEPARTMENT OF PUBLIC WORKS

MAUREEN MILLER BROSNAN
MAYOR

DONALD R. ROHRAFF
DIRECTOR OF PUBLIC WORKS

DOUGLAS L. MOORE, MSA
ASSISTANT DIRECTOR OF PUBLIC WORKS

JACOB A. RUSHLOW, PE
ASSISTANT DIRECTOR OF PUBLIC WORKS



12973 FARMINGTON ROAD
LIVONIA, MICHIGAN 48150-4202
(734) 466-2655
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MAINTENANCE SERVICES

- Roads
- Parks
- Water
- Sewer
- Building
- Animal Control
- Forestry
- Equipment
- Storm Drains
- Traffic Signs
- Solid Waste / Recycling

April 26, 2022

Water and Sewer Board
City of Livonia

Subject: Water and Sewer Fund Review, Water and Sewer Rates Adjustments. Industrial Surcharge Rate, Industrial Waste Control Charge (Effective July 1, 2022)

Dear Board Members:

This report provides a review of the performance of the Water and Sewer Fund for FY 2022, as well as a recommendation to adjust the water and sewer rates to Livonia customers, including charges to some of the commercial/industrial customers in Livonia. The following topics are discussed in this report:

- Increase in wholesale water and sewer cost
- A review of the Water and Sewer Fund performance for FY 2021
- Proposed Water and Sewer Fund rate adjustments for 2022
- Ordinance amendments reflecting recommended rate adjustments

Change in Wholesale Water and Sewer Cost

The Great Lakes Water Authority (GLWA) increased the wholesale cost of water to the City of Livonia by 3.4%. The cost to the City of Livonia per billing unit of 100 cubic feet (approximately 750 gallons) has increased by 5 cents, from \$1.01 to \$1.06. The GLWA fixed monthly charges have increased by \$15,700 per month, from \$607,100 to \$622,800 per month.

In response to the Highland Park bad debt passthrough, the City wrote a letter to Governor Whitmer requesting greater involvement from the State of Michigan in resolving this dispute. Additionally, the Administration prepared a request, and City

Council approved, for the Highland Park portion of the bad debt to be held in escrow until the matter is resolved.

Wayne County charges sewage disposal as a fixed monthly fee to the City of Livonia. The cost is estimated to increase 6% from \$1,353,319 to \$1,434,518. The increase in rates is the result of large Wayne County improvement projects planned and budgeted in previous fiscal years that were delayed due to COVID-19.

A Review of the Water and Sewer Fund Performance for Fiscal Year 2021

The Water and Sewer Fund experienced a net operating gain of \$521,565 before contributions from developers, grant reimbursements, and special assessment revenue (reference Attachment III). Every year, the goal of rate setting is to generate enough income to cover anticipated operating expenses, debt service payments, and capital improvements. Although the fiscal year 2021 operating revenue was down nearly \$3 million from the projected amount, a result of lower sales due to a rainy summer, operating expenses were also down \$2.7 million.

Projected Water and Sewer Fund Rate Adjustments for 2022

Wholesale Charges:

The Great Lakes Water Authority (GLWA) and Wayne County wholesale charges to the City of Livonia for 2022 are shown below in Table 1. Each unit is 100 cubic feet. Approximately 41.35% of Great Lakes Water Authority and Wayne County's total fixed costs are passed through to our customers in fixed format, with the remaining 58.65% being adjusted back into the per-unit charges for water and sewer.

TABLE 1

Description	<u>2021</u>	<u>2022</u>	<u>\$ / % Change</u>
GLWA Per Unit (water)	\$ 1.01	\$1.06	\$ 0.05 / 4.95%
GLWA Fixed Cost per month (water)	\$607,100	\$622,800	\$15,700 / 2.59%
Wayne County Fixed Cost per month (sewer)	\$1,353,319	\$1,434,518	\$81,199 / 6.00%

The GLWA is also adjusting the Industrial Surcharge Rates and the Industrial Waste Control Charges as shown in the Summary and Recommendations in the Water and Sewer Ordinance revisions. All four of the Industrial Surcharge rates have increased. The Industrial Waste Control Charges, which are based on meter size, have been increased by 1.13% across the board. Both the Industrial Surcharge Rate and the Industrial Waste Control Charges affect *only* commercial and industrial customers. These charges continue to be a pass-through to the affected customer with no additional charge by the City of Livonia.

City of Livonia Charges:

A continuing effort is being made to provide services in the most efficient, cost-effective manner possible. Operating, maintenance and administration expenses are constantly monitored to keep costs within budget. All policies and procedures are regularly reviewed, and processes and procedures are implemented to contain cost while providing excellent service. Operations and maintenance will continue to monitor water main breaks, weather conditions and the state of our infrastructure to find ways of reducing expenses. Administration is also exploring ways to provide customer billing and collection services that reduce cost while providing improved service to the customer.

TABLE 2 below reflects the recommended rate adjustments for low-, medium- and high-volume users with small meters. There are 37,630 users with small meters.

**CITY OF LIVONIA
WATER AND SEWER RATES PER BILLING UNIT (100 CF)
"SMALL USERS" 5/8 to 1 Inch Meters
As of July 1, 2022**

		LOW USAGE			MEDIUM USAGE			HIGH USAGE		
		<u>10 UNITS/QUARTER</u>			<u>20 UNITS/QUARTER</u>			<u>30 UNITS/QUARTER</u>		
<u>Per Unit Charge:</u>		<u>7/1/2021</u>	<u>7/1/2022</u>	<u>Chg</u> <u>(%)</u>	<u>7/1/2021</u>	<u>7/1/2022</u>	<u>Chg</u> <u>(%)</u>	<u>7/1/2021</u>	<u>7/1/2022</u>	<u>Chg</u> <u>(%)</u>
2021 Water per Billing Unit	2.73	\$ 27.30			\$ 54.60			\$ 81.90		
2022 Water per Billing Unit	2.89		\$ 28.90			\$ 57.80			\$ 86.70	
2021 Sewer per Billing Unit	2.79	\$ 27.90			\$ 55.80			\$ 83.70		
2022 Sewer per Billing Unit	2.90		\$ 29.00			\$ 58.00			\$ 87.00	
2021 Fixed Charge	69.75	<u>\$ 69.75</u>			<u>\$ 69.75</u>			<u>\$ 69.75</u>		
2022 Fixed Charge	69.75		<u>\$ 69.75</u>			<u>\$ 69.75</u>			<u>\$ 69.75</u>	
Total Charge		<u>\$ 124.95</u>	<u>\$ 127.65</u>	<u>2.16%</u>	<u>\$ 180.55</u>	<u>\$ 185.55</u>	<u>3.00%</u>	<u>\$ 235.35</u>	<u>\$ 243.45</u>	<u>3.44%</u>

The table below reflects the recommended rate adjustments for "large users" of meter sizes 1½" to 10".

TABLE 3

CITY OF LIVONIA – WATER AND SEWER RATES PER BILLING UNIT (100 CF)
 "LARGE USERS" – METER SIZE OVER 1 INCH – As of July 1, 2022

PER UNIT RATES	<u>#/Meters</u>	<u>2021/22</u>	<u>2022/23</u>	<u>Incr./Decr.</u>	<u>Incr.</u>
Cost of Water per Billing Unit		2.73	2.89	0.16	5.86%
Cost of Sewer per Billing Unit		2.79	2.90	0.11	3.94%
Large User Charge		2.63	2.87	<u>0.24</u>	9.13%
QUARTERLY FIXED FEES PER METER					
1 1/2 " Meter	628	205.02	205.02	0	0.0%
2" Meter	689	263.16	263.16	0	0.0%
3" Meter	151	345.78	345.78	0	0.0%
4" Meter	79	528.36	528.36	0	0.0%
6" Meter	16	1,407.60	1,407.60	0	0.0%
8" Meter	8	3,987.18	3,987.18	0	0.0%
10" Meter	1	11,493.36	11,493.36	0	0.0%

Impact of Water and Sewer improvement projects

Planned water and sewer improvement projects have had some impact on the proposed Water and Sewer Fund rate adjustments for 2022.

The City continues to perform sewer cured-in-place-pipe (CIPP) lining in the northwest quadrant of Section 34. This year's plan includes CIPP lining of approximately 2.9 miles of sewer pipe ranging from 8-inch to 36-inch diameter at a cost of \$1.3M. Preparation for the CIPP lining work will start in June/July 2022 and CIPP lining is planned for August 2022.

The City has embarked on a Footing Drain Disconnection program to significantly reduce the amount of clean water entering into our sanitary sewer system. The program began in 2017 in response to the May 2011 sewer backup settlement. Due to the reduction in flows that we've observed and the overwhelming support from homeowners, we have decided to continue this program for 2022 at a cost of \$1,000,000.

Ordinance amendments reflecting recommended rate adjustments

The 2022/23 total per unit rate increase to the average residential user is 3.0% (reference Attachment I). For comparison, please find Attachment II that highlights the Water and Sewer cost of other communities. Even with this rate change, Livonia rates continue to remain much lower than most surrounding communities.

It is recommended and requested that the Water and Sewer Board proceed with the amendments to the Water and Sewer Ordinance as follows:

13.08.40 Water Consumption rates

EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022

Per Unit Charges

GLWA per 100 cubic feet	2.14
City of Livonia per 100 cubic feet	<u>0.75</u>
Per Unit Charge per 100 cubic feet	2.89

Large User Charge per 100 cubic feet: Meter sizes 1.5 inch or larger	<u>0.96</u>
---	-------------

TOTAL Large User Charge per 100 cubic Feet	<u>3.85</u>
---	--------------------

13.08.050A Quarterly Fixed Fee per Meter (water)

EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022

5/8 Inch Meter	23.27
3/4 Inch Meter	23.27
1 Inch Meter	23.27
1 ½ Inch Meter	68.40
2 Inch Meter	87.79
3 Inch Meter	115.36
4 Inch Meter	176.27
6 Inch Meter	469.59
8 Inch Meter	1,330.17
10 Inch Meter	3,834.32

13.08.050B Seasonal Flat rate Water, per quarter

81.07

EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022

13.20.120 Sewer Disposal Rates

EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022

Per Unit Charges

Wayne County per 100 cubic feet	2.15
City of Livonia per 100 cubic feet	<u>0.75</u>
Per Unit Charge per 100 cubic feet	2.90

Large User Charge per 100 cubic feet: Meter sizes 1.5 inch or larger	<u>1.91</u>
---	-------------

TOTAL Large User Charge per 100 cubic Feet	<u>4.81</u>
---	--------------------

Quarterly Fixed Fee per Meter (sewer)**EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022**

5/8	Inch Meter	46.48
3/4	Inch Meter	46.48
1	Inch Meter	46.48
1 ½	Inch Meter	136.62
2	Inch Meter	175.37
3	Inch Meter	230.42
4	Inch Meter	352.09
6	Inch Meter	938.01
8	Inch Meter	2,657.01
10	Inch Meter	7,659.04

Industrial Waste Control Monthly Meter Charges (GLWA)

5/8	Inch Meter	3.58
3/4	Inch Meter	5.37
1	Inch Meter	8.95
1 ½	Inch Meter	19.69
2	Inch Meter	28.64
3	Inch Meter	51.91
4	Inch Meter	71.60
6	Inch Meter	107.40
8	Inch Meter	179.00
10	Inch Meter	250.60
12	Inch Meter	286.40
14	Inch Meter	358.00
16	Inch Meter	429.60
18	Inch Meter	501.20
20	Inch Meter	572.80
24	Inch Meter	644.40
30	Inch Meter	716.00

13.20.130 Flat Rate Sewer per Quarter

104.48

EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022

13.20.130 Special Rates - for Designated Users**EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022***Seasonal user with Kitchen or Bathroom Facilities:**50% of Current per unit Sewage Charge***Per Unit Charges**

Wayne County per 100 cubic feet 1.08

City of Livonia per 100 cubic feet 0.37

Per Unit Charge per 100 cubic feet 1.45

Large User Charge per 100 cubic feet: Meter sizes
1.5 inch or larger 0.96**TOTAL Base Charge for Large User 2.41****13.28.050 Industrial Waste Pollutant Strength Surcharges****EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022**Dollar/pound for treating BOD (Biochemical Oxygen Demand) in
excess of 275 mg/l 0.351Dollar/pound for treating TSS (Total Suspended Solids) in excess
of 350 mg/l 0.482

Dollar/pound for treating P (Phosphorus) in excess of 12 mg/l 6.448

Dollar/pound for treating FOG (Fats, Oils & Grease) in excess of
100 mg/l 0.112

Very Truly Yours,



Jacob Rushlow
Assistant Director of Public Works

Connie Kumpula
Chief Accountant

DR/CC/jar

Attachment I: Effect of Rate Adjustment on Typical Residential Bill

Attachment II: Residential Water and Sewer Bill Comparison of Communities

Attachment III: Combined Statement of Revenue and Expenses

cc: Mayor, City Clerk, City Attorney, Finance Director, City Engineer, Chief Accountant

Attachment I

CITY OF LIVONIA
WATER AND SEWER RATES PER BILLING UNIT (100 CF)
"SMALL USERS" 5/8 to 1 Inch Meters
As of July 1, 2022
NO FIXED INCREASE TO SMALL OR LARGE METERS WITH 9% WATER LOSS

	LOW USAGE 10 UNITS			MEDIUM USAGE 20 UNITS			HIGH USAGE 30 UNITS		
	7/1/2021	7/1/2022	CHANGE (%)	7/1/2021	7/1/2022	CHANGE (%)	7/1/2021	7/1/2022	CHANGE (%)
Per Unit Charge:									
2021 - Water per Billing Unit	2.73	\$ 27.30		\$ 54.60		\$	\$ 81.90		
2022 - Water per Billing Unit	2.89	28.90		57.80			86.70		
2021 - Sewer per Billing Unit	2.79	27.90		55.80			83.70		
2022 - Sewer per Billing Unit	2.90	29.00		58.00			87.00		
2021 Fixed Charge	69.75	69.75		69.75			69.75		
2022 Fixed Charge	69.75	69.75		69.75			69.75		
Total Charge		<u>\$ 124.95</u>	<u>2.16%</u>	<u>\$ 180.15</u>	<u>3.00%</u>		<u>\$ 235.35</u>	<u>3.44%</u>	

Footnotes:

(1) "CFW", a billing unit, 100 cubic feet of water, is 748.052 gallons.

