Minutes

YPSILANTI COMMUNITY UTILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
Wednesday, January 28, 2015 – 4:00 p.m.
YCUA Administration Building
2777 State Road
Ypsilanti, MI  48198-9112

Members Present:  Brenda L. Stumbo, Michael Bodary, Larry J. Doe, and Keith P. Jason.

Members Absent:  None.

1.  CALL TO ORDER:  Mr. Bodary called the meeting to order at 4:00 p.m.

2.  MINUTES OF THE PREVIOUS MEETING:  Motion by Doe to receive and file the minutes of the December 17, 2014 meeting as presented.  Support by Jason.  In favor: All.  Opposed: None.  (Motion carried.)

3.  NEW BUSINESS:

   A.  Request to Approve – Base Pay Increase for Director Position – Kimberly Robinson

      Ms. Robinson reminded the Board that she was tasked with this external market evaluation at the November meeting.  She indicated that she collected data from three different surveys, national and local, and reviewed the data with the Personnel Committee.

      Motion by Doe to approve the Base Pay Increase for Director Position.  Support by Jason.

      Mr. Doe commented that this is long overdue.  Mr. Bodary commented that the increase is well deserved.

      In favor: All.  Opposed: None.  (Motion carried)

   B.  Request to Approve – Personnel Policy Update Review – Kimberly Robinson

      Motion by Jason to approve the Personnel Policy Update Review.  Support by Doe.
Ms. Stumbo arrived and resumed chairing the meeting.

Ms. Robinson advised the Board that the review includes five policies as the start of a process that will involve more policies in the future. She pointed out that these include the Equal Employment Opportunity (EEO), Americans with Disability Act (ADA), Nondiscrimination Anti-Harassment and Bullying, Tobacco Use, and Business Ethics and Conduct policies. Ms. Robinson then outlined the changes in detail.

Mr. Doe commended the YCUA human resources department for their hard work on this project. Ms. Stumbo commented that the last time these policies were reviewed was 2009. Ms. Robinson concurred and stated that there are many more policies that haven’t been updated in a long time.

Ms. Stumbo inquired as to whether these changes were reviewed with John Hancock, YCUA’s labor attorney. Ms. Robinson responded affirmatively and added that they were also reviewed with the AFSCME and Teamster bargaining and grievance committees.

Mr. Bodary inquired as to how the tobacco policy applies to Authority vehicles. Ms. Robinson responded that tobacco use has never been permitted in fleet vehicles and that this prohibition will now include smokeless tobacco products and nicotine delivery devices. She added that the use of tobacco and similar products will be permitted in designated outdoor areas on scheduled breaks.

Ms. Stumbo commented that, in the past, policy changes were not brought to the Board and that this transparency is important and appreciated.

In favor: All. Opposed: None. (Motion carried)

C. Request to Approve – Superior Township Wastewater Disposal Agreement – Jeff Castro

Motion by Doe to approve the Superior Township Wastewater Disposal Agreement. Support by Bodary.

Mr. Castro advised the Board that this agreement brings Superior Township in line with other YCUA contract communities and also addresses GASB 68 changes. He indicated that this has been under negotiation since early 2013 with the previous Superior Township officials, which changed and required the negotiations to begin again. Mr. Castro explained that items that were eliminated in the new agreement were the 10% early accommodation and the sprinkling meter / sewer deduct adjustment. He pointed out that Superior Township requested an additional .11 MGD over their current capacity of 2.14 MGD. Mr. Castro
also explained that their average flow is about .75 MG. He further advised that the new agreement is retroactive to September 2014.

In favor: All. Opposed: None. (Motion carried)

D. **Request to Approve – Authorization to Seek Bids re: 2015 Road Repairs Phase 1 (O & M Expense Account No. 902-161)** – Scott D. Westover

Motion by Doe to provide authorization to Seek Bids re: 2015 Road Repairs Phase 1 (O & M Expense Account No. 902-161). Support by Bodary.

Mr. Westover advised the Board that these are excavations primarily cut between June 1 and November 30, 2014. He indicated that this work includes a total of 35 locations which will likely cost in the area of just over $100,000.

Ms. Stumbo inquired as to whether YCUA has considered doing a multi-year contract. Mr. Westover responded that it has been discussed internally but that nothing formal has been presented to the Board. He added that the same contractor has been the low bidder the last three or four times and YCUA is very happy with their work. Mr. Westover indicated that there are several aspects that he would want to explore in more detail but nothing that is insurmountable.

Mr. Bodary inquired as to whether this award of contract can contain an option to extend if both parties agree. Mr. Westover responded that the current contractor would be more than happy to extend their agreement for the next six months or a year but that he would be more comfortable going out for bids as usual this time until more thought can be put into it. Mr. Stumbo interjected that perhaps extending the contracts from six months to one year would be adequate since a multi-year contract would require multipliers.

Mr. Doe inquired as to whether there were any significant per-ton changes in concrete or asphalt. Mr. Westover responded that there were only nominal increases on last year’s low bid.

In favor: All. Opposed: None. (Motion carried)

E  **Fund Balance Report** – Dwayne Harrigan

Informational only; no motion from the Board required.

F.  **Financial Report – Authority Net Assets** – Dwayne Harrigan

Informational only; no motion from the Board required.

Informational only; no motion from the Board required.

H. Attorney’s Report – Thomas E. Daniels

There was no Attorney’s Report for the month.

