Minutes

YPSILANTI COMMUNITY UTILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
Wednesday, May 24, 2017 – 4:00 p.m.
YCUA Administration Building
2777 State Road
Ypsilanti, MI  48198-9112

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

1. CALL TO ORDER:  Mr. Bodary called the meeting to order at 4:02 p.m.

2. MINUTES OF THE PREVIOUS MEETING:  Motion by Doe to receive and file the
minutes of the March 22, 2017 meeting as presented.  Support by Ichesco.  In favor: All.
Opposed: None.  (Motion carried.)

3. NEW BUSINESS:

A. Request to Approve - YCUA Resolution No. 17-3 re: Retirement for
Diana Riggs - Jeff Castro

Motion by Doe to approve YCUA Resolution No. 17-3 re: Retirement for
Diana Riggs.  Support by Ichesco.

Mr. Castro advised the Board that Diana Riggs was a Customer Service /
Cash Receipts Clerk for the Authority who completed 16 years and three
months of service and requested retirement as of May 5, 2017.  He
indicated that Ms. Riggs’ experience and work ethic will be missed and
this resolution is fitting at the time of her retirement.

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

B. Request to Approve – Revised Salem Township Wastewater Disposal
Agreement - Jeff Castro

Motion by Ichesco to approve the Revised Salem Township Wastewater
Disposal Agreement.  Support by Jason.
Mr. Castro reminded the Board that, at the January Board meeting, it was discussed that YCUA has been negotiating with Salem Township since 2010. He indicated that Salem Township seeks to lease .3 MGD of annual, average daily flow of wastewater capacity in the existing wastewater treatment plant.

Mr. Castro explained that this agreement is similar to the new generation agreements currently in place with other communities and will remain in effect for 35 years. He pointed out that, at the January meeting, the Board requested a revision to remove deferred payments during the three-year construction process and to provide for advance, annual payments during that time. Mr. Castro also explained that this revision has been made in section 3.0 and exhibit C.

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

C. **Request to Approve – Authorization to Seek Bids re: 2017 Road Repairs Phase 2 (O & M Expense Account No. 902-161)** – Jeff Castro for Scott D. Westover

Motion by Doe to provide Authorization to Seek Bids re: 2017 Road Repairs Phase 2 (O & M Expense Account No. 902-161). Support by Ichesco.

Mr. Castro advised the Board that this project consists of permanent restoration of pavement disturbed by YCUA excavations made between December 2016 and May 31, 2017. He indicated that the work includes approximately 41 locations and estimated costs are $80,000.

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

D. **Request to Approve – Authorization to Seek Bids re: Gateway Siphon Sanitary Sewer Reroute (Restricted Funds Account No. 902-261)** – Jeff Castro for Scott D. Westover

Motion by Jason to provide Authorization to Seek Bids re: Gateway Siphon Sanitary Sewer Reroute (Restricted Funds Account No. 902-261). Support by Ichesco.

Mr. Castro advised the Board that this project will consist of approximately 700 feet of 12-inch diameter sanitary sewer main within the Gateway neighborhood in the city of Ypsilanti. He indicated that this will allow for the potential abandonment of the existing six-inch sanitary main that runs along the south side of I-94 and then crosses the Huron River. Mr. Castro explained that SSOs and maintenance costs have become a burden on the Authority as recently as last month.
Mr. Bodary inquired as to whether this is the project that has encountered permit difficulties with the state highway department to allow YCUA vehicles to be parked on the south side of I-94. Mr. Castro responded affirmatively but indicated that the matter is being successfully negotiated.

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

E. Request to Approve – Authorization to Execute Engineering Agreement with Stantec (O & M Expense Account No. 585-803) – Jeff Castro for Scott D. Westover

Motion by Ichesco to provide Authorization to Execute Engineering Agreement with Stantec (O & M Expense Account No. 585-803). Support by Jason.