(2) 20 units of water is the average usage for a Livonia residential water customer.

Attachment II

**RESIDENTIAL WATER AND SEWER BILL
COMPARISON OF COMMUNITIES
Charges for 10, 20 and 30 Billing Units (CFW)⁽¹⁾ per Quarter
5/8 Inch Meter
As of April 25, 2022**

Purpose: The following comparison is provided to show the amount of a quarterly residential water customer bill based on various hypothetical water usage amounts.

<u>COMMUNITY</u>	<u>LOW USAGE - 10 UNITS</u>	<u>AVERAGE USAGE - 20 UNITS⁽²⁾</u>	<u>HIGH USAGE - 30 UNITS</u>
Canton - with Sump - 2021 Rate	98.07	174.75	251.43
<i>Livonia - 2022 Rate</i>	<i>127.65</i>	<i>185.55</i>	<i>243.45</i>
Plymouth (City of) - 2021 Rate	109.41	207.26	305.11
Canton - without Sump - 2021 Rate	131.67	208.35	285.03
Westland - 2021 Rate	144.33	221.16	297.99
Redford Township - 2021 Rate	134.80	226.10	317.40
Farmington Hills - 2021 Rate	140.59	245.53	333.40
Northville (City of) - 2021 Rate	149.12	282.73	416.34

Footnotes:

⁽¹⁾ "CFW", a billing unit, 100 cubic feet of water, is 748.052 gallons. Communities bill in different units of measurement, such as 1,000 gallons. This analysis converts the various methodologies to a common format.

⁽²⁾ 20 units of water is the average usage for a Livonia residential water customer.

⁽³⁾ Comparison rates are based on most recent information available

ATTACHMENT III
COMBINED STATEMENT OF REVENUE AND EXPENSES

	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 22/23
	AUDIT	AUDIT	AUDIT	AUDIT	AUDIT	AUDIT	Projected	RATE ANALYSIS	RATE ANALYSIS W/O INCREASE
OPERATING REVENUE									
Customer billings	36,291,332	36,653,877	39,834,062	39,713,701	39,107,543	38,347,261	41,092,595	41,787,016	40,157,512
Fines and forfeitures	1,760,443	1,751,702	1,851,194	1,857,586	1,407,064	1,498,126	1,820,000	1,820,000	1,820,000
Service Connections	39,331	37,977	80,819	54,206	49,899	66,385	30,000	77,500	77,500
Other Revenue	343,528	100,508	101,016	73,726	52,377	94,969	78,000	267,621	267,621
Total Operating Revenue	38,434,634	38,544,064	41,867,091	41,699,219	40,616,883	40,006,741	43,020,595	43,952,137	42,322,634
OPERATING EXPENSES									
Cost of Water	13,316,848	13,463,652	13,931,174	12,746,276	11,633,702	11,783,956	12,265,743	12,501,098	12,501,098
Cost of Sewage Disposal	14,469,546	14,469,546	14,469,546	15,496,996	16,994,074	16,764,493	16,730,202	17,435,227	17,435,227
System maintenance and operation	5,265,237	5,673,119	6,921,054	4,110,636	5,164,796	5,494,898	7,539,001	7,647,176	7,647,176
General and Administrative	910,561	1,057,499	1,071,356	1,070,456	1,172,959	1,241,712	1,370,791	1,359,104	1,359,104
GASB 75 OPEB expense			875,000						
Depreciation	2,962,102	3,148,353	3,314,702	3,427,755	3,682,943	3,797,231	3,922,243	3,922,243	3,922,243
Total Operating Expense	36,924,294	37,812,169	40,582,832	36,852,119	38,648,474	39,082,290	41,827,980	42,864,847	42,864,847
Operating income	1,510,340	731,895	1,284,259	4,847,100	1,968,409	924,451	1,192,615	1,087,290	(542,214)
NON OPERATING REVENUE (EXPENSE)									
Interest Income	63,389	102,678	238,443	489,429	245,340	(10,295)	54,708	16,500	(63,500)
Interest Expense	(306,932)	(327,007)	(328,908)	(301,006)	(339,904)	(392,591)	(298,604)	(382,865)	(382,865)
Gain on Sale of Assets	9,775	44,286	63,275	31,550	-	-	40,000	-	-
Total Nonoperating Revenue(Expense)	(233,768)	(180,043)	(27,190)	219,973	(94,564)	(402,886)	(203,896)	(366,365)	(446,365)
EXTRAORDINARY ITEM									
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTION AND EXTRAORDINARY ITEMS	1,276,572	551,852	1,257,069	5,067,073	1,873,845	521,565	988,719	720,926	(988,578)



LETTER TO THE LIVONIA CITY COUNCIL

6.

DPW
May 3, 2022

MEETING DATE

Study Meeting of May
16, 2022

PREPARED BY

Jill Russell, Secretary III,

AGENDA ITEM

REQUEST TO ADJUST WATER AND SEWER CONSUMPTION RATES, INDUSTRIAL SURCHARGE RATE AND INDUSTRIAL WASTE CONTROL CHARGE: Department of Public Works, re: to become effective on July 1, 2022.

BACKGROUND

Livonia's Department of Public Works and Finance Department have worked together on the water and sewer rates proposed for implementation on July 1, 2022. In calculating the new rates, a review was made to determine how the fiscal year 2021 rates performed in conjunction with the budget, along with an analysis of the effects of the proposed new rates on our small-, medium- and large-water users.

Incorporating an increase of wholesale charges from the Great Lakes Water Authority and an expected reduction in water sales charges, the recommended new rates will impact customers in the following manner:

1. The proposed water and sewer rate increase is 3.0 percent (3.0%) this year for the average residential user, which is an increase of \$5.40 per quarter. Average use is based on consumption of 20 units (2,000 cubic feet) per quarter, which is 15,000 gallons of water.
2. The rate increase is mainly due to a pass-through of the changes to the water charges from our wholesale provider coupled with an anticipated decrease in water sales. GLWA increased the wholesale per unit charge by \$0.05 or 3.4 percent (3.4%) from \$1.01 to \$1.06. GLWA also increased the month fixed fee by \$15,700 or 1.2 percent (1.2%).
3. No change to Livonia's fixed rates is recommended. An increase in future years remains possible, depending on current and future yearly sales.
4. City of Livonia users still pay much less for water than users in most surrounding communities pay for an equal amount of water.
5. The new rates will be in effect from July 1, 2022, through June 30, 2023.

Additional detailed information is included in the attached letter to the Water and Sewer Board.

RECOMMENDATION

It is recommended that Council approve the new Water & Sewer Rates, Industrial Surcharge Rate and Industrial Waste Control charges effective with the first billing on and after July 1, 2022.

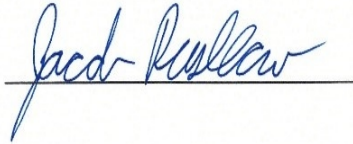
FISCAL CONSIDERATION

None

ATTACHMENTS

1. 2022 Attachment I - Per Unit Increase
2. 2022 Attachment II - Comparison of Communities For Distribution.xlsx
3. 2022 Attachment III - Statement of Revenue and Expense
4. LTC-Water Board Ltr Re Rates

APPROVED BY



Date: May 03, 2022

Jacob Rushlow, P.E., Assistant Director of Public Works



Date: May 03, 2022

Don Rohraff, Director of Public Works



Date: May 03, 2022

Michael Slater, Finance Director



Date: May 03, 2022

Paul Bernier, City Attorney



Date: May 05, 2022

Maureen Miller Brosnan, Mayor

**AN ORDINANCE AMENDING SECTION 120 OF TITLE 13,
CHAPTER 20 (LIVONIA SEWAGE DISPOSAL SYSTEM)
OF THE LIVONIA CODE OF ORDINANCES, AS
AMENDED.**

THE CITY OF LIVONIA ORDAINS:

Section 1. Section 120 of Title 13, Chapter 20 the Livonia Code of Ordinances, as amended, is hereby amended to read as follows:

13.20.120 Disposal and maintenance rates (sewer). A. Effective with the first billing on and after July 1, 202~~1~~², the fixed quarterly charge for sewage system maintenance, determined by water meter size, shall be as follows:

METER SIZE	QUARTERLY CHARGE
5/8 Inch	\$ 46. 86 ⁴⁸
3/4 Inch	\$ 46. 86 ⁴⁸
1 Inch	\$ 46. 86 ⁴⁸
1 1/2" Meter	\$ 137. 726.62
2" Meter	\$ 176. 785.37
3" Meter	\$ 232. 280.42
4" Meter	\$ 354. 932.09
6" Meter	\$ 945. 5738.01
8" Meter	\$ 2,678. 4357.01
10" Meter	\$ 7,720. 78659.04

B. 1. In addition to the fixed quarterly maintenance charge, effective with the first billing on and after July 1, 202~~1~~², there will be a charge for sewage system use, which shall be assessed at the following rates:

Base Charge	
Wayne County per 100 cubic feet of water used	\$ 2. 09 ¹⁵
City of Livonia per 100 cubic feet of water used	\$ 0. 70 ⁵
Base Charge per 100 cubic feet of water used	\$ 2. 79 ⁹⁰

Large User (meters sizes 1.5 inch or larger)	
Charge per 100 cubic feet of water used	\$ 1. 77 ⁹¹
Total Charge for Large Users per 100 cubic feet of water used	\$ 4. 56 ⁸¹

2. For each dwelling unit with an unmetered water supply, there shall be a flat quarterly sewage system charge of: \$ 102.~~664.48~~

Proposed Amendment to Section 120
Of Title 13, Chapter 20 of the
Livonia Code of Ordinances - p2

3. Users other than single-family and two-family residential shall be subject to monthly Industrial Waste Control Meter Charges, determined by meter size, in the following amounts:

METER SIZE	MONTHLY INDUSTRIAL WASTE CONTROL CHARGE	
5/8 Inch	\$	3.5 48
3/4 Inch	\$	5.3 17
1 Inch	\$	8. 85 <u>95</u>
1 1/2" Meter	\$	19. 47 <u>69</u>
2" Meter	\$	28. 32 <u>64</u>
3" Meter	\$	51. 33 <u>91</u>
4" Meter	\$	70. 80 <u>1.60</u>
6" Meter	\$	106. 20 <u>7.40</u>
8" Meter	\$	177. 00 <u>9.00</u>
10" Meter	\$	247. 80 <u>50.60</u>
12" Meter	\$	283. 20 <u>6.40</u>
14" Meter	\$	354. 00 <u>8.00</u>
16" Meter	\$	424. 80 <u>9.60</u>
18" Meter	\$	495. 60 <u>501.20</u>
20" Meter	\$	566. 40 <u>72.80</u>
24" Meter	\$	637. 20 <u>44.40</u>
30" Meter	\$	708. 00 <u>16.00</u>

Section 2. All ordinances or parts of ordinances in conflict herewith are hereby repealed only to the extent necessary to give this ordinance full force and effect.

Section 3. Should any portion of this ordinance be held invalid for any reason, such holding shall not be construed as affecting the validity of any of the remaining portions of this ordinance.

CITY OF LIVONIA – CITY COUNCIL
MINUTES OF STUDY MEETING HELD MAY 16, 2022

6,7,8,9,10

Meeting was called to order at 8:00 p.m. by President Jim Jolly. Present: Vice President Laura Toy, Scott Bahr, Rob Donovic, Scott Morgan, and Brandon McCullough, Kathleen McIntyre. Absent: None.

Elected and appointed officials present: City Clerk, Susan Nash, Mark Taormina, Director of Planning and Economic Development, Todd Zilincik, City Engineer, Mike Fisher; Assistant City Attorney, Jerome Hanna, Director of Inspection and Ordinance, and Jacob Rushlow, Assistant Director of Public Works.

6. REQUEST TO ADJUST WATER AND SEWER CONSUMPTION RATES, INDUSTRIAL SURCHARGE RATE AND INDUSTRIAL WASTE CONTROL CHARGE:
Department of Public Works, re: to become effective on July 1, 2022.

Jacob Rushlow, Assistant Superintendent of Public Works, and Connie Kumpula, Chief Accountant, presented the request to Council.

Council President Jim Jolly stated that there has been a lot of information regarding the Highland Park water debt and asked to what extent that was factored into the rate adjustments. A resolution was passed refusing to pay their debt and asked to verify that it was not considered as part of the rate increase. Connie Kumpula stated that GLWA sets their revenue requirement, and it is built into that revenue requirement. To make up for that, the city divided the \$40,000.00 by twelve, from their debt that was built in, and reduced the payment to GLWA each month. Councilmember Scott Bahr clarified that the residents are still paying that rate, but since that money is being held in escrow until everything is resolved. Once that happens, the residents would get that portion back

Councilmember Bahr asked to clarify what was meant by the expected reduction in water sales charges, if that meant they are expected to sell less water to residents. Connie Kumpula agreed, stating that has been the trend over the last couple of years. Councilmember Bahr asked what impact that had on the rates. Connie replied that when you sell less water, you have less spread to cover the fixed costs. Councilmember Bahr asked what the decreased usage was attributed to. Jacob Rushlow stated that it was being more conscious of how water is used and changes to water fixtures are reducing water use, along with industrial side, they are recycling the water used which makes the water use more efficient.

Councilmember Bahr asked about the rate impact of the sanitary water running through the sewer system. Jacob Rushlow stated that it impacts rates because it is another Capital Improvement Project, which reduces the flow into the sanitary system that needs to be treated.

