



CITY OF NOVI CITY COUNCIL
AUGUST 31, 2026

SUBJECT: Consideration to Adopt a Resolution Authorizing Prepayment to the Oakland County Water Resources Commissioner (WRC) for Capital Improvements at the Walled Lake-Novı Wastewater Treatment Plant.

SUBMITTING DEPARTMENT: Department of Public Works, Engineering Division

KEY HIGHLIGHTS:

- Walled Lake-Novı Wastewater Treatment Plant requires \$3M in capital improvements over the next five years.
- The City of Novi is responsible for ~\$2M of these improvements based on flow volumes treated.
- The final scope of the capital improvement plan was presented to City staff in the spring; therefore, these costs were not budgeted.
- Project costs will be prepaid with Water and Sewer Fund Reserves.
- The plan was presented to the Finance and Administration Committee in June, and the expected costs were included in this year's water and sewer rate-setting analysis.

FINANCIAL IMPACT

	FY 2026/27
EXPENDITURE REQUIRED	\$ 2,031,000.00
BUDGET Water & Sewer Fund 592-536.00-976.010	\$ 0 Budget will be addressed on the next budget amendment.
APPROPRIATION REQUIRED	\$ 0
FUND BALANCE IMPACT	\$ 0
The one-time payment would be due on or before October 30, 2026.	

BACKGROUND INFORMATION:

The Walled Lake-Novı Wastewater Treatment Plant (WLN WWTP) serves Walled Lake and Novı by ensuring effective treatment and safe discharge in compliance with environmental regulations. The facility is designed to manage 3.5 MGD of wastewater, playing a vital role in protecting public health and the environment. The Oakland County Water Resources Commissioner's Office (WRC) operates the WLN WWTP.

The WLN WWTP requires \$3 million in capital improvements. The scope of work includes the installation of new HVAC system components, rehabilitation of concrete tanks, repairs to the collection system, the installation of new process blowers, the installation of a new electrical control center and panel, and an overhaul of an operations lift. Costs are apportioned between Walled Lake and Novı based on average flow volumes treated over the preceding 3-year period from 2023 through 2025. Novı accounts for 67.7% of the total volume treated and is responsible for \$2,031,000 of the project costs.

The improvements would take place over the next five years. The final scope of the capital improvement plan was presented to City staff in the spring; therefore, these costs were not budgeted. However, the plan was presented to the Finance and Administration Committee in June, and the expected costs were included in this year's water and sewer rate-setting analysis.

Included in the packet is the Capital Planning Report for the Walled Lake-Novı Wastewater Treatment Plant, which outlines the details of the improvements. The table below breaks down the projects, timeline, and estimated costs.

Table 1. Capital Improvement Project (CIP) Breakdown

Project Description	Implementation Year(s)	Net Useful Life/ Extended Life	Estimated Cost
Biosolids Storage Restoration	2027 – 2030	50 years	\$195,000
Process Blowers Replacement	2027 – 2030	20 years	\$585,000
Collection System Restoration	2027 – 2030	40 years	\$495,000
Electrical Control Center and Panel Replacement	2029 – 2031	30 years	\$1,550,000
Laboratory Temperature and Humidity Regulation	2027	15 years	\$75,000
Restore Manlift	2028	40 years	\$100,000

Total Estimated Cost: \$3,000,000

The attached resolution has been reviewed and approved by the City Attorney. If approved, the one-time payment would be due on or before October 30, 2026.

RECOMMENDED ACTION: Adopt a Resolution Authorizing Prepayment to the Oakland County Water Resources Commissioner (WRC) for Capital Improvements at the Walled Lake-Novı Wastewater Treatment Plant.