Mr. Castro advised the Board that this agreement will address fees for construction phase engineering services for community development projects. He indicated that Ypsilanti Township will be utilizing Stantec Consulting for these services relative to the Nautical Point community project. Mr. Castro explained that YCUA currently does not have an agreement with Stantec so it is recommended, pending review by Authority council, to enter into this agreement.

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

F. Request to Approve – Additional Costs re: Lime Pilot Study in the Amount of $40,310 (O & M Expense Account No. 550-815) – Sreedhar Mullapudi for Scott D. Westover

Motion by Doe to approve Additional Costs re: Lime Pilot Study in the Amount of $40,310 (O & M Expense Account No. 550-815). Support by Ichesco.

Mr. Mullapudi advised the Board that the original project was approved in October 2016 but, during installation, it was realized that ceiling height clearance and piping required some additional equipment to deliver the lime. He indicated that this project has become essential, especially now that the incinerator is offline. Mr. Mullapudi explained that staff was required to move on a fast track to get this project going with a pilot study to collect a sample to determine how well the biosolids can be conditioned in order to shop around for closer landfills.

Mr. Jason inquired as to whether the intent of the pilot study was to test with the incinerator functional or in the absence of the incinerator. Mr. Mullapudi responded that the intent is to determine how well the biosolids can be stabilized to control odors so it can be transported to nearby landfills when the incinerator is offline. Mr. Castro interjected that the
additional costs are the result of a conveyor which will lower the two-ton sacks of lime into the bin.

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

G. **Request to Approve – OHM Budget Amendment re: Asset Management Plan in the Amount of $45,000 (Restricted Funds Account No. 902-169)** – Jeff Castro for Scott D. Westover

Motion by Doe to approve OHM Budget Amendment re: Asset Management Plan in the Amount of $45,000 (Restricted Funds Account No. 902-169). Support by Jason.

Mr. Castro advised the Board that this amendment is to increase the previously approved budget for OHM for their effort associated with the development of an asset management plan for the Authority’s wastewater system. He indicated that the increased level of assistance will further develop YCUA’s GIS server and data information. Mr. Castro explained that the additional assistance was originally included in Tetra Tech’s scope of work, so the total project cost to the Authority will not change. He pointed out that Tetra Tech’s portion of the project will be decreased by the same amount.

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

H. **Request for Final Acceptance – Fresh Thyme Farmers Market as a Public Utility** – Jeff Castro for Scott D. Westover

Motion by Doe to provide Final Acceptance of Fresh Thyme Farmers Market as a Public Utility. Support by Ichesco.

Mr. Castro advised the Board that the Ypsilanti Township engineer has recommended final acceptance of the referenced community development project. He indicated that the project at 2985 Washtenaw is now complete and the utilities and punch list items have been inspected and approved. Mr. Castro explained that the Authority will assume operation and maintenance of the eight-inch water main and the sanitary sewer lateral. He pointed out that escrow monies will also be refunded.

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

I. **Request to Approve - Computer System Hardware Upgrades in the Amount of $45,710.10 (O & M Expense Account No. 901-590)** – Stewart Carroll

Motion by Doe to approve the Computer System Hardware Upgrades in the Amount of $45,710.10 (O & M Expense Account No. 901-590). Support by Jason.
Mr. Carroll advised the Board that this request is for 28 computers to replace roughly one-third of the computers on the business side of the network.

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

J. **Request to Approve – Authorization to Seek Bids re: Wastewater Treatment Plant Bulk Chemicals Purchase (O & M Expense Account No. 550-736)** – Sreedhar Mullapudi

Motion by Doe to provide Authorization to Seek Bids re: Wastewater Treatment Plant Bulk Chemicals Purchase (O & M Expense Account No. 550-736). Support by Ichescos.

Mr. Mullapudi advised the Board that sodium hydroxide, sodium hypochlorite, and aluminum sulfate are wastewater chemicals that are used on a day-to-day basis.

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

K. **Request to Approve – Purchase of Replacement Aeration Mixers in the Amount of $51,825 (Restricted Funds Account No. 550-727)** – Ryan Stetler for Stacey L. Reynolds

Motion by Jason to approve the Purchase of Replacement Aeration Mixers in the Amount of $51,825 (Restricted Funds Account No. 550-727). Support by Ichescos.