Councilmember Bahr asked if there can be a separation of sewer and clean water. Jacob Rushlow stated that there isn't a good and efficient way to monitor and meter the gravity flow of water coming out of the drain and sewer pipe.

Councilmember Bahr asked how we compare to surrounding communities. Jacob Rushlow stated that Canton has built a water storage facility that helps control their peak flows. Councilmember Bahr asked about an update on Livonia doing the same. Jacob said they are polishing up a preliminary engineering study right now for a water storage reservoir in Livonia which should be done in the next few months. Once they meet with Finance after that, they can move forward.

Councilmember Scott Bahr offered and approving resolution for the Regular agenda.

Council Vice President Laura Toy asked to put the subject matter of water rates into the Environmental Committee to discuss when it is appropriate. Council President Jim Jolly stated that this might already be in committee.

DIRECTION:

APPROVAL

REGULAR



LETTER TO THE LIVONIA CITY COUNCIL

9.

Law
May 10, 2022

MEETING DATE

Regular Meeting of
June 6, 2022

PREPARED BY

Brenda Smyser, Program Supervisor,

AGENDA ITEM

PROPOSED AMENDMENT TO THE LIVONIA CODE OF ORDINANCE, AS AMENDED:
Department of Law, re: Section 130 of Title 13, Chapter 20 (Livonia Sewage Disposal System) to provide for changes to the special rates for designated uses to become effective with the first billing on or after July 1, 2022.

BACKGROUND

At your study meeting of May 16, 2022, you referred the preparation of an ordinance amendment to Section 13.20.130 of the Livonia Code of Ordinances, to the Department of Law for submission to Council. This ordinance amendment reflects the requested changes to the water consumption rates.

Accordingly, this proposed amendment is hereby submitted for your consideration and possible adoption.

RECOMMENDATION

FIRST READ

and Industrial Waste Control charges effective with the first billing on and after July 1, 2022.

FISCAL CONSIDERATION

None

ATTACHMENTS

1. 2022 Attachment I - Per Unit Increase
2. 2022 Attachment II - Comparison of Communities For Distribution.xlsx
3. 2022 Attachment III - Statement of Revenue and Expense
4. LTC-Water Board Ltr Re Rates
5. LTC S051622 Req to adjust water and sewer rates
6. Proposed Ordinance 13.20.130 - 2022
7. S051622 Water Consumption Rates Minutes

APPROVED BY



Paul Bernier, City Attorney

Date: May 17, 2022



Maureen Miller Brosnan, Mayor

Date: May 20, 2022

Attachment ICITY OF LIVONIA
WATER AND SEWER RATES PER BILLING UNIT (100 CF)

"SMALL USERS" 5/8 to 1 Inch Meters

As of July 1, 2022

NO FIXED INCREASE TO SMALL OR LARGE METERS WITH 9% WATER LOSS

	LOW USAGE 10 UNITS PER QUARTER			MEDIUM USAGE 20 UNITS PER QUARTER			HIGH USAGE 30 UNITS PER QUARTER		
	<u>7/1/2021</u>	<u>7/1/2022</u>	<u>CHANGE (%)</u>	<u>7/1/2021</u>	<u>7/1/2022</u>	<u>CHANGE (%)</u>	<u>7/1/2021</u>	<u>7/1/2022</u>	<u>CHANGE (%)</u>
Per Unit Charge:									
2021 - Water per Billing Unit	2.73	\$ 27.30		\$ 54.60			\$ 81.90		
2022 - Water per Billing Unit	2.89	28.90		57.80			86.70		
2021 - Sewer per Billing Unit	2.79	27.90		55.80			83.70		
2022 - Sewer per Billing Unit	2.90	29.00		58.00			87.00		
2021 Fixed Charge	69.75	<u>69.75</u>		<u>69.75</u>			<u>69.75</u>		
2022 Fixed Charge	69.75	<u>69.75</u>		<u>69.75</u>			<u>69.75</u>		
Total Charge	<u>\$ 124.95</u>	<u>\$ 127.65</u>	<u>2.16%</u>	<u>\$ 180.15</u>	<u>\$ 185.55</u>	<u>3.00%</u>	<u>\$ 235.35</u>	<u>\$ 243.45</u>	<u>3.44%</u>

Footnotes:⁽¹⁾ "CFW", a billing unit, 100 cubic feet of water, is 748.052 gallons.⁽²⁾ 20 units of water is the average usage for a Livonia residential water customer.

Attachment II

**RESIDENTIAL WATER AND SEWER BILL
COMPARISON OF COMMUNITIES
Charges for 10, 20 and 30 Billing Units (CFW)⁽¹⁾ per Quarter
5/8 Inch Meter
As of April 25, 2022**

Purpose: The following comparison is provided to show the amount of a quarterly residential water customer bill based on various hypothetical water usage amounts.

<u>COMMUNITY</u>	<u>LOW USAGE - 10 UNITS</u>	<u>AVERAGE USAGE - 20 UNITS⁽²⁾</u>	<u>HIGH USAGE - 30 UNITS</u>
Canton - with Sump - 2021 Rate	98.07	174.75	251.43
<i>Livonia - 2022 Rate</i>	<i>127.65</i>	<i>185.55</i>	<i>243.45</i>
Plymouth (City of) - 2021 Rate	109.41	207.26	305.11
Canton - without Sump - 2021 Rate	131.67	208.35	285.03
Westland - 2021 Rate	144.33	221.16	297.99
Redford Township - 2021 Rate	134.80	226.10	317.40
Farmington Hills - 2021 Rate	140.59	245.53	333.40
Northville (City of) - 2021 Rate	149.12	282.73	416.34

Footnotes:

⁽¹⁾ "CFW", a billing unit, 100 cubic feet of water, is 748.052 gallons. Communities bill in different units of measurement, such as 1,000 gallons. This analysis converts the various methodologies to a common format.

⁽²⁾ 20 units of water is the average usage for a Livonia residential water customer.

⁽³⁾ Comparison rates are based on most recent information available

**ATTACHMENT III
COMBINED STATEMENT OF REVENUE AND EXPENSES**

	FY 15/16 AUDIT	FY 16/17 AUDIT	FY 17/18 AUDIT	FY 18/19 AUDIT	FY 19/20 AUDIT	FY 20/21 AUDIT	FY 21/22 Projected	FY 22/23 RATE ANALYSIS	FY 22/23 RATE ANALYSIS W/O INCREASE
OPERATING REVENUE									
Customer billings	36,291,332	36,653,877	39,834,062	39,713,701	39,107,543	38,347,261	41,092,595	41,787,016	40,157,512
Fines and forfeitures	1,760,443	1,751,702	1,851,194	1,857,586	1,407,064	1,498,126	1,820,000	1,820,000	1,820,000
Service Connections	39,331	37,977	80,819	54,206	49,899	66,385	30,000	77,500	77,500
Other Revenue	<u>343,528</u>	<u>100,508</u>	<u>101,016</u>	<u>73,726</u>	<u>52,377</u>	<u>94,969</u>	<u>78,000</u>	<u>267,621</u>	<u>267,621</u>
Total Operating Revenue	<u>38,434,634</u>	<u>38,544,064</u>	<u>41,867,091</u>	<u>41,699,219</u>	<u>40,616,883</u>	<u>40,006,741</u>	<u>43,020,595</u>	<u>43,952,137</u>	<u>42,322,634</u>
OPERATING EXPENSES									
Cost of Water	13,316,848	13,463,652	13,931,174	12,746,276	11,633,702	11,783,956	12,265,743	12,501,098	12,501,098
Cost of Sewage Disposal	14,469,546	14,469,546	14,469,546	15,496,996	16,994,074	16,764,493	16,730,202	17,435,227	17,435,227
System maintenance and operation	5,265,237	5,673,119	6,921,054	4,110,636	5,164,796	5,494,898	7,539,001	7,647,176	7,647,176
General and Administrative	910,561	1,057,499	1,071,356	1,070,456	1,172,959	1,241,712	1,370,791	1,359,104	1,359,104
GASB 75 OPEB expense			875,000						
Depreciation	<u>2,962,102</u>	<u>3,148,353</u>	<u>3,314,702</u>	<u>3,427,755</u>	<u>3,682,943</u>	<u>3,797,231</u>	<u>3,922,243</u>	<u>3,922,243</u>	<u>3,922,243</u>
Total Operating Expense	<u>36,924,294</u>	<u>37,812,169</u>	<u>40,582,832</u>	<u>36,852,119</u>	<u>38,648,474</u>	<u>39,082,290</u>	<u>41,827,980</u>	<u>42,864,847</u>	<u>42,864,847</u>
Operating income	<u>1,510,340</u>	<u>731,895</u>	<u>1,284,259</u>	<u>4,847,100</u>	<u>1,968,409</u>	<u>924,451</u>	<u>1,192,615</u>	<u>1,087,290</u>	<u>(542,214)</u>
NON OPERATING REVENUE (EXPENSE)									
Interest Income	63,389	102,678	238,443	489,429	245,340	(10,295)	54,708	16,500	(63,500)
Interest Expense	(306,932)	(327,007)	(328,908)	(301,006)	(339,904)	(392,591)	(298,604)	(382,865)	(382,865)
Gain on Sale of Assets	<u>9,775</u>	<u>44,286</u>	<u>63,275</u>	<u>31,550</u>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>-</u>
Total Nonoperating Revenue(Expense)	<u>(233,768)</u>	<u>(180,043)</u>	<u>(27,190)</u>	<u>219,973</u>	<u>(94,564)</u>	<u>(402,886)</u>	<u>(203,896)</u>	<u>(366,365)</u>	<u>(446,365)</u>
EXTRAORDINARY ITEM	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTION AND EXTRAORDINARY ITEMS	<u>1,276,572</u>	<u>551,852</u>	<u>1,257,069</u>	<u>5,067,073</u>	<u>1,873,845</u>	<u>521,565</u>	<u>988,719</u>	<u>720,926</u>	<u>(988,578)</u>



DEPARTMENT OF PUBLIC WORKS

MAUREEN MILLER BROSNAN
MAYOR

DONALD R. ROHRAFF
DIRECTOR OF PUBLIC WORKS

DOUGLAS L. MOORE, MSA
ASSISTANT DIRECTOR OF PUBLIC WORKS

JACOB A. RUSHLOW, PE
ASSISTANT DIRECTOR OF PUBLIC WORKS



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MAINTENANCE SERVICES

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- Sewer
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- Equipment
- Storm Drains
- Traffic Signs
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April 26, 2022

Water and Sewer Board
City of Livonia

Subject: Water and Sewer Fund Review, Water and Sewer Rates Adjustments. Industrial Surcharge Rate, Industrial Waste Control Charge (Effective July 1, 2022)

Dear Board Members:

This report provides a review of the performance of the Water and Sewer Fund for FY 2022, as well as a recommendation to adjust the water and sewer rates to Livonia customers, including charges to some of the commercial/industrial customers in Livonia. The following topics are discussed in this report:

- Increase in wholesale water and sewer cost
- A review of the Water and Sewer Fund performance for FY 2021
- Proposed Water and Sewer Fund rate adjustments for 2022
- Ordinance amendments reflecting recommended rate adjustments

Change in Wholesale Water and Sewer Cost

The Great Lakes Water Authority (GLWA) increased the wholesale cost of water to the City of Livonia by 3.4%. The cost to the City of Livonia per billing unit of 100 cubic feet (approximately 750 gallons) has increased by 5 cents, from \$1.01 to \$1.06. The GLWA fixed monthly charges have increased by \$15,700 per month, from \$607,100 to \$622,800 per month.

In response to the Highland Park bad debt passthrough, the City wrote a letter to Governor Whitmer requesting greater involvement from the State of Michigan in resolving this dispute. Additionally, the Administration prepared a request, and City

Council approved, for the Highland Park portion of the bad debt to be held in escrow until the matter is resolved.

Wayne County charges sewage disposal as a fixed monthly fee to the City of Livonia. The cost is estimated to increase 6% from \$1,353,319 to \$1,434,518. The increase in rates is the result of large Wayne County improvement projects planned and budgeted in previous fiscal years that were delayed due to COVID-19.

A Review of the Water and Sewer Fund Performance for Fiscal Year 2021

The Water and Sewer Fund experienced a net operating gain of \$521,565 before contributions from developers, grant reimbursements, and special assessment revenue (reference Attachment III). Every year, the goal of rate setting is to generate enough income to cover anticipated operating expenses, debt service payments, and capital improvements. Although the fiscal year 2021 operating revenue was down nearly \$3 million from the projected amount, a result of lower sales due to a rainy summer, operating expenses were also down \$2.7 million.

Projected Water and Sewer Fund Rate Adjustments for 2022

Wholesale Charges:

The Great Lakes Water Authority (GLWA) and Wayne County wholesale charges to the City of Livonia for 2022 are shown below in Table 1. Each unit is 100 cubic feet. Approximately 41.35% of Great Lakes Water Authority and Wayne County's total fixed costs are passed through to our customers in fixed format, with the remaining 58.65% being adjusted back into the per-unit charges for water and sewer.

TABLE 1

Description	<u>2021</u>	<u>2022</u>	<u>\$ / % Change</u>
GLWA Per Unit (water)	\$ 1.01	\$1.06	\$ 0.05 / 4.95%
GLWA Fixed Cost per month (water)	\$607,100	\$622,800	\$15,700 / 2.59%
Wayne County Fixed Cost per month (sewer)	\$1,353,319	\$1,434,518	\$81,199 / 6.00%

The GLWA is also adjusting the Industrial Surcharge Rates and the Industrial Waste Control Charges as shown in the Summary and Recommendations in the Water and Sewer Ordinance revisions. All four of the Industrial Surcharge rates have increased. The Industrial Waste Control Charges, which are based on meter size, have been increased by 1.13% across the board. Both the Industrial Surcharge Rate and the Industrial Waste Control Charges affect *only* commercial and industrial customers. These charges continue to be a pass-through to the affected customer with no additional charge by the City of Livonia.

