Members Present: Brenda L. Stumbo, Edward B. Koryzno, Jr., Larry J. Doe, Philip W. Wagner and Mark Namatevs

Members Absent: None.

1. CALL TO ORDER: Brenda L. Stumbo called the meeting to order at 3:00 p.m.

2. MINUTES OF THE PREVIOUS MEETING: Motion by Doe to receive and file the minutes of the March 23, 2004 and March 24, 2004 meetings. Support by Wagner. In favor: All. Opposed: None. (Motion carried.)

3. NEW BUSINESS:

   A. Request to Approve – Change Order No. 2 re: South Harris Road Water Main Replacement - Larry R. Thomas

   Mr. Thomas directed the Board’s attention to Change Order No. 2 regarding the South Harris Road Water Main Replacement Project. He indicated that there are $16,476 of increases and $13,500 of decreases included in the change order. Mr. Thomas also explained that the causes of the change order include a change in YCUA hydrant specifications and the addition of a sidewalk to meet new ADA – MDOT standards. He pointed out that these are changes from the contract agreement. Mr. Thomas explained that there is a net increase to the project of $2,976. He further advised that there is sufficient contingency to cover the change.
Mr. Thomas recommended approval of Change Order No. 2 re: South Harris Road Water Main Replacement in the amount of $2,976 to be funded from the YCUA Contingency Fund.

Motion by Namatevs to accept Mr. Thomas’s recommendation for approval of Change Order No. 2 re: South Harris Road Water Main Replacement in the amount of $2,976 to be funded from the YCUA Contingency Fund. Support by Doe. In favor: All. Opposed: None. (Motion carried)

B. Change Order No. 3 re: DWSD Second Connection Project - Larry R. Thomas

Mr. Thomas directed the Board’s attention to Change Order No. 3 regarding the DWSD Second Connection Project. He indicated that the change order includes $51,675.50 in increases and $18,453.57 in decreases. Mr. Thomas then directed their attention to a letter from Matt Pilarz from OHM that explains the change in costs included in the change order. He pointed out that the type of valves inside the meter pit was changed following design phase, which required up sizing of the gate wells and valves. Additionally, Mr. Thomas explained that the bypass size was reduced from a 36-inch bypass to a 24-inch bypass, allowing for a decrease in cost. He further advised that the net change to the contract is an increase of $33,221.93. Mr. Thomas stated that these are DWRF eligible costs.

Mr. Thomas recommended approval of Change Order No. 3 re: DWSD Second Connection Project in the amount of $33,221.93 to be paid out of DWRF funds.

Motion by Doe to accept Mr. Thomas’s recommendation for approval of Change Order No. 3 re: DWSD Second Connection Project in the amount of $33,221.93 to be paid out of DWRF funds. Support by Koryzno. In favor: All. Opposed: None. (Motion carried)

C. Request to Approve – City of Ypsilanti – YCUA Revenue Bond Agreement - Larry R. Thomas

Mr. Thomas advised the Board that the main replacement projects within the city have been financed by revenue bonds sold by the city rather than YCUA. He indicated that this arrangement was made at the City’s request. Mr. Thomas also explained that YCUA is responsible for making debt payments for water and sewer-related bond issues out of YCUA City Division revenues. He pointed out that City Council is responsible for keeping YCUA rates adequate such that debt payments can be made. Mr. Thomas explained
that this arrangement has been followed for several years with no formal written agreement. He further advised that both YCUA’s and the city auditors have recommended this revenue bond agreement between the City and YCUA formalizing the arrangement that has been in place for the past several years. Mr. Thomas stated that YCUA’s attorney, Thomas E. Daniels, worked with City attorney John Barr to formalize this document. He acknowledged that City Council adopted the agreement at their April 6, 2004 meeting.

Mr. Thomas recommended approval of the City of Ypsilanti – YCUA Revenue Bond Agreement.