Mr. Stetler advised the Board that this request is to purchase three Flyte 4320 aeration mixers with stands from Kennedy Industries at a cost-per-unit of $17,275. He indicated that wastewater staff recently took down pass four in the aeration tanks and put pass two online. Mr. Stetler explained that pass two contains three of these mixers that were purchased previously. He pointed out that the new mixers have resulted in considerable electrical consumption savings and, therefore, staff would like to equip pass five with them as well. Mr. Stetler also explained that this is in anticipation of the additional flow that will soon be received from WTUA.

Mr. Jason inquired as to the expected lifespan of these units. Mr. Stetler responded that the estimate is 16 to 20 years.

Mr. Bodary asked for clarification that these mixers, being comparable in style to the existing units, will result in savings as well. Mr. Stetler responded affirmatively.

In favor: All.  Opposed: None.  (Motion carried.)
L. **Request to Approve – Repair of Martz Road Pump No. 3 in the Amount of $31,170 (O & M Expense Account No. 555-815)** – Ryan Stetler for Stacey L. Reynolds

Motion by Jason to approve the Repair of Martz Road Pump No. 3 in the Amount of $31,170 (O & M Expense Account No. 555-815). Support by Ichesco.

Mr. Stetler advised the Board that this request will allow Kennedy Industries to repair the second pump of four at Martz Road found to have a fluting issue (a destructive voltage induced by the VFDs that discharge from the motor shaft to the bearings). He indicated that only two pumps need to be run at a time, so powering down the VFDs will keep this from happening to the two offline pumps.

Mr. Stetler explained that Kennedy Industries, who has performed this repair for YCUA before, will install an insulated bearing so that the voltage can’t pass through the shaft of the pump to the bearings. He pointed out that they will also investigate a source of grounding for the two pumps that have not yet failed.

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

M. **Request to Approve – Revised Purchasing Policy** – Kevin M. Welch

Motion by Doe to approve the Revised Purchasing Policy. Support by Jason.

Mr. Welch advised the Board that these revisions include some administrative updates with job titles, etc. that don’t have an effect on the overall policy. He indicated that the bulk of the change involves the addition of a provision for a YCUA credit card to be used only in cases where a vendor does not accept checks or purchase orders.

Mr. Welch explained that there are also increasing opportunities to save money by buying online, which is not easily done without a credit card. He pointed out that another issue is paying for hotel accommodations or airfare for employees traveling for training.

Mr. Welch also explained that there will be only one card, which will be retained by human resources, and usage of the credit card will need to be pre-approved with all provisions in the purchasing policy applying. He further advised that the account billing will be managed by the accounting department. Mr. Castro interjected that this will also eliminate the requirement of employees having to pay for training costs with their own credit cards and request reimbursement.
Mr. Doe inquired as to whether this card can be used for Class C purchases. Mr. Welch responded that it cannot because the limit will be $10,000. He added that Class C purchases are generally so large that purchase orders are accepted.

Mr. Bodary commented that the University of Michigan utilized credit cards and it worked well, resulting in considerable savings over time with more opportunities for competitive purchasing as well as reducing check writing costs.

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

N. **Informational Item - Retiree Drug Subsidy (RDS) Refund for Health Plan Year 2015 in the Amount of $33,252.52** – Kevin M. Welch

Mr. Welch advised the Board that this is an annual program with the federal government for partial reimbursement of Part D social security coverage for retirees.

Informational only; no motion from the Board required.

O. **Informational Item - Experience Reward from Optum in the Amount of $39,189** – Kevin M. Welch

Mr. Welch advised the Board that this refund is for YCUA’s stop loss health insurance, which protects the Authority from major catastrophic losses with retirees. He indicated that this is for 2015, during which YCUA didn’t hit the stop loss. Mr. Welch explained that there is a specific formula that Optum uses to rebate part of the premium. He pointed out that the goal is for this to occur every year.