City of Livonia Charges:

A continuing effort is being made to provide services in the most efficient, cost-effective manner possible. Operating, maintenance and administration expenses are constantly monitored to keep costs within budget. All policies and procedures are regularly reviewed, and processes and procedures are implemented to contain cost while providing excellent service. Operations and maintenance will continue to monitor water main breaks, weather conditions and the state of our infrastructure to find ways of reducing expenses. Administration is also exploring ways to provide customer billing and collection services that reduce cost while providing improved service to the customer.

TABLE 2 below reflects the recommended rate adjustments for low-, medium- and high-volume users with small meters. There are 37,630 users with small meters.

**CITY OF LIVONIA
WATER AND SEWER RATES PER BILLING UNIT (100 CF)
"SMALL USERS" 5/8 to 1 Inch Meters
As of July 1, 2022**

		LOW USAGE			MEDIUM USAGE			HIGH USAGE		
		<u>10 UNITS/QUARTER</u>			<u>20 UNITS/QUARTER</u>			<u>30 UNITS/QUARTER</u>		
<u>Per Unit Charge:</u>		<u>7/1/2021</u>	<u>7/1/2022</u>	<u>Chg</u> <u>(%)</u>	<u>7/1/2021</u>	<u>7/1/2022</u>	<u>Chg</u> <u>(%)</u>	<u>7/1/2021</u>	<u>7/1/2022</u>	<u>Chg</u> <u>(%)</u>
2021 Water per Billing Unit	2.73	\$ 27.30			\$ 54.60			\$ 81.90		
2022 Water per Billing Unit	2.89		\$ 28.90			\$ 57.80			\$ 86.70	
2021 Sewer per Billing Unit	2.79	\$ 27.90			\$ 55.80			\$ 83.70		
2022 Sewer per Billing Unit	2.90		\$ 29.00			\$ 58.00			\$ 87.00	
2021 Fixed Charge	69.75	<u>\$ 69.75</u>			<u>\$ 69.75</u>			<u>\$ 69.75</u>		
2022 Fixed Charge	69.75		<u>\$ 69.75</u>			<u>\$ 69.75</u>			<u>\$ 69.75</u>	
Total Charge		<u>\$ 124.95</u>	<u>\$ 127.65</u>	<u>2.16%</u>	<u>\$ 180.55</u>	<u>\$ 185.55</u>	<u>3.00%</u>	<u>\$ 235.35</u>	<u>\$ 243.45</u>	<u>3.44%</u>

The table below reflects the recommended rate adjustments for "large users" of meter sizes 1½" to 10".

TABLE 3

CITY OF LIVONIA – WATER AND SEWER RATES PER BILLING UNIT (100 CF)
 "LARGE USERS" – METER SIZE OVER 1 INCH – As of July 1, 2022

PER UNIT RATES	<u>#/Meters</u>	<u>2021/22</u>	<u>2022/23</u>	<u>Incr./Decr.</u>	<u>Incr.</u>
Cost of Water per Billing Unit		2.73	2.89	0.16	5.86%
Cost of Sewer per Billing Unit		2.79	2.90	0.11	3.94%
Large User Charge		2.63	2.87	<u>0.24</u>	9.13%
QUARTERLY FIXED FEES PER METER					
1 1/2 " Meter	628	205.02	205.02	0	0.0%
2" Meter	689	263.16	263.16	0	0.0%
3" Meter	151	345.78	345.78	0	0.0%
4" Meter	79	528.36	528.36	0	0.0%
6" Meter	16	1,407.60	1,407.60	0	0.0%
8" Meter	8	3,987.18	3,987.18	0	0.0%
10" Meter	1	11,493.36	11,493.36	0	0.0%

Impact of Water and Sewer improvement projects

Planned water and sewer improvement projects have had some impact on the proposed Water and Sewer Fund rate adjustments for 2022.

The City continues to perform sewer cured-in-place-pipe (CIPP) lining in the northwest quadrant of Section 34. This year's plan includes CIPP lining of approximately 2.9 miles of sewer pipe ranging from 8-inch to 36-inch diameter at a cost of \$1.3M. Preparation for the CIPP lining work will start in June/July 2022 and CIPP lining is planned for August 2022.

The City has embarked on a Footing Drain Disconnection program to significantly reduce the amount of clean water entering into our sanitary sewer system. The program began in 2017 in response to the May 2011 sewer backup settlement. Due to the reduction in flows that we've observed and the overwhelming support from homeowners, we have decided to continue this program for 2022 at a cost of \$1,000,000.

Ordinance amendments reflecting recommended rate adjustments

The 2022/23 total per unit rate increase to the average residential user is 3.0% (reference Attachment I). For comparison, please find Attachment II that highlights the Water and Sewer cost of other communities. Even with this rate change, Livonia rates continue to remain much lower than most surrounding communities.

It is recommended and requested that the Water and Sewer Board proceed with the amendments to the Water and Sewer Ordinance as follows:

13.08.40 Water Consumption rates

EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022

Per Unit Charges

GLWA per 100 cubic feet	2.14
City of Livonia per 100 cubic feet	<u>0.75</u>
Per Unit Charge per 100 cubic feet	2.89

Large User Charge per 100 cubic feet: Meter sizes 1.5 inch or larger	<u>0.96</u>
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TOTAL Large User Charge per 100 cubic Feet	<u>3.85</u>
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13.08.050A Quarterly Fixed Fee per Meter (water)

EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022

5/8 Inch Meter	23.27
3/4 Inch Meter	23.27
1 Inch Meter	23.27
1 ½ Inch Meter	68.40
2 Inch Meter	87.79
3 Inch Meter	115.36
4 Inch Meter	176.27
6 Inch Meter	469.59
8 Inch Meter	1,330.17
10 Inch Meter	3,834.32

13.08.050B Seasonal Flat rate Water, per quarter

81.07

EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022

13.20.120 Sewer Disposal Rates

EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022

Per Unit Charges

Wayne County per 100 cubic feet	2.15
City of Livonia per 100 cubic feet	<u>0.75</u>
Per Unit Charge per 100 cubic feet	2.90

Large User Charge per 100 cubic feet: Meter sizes 1.5 inch or larger	<u>1.91</u>
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TOTAL Large User Charge per 100 cubic Feet	<u>4.81</u>
---	--------------------

Quarterly Fixed Fee per Meter (sewer)**EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022**

5/8	Inch Meter	46.48
3/4	Inch Meter	46.48
1	Inch Meter	46.48
1 ½	Inch Meter	136.62
2	Inch Meter	175.37
3	Inch Meter	230.42
4	Inch Meter	352.09
6	Inch Meter	938.01
8	Inch Meter	2,657.01
10	Inch Meter	7,659.04

Industrial Waste Control Monthly Meter Charges (GLWA)

5/8	Inch Meter	3.58
3/4	Inch Meter	5.37
1	Inch Meter	8.95
1 ½	Inch Meter	19.69
2	Inch Meter	28.64
3	Inch Meter	51.91
4	Inch Meter	71.60
6	Inch Meter	107.40
8	Inch Meter	179.00
10	Inch Meter	250.60
12	Inch Meter	286.40
14	Inch Meter	358.00
16	Inch Meter	429.60
18	Inch Meter	501.20
20	Inch Meter	572.80
24	Inch Meter	644.40
30	Inch Meter	716.00

13.20.130 Flat Rate Sewer per Quarter

104.48

EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022

13.20.130 Special Rates - for Designated Users**EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022***Seasonal user with Kitchen or Bathroom Facilities:**50% of Current per unit Sewage Charge***Per Unit Charges**

Wayne County per 100 cubic feet 1.08

City of Livonia per 100 cubic feet 0.37

Per Unit Charge per 100 cubic feet 1.45

Large User Charge per 100 cubic feet: Meter sizes
1.5 inch or larger 0.96**TOTAL Base Charge for Large User 2.41****13.28.050 Industrial Waste Pollutant Strength Surcharges****EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022**Dollar/pound for treating BOD (Biochemical Oxygen Demand) in
excess of 275 mg/l 0.351Dollar/pound for treating TSS (Total Suspended Solids) in excess
of 350 mg/l 0.482

Dollar/pound for treating P (Phosphorus) in excess of 12 mg/l 6.448

Dollar/pound for treating FOG (Fats, Oils & Grease) in excess of
100 mg/l 0.112

Very Truly Yours,


Jacob Rushlow
Assistant Director of Public Works
Connie Kumpula
Chief Accountant

DR/CC/jar

Attachment I: Effect of Rate Adjustment on Typical Residential Bill

Attachment II: Residential Water and Sewer Bill Comparison of Communities

Attachment III: Combined Statement of Revenue and Expenses

cc: Mayor, City Clerk, City Attorney, Finance Director, City Engineer, Chief Accountant

Attachment I

CITY OF LIVONIA
WATER AND SEWER RATES PER BILLING UNIT (100 CF)
"SMALL USERS" 5/8 to 1 Inch Meters
As of July 1, 2022
NO FIXED INCREASE TO SMALL OR LARGE METERS WITH 9% WATER LOSS

	LOW USAGE 10 UNITS			MEDIUM USAGE 20 UNITS			HIGH USAGE 30 UNITS		
	7/1/2021	7/1/2022	CHANGE (%)	7/1/2021	7/1/2022	CHANGE (%)	7/1/2021	7/1/2022	CHANGE (%)
Per Unit Charge:									
2021 - Water per Billing Unit	2.73	\$ 27.30		\$ 54.60		\$	\$ 81.90		
2022 - Water per Billing Unit	2.89	28.90		57.80			86.70		
2021 - Sewer per Billing Unit	2.79	27.90		55.80			83.70		
2022 - Sewer per Billing Unit	2.90	29.00		58.00			87.00		
2021 Fixed Charge	69.75	69.75		69.75			69.75		
2022 Fixed Charge	69.75	69.75		69.75			69.75		
Total Charge		<u>\$ 124.95</u>	<u>2.16%</u>	<u>\$ 180.15</u>	<u>\$ 185.55</u>	<u>3.00%</u>	<u>\$ 235.35</u>	<u>\$ 243.45</u>	<u>3.44%</u>

Footnotes:

(1) "CFW", a billing unit, 100 cubic feet of water, is 748.052 gallons.

(2) 20 units of water is the average usage for a Livonia residential water customer.

Attachment II

**RESIDENTIAL WATER AND SEWER BILL
COMPARISON OF COMMUNITIES
Charges for 10, 20 and 30 Billing Units (CFW)⁽¹⁾ per Quarter
5/8 Inch Meter
As of April 25, 2022**

Purpose: The following comparison is provided to show the amount of a quarterly residential water customer bill based on various hypothetical water usage amounts.

<u>COMMUNITY</u>	<u>LOW USAGE - 10 UNITS</u>	<u>AVERAGE USAGE - 20 UNITS⁽²⁾</u>	<u>HIGH USAGE - 30 UNITS</u>
Canton - with Sump - 2021 Rate	98.07	174.75	251.43
<i>Livonia - 2022 Rate</i>	<i>127.65</i>	<i>185.55</i>	<i>243.45</i>
Plymouth (City of) - 2021 Rate	109.41	207.26	305.11
Canton - without Sump - 2021 Rate	131.67	208.35	285.03
Westland - 2021 Rate	144.33	221.16	297.99
Redford Township - 2021 Rate	134.80	226.10	317.40
Farmington Hills - 2021 Rate	140.59	245.53	333.40
Northville (City of) - 2021 Rate	149.12	282.73	416.34

Footnotes:

⁽¹⁾ "CFW", a billing unit, 100 cubic feet of water, is 748.052 gallons. Communities bill in different units of measurement, such as 1,000 gallons. This analysis converts the various methodologies to a common format.

⁽²⁾ 20 units of water is the average usage for a Livonia residential water customer.

⁽³⁾ Comparison rates are based on most recent information available

ATTACHMENT III
COMBINED STATEMENT OF REVENUE AND EXPENSES

	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 22/23
	AUDIT	AUDIT	AUDIT	AUDIT	AUDIT	AUDIT	Projected	RATE ANALYSIS	RATE ANALYSIS W/O INCREASE
OPERATING REVENUE									
Customer billings	36,291,332	36,653,877	39,834,062	39,713,701	39,107,543	38,347,261	41,092,595	41,787,016	40,157,512
Fines and forfeitures	1,760,443	1,751,702	1,851,194	1,857,586	1,407,064	1,498,126	1,820,000	1,820,000	1,820,000
Service Connections	39,331	37,977	80,819	54,206	49,899	66,385	30,000	77,500	77,500
Other Revenue	343,528	100,508	101,016	73,726	52,377	94,969	78,000	267,621	267,621
Total Operating Revenue	38,434,634	38,544,064	41,867,091	41,699,219	40,616,883	40,006,741	43,020,595	43,952,137	42,322,634
OPERATING EXPENSES									
Cost of Water	13,316,848	13,463,652	13,931,174	12,746,276	11,633,702	11,783,956	12,265,743	12,501,098	12,501,098
Cost of Sewage Disposal	14,469,546	14,469,546	14,469,546	15,496,996	16,994,074	16,764,493	16,730,202	17,435,227	17,435,227
System maintenance and operation	5,265,237	5,673,119	6,921,054	4,110,636	5,164,796	5,494,898	7,539,001	7,647,176	7,647,176
General and Administrative	910,561	1,057,499	1,071,356	1,070,456	1,172,959	1,241,712	1,370,791	1,359,104	1,359,104
GASB 75 OPEB expense			875,000						
Depreciation	2,962,102	3,148,353	3,314,702	3,427,755	3,682,943	3,797,231	3,922,243	3,922,243	3,922,243
Total Operating Expense	36,924,294	37,812,169	40,582,832	36,852,119	38,648,474	39,082,290	41,827,980	42,864,847	42,864,847
Operating income	1,510,340	731,895	1,284,259	4,847,100	1,968,409	924,451	1,192,615	1,087,290	(542,214)
NON OPERATING REVENUE (EXPENSE)									
Interest Income	63,389	102,678	238,443	489,429	245,340	(10,295)	54,708	16,500	(63,500)
Interest Expense	(306,932)	(327,007)	(328,908)	(301,006)	(339,904)	(392,591)	(298,604)	(382,865)	(382,865)
Gain on Sale of Assets	9,775	44,286	63,275	31,550	-	-	40,000	-	-
Total Nonoperating Revenue(Expense)	(233,768)	(180,043)	(27,190)	219,973	(94,564)	(402,886)	(203,896)	(366,365)	(446,365)
EXTRAORDINARY ITEM									
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTION AND EXTRAORDINARY ITEMS	1,276,572	551,852	1,257,069	5,067,073	1,873,845	521,565	988,719	720,926	(988,578)



LETTER TO THE LIVONIA CITY COUNCIL

6.