Motion by Koryzno to accept Mr. Thomas’s recommendation for approval of City of Ypsilanti – YCUA Revenue Bond Agreement. Support by Doe. In favor: All. Opposed: None. (Motion carried)

D. Request to Approve – T-Mobile Lease Agreement - Larry R. Thomas

Mr. Thomas directed the Board’s attention to a letter from Thomas E. Daniels regarding a lease agreement between T-Mobile and YCUA for the use of the Shadford water tower for a cell phone antenna there. He reminded the Board that they had previously appointed a committee of Ed Koryzno, Mark Namatevs, Thomas E. Daniels and himself to consider the lease agreement and bring a recommendation back to them. Mr. Thomas also explained that Thomas E. Daniels negotiated with T-Mobile to get YCUA the best deal possible. He pointed out that, as in an existing agreement to use the Shadford water tank for a cell phone antenna, YCUA will be splitting the lease revenues with the Ypsilanti School District. Mr. Thomas explained that the letter from Thomas E. Daniels details the lease agreement and payments that will be made by T-Mobile over the next thirty years. He further advised that the entire lease is enclosed in their packets for their consideration. Mr. Thomas stated that leasing the tower for cell phone use generates revenue for the YCUA City Division while creating little to no expense. He acknowledged that the 30-year lease payments total $934,775.

Mr. Thomas recommended approval of the ad hoc committee’s recommendation to approve the T-Mobile Lease Agreement and authorize him to sign the agreement.

Motion by Doe to accept Mr. Thomas’s recommendation for approval of the ad hoc committee’s recommendation to approve the T-Mobile Lease Agreement and authorize Larry R. Thomas to sign the agreement. Support by Wagner. In favor: All. Opposed: None. (Motion carried)
E. Request to Approve – Orchard, Hiltz, and McCliment’s Proposal for Engineering Services re: Holmes Road - Larry R. Thomas

Mr. Thomas advised the Board that the Washtenaw County Road Commission would soon be improving Holmes Road between Prospect and Ford Blvd. He indicated that, as is customary in these projects, YCUA examined the water mains in the area and determined that they should be replaced. Mr. Thomas also explained that this stretch of Holmes Road covers water mains both in the City and Township Divisions of YCUA. He then directed the Board’s attention to a proposal from Orchard, Hiltz, and McCliment for the engineering services related to water main replacement on this section of Holmes Road. Mr. Thomas explained that this section of water main should be replaced prior to the roadwork. He further advised that it may be done yet this construction season or it may occur next year. Mr. Thomas stated that the division of cost between the two divisions would be based on the number of feet of road in each community.

Mr. Thomas recommended approval of Orchard, Hiltz, and McCliment’s Proposal for Engineering Services re: Holmes Road in the amount of $175,000 to be funded from the Reserve for Construction in both City Division and Township Division proportional to the linear feet of main in each division.

Motion by Doe to accept Mr. Thomas’s recommendation for approval of Orchard, Hiltz, and McCliment’s Proposal for Engineering Services re: Holmes Road in the amount of $175,000 to be funded from the Reserve for Construction in both City Division and Township Division proportional to the linear feet of main in each division. Support by Koryzno. In favor: All. Opposed: None. (Motion carried)

F. Request to Approve – Purchase of Four Trucks for Service Center - T. Michael Jessee

Mr. Jessee directed the Board’s attention to his letter regarding the purchase of four pickup trucks for the YCUA Service Center. He indicated that three trucks have been removed from service by the Service Center management team due to safety concerns. Mr. Jessee also explained that two additional trucks are in a condition that creates concern. He pointed out that YCUA’s Purchasing and Planning Director, Scott D. Martin, prepared and presented the appropriate bid documents to local dealerships. Mr. Jessee explained that YCUA received six bids with the low bid from Varsity Ford in the amount of $59,881. Mr. Jessee stated that funds are available in the Motor Pool Fund to
cover this purchase. He acknowledged that, in order to stay within the approved budget, YCUA would not be purchasing a dump truck approved in the budget until next year.

Philip W. Wagner interjected that YCUA should make sure that the vehicles are sold as salvage rather than for public use due to possible liability issues. Mr. Jessee responded that selling the vehicles at auction strictly as salvage would be no problem. Thomas E. Daniels commented that they would be sold to a salvage yard in “as is condition” with no representations one way or another as to the condition or the quality of the vehicle.

Mr. Jessee recommended approval of the low bid from Varsity Ford for the purchase of four trucks for the Service Center in the total amount of $59,881 to be funded from the Motor Pool Fund.

