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

Members Absent: None.

1. CALL TO ORDER: Ms. Stumbo called the meeting to order at 4:00 p.m. She welcomed Jon Ichesco to the YCUA Board of Commissioners. Mr. Bodary introduced Mr. Ichesco, the former fire chief for the City of Ypsilanti, and provided the executive administrative assistant with a copy of Mr. Ichesco’s oath of office. Mr. Ichesco thanked the Board.

2. MINUTES OF THE PREVIOUS MEETING: Motion by Doe to receive and file the minutes of the January 28, 2015 meeting (open and closed sessions) as presented. Support by Bodary. In favor: All. Opposed: None. (Motion carried.)

3. NEW BUSINESS:
   A. Request to Approve – Personnel Policy Update Review – Kimberly Robinson

   Motion by Doe to approve the Personnel Policy Update Review. Support by Bodary.

   Ms. Robinson reminded the Board that this process began last month and that there are two more policies to be approved this month. She indicated that the changes to these policies are designed to clarify YCUA’s expectations and standards aligned with local, state, and federal laws where applicable. Ms. Robinson then explained the key changes being made to the Electronic Device Usage and Drug-free Workplace policies at length. She pointed out that the changes were reviewed with the B & G committees.
Ms. Robinson also explained that YCUA has a high caliber of employees and that issues relative to these two policies are rare.

Mr. Bodary inquired as to whether the CDL holders get random drug testing. Mr. Robinson responded that, for non-DOT regulated employees, random testing is only administered under reasonable suspicion.

Ms. Stumbo commented that this is just an update to the current policy that hasn’t been reviewed since 2009 and while, in the past, policy changes resulted in a lot of apprehension when they were not brought before the Board, the intention now is not to be punitive but simply to bring things up-to-date.

Ms. Stumbo inquired as to whether crews that are working around the clock can be permitted to use their cell phones to check in with their families as long as their supervisor is aware. Mr. Castro responded affirmatively. Ms. Stumbo then inquired as to whether it is required for drivers to pull over to answer a call. Ms. Robinson responded affirmatively, indicating that this has always been a part of the policy. She added that steps are being taken to equip all of the fleet vehicles with two-way radios.

Mr. Doe advised that doesn’t understand the difference between talking on a two-way radio and a cell phone in terms of a distraction. Mr. Castro responded that, for CDL drivers, talking on a cell phone is prohibited by MDOT but two-way radios are permitted. Mr. Jason interjected that today’s smart phones present additional distractions that two-way radios do not.

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

B. Request to Approve – Annual Officer and Committee Member Appointments – Jeff Castro

Mr. Castro advised the Board that annual officer and committee assignments take place each February. He indicated that any of the current positions can be changed at this time. Mr. Castro explained that currently, the secretary – treasurer and township hearing officer positions need to be filled.

Mr. Bodary clarified that a city representative presides over township customer disputes so that there is no conflict of interest. He asked that Mr. Ichesco be provided with copies of the policies that provide direction for these positions.

Ms. Stumbo recommended a motion to appoint Mr. Ichesco to the secretary – treasurer and township hearing officer positions.
Motion by Doe to appoint Mr. Ichescio to the secretary – treasurer and township hearing officer positions. Support by Jason. In favor: All. Opposed: None. (Motion carried)

C. Request to Approve - Renewal of Wastewater Treatment Plant Natural Gas Contract (O & M Expense Account No. 550-921) – Luther D. Blackburn

Motion by Doe to approve the Renewal of Wastewater Treatment Plant Natural Gas Contract (O & M Expense Account No. 550-921). Support by Jason.

Mr. Blackburn advised the Board that he is requesting to seek proposals for the purchase and delivery of natural gas. He indicated that, since April 2002, the Michigan Public Service Commission has had an approved customer choice program for DTE Gas Company, which allows YCUA to purchase natural gas from alternative suppliers. Mr. Blackburn explained that YCUA primarily utilizes natural gas for general heating purposes and in the incineration of biosolids generated from the treatment of wastewater. He pointed out that YCUA’s current natural gas agreements can be terminated after June 30, 2015. Mr. Blackburn also explained that, historically, YCUA has entered into one year agreements for the purchase and delivery of natural gas. He further advised that, in order to fully evaluate all pricing options, YCUA plans to request suppliers provide proposals for multiple term agreements. Mr. Blackburn stated that a request for proposal will be issued in accordance with YCUA’s purchasing policy.