DPW
May 3, 2022

MEETING DATE

Study Meeting of May
16, 2022

PREPARED BY

Jill Russell, Secretary III,

AGENDA ITEM

REQUEST TO ADJUST WATER AND SEWER CONSUMPTION RATES, INDUSTRIAL SURCHARGE RATE AND INDUSTRIAL WASTE CONTROL CHARGE: Department of Public Works, re: to become effective on July 1, 2022.

BACKGROUND

Livonia's Department of Public Works and Finance Department have worked together on the water and sewer rates proposed for implementation on July 1, 2022. In calculating the new rates, a review was made to determine how the fiscal year 2021 rates performed in conjunction with the budget, along with an analysis of the effects of the proposed new rates on our small-, medium- and large-water users.

Incorporating an increase of wholesale charges from the Great Lakes Water Authority and an expected reduction in water sales charges, the recommended new rates will impact customers in the following manner:

1. The proposed water and sewer rate increase is 3.0 percent (3.0%) this year for the average residential user, which is an increase of \$5.40 per quarter. Average use is based on consumption of 20 units (2,000 cubic feet) per quarter, which is 15,000 gallons of water.
2. The rate increase is mainly due to a pass-through of the changes to the water charges from our wholesale provider coupled with an anticipated decrease in water sales. GLWA increased the wholesale per unit charge by \$0.05 or 3.4 percent (3.4%) from \$1.01 to \$1.06. GLWA also increased the month fixed fee by \$15,700 or 1.2 percent (1.2%).
3. No change to Livonia's fixed rates is recommended. An increase in future years remains possible, depending on current and future yearly sales.
4. City of Livonia users still pay much less for water than users in most surrounding communities pay for an equal amount of water.
5. The new rates will be in effect from July 1, 2022, through June 30, 2023.

Additional detailed information is included in the attached letter to the Water and Sewer Board.

RECOMMENDATION

It is recommended that Council approve the new Water & Sewer Rates, Industrial Surcharge Rate and Industrial Waste Control charges effective with the first billing on and after July 1, 2022.

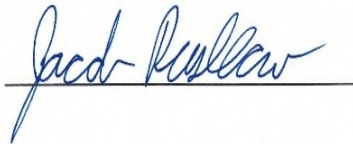
FISCAL CONSIDERATION

None

ATTACHMENTS

1. 2022 Attachment I - Per Unit Increase
2. 2022 Attachment II - Comparison of Communities For Distribution.xlsx
3. 2022 Attachment III - Statement of Revenue and Expense
4. LTC-Water Board Ltr Re Rates

APPROVED BY



Date: May 03, 2022

Jacob Rushlow, P.E., Assistant Director of Public Works



Date: May 03, 2022

Don Rohraff, Director of Public Works



Date: May 03, 2022

Michael Slater, Finance Director



Date: May 03, 2022

Paul Bernier, City Attorney



Date: May 05, 2022

Maureen Miller Brosnan, Mayor

AN ORDINANCE AMENDING SECTION 130 OF TITLE 13, CHAPTER 20 (LIVONIA SEWAGE DISPOSAL SYSTEM) OF THE LIVONIA CODE OF ORDINANCES, AS AMENDED.

THE CITY OF LIVONIA ORDAINS:

Section 1. Section 130 of Title 13, Chapter 20 the Livonia Code of Ordinances, as amended, is hereby amended to read as follows:

13.20.130 Special rates—For designated uses. A. Effective with the first billing on and after ~~July 1, 2024~~², where sewage disposal service is furnished to users not situated within the city, the sewage disposal rate for such users shall be as follows:

1. For all unmetered houses or residential dwellings connected to and using the facilities of the sewage disposal system, such rate shall be a flat rate of one hundred ~~two~~ four dollars and ~~sixty-six~~ forty eight cents (~~\$102.664.48~~) per quarter.

2. For all customers connected to and using the facilities of the sewage disposal system for which consumption data may be obtained, such rate shall be equal to the appropriate base rate established in 13.20.120(B)(1), plus the appropriate quarterly fixed charge as determined by meter size established in 13.20.120(A).

B. All seasonal users with kitchen or bathroom facilities shall pay 50% of the current per unit sewage charge, i.e.:

Base Charge

Wayne County per 100 cubic feet	\$ 1.0 58
City of Livonia per 100 cubic feet	\$ 0.3 57
Base Charge per 100 cubic feet	\$ 1.4 05

Large User (meters sizes 1.5 inch or larger)

Charge per 100 cubic feet	\$ 0. 8996
Total Base Charge for Large Users per 100 cubic feet of water used	\$ 2. 2941

C. The above rates do not include any rates imposed by the county for the treatment and disposal of sewage through its sewage treatment and disposal facilities. Any such rate shall be included and specified as a separate item in bills sent to users as hereinafter provided.

Proposed Amendment to Section 130
Of Title 13, Chapter 20 of the
Livonia Code of Ordinances - p2

Section 2. All ordinances or parts of ordinances in conflict herewith are hereby repealed only to the extent necessary to give this ordinance full force and effect.

Section 3. Should any portion of this ordinance be held invalid for any reason, such holding shall not be construed as affecting the validity of any of the remaining portions of this ordinance.

CITY OF LIVONIA – CITY COUNCIL
MINUTES OF STUDY MEETING HELD MAY 16, 2022

6,7,8,9,10

Meeting was called to order at 8:00 p.m. by President Jim Jolly. Present: Vice President Laura Toy, Scott Bahr, Rob Donovic, Scott Morgan, and Brandon McCullough, Kathleen McIntyre. Absent: None.

Elected and appointed officials present: City Clerk, Susan Nash, Mark Taormina, Director of Planning and Economic Development, Todd Zilincik, City Engineer, Mike Fisher; Assistant City Attorney, Jerome Hanna, Director of Inspection and Ordinance, and Jacob Rushlow, Assistant Director of Public Works.

6. REQUEST TO ADJUST WATER AND SEWER CONSUMPTION RATES, INDUSTRIAL SURCHARGE RATE AND INDUSTRIAL WASTE CONTROL CHARGE:
Department of Public Works, re: to become effective on July 1, 2022.

Jacob Rushlow, Assistant Superintendent of Public Works, and Connie Kumpula, Chief Accountant, presented the request to Council.

Council President Jim Jolly stated that there has been a lot of information regarding the Highland Park water debt and asked to what extent that was factored into the rate adjustments. A resolution was passed refusing to pay their debt and asked to verify that it was not considered as part of the rate increase. Connie Kumpula stated that GLWA sets their revenue requirement, and it is built into that revenue requirement. To make up for that, the city divided the \$40,000.00 by twelve, from their debt that was built in, and reduced the payment to GLWA each month. Councilmember Scott Bahr clarified that the residents are still paying that rate, but since that money is being held in escrow until everything is resolved. Once that happens, the residents would get that portion back

Councilmember Bahr asked to clarify what was meant by the expected reduction in water sales charges, if that meant they are expected to sell less water to residents. Connie Kumpula agreed, stating that has been the trend over the last couple of years. Councilmember Bahr asked what impact that had on the rates. Connie replied that when you sell less water, you have less spread to cover the fixed costs. Councilmember Bahr asked what the decreased usage was attributed to. Jacob Rushlow stated that it was being more conscious of how water is used and changes to water fixtures are reducing water use, along with industrial side, they are recycling the water used which makes the water use more efficient.

Councilmember Bahr asked about the rate impact of the sanitary water running through the sewer system. Jacob Rushlow stated that it impacts rates because it is another Capital Improvement Project, which reduces the flow into the sanitary system that needs to be treated.

Councilmember Bahr asked if there can be a separation of sewer and clean water. Jacob Rushlow stated that there isn't a good and efficient way to monitor and meter the gravity flow of water coming out of the drain and sewer pipe.

Councilmember Bahr asked how we compare to surrounding communities. Jacob Rushlow stated that Canton has built a water storage facility that helps control their peak flows. Councilmember Bahr asked about an update on Livonia doing the same. Jacob said they are polishing up a preliminary engineering study right now for a water storage reservoir in Livonia which should be done in the next few months. Once they meet with Finance after that, they can move forward.

Councilmember Scott Bahr offered and approving resolution for the Regular agenda.

Council Vice President Laura Toy asked to put the subject matter of water rates into the Environmental Committee to discuss when it is appropriate. Council President Jim Jolly stated that this might already be in committee.

DIRECTION:

APPROVAL

REGULAR



LETTER TO THE LIVONIA CITY COUNCIL

10.

Law
May 10, 2022

MEETING DATE

Regular Meeting of
June 6, 2022

PREPARED BY

Brenda Smyser, Program Supervisor,

AGENDA ITEM

PROPOSED AMENDMENT TO THE LIVONIA CODE OF ORDINANCE, AS AMENDED:
Department of Law, re: to Section 050 of Title 13, Chapter 28 (Industrial Waste Surcharge) to provide for changes in the industrial waste surcharge rate to become effective with the first billing on or after July 1, 2022.

BACKGROUND

At your study meeting of May 16, 2022, you referred the preparation of an ordinance amendment to Section 13.28.050 of the Livonia Code of Ordinances, to the Department of Law for submission to Council. This ordinance amendment reflects the requested changes to the water consumption rates.

Accordingly, this proposed amendment is hereby submitted for your consideration and possible adoption.

RECOMMENDATION

FIRST READ

and Industrial Waste Control charges effective with the first billing on and after July 1, 2022.

FISCAL CONSIDERATION

None

ATTACHMENTS

1. 2022 Attachment I - Per Unit Increase
2. 2022 Attachment II - Comparison of Communities For Distribution.xlsx
3. 2022 Attachment III - Statement of Revenue and Expense
4. LTC-Water Board Ltr Re Rates
5. LTC S051622 Req to adjust water and sewer rates
6. Proposed Ordinance 13.28.050 - 2022
7. S051622 Water Consumption Rates Minutes

APPROVED BY



Paul Bernier, City Attorney

Date: May 17, 2022



Maureen Miller Brosnan, Mayor

Date: May 20, 2022

Attachment ICITY OF LIVONIA
WATER AND SEWER RATES PER BILLING UNIT (100 CF)

"SMALL USERS" 5/8 to 1 Inch Meters

As of July 1, 2022

NO FIXED INCREASE TO SMALL OR LARGE METERS WITH 9% WATER LOSS

	LOW USAGE 10 UNITS PER QUARTER			MEDIUM USAGE 20 UNITS PER QUARTER			HIGH USAGE 30 UNITS PER QUARTER		
	<u>7/1/2021</u>	<u>7/1/2022</u>	<u>CHANGE (%)</u>	<u>7/1/2021</u>	<u>7/1/2022</u>	<u>CHANGE (%)</u>	<u>7/1/2021</u>	<u>7/1/2022</u>	<u>CHANGE (%)</u>
Per Unit Charge:									
2021 - Water per Billing Unit	2.73	\$ 27.30		\$ 54.60			\$ 81.90		
2022 - Water per Billing Unit	2.89	28.90		57.80			86.70		
2021 - Sewer per Billing Unit	2.79	27.90		55.80			83.70		
2022 - Sewer per Billing Unit	2.90	29.00		58.00			87.00		
2021 Fixed Charge	69.75	<u>69.75</u>		<u>69.75</u>			<u>69.75</u>		
2022 Fixed Charge	69.75	<u>69.75</u>		<u>69.75</u>			<u>69.75</u>		
Total Charge	<u>\$ 124.95</u>	<u>\$ 127.65</u>	<u>2.16%</u>	<u>\$ 180.15</u>	<u>\$ 185.55</u>	<u>3.00%</u>	<u>\$ 235.35</u>	<u>\$ 243.45</u>	<u>3.44%</u>

Footnotes:⁽¹⁾ "CFW", a billing unit, 100 cubic feet of water, is 748.052 gallons.⁽²⁾ 20 units of water is the average usage for a Livonia residential water customer.

Attachment II

**RESIDENTIAL WATER AND SEWER BILL
COMPARISON OF COMMUNITIES
Charges for 10, 20 and 30 Billing Units (CFW)⁽¹⁾ per Quarter
5/8 Inch Meter
As of April 25, 2022**

Purpose: The following comparison is provided to show the amount of a quarterly residential water customer bill based on various hypothetical water usage amounts.

<u>COMMUNITY</u>	<u>LOW USAGE - 10 UNITS</u>	<u>AVERAGE USAGE - 20 UNITS⁽²⁾</u>	<u>HIGH USAGE - 30 UNITS</u>
Canton - with Sump - 2021 Rate	98.07	174.75	251.43
<i>Livonia - 2022 Rate</i>	<i>127.65</i>	<i>185.55</i>	<i>243.45</i>
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⁽²⁾ 20 units of water is the average usage for a Livonia residential water customer.