Motion by Namatevs to accept Mr. Jessee’s recommendation for approval of the low bid from Varsity Ford for the purchase of four trucks for the Service Center in the total amount of $59,881 to be funded from the Motor Pool Fund. Support by Koryzno. In favor: All. Opposed: None. (Motion carried)

G. Request to Approve – Change Order No. 5 re: Wastewater Treatment Plant Expansion Project - T. Michael Jessee

Mr. Jessee directed the Board’s attention to Change Order No. 5 on the Wastewater Treatment Plant Expansion/Improvements project. He indicated that the change order covers several items that are explained in the cover letter from Brad Fraker, Construction Project Manager for Tetra Tech MPS. Mr. Jessee also explained that staff has reviewed the change order and is recommending approval. He pointed out that YCUA staff requested two of the items, numbers 501 and 506. Mr. Jessee explained that the reasons for other item changes are included in the paperwork provided to them from Tetra Tech MPS. He further advised that this change order increases the value of the contract by $217,983. Mr. Jessee stated that sufficient funds remain in the YCUA Contingency Fund to finance the Authority’s portion of the Change order costs.

Mr. Jessee recommended approval of Change Order No. 5 re: Wastewater Treatment Plant Expansion Project in the amount of $217,983 to be funded from the YCUA Contingency Fund.

Motion by Doe to accept Mr. Jessee’s recommendation for approval of Change Order No. 5 re: Wastewater Treatment Plant Expansion Project in the amount of $217,983 to be funded from the YCUA Contingency Fund.
Support by Wagner. In favor: All. Opposed: None. (Motion carried)

H. Request to Approve – Policy re: Role of YCUA Board of Commissioners in Personnel Discipline and Grievance Matters and YCUA’s Organizational Structure - Gwyn Belcher

Ms. Belcher directed the Board’s attention to two policies for the Board’s consideration: a policy concerning the role of Board of Commissioners in personnel discipline and grievance matters and a policy concerning the role of the Board in YCUA organizational structure. She indicated that a former YCUA Board member requested that the YCUA Board consider such policies and that they are being presented here after being tabled at last month’s meeting for consideration by the YCUA Personnel Committee. Ms. Belcher directed the Board’s attention to the Personnel Committee’s recommendation regarding the policies. She pointed out that, in the past, there has not been any formal policy regarding the extent of the Board of Commissioners’ role in the discipline and grievance matters of individuals at the Authority. Ms. Belcher explained that this new policy defines the Board’s role in protecting the privacy of the employees that may be involved in disciplinary actions. She further advised that the same holds true for the Authority’s organizational structure.

Ms. Belcher also indicated that an amendment had been made to the discipline policy since it was tabled at the previous months’ meeting. She stated that the amendment addresses non-bargaining unit employees and was copied verbatim from the existing Executive and Confidential Employee Handbook approved by the Board previously. She clarified that this policy does not address the procedure for the Board to follow if and when they wish to address a disciplinary issue with a member of the YCUA management team. Ms. Belcher advised that the appropriate course of action in that instance would be to take the issue to the Director.

She concluded by stating that both policies were reviewed and approved by the YCUA Personnel Committee, YCUA attorney Thomas E. Daniels, and YCUA labor counsel John Hancock.

Ypsilanti Township Supervisor Karen Lovejoy Roe then commented at length on her letter to the YCUA Board regarding these policies. She cautioned the YCUA Board to look more closely at these policies, which seem to her to be overly restrictive.

Mark Namatevs interjected that there was discussion with John Hancock that, if in the future, the Board feels these policies are not working or if there are
changes in labor laws, they can be reassessed. Gwyn Belcher added that she has sat on boards that have suspended personnel policies due to individual, extenuating circumstances.

Thomas E. Daniels offered that he saw no legal impediments to the policies, including Freedom of Information Act (FOIA) implications.

Brenda L. Stumbo asked if the written policy reflects the practice that had occurred in the past regarding Board involvement in disciplinary matters. Ms. Belcher affirmed that it does follow the practice since she has been at YCUA.

Ms. Stumbo asked that the record reflect the fact that Board members may go to their individual Personnel Committee representatives if they have a question regarding employee discipline and grievance matters.

Ms. Belcher recommended approval of the Policy re: Role of YCUA Board of Commissioners in Personnel Discipline and Grievance Matters as amended.

Edward B. Koryzno, Jr. concurred on behalf of the YCUA Personnel Committee with Ms. Belcher’s recommendation.

