Members Present: Larry J. Doe, Edward B. Koryzno, Jr., Mark Namatevs, Philip W. Wagner, and J. Ray Scott.

Members Absent: None.

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

2. MINUTES OF THE PREVIOUS MEETINGS: Motion by Namatevs to receive and file the minutes of the April 13, 2005 and April 26, 2005 meetings. Support by Scott. In favor: All. Opposed: None. (Motion carried.)

3. NEW BUSINESS:

   A. Reaffirmation of the Letter to the Employees - Edward B. Koryzno, Jr.

   Mr. Koryzno reminded the Board that, in response to the special Board meeting on April 13, 2005, a letter to the employees of the Authority was approved last month at the regular Board meeting. He indicated that discussion at the end of the meeting led to a change in the content of the letter that was not formally approved.

   Mr. Koryzno also explained that the question was raised as to whether there was a violation of the Open Meetings Act as a result of this process. He pointed out that YCUA’s attorney reviewed the situation and concluded that there was no violation of the Open Meetings Act, however, in order to comply with Robert’s Rules of Order, the Board should reaffirm its concurrence with the revised language of the letter at this meeting. Mr. Koryzno then directed the Board’s attention to a copy of the attorney’s opinion as enclosed in their packets.

   Mr. Koryzno recommended approval of the revised language of the letter
to YCUA employees dated April 27, 2005 in order to comply with Robert’s Rules of Order.

Motion by Koryzno to approve the revised language of the letter to YCUA employees dated April 27, 2005 in order to comply with Robert’s Rules of Order. Support by Scott. In favor: Four. Opposed: One. (Motion carried)

B. Request for 120-Day Extension of Resolution 04-7 - Larry R. Thomas

Mr. Thomas reminded the Board that, in May of 2004, the Authority originally entered into an agreement with York Township regarding possibly extending water and wastewater services to a site there, at the present time belonging to the State of Michigan. He indicated that YCUA extended this resolution in September, and again in January, due to slower than expected progress being made with the developer of the property. Mr. Thomas also explained that York Township has requested an additional extension of the Resolution of Interest for an additional 120 days while YCUA and York Township continue to discuss YCUA providing service to this property. He pointed out that draft contract language is being prepared.

Mr. Thomas recommended approval of 120-day extension of Resolution 04-7.

Philip W. Wagner interjected that negotiations have progressed to the point that YCUA is considered a solidly viable option and suggested that the motion be amended to extend the resolution indefinitely.

Thomas E. Daniels recommended, instead, an amendment to the motion that the resolution be extended another 120 days, at which time it will automatically renew itself unless the YCUA Board takes affirmative steps to terminate it.

Motion by Wagner to approve the extension of Resolution 04-7 for an additional 120 days, at which time it will automatically renew unless revoked by the YCUA Board. Support by Scott. In favor: All. Opposed: None. (Motion carried)

C. Request to Approve – Change Order No. 16 re: WWTP Expansion/Improvements Project - T. Michael Jessee

Mr. Jessee directed the Board’s attention to Change Order No. 16 for the wastewater treatment plant expansion/improvements project as well as a memo from Mike Jessee. He indicated that the change order in question increases the contract amount by $86,100 and includes 26 items. Mr. Jessee also explained that staff has reviewed the change order and is
recommending approval. Mr. Jessee explained that sufficient contingency monies are available.

Mr. Jessee recommended approval of Change Order No. 16 for the wastewater treatment plant expansion/improvements project in the amount of $86,100 to be paid out of the project’s contingency fund.

Philip W. Wagner inquired as to whether the doors listed under item 1601 were researched as previously discussed. Mr. Jessee responded affirmatively, indicating that he went back through the bidding specifications to make sure they would be fire resistant. He added that he has also been in contact with the Ypsilanti Township Fire Marshall and building code officials, both of whom indicated that they would not address these specific issues until the site plan approval and building permit for the maintenance building had been submitted. Mr. Wagner interjected that one reason for their delay may be that, at the time, the Township and the fire department were going through some revisions to the fire codes and that there was also a new international building code in the works.