⁽³⁾ Comparison rates are based on most recent information available

**ATTACHMENT III
COMBINED STATEMENT OF REVENUE AND EXPENSES**

	FY 15/16 AUDIT	FY 16/17 AUDIT	FY 17/18 AUDIT	FY 18/19 AUDIT	FY 19/20 AUDIT	FY 20/21 AUDIT	FY 21/22 Projected	FY 22/23 RATE ANALYSIS	FY 22/23 RATE ANALYSIS W/O INCREASE
OPERATING REVENUE									
Customer billings	36,291,332	36,653,877	39,834,062	39,713,701	39,107,543	38,347,261	41,092,595	41,787,016	40,157,512
Fines and forfeitures	1,760,443	1,751,702	1,851,194	1,857,586	1,407,064	1,498,126	1,820,000	1,820,000	1,820,000
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Other Revenue	<u>343,528</u>	<u>100,508</u>	<u>101,016</u>	<u>73,726</u>	<u>52,377</u>	<u>94,969</u>	<u>78,000</u>	<u>267,621</u>	<u>267,621</u>
Total Operating Revenue	<u>38,434,634</u>	<u>38,544,064</u>	<u>41,867,091</u>	<u>41,699,219</u>	<u>40,616,883</u>	<u>40,006,741</u>	<u>43,020,595</u>	<u>43,952,137</u>	<u>42,322,634</u>
OPERATING EXPENSES									
Cost of Water	13,316,848	13,463,652	13,931,174	12,746,276	11,633,702	11,783,956	12,265,743	12,501,098	12,501,098
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GASB 75 OPEB expense			875,000						
Depreciation	<u>2,962,102</u>	<u>3,148,353</u>	<u>3,314,702</u>	<u>3,427,755</u>	<u>3,682,943</u>	<u>3,797,231</u>	<u>3,922,243</u>	<u>3,922,243</u>	<u>3,922,243</u>
Total Operating Expense	<u>36,924,294</u>	<u>37,812,169</u>	<u>40,582,832</u>	<u>36,852,119</u>	<u>38,648,474</u>	<u>39,082,290</u>	<u>41,827,980</u>	<u>42,864,847</u>	<u>42,864,847</u>
Operating income	<u>1,510,340</u>	<u>731,895</u>	<u>1,284,259</u>	<u>4,847,100</u>	<u>1,968,409</u>	<u>924,451</u>	<u>1,192,615</u>	<u>1,087,290</u>	<u>(542,214)</u>
NON OPERATING REVENUE (EXPENSE)									
Interest Income	63,389	102,678	238,443	489,429	245,340	(10,295)	54,708	16,500	(63,500)
Interest Expense	(306,932)	(327,007)	(328,908)	(301,006)	(339,904)	(392,591)	(298,604)	(382,865)	(382,865)
Gain on Sale of Assets	<u>9,775</u>	<u>44,286</u>	<u>63,275</u>	<u>31,550</u>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>-</u>
Total Nonoperating Revenue(Expense)	<u>(233,768)</u>	<u>(180,043)</u>	<u>(27,190)</u>	<u>219,973</u>	<u>(94,564)</u>	<u>(402,886)</u>	<u>(203,896)</u>	<u>(366,365)</u>	<u>(446,365)</u>
EXTRAORDINARY ITEM	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTION AND EXTRAORDINARY ITEMS	<u>1,276,572</u>	<u>551,852</u>	<u>1,257,069</u>	<u>5,067,073</u>	<u>1,873,845</u>	<u>521,565</u>	<u>988,719</u>	<u>720,926</u>	<u>(988,578)</u>



DEPARTMENT OF PUBLIC WORKS

MAUREEN MILLER BROSNAN
MAYOR

DONALD R. ROHRAFF
DIRECTOR OF PUBLIC WORKS

DOUGLAS L. MOORE, MSA
ASSISTANT DIRECTOR OF PUBLIC WORKS

JACOB A. RUSHLOW, PE
ASSISTANT DIRECTOR OF PUBLIC WORKS



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LIVONIA, MICHIGAN 48150-4202
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MAINTENANCE SERVICES

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April 26, 2022

Water and Sewer Board
City of Livonia

Subject: Water and Sewer Fund Review, Water and Sewer Rates Adjustments. Industrial Surcharge Rate, Industrial Waste Control Charge (Effective July 1, 2022)

Dear Board Members:

This report provides a review of the performance of the Water and Sewer Fund for FY 2022, as well as a recommendation to adjust the water and sewer rates to Livonia customers, including charges to some of the commercial/industrial customers in Livonia. The following topics are discussed in this report:

- Increase in wholesale water and sewer cost
- A review of the Water and Sewer Fund performance for FY 2021
- Proposed Water and Sewer Fund rate adjustments for 2022
- Ordinance amendments reflecting recommended rate adjustments

Change in Wholesale Water and Sewer Cost

The Great Lakes Water Authority (GLWA) increased the wholesale cost of water to the City of Livonia by 3.4%. The cost to the City of Livonia per billing unit of 100 cubic feet (approximately 750 gallons) has increased by 5 cents, from \$1.01 to \$1.06. The GLWA fixed monthly charges have increased by \$15,700 per month, from \$607,100 to \$622,800 per month.

In response to the Highland Park bad debt passthrough, the City wrote a letter to Governor Whitmer requesting greater involvement from the State of Michigan in resolving this dispute. Additionally, the Administration prepared a request, and City

Council approved, for the Highland Park portion of the bad debt to be held in escrow until the matter is resolved.

Wayne County charges sewage disposal as a fixed monthly fee to the City of Livonia. The cost is estimated to increase 6% from \$1,353,319 to \$1,434,518. The increase in rates is the result of large Wayne County improvement projects planned and budgeted in previous fiscal years that were delayed due to COVID-19.

A Review of the Water and Sewer Fund Performance for Fiscal Year 2021

The Water and Sewer Fund experienced a net operating gain of \$521,565 before contributions from developers, grant reimbursements, and special assessment revenue (reference Attachment III). Every year, the goal of rate setting is to generate enough income to cover anticipated operating expenses, debt service payments, and capital improvements. Although the fiscal year 2021 operating revenue was down nearly \$3 million from the projected amount, a result of lower sales due to a rainy summer, operating expenses were also down \$2.7 million.

Projected Water and Sewer Fund Rate Adjustments for 2022

Wholesale Charges:

The Great Lakes Water Authority (GLWA) and Wayne County wholesale charges to the City of Livonia for 2022 are shown below in Table 1. Each unit is 100 cubic feet. Approximately 41.35% of Great Lakes Water Authority and Wayne County's total fixed costs are passed through to our customers in fixed format, with the remaining 58.65% being adjusted back into the per-unit charges for water and sewer.

TABLE 1

Description	<u>2021</u>	<u>2022</u>	<u>\$ / % Change</u>
GLWA Per Unit (water)	\$ 1.01	\$1.06	\$ 0.05 / 4.95%
GLWA Fixed Cost per month (water)	\$607,100	\$622,800	\$15,700 / 2.59%
Wayne County Fixed Cost per month (sewer)	\$1,353,319	\$1,434,518	\$81,199 / 6.00%

The GLWA is also adjusting the Industrial Surcharge Rates and the Industrial Waste Control Charges as shown in the Summary and Recommendations in the Water and Sewer Ordinance revisions. All four of the Industrial Surcharge rates have increased. The Industrial Waste Control Charges, which are based on meter size, have been increased by 1.13% across the board. Both the Industrial Surcharge Rate and the Industrial Waste Control Charges affect *only* commercial and industrial customers. These charges continue to be a pass-through to the affected customer with no additional charge by the City of Livonia.

City of Livonia Charges:

A continuing effort is being made to provide services in the most efficient, cost-effective manner possible. Operating, maintenance and administration expenses are constantly monitored to keep costs within budget. All policies and procedures are regularly reviewed, and processes and procedures are implemented to contain cost while providing excellent service. Operations and maintenance will continue to monitor water main breaks, weather conditions and the state of our infrastructure to find ways of reducing expenses. Administration is also exploring ways to provide customer billing and collection services that reduce cost while providing improved service to the customer.

TABLE 2 below reflects the recommended rate adjustments for low-, medium- and high-volume users with small meters. There are 37,630 users with small meters.

**CITY OF LIVONIA
WATER AND SEWER RATES PER BILLING UNIT (100 CF)
"SMALL USERS" 5/8 to 1 Inch Meters
As of July 1, 2022**

		LOW USAGE			MEDIUM USAGE			HIGH USAGE		
		<u>10 UNITS/QUARTER</u>			<u>20 UNITS/QUARTER</u>			<u>30 UNITS/QUARTER</u>		
<u>Per Unit Charge:</u>		<u>7/1/2021</u>	<u>7/1/2022</u>	<u>Chg</u> <u>(%)</u>	<u>7/1/2021</u>	<u>7/1/2022</u>	<u>Chg</u> <u>(%)</u>	<u>7/1/2021</u>	<u>7/1/2022</u>	<u>Chg</u> <u>(%)</u>
2021 Water per Billing Unit	2.73	\$ 27.30			\$ 54.60			\$ 81.90		
2022 Water per Billing Unit	2.89		\$ 28.90			\$ 57.80			\$ 86.70	
2021 Sewer per Billing Unit	2.79	\$ 27.90			\$ 55.80			\$ 83.70		
2022 Sewer per Billing Unit	2.90		\$ 29.00			\$ 58.00			\$ 87.00	
2021 Fixed Charge	69.75	<u>\$ 69.75</u>			<u>\$ 69.75</u>			<u>\$ 69.75</u>		
2022 Fixed Charge	69.75		<u>\$ 69.75</u>			<u>\$ 69.75</u>			<u>\$ 69.75</u>	
Total Charge		<u>\$ 124.95</u>	<u>\$ 127.65</u>	<u>2.16%</u>	<u>\$ 180.55</u>	<u>\$ 185.55</u>	<u>3.00%</u>	<u>\$ 235.35</u>	<u>\$ 243.45</u>	<u>3.44%</u>

The table below reflects the recommended rate adjustments for "large users" of meter sizes 1½" to 10".

TABLE 3

CITY OF LIVONIA – WATER AND SEWER RATES PER BILLING UNIT (100 CF)
 "LARGE USERS" – METER SIZE OVER 1 INCH – As of July 1, 2022

PER UNIT RATES	<u>#/Meters</u>	<u>2021/22</u>	<u>2022/23</u>	<u>Incr./Decr.</u>	<u>Incr.</u>
Cost of Water per Billing Unit		2.73	2.89	0.16	5.86%
Cost of Sewer per Billing Unit		2.79	2.90	0.11	3.94%
Large User Charge		2.63	2.87	<u>0.24</u>	9.13%
QUARTERLY FIXED FEES PER METER					
1 1/2 " Meter	628	205.02	205.02	0	0.0%
2" Meter	689	263.16	263.16	0	0.0%
3" Meter	151	345.78	345.78	0	0.0%
4" Meter	79	528.36	528.36	0	0.0%
6" Meter	16	1,407.60	1,407.60	0	0.0%
8" Meter	8	3,987.18	3,987.18	0	0.0%
10" Meter	1	11,493.36	11,493.36	0	0.0%

Impact of Water and Sewer improvement projects

Planned water and sewer improvement projects have had some impact on the proposed Water and Sewer Fund rate adjustments for 2022.

The City continues to perform sewer cured-in-place-pipe (CIPP) lining in the northwest quadrant of Section 34. This year's plan includes CIPP lining of approximately 2.9 miles of sewer pipe ranging from 8-inch to 36-inch diameter at a cost of \$1.3M. Preparation for the CIPP lining work will start in June/July 2022 and CIPP lining is planned for August 2022.

The City has embarked on a Footing Drain Disconnection program to significantly reduce the amount of clean water entering into our sanitary sewer system. The program began in 2017 in response to the May 2011 sewer backup settlement. Due to the reduction in flows that we've observed and the overwhelming support from homeowners, we have decided to continue this program for 2022 at a cost of \$1,000,000.

Ordinance amendments reflecting recommended rate adjustments

The 2022/23 total per unit rate increase to the average residential user is 3.0% (reference Attachment I). For comparison, please find Attachment II that highlights the Water and Sewer cost of other communities. Even with this rate change, Livonia rates continue to remain much lower than most surrounding communities.

It is recommended and requested that the Water and Sewer Board proceed with the amendments to the Water and Sewer Ordinance as follows:

13.08.40 Water Consumption rates

EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022

Per Unit Charges

GLWA per 100 cubic feet	2.14
City of Livonia per 100 cubic feet	<u>0.75</u>
Per Unit Charge per 100 cubic feet	2.89

Large User Charge per 100 cubic feet: Meter sizes 1.5 inch or larger	<u>0.96</u>
---	-------------

TOTAL Large User Charge per 100 cubic Feet	<u>3.85</u>
---	--------------------

13.08.050A Quarterly Fixed Fee per Meter (water)

EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022

5/8 Inch Meter	23.27
3/4 Inch Meter	23.27
1 Inch Meter	23.27
1 ½ Inch Meter	68.40
2 Inch Meter	87.79
3 Inch Meter	115.36
4 Inch Meter	176.27
6 Inch Meter	469.59
8 Inch Meter	1,330.17
10 Inch Meter	3,834.32

13.08.050B Seasonal Flat rate Water, per quarter

81.07

EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022

13.20.120 Sewer Disposal Rates

EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022

Per Unit Charges

Wayne County per 100 cubic feet	2.15
City of Livonia per 100 cubic feet	<u>0.75</u>
Per Unit Charge per 100 cubic feet	2.90

Large User Charge per 100 cubic feet: Meter sizes 1.5 inch or larger	<u>1.91</u>
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TOTAL Large User Charge per 100 cubic Feet	<u>4.81</u>
---	--------------------

Quarterly Fixed Fee per Meter (sewer)**EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022**

5/8	Inch Meter	46.48
3/4	Inch Meter	46.48
1	Inch Meter	46.48
1 ½	Inch Meter	136.62
2	Inch Meter	175.37
3	Inch Meter	230.42
4	Inch Meter	352.09
6	Inch Meter	938.01
8	Inch Meter	2,657.01
10	Inch Meter	7,659.04

Industrial Waste Control Monthly Meter Charges (GLWA)

