Members Present: Michael Bodary, Andrew Cameron, Larry J. Doe, and Keith P. Jason.

Members Absent: Brenda L. Stumbo.

1. CALL TO ORDER: Mr. Bodary called the meeting to order at 4:04 p.m.

2. MINUTES OF THE PREVIOUS MEETING: Motion by Doe to receive and file the minutes of the January 22, 2014 meeting as presented. Support by Cameron. In favor: All. Opposed: None. (Motion carried.)

3. NEW BUSINESS:


Motion by Doe to approve the Comprehensive Annual Financial Report (CAFR) For Fiscal Year 2012 – 2013. Support by Cameron.

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 pointed out that the new GASB standards no. 67 and 68 require the implementation of new disclosures in the final statements about retirement plans, including the recording of the liability for the unfunded actuarial accrued liability, which is $14.4 million in the current fiscal year audit. Mr. Kettner went on to explain the impacts that this will have on YCUA
as a single purpose enterprise fund governmental entity, specifically a very large deficit.

Mr. Kettner also explained that this has been discussed with the Finance Committee and that there is no easy solution. He further advised that the matter will be investigated at length along with bond counsel and that the Board will be hearing much more about resulting policy setting in the future.

Mr. Castro stated that new standards will be also be coming along for the retiree health care OPEB which will parallel the pension, meaning another $22 million of unfunded liability will need to be recorded. He acknowledged that these liabilities will need to be on the books beginning August 31, 2015.

Mr. Doe inquired as to whether the Authority is going to meet this year’s budget, particularly in light of recent decreases in usage due to weather and other losses. Dwayne Harrigan responded affirmatively and pointed out that the current budget is more conservative than in past years.

Mr. Castro interjected that YCUA staff is working with counsel to decide which path to take to assure that these issues will be resolved.

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

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

Motion by Doe to approve continuing the existing Officer and Committee Member Appointments. Support by Cameron. In favor: All. Opposed: None. (Motion carried)

C. Request to Approve – UIS SCADA Proposal re: Water Supply System Communications Improvements in the Amount of $162,846 (O & M Account No. 901-540) – Kevin G. Dupuis and Scott D. Westover

Motion by Cameron to approve the UIS SCADA Proposal re: Water Supply System Communications Improvements in the Amount of $162,846 (O & M Account No. 901-540). Support by Jason.

Mr. Westover advised the Board that there are 22 locations in the water supply system that currently have Motorola MOSCAD radios as the primary backup communications and eight locations that have phone or modem as their primary source of communications with video service backup. He indicated that the current units have been in place for about 10 years and are obsolete and no longer supported. Mr. Westover explained that there have been no failures in the water supply system yet but that these same radios on the wastewater side have failed three times.
He pointed out that the failed wastewater units were replaced with the same units that are now being requested for the water supply system.

Mr. Dupuis interjected that these radios are combined units used for communications and programmable logic controls.

Mr. Westover also explained that, in the same manner as in 2003 when replacement radios were first purchased, a single quote is being recommended, the rationale for which he and Mr. Dupuis explained at length.

Mr. Doe inquired as to why only six radios were replaced in 2003 rather than all 22. Mr. Westover responded that he is not sure but that the logical reason would be that the six were critical locations that needed to be addressed immediately.

Mr. Bodary commented that the reasons for going with a sole source provider are understood. Mr. Dupuis explained the other options that were examined that were found to be inadequate. He added that the only other attractive option would be to go with high-speed and durable fiber optics but that the Authority does not have the capacity to install the fiber optic infrastructure.

Mr. Cameron inquired as to the expected lifespan of the new radios. Mr. Westover responded that 7 – 10 years is a good estimate.

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

D. Request to Approve - Authorization to Seek Engineering Proposal re: WWTP Incinerator SO2 Reduction (O & M Account No. 902-167) – Scott D. Westover

Motion by Doe to provide Authorization to Seek Engineering Proposal re: WWTP Incinerator SO2 Reduction (O & M Account No. 902-167). Support by Cameron.