I. Environmental Report – Luther D. Blackburn

Mr. Blackburn reminded the Board that the incinerator’s annual emissions testing was postponed due to some failures that forced a shutdown of the incinerator. He indicated that the testing has been re-scheduled for March 25th. Mr. Blackburn explained that YCUA staff has been in constant communication with MDEQ, whose representatives have made multiple site visits to the Authority. He pointed out that, through ongoing positive communication with them, there will be no written violation in regards to the postponement of the annual testing.

Mr. Blackburn also explained that a new permit to install was receive in December, which will allow YCUA a lower feed rate into the incinerator. He further advised that this puts the Authority in a better position to comply with regulations in the future.

Mr. Blackburn stated that the public comment period for the renewable operating air permit ends today. He acknowledged that he has received no information regarding any issues.

J. Director’s Report - Jeff Castro

Mr. Castro updated the Board on the incinerator repair. He indicated that, while the primary heat exchanger failure was being investigated and inspected, it was discovered that the plenum, which is the base of the primary and secondary heat exchangers, is in need of additional repair and a base unit.

Kevin Dupuis, YCUA Director of Maintenance, then outlined the issue at length. Mr. Castro interjected that it would take 32 weeks to have a new primary heat exchanger manufactured at a cost of between $600,000 and $700,000, which doesn’t include freight or installation costs that would bring the total to the $1 million range.

Mr. Jason inquired as to the purpose of the heat exchangers. Mr. Dupuis responded that the primary heat exchanger utilizes the heat of the flue gases to keep the incinerator burning at a steady internal temperature of 1,400 - 1,500 degrees. He added that the secondary heat exchanger is used as a pollution control device for the carbon bed and the stack.
Mr. Jason inquired as to whether the excess heat can be utilized in other areas of the plant. Mr. Dupuis responded that most of the heat that is present is already being utilized in the system except for, perhaps, the dome. He indicated that the manufacturer is recommending that the shell of the dome be insulated, which would help prevent the progressive degradation of the shells because there would be no condensation on the insides.

Mr. Bodary commented that it seems only logical that the manufacturer would have originally designed the incinerator with stainless steel on the outside of the plenum instead of low carbon steel. Mr. Dupuis responded that no one has been able to answer that question other than to say that YCUA did not select that option. Ms. Stumbo suggested that Tetra Tech could explain why that option wasn’t chosen.

Mr. Westover interjected that when these two plenums are re-welded, there will be a layer of mastic applied between the steel and the castable before it is installed with the expectation that it will stop the corrosive material from getting to the steel.

Ms. Stumbo then asked if it is staff’s recommendation to replace or repair the incinerator. Mr. Westover responded that staff is waiting for the report from Lou Berry’s inspection. He added that, after these emergency repairs are completed, staff hopes to “catch its breath” and create a detailed plan of what needs to be done and when. Mr. Castro concurred, particularly considering that the entire incinerator is an approximately $10 million system and that the primary and secondary heat exchangers are only two elements that make up that system.

Ms. Stumbo commended YCUA staff for negotiating the price of the repairs, particularly since it costs money every day to truck the sludge away. Mr. Castro stated that the quote currently stands at $128,000 but that there are unknown variables that could cause that to increase.

Motion by Doe to approve the emergency repairs to the incinerator in a not-to-exceed amount of $175,000. Support by Bodary.

Mr. Castro commended the YCUA team for their due diligence and tremendous work, particularly Kevin Dupuis, Scott Westover, Luther Blackburn, and Scott Robinson.

In favor: All. Opposed: None. (Motion carried)

4. **OLD BUSINESS:** There was no Old Business for the month.

5. **OTHER BUSINESS:** Bob Fry advised the Board that he was contacted by Tony Orlando, Eastern Michigan University’s Director of Athletics and Marketing, with a
request to illuminate the stone tower for the American Heart Association’s heart disease awareness month in February. He indicated that this was similarly done a couple of years ago for Autism awareness. Mr. Fry explained that the lighting will be done on only selected days in February from approximately 7 p.m. until midnight and that EMU will be responsible for installing the lights and generators.

Mr. Jason indicated that he is concerned that this sets a precedence that might put YCUA in a position of having to grant every request like this, particularly since the stone tower is often the subject of inappropriate suggestions. Ms. Stumbo responded that she understands Mr. Jason’s concern but that all of these kinds of requests need to be approved by the Board.

Motion by Bodary to approve the request to light the stone tower for the American Heart Association’s heart disease awareness month in February. Support by Doe. In favor: All. Opposed: None. (Motion carried)

6. STATEMENTS AND CHECKS: Motion by Doe to pay the bills in the amount of $3,291,980.84. Support by Bodary. In favor: All. Opposed: None. (Motion carried)

7. PUBLIC COMMENTS: There were no Public Comments for the month.

8. EXECUTIVE SESSION: Ms. Stumbo recommended adjourning the open session and calling to order a closed session in order to meet with legal counsel to discuss privileged and confidential memorandum from legal counsel regarding impact of General Accounting Standards Board (GASB) Statement 67 / 68 on YCUA wastewater treatment contracts and related contract negotiations. Motion by Jason to accept the recommendation for adjourning the open session and calling to order a closed session. Support by Bodary. By roll call vote: Ayes: Brenda L. Stumbo, Michael Bodary, Keith P. Jason, and Larry J. Doe. Nayes: None. (Motion carried)

(Board then met in closed session.)

9. RETURN TO OPEN SESSION AND ADJOURNMENT:

Motion by Bodary to adjourn the meeting at 5:40 p.m. Support by Jason. In favor: All. Opposed: None. (Motion carried)

Respectfully submitted,

MICHAEL BODARY, Vice-Chair