5/8	Inch Meter	3.58
3/4	Inch Meter	5.37
1	Inch Meter	8.95
1 ½	Inch Meter	19.69
2	Inch Meter	28.64
3	Inch Meter	51.91
4	Inch Meter	71.60
6	Inch Meter	107.40
8	Inch Meter	179.00
10	Inch Meter	250.60
12	Inch Meter	286.40
14	Inch Meter	358.00
16	Inch Meter	429.60
18	Inch Meter	501.20
20	Inch Meter	572.80
24	Inch Meter	644.40
30	Inch Meter	716.00

13.20.130 Flat Rate Sewer per Quarter

104.48

EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022

13.20.130 Special Rates - for Designated Users**EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022***Seasonal user with Kitchen or Bathroom Facilities:**50% of Current per unit Sewage Charge***Per Unit Charges**

Wayne County per 100 cubic feet 1.08

City of Livonia per 100 cubic feet 0.37

Per Unit Charge per 100 cubic feet 1.45

Large User Charge per 100 cubic feet: Meter sizes
1.5 inch or larger 0.96**TOTAL Base Charge for Large User 2.41****13.28.050 Industrial Waste Pollutant Strength Surcharges****EFFECTIVE WITH THE FIRST BILLING ON AND AFTER JULY 1, 2022**Dollar/pound for treating BOD (Biochemical Oxygen Demand) in
excess of 275 mg/l 0.351Dollar/pound for treating TSS (Total Suspended Solids) in excess
of 350 mg/l 0.482

Dollar/pound for treating P (Phosphorus) in excess of 12 mg/l 6.448

Dollar/pound for treating FOG (Fats, Oils & Grease) in excess of
100 mg/l 0.112

Very Truly Yours,



Jacob Rushlow
Assistant Director of Public Works

Connie Kumpula
Chief Accountant

DR/CC/jar

Attachment I: Effect of Rate Adjustment on Typical Residential Bill

Attachment II: Residential Water and Sewer Bill Comparison of Communities

Attachment III: Combined Statement of Revenue and Expenses

cc: Mayor, City Clerk, City Attorney, Finance Director, City Engineer, Chief Accountant

Attachment I

CITY OF LIVONIA
WATER AND SEWER RATES PER BILLING UNIT (100 CF)
"SMALL USERS" 5/8 to 1 Inch Meters
As of July 1, 2022
NO FIXED INCREASE TO SMALL OR LARGE METERS WITH 9% WATER LOSS

	LOW USAGE 10 UNITS			MEDIUM USAGE 20 UNITS			HIGH USAGE 30 UNITS		
	7/1/2021	7/1/2022	CHANGE (%)	7/1/2021	7/1/2022	CHANGE (%)	7/1/2021	7/1/2022	CHANGE (%)
Per Unit Charge:									
2021 - Water per Billing Unit	2.73	\$ 27.30		\$ 54.60		\$	\$ 81.90		
2022 - Water per Billing Unit	2.89	28.90		57.80			86.70		
2021 - Sewer per Billing Unit	2.79	27.90		55.80			83.70		
2022 - Sewer per Billing Unit	2.90	29.00		58.00			87.00		
2021 Fixed Charge	69.75	69.75		69.75			69.75		
2022 Fixed Charge	69.75	69.75		69.75			69.75		
Total Charge		<u>\$ 124.95</u>	<u>2.16%</u>	<u>\$ 180.15</u>	<u>\$ 185.55</u>	<u>3.00%</u>	<u>\$ 235.35</u>	<u>\$ 243.45</u>	<u>3.44%</u>

Footnotes:

(1) "CFW", a billing unit, 100 cubic feet of water, is 748.052 gallons.

(2) 20 units of water is the average usage for a Livonia residential water customer.

Attachment II

**RESIDENTIAL WATER AND SEWER BILL
COMPARISON OF COMMUNITIES
Charges for 10, 20 and 30 Billing Units (CFW)⁽¹⁾ per Quarter
5/8 Inch Meter
As of April 25, 2022**

Purpose: The following comparison is provided to show the amount of a quarterly residential water customer bill based on various hypothetical water usage amounts.

<u>COMMUNITY</u>	<u>LOW USAGE - 10 UNITS</u>	<u>AVERAGE USAGE - 20 UNITS⁽²⁾</u>	<u>HIGH USAGE - 30 UNITS</u>
Canton - with Sump - 2021 Rate	98.07	174.75	251.43
<i>Livonia - 2022 Rate</i>	<i>127.65</i>	<i>185.55</i>	<i>243.45</i>
Plymouth (City of) - 2021 Rate	109.41	207.26	305.11
Canton - without Sump - 2021 Rate	131.67	208.35	285.03
Westland - 2021 Rate	144.33	221.16	297.99
Redford Township - 2021 Rate	134.80	226.10	317.40
Farmington Hills - 2021 Rate	140.59	245.53	333.40
Northville (City of) - 2021 Rate	149.12	282.73	416.34

Footnotes:

⁽¹⁾ "CFW", a billing unit, 100 cubic feet of water, is 748.052 gallons. Communities bill in different units of measurement, such as 1,000 gallons. This analysis converts the various methodologies to a common format.

⁽²⁾ 20 units of water is the average usage for a Livonia residential water customer.

⁽³⁾ Comparison rates are based on most recent information available

ATTACHMENT III
COMBINED STATEMENT OF REVENUE AND EXPENSES

	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 22/23
	AUDIT	AUDIT	AUDIT	AUDIT	AUDIT	AUDIT	Projected	RATE ANALYSIS	RATE ANALYSIS W/O INCREASE
OPERATING REVENUE									
Customer billings	36,291,332	36,653,877	39,834,062	39,713,701	39,107,543	38,347,261	41,092,595	41,787,016	40,157,512
Fines and forfeitures	1,760,443	1,751,702	1,851,194	1,857,586	1,407,064	1,498,126	1,820,000	1,820,000	1,820,000
Service Connections	39,331	37,977	80,819	54,206	49,899	66,385	30,000	77,500	77,500
Other Revenue	343,528	100,508	101,016	73,726	52,377	94,969	78,000	267,621	267,621
Total Operating Revenue	38,434,634	38,544,064	41,867,091	41,699,219	40,616,883	40,006,741	43,020,595	43,952,137	42,322,634
OPERATING EXPENSES									
Cost of Water	13,316,848	13,463,652	13,931,174	12,746,276	11,633,702	11,783,956	12,265,743	12,501,098	12,501,098
Cost of Sewage Disposal	14,469,546	14,469,546	14,469,546	15,496,996	16,994,074	16,764,493	16,730,202	17,435,227	17,435,227
System maintenance and operation	5,265,237	5,673,119	6,921,054	4,110,636	5,164,796	5,494,898	7,539,001	7,647,176	7,647,176
General and Administrative	910,561	1,057,499	1,071,356	1,070,456	1,172,959	1,241,712	1,370,791	1,359,104	1,359,104
GASB 75 OPEB expense			875,000						
Depreciation	2,962,102	3,148,353	3,314,702	3,427,755	3,682,943	3,797,231	3,922,243	3,922,243	3,922,243
Total Operating Expense	36,924,294	37,812,169	40,582,832	36,852,119	38,648,474	39,082,290	41,827,980	42,864,847	42,864,847
Operating income	1,510,340	731,895	1,284,259	4,847,100	1,968,409	924,451	1,192,615	1,087,290	(542,214)
NON OPERATING REVENUE (EXPENSE)									
Interest Income	63,389	102,678	238,443	489,429	245,340	(10,295)	54,708	16,500	(63,500)
Interest Expense	(306,932)	(327,007)	(328,908)	(301,006)	(339,904)	(392,591)	(298,604)	(382,865)	(382,865)
Gain on Sale of Assets	9,775	44,286	63,275	31,550	-	-	40,000	-	-
Total Nonoperating Revenue(Expense)	(233,768)	(180,043)	(27,190)	219,973	(94,564)	(402,886)	(203,896)	(366,365)	(446,365)
EXTRAORDINARY ITEM									
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTION AND EXTRAORDINARY ITEMS	1,276,572	551,852	1,257,069	5,067,073	1,873,845	521,565	988,719	720,926	(988,578)



LETTER TO THE LIVONIA CITY COUNCIL

6.

DPW
May 3, 2022

MEETING DATE

Study Meeting of May
16, 2022

PREPARED BY

Jill Russell, Secretary III,

AGENDA ITEM

REQUEST TO ADJUST WATER AND SEWER CONSUMPTION RATES, INDUSTRIAL SURCHARGE RATE AND INDUSTRIAL WASTE CONTROL CHARGE: Department of Public Works, re: to become effective on July 1, 2022.

BACKGROUND

Livonia's Department of Public Works and Finance Department have worked together on the water and sewer rates proposed for implementation on July 1, 2022. In calculating the new rates, a review was made to determine how the fiscal year 2021 rates performed in conjunction with the budget, along with an analysis of the effects of the proposed new rates on our small-, medium- and large-water users.

Incorporating an increase of wholesale charges from the Great Lakes Water Authority and an expected reduction in water sales charges, the recommended new rates will impact customers in the following manner:

1. The proposed water and sewer rate increase is 3.0 percent (3.0%) this year for the average residential user, which is an increase of \$5.40 per quarter. Average use is based on consumption of 20 units (2,000 cubic feet) per quarter, which is 15,000 gallons of water.
2. The rate increase is mainly due to a pass-through of the changes to the water charges from our wholesale provider coupled with an anticipated decrease in water sales. GLWA increased the wholesale per unit charge by \$0.05 or 3.4 percent (3.4%) from \$1.01 to \$1.06. GLWA also increased the month fixed fee by \$15,700 or 1.2 percent (1.2%).
3. No change to Livonia's fixed rates is recommended. An increase in future years remains possible, depending on current and future yearly sales.
4. City of Livonia users still pay much less for water than users in most surrounding communities pay for an equal amount of water.
5. The new rates will be in effect from July 1, 2022, through June 30, 2023.

Additional detailed information is included in the attached letter to the Water and Sewer Board.

RECOMMENDATION

It is recommended that Council approve the new Water & Sewer Rates, Industrial Surcharge Rate and Industrial Waste Control charges effective with the first billing on and after July 1, 2022.

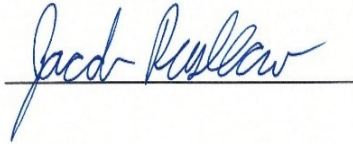
FISCAL CONSIDERATION

None

ATTACHMENTS

1. 2022 Attachment I - Per Unit Increase
2. 2022 Attachment II - Comparison of Communities For Distribution.xlsx
3. 2022 Attachment III - Statement of Revenue and Expense
4. LTC-Water Board Ltr Re Rates

APPROVED BY



Date: May 03, 2022

Jacob Rushlow, P.E., Assistant Director of Public Works



Date: May 03, 2022

Don Rohraff, Director of Public Works



Date: May 03, 2022

Michael Slater, Finance Director



Date: May 03, 2022

Paul Bernier, City Attorney



Date: May 05, 2022

Maureen Miller Brosnan, Mayor

**AN ORDINANCE AMENDING SECTION 050 OF TITLE
13, CHAPTER 28 (INDUSTRIAL WASTE SURCHARGE)
OF THE LIVONIA CODE OF ORDINANCES, AS
AMENDED.**

THE CITY OF LIVONIA ORDAINS:

Section 1. Section 050 of Title 13, Chapter 28 the Livonia Code of Ordinances, as amended, is hereby amended to read as follows:

13.28.050 Schedule of charges. Industrial waste pollutant strength surcharges are adopted herein, made effective with the first billing on and after July 1, 202~~1~~², for users of the wastewater system of the City of Livonia, and are to be computed as follows:

**Computation of Industrial Waste Pollutant
Strength Surcharge**

The industrial waste pollutant strength surcharge shall be computed in accordance with the following formula:

$$SC = 0.0624 V [a (BOD-275) + b (TSS-350) + c (P-12) + d (FOG-100)]$$

Where:

- | | |
|-----|--|
| SC | = Pollutant strength surcharge fee in dollars for the billing period. |
| V | = Volume of waste discharged in the billing period in Mcf (1,000 cubic feet). |
| BOD | = Five-day biochemical oxygen demand of the waste expressed in milligrams per liter (ppm). |
| TSS | = Total suspended solids in the waste expressed in milligrams per liter (ppm). |
| P | = Phosphorus in the waste expressed in milligrams per liter (ppm). |
| FOG | = Fats, oils, and grease in the waste expressed in milligrams per liter (ppm). |

Proposed Amendment to Section 050
Of Title 13, Chapter 28 of the
Livonia Code of Ordinances - p2

a, b, c, d = Surcharge rates in dollars/pound for treating BOD, TSS,
P and FOG, respectively.

0.624 = Factor which converts Mcf to MM lbs.

a = dollars/pound for treating BOD = \$ 0.34751/pound greater
than 275 mg/l.

b = dollars/pound for treating TSS = \$ 0.47682/pound greater
than 350 mg/l.

c = dollars/pound for treating P = \$ 6.368448/pound greater than
12 mg/l.

d = dollars/pound for treating FOG = \$ 0.1112/pound greater
than 100 mg/l.

Section 2. All ordinances or parts of ordinances in conflict herewith are hereby
repealed only to the extent necessary to give this ordinance full force and effect.

Section 3. Should any portion of this ordinance be held invalid for any reason, such
holding shall not be construed as affecting the validity of any of the remaining portions
of this ordinance.

CITY OF LIVONIA – CITY COUNCIL
MINUTES OF STUDY MEETING HELD MAY 16, 2022

6,7,8,9,10

Meeting was called to order at 8:00 p.m. by President Jim Jolly. Present: Vice President Laura Toy, Scott Bahr, Rob Donovic, Scott Morgan, and Brandon McCullough, Kathleen McIntyre. Absent: None.

Elected and appointed officials present: City Clerk, Susan Nash, Mark Taormina, Director of Planning and Economic Development, Todd Zilincik, City Engineer, Mike Fisher; Assistant City Attorney, Jerome Hanna, Director of Inspection and Ordinance, and Jacob Rushlow, Assistant Director of Public Works.