Mr. Westover reminded the Board of the successful pilot study of adding caustic to the gas stream in the incinerator to reduce sulfur dioxide. He indicated that staff wishes to transition into a permanent installation based on the pilot study in which Tetra Tech has been instrumental.

Mr. Westover explained the project in greater detail. He pointed out that staff hopes the new system will extend the life of the carbon units from one year to three or four years as well as allow the Authority to comply with new emissions standards in 2016.

In favor: All. Opposed: None. (Motion carried)
E. Request to Approve – Authorization to Seek Engineering Proposal re: Willow Run Wastewater Treatment Plant Demolition (Environmental Reserve Fund Account No. 902-392) – Scott D. Westover

Motion by Doe to provide Authorization to Seek Engineering Proposal re: Willow Run Wastewater Treatment Plant Demolition (Environmental Reserve Fund Account No. 902-392). Support by Cameron.

Mr. Westover reminded the Board that, a few months ago when YCUA staff requested approval to negotiate with the contractor already onsite, the Board expressed their desire for this work to bid out. He indicated that staff believes Tetra Tech’s input is needed to put together a formal bidding document due to their extensive knowledge of and experience with the Willow Run site.

Mr. Westover explained that his initial inquiries with the onsite contractor resulted in a budgetary figure of approximately $1,050,000 but that he expects design and demolition phase engineering services and an open bid process to result in a lower cost. He further advised that there is currently just over $2 million in the environmental fund that is earmarked for this kind of project.

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

F. Request to Approve – Authorization to Seek Proposals re: Dye Testing of Metering Equipment (O & M Expense Account No. 902-164) – Scott D. Westover

Motion by Cameron to provide Authorization to Seek Proposals re: Dye Testing of Metering Equipment (O & M Expense Account No. 902-164). Support by Jason.

Mr. Westover advised the Board that staff deems this dye-testing to be necessary in order to calibrate the wastewater billing metering equipment that has been installed over the past couple of weeks. He indicated that the dye-testing will initially take place on each meter twice and then on a rotating basis thereafter every nine to 15 months.

Mr. Westover explained that the majority of these costs will be passed on to the contract customers. He pointed out that staff is aware of only two firms in Michigan that do this kind of work, which may result in a limited number of responses to the open bidding.

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

G. Fund Balance Report – Dwayne Harrigan

Informational only; no motion from the Board required.

Informational only; no motion from the Board required.


Mr. Castro directed the Board’s attention to the Consumption Report. He then proceeded to give a detailed report of the information contained in the report and answered questions from the Board.

Informational only; no motion from the Board required.

J. Attorney’s Report – Thomas E. Daniels

There was no Attorney’s Report for the month.

K. Environmental Report – Luther D. Blackburn

Mr. Blackburn advised the Board that YCUA submitted its monthly discharge monitoring and operating reports and is in compliance with all permit requirements and limitations.

He indicated that the Authority applied for a Title V renewable operating permit on February 19th. Mr. Blackburn explained that this is part of the Federal Clean Air Act relative to the incinerator and air emissions sources at the plant. He pointed out that it rolls all of the federal requirements into one permit. Mr. Blackburn also explained that this is a segue into the Max standards.

He reiterated Mr. Westover’s report on the sulfur dioxide reduction project.

He further advised that there is nothing new to report on the local limits special allocations process but that he should have new information within the next couple of months.

Mr. Blackburn stated that the mercury minimization plan annual report is due March 31st and that quarterly compliance shows that levels are down.

Informational only; no motion from the Board required.

L. Director’s Report - Jeff Castro

There was no Director’s Report for the month.

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

M. Lift Station Power Consumption – Kevin G. Dupuis

Mr. Dupuis advised the Board that the completion of the projects at the Big Four lift stations and the related installation of VFDs has resulted in substantial power savings with DTE.

Informational only; no motion from the Board required.

6. STATEMENTS AND CHECKS: Motion by Cameron to pay the bills in the amount of $3,269,723.22. Support by Doe. 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 4:46 p.m. Support by Jason. In favor: All. Opposed: None. (Motion carried)

Respectfully submitted,

ANDREW CAMERON, Secretary - Treasurer