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 April 24, 2004 meeting. Support by Koryzno. In favor: All. Opposed: None. (Motion carried.)

3. NEW BUSINESS:
   A. Request to Approve – YCUA Founding Document Revision - Larry R. Thomas

       Mr. Thomas advised the Board that the YCUA founding document requires that funds from the two divisions, City and Township, not be co-mingled. He indicated that this issue has come under scrutiny recently as YCUA is instituting a new utility billing system and determining the requirements of new accounting software in an effort to improve efficiency in the administration of YCUA. Mr. Thomas then directed the Board’ attention to a letter from our auditor, Mark Kettner at Rehmann Robson, recommending that the Authority increase its administrative efficiency by decreasing the number of bank accounts it holds and by tracking the assets of the two divisions and the various funds in those divisions through Excel application
Mr. Thomas also explained that the technology is available to presently do this and, in fact, most governmental units have been doing this for quite some time. He pointed out that the founding document presents a problem in that they specifically prohibit the co-mingling of those funds. Mr. Thomas then directed the Board’s attention to an amendment to the Water and Sewer Agreement of 1974 between the City and the Township, which will allow the co-mingling of funds and the use of accounting systems to track the assets of the divisions individually. Mr. Thomas explained that amending the founding document will allow co-mingling of division funds within our banking establishments with the tracking of assets through internal accounting systems will increase efficiency in the Authority’s administrative practices.

Mr. Thomas recommended approval of the agreement and approval of the request for the YCUA Board to recommend to City Council and the Township Board the amendment of the Water and Sewer Agreement of 1974.

Motion by Namatevs to accept Mr. Thomas’s recommendation for approval of the agreement and to recommend to City Council and the Township Board the amendment of the Water and Sewer Agreement of 1974. Support by Koryzno. In favor: All. Opposed: None. (Motion carried)

B. Request to Approve – Resolution of Intent to Serve York Township - Larry R. Thomas

Mr. Thomas advised the Board that staff has met with officials from York Township regarding the possibility of providing water and sewer services to an area in York Township now belonging to the State of Michigan and the State Hospital grounds. He indicated that the state is in the process of selling the excess land in that parcel not needed by the State Hospital. Mr. Thomas also explained that York Township, through the Washtenaw Development Council, has received word that there is an interested party wishing to purchase the parcel for the purpose of a low density, high technology research development. He pointed out that York Township is interested in having YCUA provide water and sewer services to this area. Mr. Thomas stated that YCUA presently has a water main that fronts the property and now serves the State Hospital.

Mr. Thomas explained that YCUA has no sewer in this area and, in order to provide sewer service, York Township would need to enter into an agreement.
to use Pittsfield Township’s sewers or construct a sewer to the nearest sewer under YCUA control. He further advised that any such agreement that YCUA enter into with York Township that would give them temporary capacity in the wastewater treatment plant would require York Township to participate in any future expansion project at the wastewater treatment plant. Mr. Thomas then directed the Board’s attention to a Resolution of Interest from York Township. Mr. Thomas stated that York Township is requesting a similar resolution from our Board so that they may proceed with negotiations with the developer of the property. He acknowledged that the resolution proclaims an interest in York Township and YCUA working together to negotiate and adopt appropriate water and sewer service agreements. Mr. Thomas confirmed that York Township needs such a Resolution of Interest to proceed with the potential development of the property.

Mr. Thomas recommended approval of the request to adopt a Resolution of Interest to potentially extent water and wastewater lines to a site in the Charter Township of York known as the State Hospital grounds.

Motion by Doe to accept Mr. Thomas’s recommendation for approval of the request to adopt a Resolution of Interest to potentially extent water and wastewater lines to a site in the Charter Township of York known as the State Hospital grounds. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

C. Request to Approve – Purchase of Backhoe for Service Center - T. Michael Jessee

Mr. Jessee directed the Board’s attention to a memo from Mike Jessee regarding the purchase of a new backhoe for the YCUA Service Center to replace an existing 1984 Ford 755 backhoe. He indicated that the Purchasing and Planning Director prepared the appropriate specifications, specification exception form, and bidding form for the bidding process. Mr. Jessee also explained that the bidding documents were delivered to four vendors and two vendors responded, Michigan CAT and JDE Equipment. He directed the Board’s attention to the bid tabulation enclosed in their packets.

He pointed out that staff is recommending authorization for the purchase of the Michigan CAT backhoe for $90,704. Mr. Jessee explained that JDE submitted a bid in the amount of $87,875. He further advised that the Service Center management team has expressed satisfaction with the Michigan CAT backhoes that are currently in service. Mr. Jessee stated that, with the addition of this CAT backhoe, the present preventative maintenance
inventory would be applicable. He acknowledged that this would eliminate
the need to inventory parts for the John Deere (JDE) backhoe. Mr. Jessee
confirmed that, additionally, the asphalt hammer offered by the CAT is
preferred over the hammer offered by JDE. He explained that the JDE
hammer does not fulfill the specification requirements. Mr. Jessee pointed
out that this item is budgeted in the current budget and will be purchased
through the Motor Pool Fund.

Mr. Jessee recommended approval of the request for authorization to
purchase the Michigan CAT 430D four-wheel-drive backhoe in the amount
of $90,704 to be paid out of the Motor Pool Fund.