Motion by Koryzno to accept Ms. Belcher’s recommendation for approval of the Policy re: Role of YCUA Board of Commissioners in Personnel Discipline and Grievance Matters as amended. Support by Namatevs. In favor: All. Opposed: None. (Motion carried)

Ms. Belcher recommended approval of the Policy re: Role of YCUA Board of Commissioners in the Authority’s Organizational Structure.

Edward B. Koryzno, Jr. concurred on behalf of the YCUA Personnel Committee with Ms. Belcher’s recommendation.

Motion by Koryzno to accept Ms. Belcher’s recommendation for approval of the Policy re: Role of YCUA Board of Commissioners in the Authority’s Organizational Structure. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

I. Request to Approve – Utility Billing Software - Gwyn Belcher

Ms. Belcher advised the Board that YCUA has been working with its auditors at Rehmann Robson in acquiring new utility billing software to replace the Pentamation system currently in use. She indicated that staff has been evaluating the various products available with Rehmann Robson’s assistance. Ms. Belcher also explained that this matter went before the YCUA Finance Committee for its approval and recommendation on April
26th. Ms. Belcher explained that YCUA’s current utility billing software is cumbersome and time consuming to use, which is one of the major causes of the Authority’s inability to keep its financial data timely. She further advised that an extensive Request for Proposal was sent to 11 vendors and that five responses were received. Ms. Belcher advised that YCUA is recommending the approval of the bid from Civic Systems in the amount of $157,446. She clarified that Civic’s bid is not the lowest at first glance, however, the fact they will complete all the conversion procedures at no cost to the Authority makes their proposal the most cost effective. Mr. Belcher added that if the Authority were to complete the conversion itself at its hourly rate, it would incur an additional $19,520 cost. She also clarified that Authority staff does not have the expertise to perform the conversion alone. Ms. Belcher further advised that Civic would convert the YCUA Excel files into their system and will, within the next two years, upgrade to a web-based product and have grandfathered YCUA into that. She concluded by stating that the Authority has been substituting projects in the capital budget to cover these expenses.

Ms. Belcher recommended approval of the YCUA Finance Committee recommendation for the purchase of Utility Billing Software from Civic Systems in the amount of $157,446 contingent upon attorney Thomas E. Daniels’s approval.

Motion by Doe to accept Ms. Belcher’s recommendation for approval of the YCUA Finance Committee recommendation for the purchase of Utility Billing Software from Civic Systems in the amount of $157,446 contingent upon attorney Thomas E. Daniels’s approval. Support by Koryzno. In favor: All. Opposed: None. (Motion carried)

J. **Request to Approve Resolution No. 04-8 re: Retirement for Barbara Ledbetter** – Larry R. Thomas

Mr. Thomas directed the Board’s attention to a resolution commending Barb Ledbetter for her years of service, as she has requested retirement as of April 30, 2004. He indicated that Barb Ledbetter has twenty-eight years of service at the Authority. Mr. Thomas also explained that this Resolution of Retirement commends Barb for her accomplishments and years of service and conveys the Board’s good wishes for health and happiness in her retirement. He added that a reception will take place for Barb on Friday and that the Board is cordially invited.

Mr. Thomas recommended approval of Resolution 04-8 re: Retirement for Barbara Ledbetter.
Motion by Doe to accept Mr. Thomas’s recommendation for approval of Resolution 04-8 re: Retirement for Barbara Ledbetter. Support by Wagner. In favor: All. Opposed: None. (Motion carried)


Mr. Thomas directed the Board’s attention to the second quarterly financial report. He then proceeded to give a detailed report of the information contained in the report and answered questions from the Board.

Mr. Thomas recommended approval of the Second Quarterly Financial Report.

Motion by Doe to accept Mr. Thomas’s recommendation for approval of the Second Quarterly Financial Report. Support by Koryzno. In favor: All. Opposed: None. (Motion carried)

L. Fund Balance Report - Larry R. Thomas

Mr. Thomas directed the Board’s attention to the Fund Balance 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.


Mr. Thomas directed the Board’s attention to the Financial Report – Net Assets 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.

N. Usage Report – Consumption Report - Larry R. Thomas

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

Philip W. Wagner interjected that it might be a good idea to keep a close eye on consumption this year since April had extremely dry weather and residents are already watering their lawns.