Motion by Namatevs to approve Change Order No. 16 for the wastewater treatment plant expansion/improvements project in the amount of $86,100 to be paid out of the project’s contingency fund. Support by Koryzno. In favor: All. Opposed: None. (Motion carried)

D. Request to Approve - Shadford Field Water Storage Cathodic Protection Project - T. Michael Jessee

Mr. Jessee advised the Board that staff at the Authority has determined that it is necessary to install cathodic protection at the Shadford Field storage tank for corrosion control. He indicated that Corrpro Water Works was contacted for a price for the installation and he directed the Board’s attention to Corrpro’s submittal as enclosed in their packets.

Mr. Jessee also explained that Corrpro is a sole source provider for this type of system. He pointed out that YCUA presently has Corrpro cathodic protection on two of its water storage tanks. Mr. Jessee explained that cathodic protection helps prevent natural corrosion in metallic structures. He further advised that YCUA is in the process of budgeting for cathodic protection for all water storage facilities. Mr. Jessee stated that this item is budgeted in this year’s budget.

Mr. Jessee recommended approval of the request to purchase the Corrpro Water Works cathodic protection system for the Shadford Field water storage tank in the amount of $14,200.
Edward B. Koryzno, Jr. inquired as to whether this is a one-time-only fee. Mr. Jessee responded that this is a one-time installation fee that will be followed up every three years with a $300-400 inspection.

Motion by Koryzno to approve the request to purchase the Corrpro Water Works cathodic protection system for the Shadford Field water storage tank in the amount of $14,200. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

E. Request to Approve – Award of Bid for Engineering Services re: Bridge Road Demolition Project - Larry R. Thomas

Motion by Scott to table this item until more information can be received from Ypsilanti Township. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

F. Request to Approve – Resolution No. 05-8 re: ACH and Electronic Transactions - Larry R. Thomas

Mr. Thomas advised the Board that YCUA recently hired Sandi Bird as its Finance Director. He indicated that Sandi is recommending that the Board pass an ACH and Electronic Transactions Policy. Mr. Thomas then directed the Board’s attention to Resolution No. 05-8 regarding an ACH and electronic transactions policy. He pointed out that this policy formalizes the procedures currently in use at the Authority but adds the Finance Director as the approving officer. Mr. Thomas explained that this policy will keep us in compliance with Act 738 of Public Acts of 2002.

Mr. Thomas recommended approval of Resolution No. 05-8.

Motion by Scott to approve Resolution No. 05-8 re: ACH and Electronic Transactions. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

G. Request to Approve – Resolution No. 05-9 re: Treasury Management Services - Larry R. Thomas

Mr. Thomas directed the Board’s attention to Resolution No. 05-9 regarding treasury management at National City Bank. He indicated that the resolution adds Sandi Bird as an authorized signer on our treasuring management services provided by National City. Mr. Thomas also explained that these are typical duties of a Finance Director.

Mr. Thomas recommended approval of Resolution No. 05-9 re: Treasury Management Services.
Motion by Scott to approve Resolution No. 05-9 re: Treasury Management Services. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

H. 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 – Authority Net Assets Reports for February and March. He then proceeded to give a detailed report of the information contained in the reports and answered questions from the Board.

Mr. Thomas commended YCUA staff for their hard work in getting the new Civic program interfaced with the utility billing general ledger.

Informational only; no motion from the Board required.


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.

Informational only; no motion from the Board required.

K. Director’s Report - Larry R. Thomas

There was no Director’s Report for the month.

4. OLD BUSINESS:

Philip W. Wagner inquired as to what progress has been made in the acquisition of an independent consulting firm. Mr. Thomas responded that the Personnel Committee met and gave staff direction on the scope of work to be outlined in the RFP, which is presently being drafted. He indicated that he anticipates that the Personnel Committee will meet again prior to the June Board meeting to review the draft RFP to assure that it includes everything the two members have requested. He added that the draft RFP will then be brought to the YCUA Board for their review.