6. REQUEST TO ADJUST WATER AND SEWER CONSUMPTION RATES, INDUSTRIAL SURCHARGE RATE AND INDUSTRIAL WASTE CONTROL CHARGE:
Department of Public Works, re: to become effective on July 1, 2022.

Jacob Rushlow, Assistant Superintendent of Public Works, and Connie Kumpula, Chief Accountant, presented the request to Council.

Council President Jim Jolly stated that there has been a lot of information regarding the Highland Park water debt and asked to what extent that was factored into the rate adjustments. A resolution was passed refusing to pay their debt and asked to verify that it was not considered as part of the rate increase. Connie Kumpula stated that GLWA sets their revenue requirement, and it is built into that revenue requirement. To make up for that, the city divided the \$40,000.00 by twelve, from their debt that was built in, and reduced the payment to GLWA each month. Councilmember Scott Bahr clarified that the residents are still paying that rate, but since that money is being held in escrow until everything is resolved. Once that happens, the residents would get that portion back

Councilmember Bahr asked to clarify what was meant by the expected reduction in water sales charges, if that meant they are expected to sell less water to residents. Connie Kumpula agreed, stating that has been the trend over the last couple of years. Councilmember Bahr asked what impact that had on the rates. Connie replied that when you sell less water, you have less spread to cover the fixed costs. Councilmember Bahr asked what the decreased usage was attributed to. Jacob Rushlow stated that it was being more conscious of how water is used and changes to water fixtures are reducing water use, along with industrial side, they are recycling the water used which makes the water use more efficient.

Councilmember Bahr asked about the rate impact of the sanitary water running through the sewer system. Jacob Rushlow stated that it impacts rates because it is another Capital Improvement Project, which reduces the flow into the sanitary system that needs to be treated.

Councilmember Bahr asked if there can be a separation of sewer and clean water. Jacob Rushlow stated that there isn't a good and efficient way to monitor and meter the gravity flow of water coming out of the drain and sewer pipe.

Councilmember Bahr asked how we compare to surrounding communities. Jacob Rushlow stated that Canton has built a water storage facility that helps control their peak flows. Councilmember Bahr asked about an update on Livonia doing the same. Jacob said they are polishing up a preliminary engineering study right now for a water storage reservoir in Livonia which should be done in the next few months. Once they meet with Finance after that, they can move forward.

Councilmember Scott Bahr offered and approving resolution for the Regular agenda.

Council Vice President Laura Toy asked to put the subject matter of water rates into the Environmental Committee to discuss when it is appropriate. Council President Jim Jolly stated that this might already be in committee.

DIRECTION:

APPROVAL

REGULAR



LETTER TO THE LIVONIA CITY COUNCIL

11.

Law
May 4, 2022

MEETING DATE

Regular Meeting of
June 6, 2022

PREPARED BY

Brenda Smyser, Program Supervisor,

AGENDA ITEM

PROPOSED AMENDMENT TO THE LIVONIA CODE OF ORDINANCES, AS AMENDED:
Department of Law, re: to Amend Chapter 37 (Delivery and Placement of Written Materials) to Title 8.

BACKGROUND

In 2020, Council passed an ordinance addressing unsolicited advertisements that are placed in plastic bags and thrown from moving vehicles onto residents' driveways or lawns. Notwithstanding enactment of this ordinance, and several letters to the publications engaging in this practice, residents continue to complain about unsolicited materials showing up on their driveways/property. When contacted by Inspection, the offending publications claim that the people receiving the materials are subscribers. However, the publications refuse to provide a copy of their subscription list or proof that the complaining resident plaintiff is a customer. Furthermore, the complaining residents have, to date, proven unwilling to appear in court as a witness against the publications.

The Law Department currently has one (1) case pending in the 16th district court against a delivery person because they were caught by Inspection violating the ordinance. Our hope has been to seek that person's willingness to testify against the publisher.

Because of the various publications' persistent refusal to comply with the ordinance, the proposed amendment eliminates the distinction between "solicited" and "unsolicited" written materials. In short, except for materials delivered through the U.S. mail which are placed in mailboxes, any delivery of written materials at a location other than those specifically identified in the ordinance is prohibited. The mere placement of these materials at prohibited locations constitutes a violation for which the publisher/distributor may be cited by Inspection without having to involve the resident upon whose property the paper was aimed at or delivered to.

As with the existing ordinance, residents still need to understand that this proposed amendment will not, and cannot, ban the delivery of these materials as such an attempt remains unconstitutional. Rather, this remains a content-neutral, narrowly drawn restriction as to the time, place, and manner of delivery of such materials.

If the accompanying proposed ordinance meets with your approval, it is ready to be offered for a first reading. Certainly, if you should have any questions, please do not hesitate to contact the Law Department.

RECOMMENDATION

First Reading

FISCAL CONSIDERATION

None

ATTACHMENTS

1. Proposed Ordinance 8.37 - Unsolicited Written Materials 2022
2. LTC S051622 Prop Amend Ch 37
3. S051622 Unsolicited Written Materials Minutes

APPROVED BY



Date: May 04, 2022

Paul Bernier, City Attorney



Date: May 04, 2022

Maureen Miller Brosnan, Mayor

AN ORDINANCE ~~ADDING~~AMENDING CHAPTER 37
(~~UNSOLICITED WRITTEN MATERIALS~~) ~~TO OF~~ TITLE 8
OF THE LIVONIA CODE OF ORDINANCES, AS
AMENDED

THE CITY OF LIVONIA ORDAINS:

Section 1. Chapter 37 of Title 8 of the Livonia Code of Ordinances is hereby amended
~~to add Chapter 37 which chapter shall to~~ read as follows:

Chapter 37

UNSOLICITED DELIVERY AND PLACEMENT OF WRITTEN MATERIALS

Sections:

- 8.37.010 Purpose and Intent.**
- 8.37.020 Definitions.**
- 8.37.030 Placement of ~~unsolicited~~ written materials.**
- 8.37.040 Reservation of rights.**
- 8.37.050 Rebuttable presumption.**
- 8.37.060 Violations and limitations.**
- 8.37.070 Other remedies.**

8.37.010 - Purpose and Intent. The purpose and intent of this chapter is to reduce visual blight, litter, and the migration to public streets or other public property of ~~unsolicited~~ written materials by establishing reasonable, predictable locations for the placement of such materials on the private property to which they are delivered. Placement of such materials in consistent, secure and predictable locations will reduce the visual impact of such materials, reduce the likelihood that such materials will be rendered unreadable or unusable, reduce the likelihood that such materials will become a nuisance or blight on private property and public streets or other public property, and increase the probability that the intended recipients will find and collect such materials.

8.37.020 - Definitions. For purposes of this chapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

- A. *Front door*. The street-facing entrance(s) to a principal building or structure. In the event no door faces the street, then any other door of a principal building or

structure nearest the street shall be considered a front door for purposes of this section.

B. *Person*. An individual, partnership, corporation, limited liability company, association, or other legal entity. *Person* includes the partners or members of a firm, a partnership, or an association and the officers of a corporation.

C. *Porch*. An exterior appendage to a principal building leading to a doorway, including any stairway attached thereto.

D. *Premises*. A lot, plot, or parcel of land including any buildings, structures, driveways, or other impervious surfaces.

E. *Principal building or structure*. The main building or structure where the primary use associated with the premises is conducted. The primary use is characterized by identifying the main activity taking place on the premises.

F. ~~Unsolicited w~~Written materials. With the exception of those items delivered by the United States Postal Service, Any written materials includes, but is not limited to, newspapers, advertisements, solicitations and publications of every type and nature, delivered to any premises ~~without the express invitation or permission, in writing or otherwise, by the owner, occupant, or lessee of such premises within the~~ city of Livonia.

8.37.030 - Placement of ~~unsolicited~~ written materials.

A. ~~Unsolicited w~~Written materials delivered to premises shall be placed:

- (1) On a porch, if one exists, nearest the front door; or
- (2) So that such materials are securely attached to the front door; or
- (3) Through a door slot on the front door of the principal building or structure, if one exists, to the extent permitted by the United States Postal Service Domestic Mail Manual; or
- (4) Between the exterior front door, if one exists and is unlocked, and the interior front door; or
- (5) Where permitted, in a distribution box located on or adjacent to the premises; or
- (6) Personally with the owner, occupant, and/or lessee of the premises.

B. Except as expressly provided in section A above, the delivery, placement or leaving of any ~~unsolicited~~ written materials upon the driveway, sidewalk, walkway, or street adjoining any premises within the city of Livonia is prohibited.

C. No person shall deliver any ~~unsolicited~~ written materials to any premises within the city after having been expressly notified by the owner, occupant or lessee of the premises, or where a sign is posted on the door facing the street of the premises, that no solicitation is desired.

8.37.040 - Reservation of rights. Notwithstanding section .030 above, an owner, lessee, or occupant maintains the right to restrict entry to or upon his or her premises.

8.37.050 - Rebuttable presumption. ~~Unsolicited w~~Written materials placed at or upon a premises at a location other than as set forth in Section .030 above creates a rebuttable presumption that the materials were placed at the premises by the owner, agent, manager, and/or authorized distributor of the ~~unsolicited~~ written materials.

8.37.060 - Violations and limitations.

A. Any person who places or who causes to be placed ~~unsolicited~~ written materials in areas on or adjacent to a premises other than as set forth in section .030 above shall be responsible for a civil infraction punishable by a civil fine of \$100.00 for each violation.

B. A separate violation of this ordinance occurs each time that ~~unsolicited~~ written materials are placed on, at, or about separate premises in violation of this section. For example, three (3) violations of this ordinance will occur if a person distributes ~~unsolicited~~ written materials in violation of this section to three (3) different lots, one after the other, on the same day.

C. A person shall be liable for a violation of this ordinance via the person's officer, agent, or employee if the person engaged the person's officer, agent, or employee to place or to distribute the ~~unsolicited~~ written materials. That a person acted as an officer, agent, or employee of another in distributing or placing ~~unsolicited~~ written materials in violation of this ordinance shall not negate the liability of the person acting as an officer, agent, or employee for his or her violation of this ordinance.

D. This ordinance shall not be deemed to have been violated merely because ~~unsolicited~~ written materials that were placed on, at, or about a premises in violation of this ordinance have remained on, at, or about a premises in violation of this chapter. Only the initial placement of the ~~unsolicited~~ written materials in violation of this ordinance shall constitute a violation.

E. The provisions of this ordinance do not apply to the United States Postal Service.

8.37.070 - Other remedies. Nothing contained in this section shall be construed to limit the City's other remedies at law or in equity related to ~~unsolicited~~ written materials that have been distributed or placed in violation of this ordinance. Without limiting the scope of the preceding sentence, the City may pursue equitable remedies to enforce this section pursuant to Section 8302 of the Revised Judicature Act of 1961 or as may otherwise permitted by law.

Section 2. All ordinances or parts of ordinances in conflict herewith are hereby repealed only to the extent necessary to give this ordinance full force and effect.

Section 3. Should any portion of this ordinance be held invalid for any reason, such holding shall not be construed as affecting the validity of any of the remaining portions of this ordinance.

**CITY OF LIVONIA – CITY COUNCIL
MINUTES OF STUDY MEETING HELD MAY 16, 2022**

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Meeting was called to order at 8:00 p.m. by President Jim Jolly. Present: Vice President Laura Toy, Scott Bahr, Rob Donovic, Scott Morgan, and Brandon McCullough, Kathleen McIntyre. Absent: None.

Elected and appointed officials present: City Clerk, Susan Nash, Mark Taormina, Director of Planning and Economic Development, Todd Zilincik, City Engineer, Mike Fisher; Assistant City Attorney, Jerome Hanna, Director of Inspection and Ordinance, and Jacob Rushlow, Assistant Director of Public Works.

7. PROPOSED AMENDMENT TO THE LIVONIA CODE OF ORDINANCES, AS AMENDED: Department of Law, re: to Amend Chapter 37 (Delivery and Placement of Written Materials) to Title 8.

Paul Bernier, City Attorney, presented the request to Council.

Council President Jim Jolly asked if this amendment changes the presumption. Paul Bernier replied that it does, whether it is solicited or unsolicited, if you throw it in the driveway, you are violating the ordinance. Currently, if an item is solicited, it was not a violation of the ordinance, but there is no way to determine if an item is solicited or not. It took charging the big paper downtown after five years of writing letters before it got their attention. After a meeting with them, they assured that after July, they will no longer be printing the ads that are thrown on the sidewalks. This has been the majority of the complaints they have received.

Council President Jim Jolly asked that with the new ordinance if there would be an affirmative defense if someone had subscribed. Paul Bernier stated that it would be a violation unless the item was placed in an allowable area, such as the front door.

Council President Jim Jolly asked that once change is final, that the local media companies are notified. Paul Bernier stated they have tried and have not had cooperation from any of the papers, which is why they took the step of charging them, which is what finally got their attention.

Council President Jim Jolly asked if they could explore an affirmative defense for those that do subscribe. Paul Bernier stated that there is no distinction between citizen and non-citizen material and asked that they see what happens with the change in July. At that time, the problem should be eliminated.

Councilmember Rob Donovic stated thanked the Law Department for taking this up and felt that the circulator should be held to a standard of delivering to a porch or box rather than the driveway.

Councilmember Scott Bahr noted that they are talking about subscribed newspapers that have gone back at least a century. He stated that he only has a problem with stuff in his driveway that he didn't know to cancel. Paul Bernier stated that the business has

changed from the fourteen-year-old child being required to put the paper where they were told, to the adult driver throwing the paper in the driveway.

Councilmember Scott Bahr asked if this would go to a public hearing if this were approved. Paul Bernier stated that it would go to a first read then a second read.

Councilmember Brandon McCullough noted that he lives in a cul-de-sac and the papers are left at the curb line. When it rains, they go down to a catch basin and then it floods the streets. He has pulled twenty of them out over the years.

Councilmember Rob Donovic offered an approving resolution for the Regular agenda.

DIRECTION:

APPROVAL

REGULAR