Informational only; no motion from the Board required.
O. **Director’s Report** – Larry R. Thomas

Mr. Thomas advised that the Board that he recently met with representatives from York Township and that they are looking at the possibility of extending water and sewer services to the old state hospital property that belongs to the State of Michigan. He indicated that this is a similar request to one brought to the Board in the past but on a smaller scale. Mr. Thomas advised that they are requesting to tie into an existing water main on Bemis Road and obtaining 40,000 to 80,000 gallons of water per day. He further indicated that they have expressed interest in sewer service as well but that that request is problematic in that there are no sewers in that area and also because the capacity of the wastewater plant is already 100% allocated. Mr. Thomas stated, however, that he discussed with Thomas E. Daniels that YCUA could enter into a contract with language allowing them a small percentage of wastewater capacity with an understanding that they would assist in the financing of any future wastewater treatment plant expansions.

Larry J. Doe asked if their added usage would affect YCUA’s rates, which are being calculated on peak time. Mr. Thomas responded that any one customer would have a difficult time affecting the peak usage to the extent of raising YCUA’s rates.

Philip W. Wagner commented that he was under the impression that York was negotiating this issue with the City of Milan. Brenda L. Stumbo responded that she discussed the issue with Helen Neill, who advised her that the Milan connection would cause a lot of unwanted development and that a connection to YCUA would be more controlled along the perimeter.

Mr. Thomas also advised the Board that he has had conversations with a developer in Saline Township who is interested in a similar arrangement for sewer capacity. He stated that this would require running a sewer line through Pittsfield Township, which was presently not feasible.

4. **OLD BUSINESS:**

There was no old business for the month.

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
$2,362,934.00 plus an addendum in the amount of $2,685,856.97. Support by Wagner. In favor: All. Opposed: None. (Motion carried.)

7. PUBLIC COMMENTS:

Karen Lovejoy Roe cautioned the Board regarding the York Township modeling in that there are many needs for upgrades to the pumping system. She then commended Gwyn Belcher and Cathy Moorman for their hard work and due diligence on the matter of new utility billing software.

8. ADJOURNMENT: Motion by Koryzno to adjourn the meeting at 4:45 p.m. Support by Stumbo. In favor: All. Opposed: None. (Motion carried.)

Respectfully submitted,

LARRY J. DOE, Secretary/Treasurer

[Seal]
Minutes of a regular meeting of the Board of Commissioners of the Ypsilanti Community Utilities Authority, County of Washtenaw, Michigan, held in the Authority, on the 27th day of April 2004 at 3:00 o’clock p.m., Eastern Daylight Time.

PRESENT: Commissioners Brenda L. Stumbo, Edward B. Koryzno, Jr., Larry J. Doe, Philip W. Wagner, and Mark Namatevs

ABSENT: Commissioners None.

The following preamble and resolution were offered by Commissioner Doe and supported by Commissioner Wagner:

WHEREAS, Barbara Ledbetter, an employee of the Ypsilanti Community Utilities Authority, has completed twenty eight (28) years of service to the Authority; and

WHEREAS, Barbara Ledbetter has requested retirement as of April 30, 2004, and

WHEREAS, Barbara Ledbetter demonstrated probity, loyalty, dependability, and dedication to this employment; and

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners of the Ypsilanti Community Utilities Authority commends Barbara Ledbetter for her accomplishments and years of service to the Authority and expresses its appreciation to her.

BE IT FURTHER RESOLVED THAT a suitably inscribed copy of this Resolution of Retirement be sent to Barbara Ledbetter as an expression of the Board’s sincere appreciation for her years of service and the desire to convey its best wishes for good health and happiness in her retirement.

AYES: Commissioners Brenda L. Stumbo, Edward B. Koryzno, Jr., Larry J. Doe, Philip W. Wagner, and Mark Namatevs

NAYS: Commissioners None.

RESOLUTION DECLARED ADOPTED.

LARRY J. DOE, Secretary/Treasurer
I hereby certify that the attached is a true and complete copy of a resolution adopted by the Board of Commissioners of the Ypsilanti Community Utilities Authority, County of Washtenaw, State of Michigan, at a regular meeting held on the 27th day of April 2004 and that public notice of said meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976 and that minutes of the meeting were kept and will be or have been made available as required by said Act.

LARRY J. DOE, Secretary/Treasurer