5. OTHER BUSINESS:

There was no other business for the month.
6. **STATEMENTS AND CHECKS:** Motion by Namatevs to pay the bills in the amount of $1,766,608.34 plus an addendum in the amount of $1,364,027.87. Support by Wagner. In favor: All. Opposed: None. (Motion carried.)

7. **PUBLIC COMMENTS:**
   There were no public comments for the month.

8. **ADJOURNMENT:** Motion by Wagner to adjourn the meeting at 4:35 p.m. Support by Koryzno. In favor: All. Opposed: None. (Motion carried)

Respectfully submitted,

MARK NAMATEVS, Secretary/Treasurer
YCUA RESOLUTION NO. 05-8 FOR ELECTRONIC TRANSACTIONS

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 24th day of May 2005 at 4:00 o’clock p.m., Eastern Daylight Time.

PRESENT: Commissioners Larry J. Doe, Edward B. Koryzno, Jr., Mark Namatevs, Philip W. Wagner, and J. Ray Scott

ABSENT: Commissioners None.

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

WHEREAS, on December 30, 2002, the Governor of the State of Michigan approved Act No. 738 of the Public Acts of 2002 authorizing the use of electronic transactions by designated officers of the local government; and

WHEREAS, the Commissioners deem that it is in the best interest of the Ypsilanti Community Utilities Authority to make certain financial transactions by using electronic transactions as described in the Act;

NOW, THEREFORE, BE IT RESOLVED, that the following policy shall govern the use of electronic transactions.

AYES: Commissioners Larry J. Doe, Edward B. Koryzno, Jr., Mark Namatevs, Philip W. Wagner, and J. Ray Scott

NAYS: Commissioners None.

MARK NAMATEVS, 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 24th day of May 2005 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.

MARK NAMATEVS, Secretary/Treasurer
YCUA POLICY FOR ACH AND ELECTRONIC TRANSACTIONS

The following policy shall govern the use of electronic transactions and ACH arrangements for the Ypsilanti Community Utilities Authority:

1. **Authority to Enter into ACH Agreements and Electronic Transfer of Public Funds.** The Finance Director or appointed designee may enter into an ACH agreement as provided by Public Act 738 of 2002, effective December 30, 2002. The Ypsilanti Community Utilities Authority shall have adopted a resolution to authorize electronic transactions and have received a copy of the policy. Applicable definitions in the act shall apply. An ACH arrangement under PA 738 of 2002 is not subject to the Revised Municipal Finance Act, 2001 PA 34, MCL 141.2101 to 141.2821, or to provisions of law or charter concerning the issuance of debt by the Authority.

2. **Responsibility for ACH Agreements.** The Finance Director shall be responsible for all ACH agreements, including payment approval, accounting, reporting, and generally overseeing compliance with the ACH policy or shall appoint an employee to perform such duties. The Finance Director shall submit to the Board of Commissioners documentation detailing the goods or services purchased, the cost of goods or services, the date of the payment, and the department levels serviced by payment.

3. **Internal Accounting Controls to Monitor Use of ACH Transactions.**
   a. The Finance Director or appointed designee shall be responsible for the establishment of ACH agreements. The Finance Director or appointed designee shall notify the Director of those accounts to be paid by ACH or electronic transaction.
   b. Upon receipt of an invoice for payment for accounts paid by ACH, the Finance Director or appointed designee shall request and approve payment respectively, and notify the Finance Director of the date of debit to the Authority’s accounts. The Finance Director shall provide a second level of approval **BEFORE** payment is made. Accounts payable by this method may include recurring bond/lease payments, payroll items and regular cash transfers.
between the cash-receiving/operating bank accounts. These payments shall be included on the *Cash Requirements* report to the Board of Commissioners. Other payment requests approved by the Director or Assistant Director and payable by ACH may be paid in that matter if deemed in the best interest of the Authority, e.g. to avoid a late fee.

c. For payment of payroll items, the Finance Director or appointed designee shall initiate payment to the proper authority upon receipt of the information from the payroll department.

d. For deposits from state, county, and/or federal authorities, and from third-party payment processors, e.g. (Banks, vendors), the Finance Director or appointed designee shall obtain the amount of the deposit and send an advice to the person responsible for the records.

e. All original invoices shall be held by the accounting department.