Informational only; no motion from the Board required.

P. **Fund Balance Report** – Dwayne Harrigan

Informational only; no motion from the Board required.

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

Informational only; no motion from the Board required.

R. **Usage Report – Consumption Report** – Jeff Castro

Informational only; no motion from the Board required.

S. **Attorney’s Report** – Thomas E. Daniels

Mr. Daniels reminded the Board that the Salem contract negotiations have been ongoing since 2010 but that the delay was caused by problems the developer and was not due to any issues with YCUA. He indicated that the developer has since pulled out, which has allowed Salem to proceed on
its own. Mr. Daniels explained that deferring the capacity-based payments for three years was successfully renegotiated to annual payments of $21,000 per year, beginning with the effective date of June 1, 2017 and continuing until construction is complete. He pointed out that YCUA will not have any involvement in the construction or its related expenses.

Mr. Daniels also explained that, with continuing growth in the region, he anticipates greater capacity needs from Salem in the future.

Informational only; no motion from the Board required.

T. Environmental Report – Sreedhar Mullapudi

Mr. Mullapudi advised the Board that the EPA recently completed its review of YCUA’s draft NPDES permit, which has been posted for public notice for thirty days through June 15th.

He indicated that, on April 21st, the incinerator suffered an issue with sand in the wind box, resulting in the landfilling of biosolids. Mr. Mullapudi explained that the incinerator was allowed to cool and then staff began an inspection and evaluation of the cause. He pointed out that the investigation is ongoing and has revealed other issues. Mr. Mullapudi also explained that Lou Berry was brought in, who will have a recommended course of action for the Board’s consideration in the near future. Mr. Castro interjected that this matter will result in an emergency purchase request and that he will contact the Board when more information is available.

Mr. Mullapudi further advised that staff is continuing to monitor influent and effluent for mercury. He stated that the sewer use ordinance changes have been submitted to MDEQ and he is still waiting for the contract communities to respond.

Informational only; no motion from the Board required.

U. Director’s Report - Jeff Castro

There was no Director’s Report for the month.

4. OLD BUSINESS: Mr. Harrigan advised the Board that the payables include both the current month as well as the previous month as a result of the cancelled Board meeting in April.

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

6. STATEMENTS AND CHECKS: Motion by Ichesco to pay the current month’s bills in the amount of $3,546,770.67. Support by Doe. In favor: All. Opposed: None. (Motion carried.)
Motion by Doe to pay the last month’s bills in the amount of $3,789,770.76. Support by Jason. 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 4:45 p.m. Support by Ichesco. In favor: All. Opposed: None. (Motion carried.)

Respectfully submitted,

[Signature]

JON R. ICHESCO, Secretary - Treasurer
YCUA RESOLUTION NO. 17-3 ANNOUNCING
THE RETIREMENT OF DIANA RIGGS AND
COMMENDING HER FOR HER SERVICE

Minutes of a 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 2017 at 4:00 o’clock p.m., prevailing Eastern Time.

PRESENT: Commissioners Michael Bodary, Jon R. Ichesco, Larry J. Doe, and Keith P. Jason.

ABSENT: Commissioners Brenda L. Stumbo.

The following preamble and resolution were offered by Commissioner Doe and supported by Commissioner Ichesco.

WHEREAS, Diana Riggs, an employee of the Ypsilanti Community Utilities Authority, has completed sixteen (16) years and three (3) months of service to the Authority; and

WHEREAS, Diana Riggs has requested retirement as of May 5, 2017.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners of the Ypsilanti Community Utilities Authority commends Diana Riggs 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 Diana Riggs 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 Michael Bodary, Jon R. Ichesco, Larry J. Doe, and Keith P. Jason.

NAYS: Commissioners None.

RESOLUTION DECLARED ADOPTED.

JON R. ICHESCO, 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 meeting held on the 24th day of May 2017 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.

JON R. ICHESCO, Secretary - Treasurer