Ms. Stumbo commented that the agenda states that this is a renewal of the existing contract but that Mr. Blackburn’s request is to seek proposals. She asked for a friendly amendment. Motion by Doe to approve the Request to Seek Proposals re: Wastewater Treatment Plant Natural Gas Contract (O & M Expense Account No. 550-921). Support by Jason. In favor: All. Opposed: None. (Motion carried)


Mr. Castro advised the Board that the annual financial report is a requirement of state statute. He indicated that the Finance Committee met and reviewed the documents. Mr. Castro explained that Mark Kettner from Rehmann Robson was present to give a brief overview and answer any questions.

Mr. Kettner then proceeded to provide information to the Board.
He indicated that the most important aspects of the audit are the new GASB 67 and 68 accounting standards that deal with the pension plan and ultimately the recording of the unfunded pension liability. Mr. Kettner then outlined the impacts of these new standards on YCUA’s single water and sewer enterprise fund and its contract community arrangements. He commended Jeff Castro and Dwayne Harrigan for dealing with a very complex topic.

Mr. Kettner explained that the accompanying Single Audit reports on the federal programs as part of the Drinking Water Revolving Fund, which he outlined in more detail. He pointed out that, in the management letter, there were some material audit adjustments regarding timing and priorities that were communicated to management, who will be taking the necessary steps to address. Mr. Kettner recommended that the Board ask that those items be addressed in writing.

Mr. Castro thanked YCUA attorney Thomas E. Daniels for his assistance over the last year in the negotiations surrounding GASB 67 and 68 with the intentions of maintaining the status quo.

Motion by Bodary to approve the Comprehensive Annual Financial Report (CAFR) For Fiscal Year 2013 – 2014. Support by Doe. In favor: All. Opposed: None. (Motion carried)

E. Fund Balance Report – Dwayne Harrigan
Informational only; no motion from the Board required.

Informational only; no motion from the Board required.

Informational only; no motion from the Board required.

H. Attorney’s Report – Thomas E. Daniels

Mr. Daniels advised the Board that the Superior Township and Sumpter Township contracts have been revised relative to GASB 68 and that amendments have been suggested to the contracts of Augusta, York, and Pittsfield townships with positive preliminary responses. He indicated that staff is in the process of following up on last month’s closed session of the Board with a draft revision to WTUA’s contract.

I. Environmental Report – Luther D. Blackburn
There was no Environmental Report for the month.
J. **Director’s Report** - Jeff Castro

Mr. Castro welcomed Mr. Ichesco to the YCUA Board of Commissioners. He then updated the Board on the DWSD water rate increase of 10.9%. Mr. Castro indicated that some of the surrounding communities’ increases include Canton Township at 19.7%, Van Buren at 14.9%, Troy at 19.2%, and Livonia at 18.2%, which are due to the fact that they were 15 - 20% below their negotiated volume whereas YCUA’s variance was only about 3.5%. He explained that while YCUA is not happy with a double-digit increase, the Authority’s increase is one of the lowest.

Mr. Bodary commented that it certainly pays to have accurate projections.

Ms. Stumbo indicated that YCUA does not historically pass on the entire amount of the DWSD increase to its customers. Mr. Castro responded affirmatively and explained that, in May, staff will examine operational costs and make a recommendation to the Board for an appropriate rate change.

4. **OLD BUSINESS:**

K. **Request to Approve – Emergency Incinerator Repairs** – Kevin G. Dupuis

Mr. Dupuis advised the Board that the incinerator has been down since November and that the last round of repairs went well. He indicated that since then, it has been discovered that some of the pipe material that was supposed to be ¼ inch thick on the top gaskets of the incinerator is now below .1 inch in some areas and there was also a two-foot long tear on the exhaust duct that was rusted through. Mr. Dupuis then explained the repairs in detail. He pointed out that staff requested a quote for these repairs from Waltz Holst of Ada, Michigan in the not-to-exceed amount of $215,000. Mr. Dupuis also explained that the thing that is slowing the work right now is the scaffolding erectors, which can’t be removed until the following night. He further advised that his hope is to have the incinerator back up and running in May.

Motion by Doe to approve the emergency incinerator repairs by Waltz Holst in the not-to-exceed amount of $215,000. Support by Bodary. In favor: All. Opposed: None. (Motion carried)

5. **OTHER BUSINESS:** There was no Other Business for the month.

6. **STATEMENTS AND CHECKS:** Motion by Doe to pay the bills in the amount of $2,530,635.24. Support by Ichesco. In favor: All. Opposed: None. (Motion carried)

7. **PUBLIC COMMENTS:** There were no Public Comments for the month.
8. **ADJOURNMENT:** Motion by Doe to adjourn the meeting at 4:44 p.m. Support by Bodary. In favor: All. Opposed: None. (Motion carried)

Respectfully submitted,

[Signature]

JON R. ICHESCO, Secretary - Treasurer