POLICY DECLARED ADOPTED, on the 24th day of May 2005 at 4:00 o’clock p.m., Eastern Daylight Time.

MARK NAMATEVS, Secretary/Treasurer
I, Mark Namatevs, Secretary-Treasurer of the Ypsilanti Community Utilities Authority (the “entity”), a(n) Municipal Corporation organized under the laws of the State/Commonwealth of Michigan (the “State”), do hereby certify that (a) at a meeting of the governing body duly called and held, at which meeting a quorum of the governing body was present and voting, or (b) by an action without a meeting as authorized under the laws of the State, such as a writing or writings filed with or entered upon the records of the entity, resolutions, of which the following are a full and true copy as appears by said records, were duly adopted, and the proceedings of the governing body were in accordance with the rules and regulations, if any, of the entity, and that the resolutions as set forth below are now in full force and effect.

RESOLVED, that this entity enter into agreements with NATIONAL CITY BANK OF THE MIDWEST (“Bank”), from time to time, to furnish treasury management services to this entity, which agreements may relate to one or more of the deposit accounts of this entity with Bank;

RESOLVED FURTHER, that, in connection herewith, (a) any of the following, namely:

be and each of them is authorized for and on behalf of this entity to execute and deliver to Bank such agreements and other writings, if any, as Bank may require, which agreements and other writings, if any, each shall be in such form and contain such representations, agreements, authorizations, waivers, and other provisions as Bank may require and as the person executing such agreements on behalf of this entity may approve, and (b) any of the following, namely:

be and each of them is authorized for and on behalf of this entity to make and do all such further and other acts and things, including, but not limited to, supplying operational and procedural information to Bank, as Bank may from time to time deem necessary or advisable in connection with the foregoing, and, in each case, any such person’s execution thereof or other acts in connection therewith shall be conclusive evidence of his or her approval and the approval of this governing body;

RESOLVED FURTHER, that the authority of the aforesaid individuals shall not impinge upon or expand the authority previously, concurrently, or hereafter granted to certain employees of this entity for the transaction of business in connection with deposit accounts of this entity with Bank, and that Bank’s treasury management personnel may rely exclusively on the authority herein granted without reference to any such resolution of this governing body;

RESOLVED FURTHER, that all such agreements and other writings heretofore executed and delivered to Bank and other acts taken in connection therewith on behalf of this entity are hereby ratified, confirmed, and approved by this governing body; and

RESOLVED FURTHER, that a certified copy of these resolutions and a certification of the names, titles and specimen signatures of the persons herein authorized to act on behalf of this entity shall be furnished to Bank, and that Bank is authorized to rely on these resolutions and such certification until written notice of any change therein, in a form satisfactory to Bank, shall have been received by an appropriate officer of Bank.

I further certify that set forth below is the name, title, if any, and specimen signature of each person authorized above to act on behalf of the entity and that, where a title appears, such person is a duly elected and acting officer of the entity with the title indicated.

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Specimen Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sandra Bird</td>
<td>Finance Director</td>
<td>Sandra Bird</td>
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<tr>
<td>Larry R Thomas</td>
<td>Director</td>
<td>Larry R Thomas</td>
</tr>
<tr>
<td>Venita A Terry</td>
<td>Accountant</td>
<td>Venita A Terry</td>
</tr>
<tr>
<td>Cathryn G Moorman</td>
<td>Cust Serv Manager</td>
<td>Cathryn G Moorman</td>
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</tbody>
</table>

Certified at Ypsilanti, Michigan, on the 24th day of May 2005

SIGNED: MARK NAMATEVS, Secretary - Treasurer