Motion by Doe to accept Mr. Jessee’s recommendation for approval of the
request for authorization to purchase the Michigan CAT 430D four-wheel-
drive backhoe in the amount of $90,704 to be paid out of the Motor Pool
Fund. Support by Namatevs. In favor: All. Opposed: None. (Motion
carried)

D. Request to Approve – Revision of Water Maintenance and Sanitary
Sewer Policy - T. Michael Jessee

Mr. Thomas advised the Board that, in 1983, the YCUA Board adopted a
policy indicating YCUA’s responsibility in the maintenance of water and
sanitary sewer services between the main and property line. He indicated
that staff at the Authority has drafted a revised edition of this policy, which
mirrors the actual practices of the Authority as they have changed
substantially over the years. Mr. Jessee then directed the Board’s attention to
his memo regarding the recommended changes, a copy of the current policy
and a copy of the recommended policy.

Mr. Jessee also explained that the current practices of the Authority are not in
compliance with the policy adopted in 1983. He pointed out that the new
policy would be in line with what is in actual practice in the field.

Mr. Jessee recommended approval of the revision of the policy pertaining to
water and sanitary sewer services from property line to water main or
sanitary sewer main.

Motion by Namatevs to accept Mr. Jessee’s recommendation for approval of
the revision of the policy pertaining to water and sanitary sewer services
from property line to water main or sanitary sewer main. Support by Doe. In
favor: All. Opposed: None. (Motion carried)
E. Request to Approve – Change Order No. 4 re: DWSD Second Connection Project - T. Michael Jessee

Mr. Jessee directed the Board’s attention to Change Order No. 4 for the DWSD Second Connection project. Mr. Jessee then directed the Board’s attention to a letter from Matt Parks detailing the reasons for the change order increases. He indicated that the change order increases the contract amount by $29,283.75. Mr. Jessee also explained that staff has reviewed the changes and is in agreement and recommends approval.

He pointed out that the justification for the changes is detailed in the letter enclosed in their packets. Mr. Jessee explained that the increase to the contract price of $29,283.75 is DWRF eligible.

Mr. Jessee recommended approval of Change Order No. 4 re: DWSD Second Connection Project in the amount of $29,283.75 to be financed from DWRF funds.

Larry J. Doe inquired as to why the issues surrounding the frost laws and the removal of the vault were not addressed in the regular change order. Mr. Jessee responded that he was not able to answer that question at the present time but that he would be happy to research the issues further. Phillip W. Wagner interjected that this location should be an all season road and, therefore, the frost laws would not apply. He added that DTE should be responsible for these charges.

Matt Parks suggested that the frost laws could be researched more and the change order brought back to the Board when more information could be made available. Edward B. Koryzno commented that, at the previous month’s meeting, Tetra Tech’s change orders included synopses of the original contracts, and additions and deletions in terms of change orders. He recommended that Orchard, Hiltz, and McCliment follow the same format to eliminate discussion. Mr. Wagner then requested a motion to table the item until the June 22, 2004 Board meeting.

Motion by Namatevs to approve Mr. Wagner’s request table the item until the June 22, 2004 Board meeting. Support by Koryzno. In favor: All. Opposed: None. (Motion carried)

F. Request to Approve – YCUA Resolution 04-6 re: Purchase of Generic Service Credit for Dale R. Beaudet - Gwyn Belcher

Ms. Belcher directed the Board’s attention to a Resolution for MERS allowing Dale Beaudet to purchase three years of additional credited service
in the retirement system. She indicated that this ability to purchase has been approved through Board policy.

Ms. Belcher also explained that Board policy allows Teamster bargaining unit members the option of purchasing up to three years of credited service.

Ms. Belcher recommended approval of YCUA Resolution 04-6 re: Purchase of Generic Service Credit for Dale R. Beaudet.

Motion by Koryzno to accept Ms. Belcher’s recommendation for approval of YCUA Resolution 04-6 re: Purchase of Generic Service Credit for Dale R. Beaudet. Support by Doe. In favor: All. Opposed: None. (Motion carried)

G. 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.


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.

J. Director’s Report – Larry R. Thomas

Mr. Thomas advised the Board that the budget for next year and a five-year
projection are forthcoming. He added that he would be scheduling a special Board work session regarding the same in the near future.

Mr. Thomas thanked the YCUA staff for their diligent efforts during the recent severe weather. He commended them in that, unlike many area communities, the YCUA service area experienced no sanitary sewer overflows or basement backups.

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 $1,423,344.97 plus an addendum in the amount of $3,103,054.51. Support by Koryzno. In favor: All. Opposed: None. (Motion carried.)

7. PUBLIC COMMENTS:

Phillip W. Wagner reported that residents would like to know the status of the restorations to the Sherman Oaks and College Heights area projects and also whether anything could be done to improve the Martz Road pumping station. Matt Parks responded with a status report on the restorations in question and indicated that the recent rain had slowed the work but that crews would be back on the job when the weather breaks. T. Michael Jessee responded that he would speak to John Nowling to come up with a plan to take action at the Martz Road station.

8. ADJOURNMENT: Motion by Doe to adjourn the meeting at 4:02 p.m. Support by Wagner. In favor: All. Opposed: None. (Motion carried.)

Respectfully submitted,

LARRY J. DOE, Secretary/Treasurer
YCUA RESOLUTION 04-6

Estimated Actuarial Cost of Additional Credited Service

Dale R. Beaudet
Division No. 8106BU12 - Ypsilanti Com Util Auth-Tmstrs
Member's Date of Birth: 01/22/1949
Spouse's Date of Birth: 11/25/1952
Estimated Final Average Compensation on Calculation Date: $65,009.22
Calculation Date: 5/1/2004
(valid until 2 months after Calculation Date)
Age on Calculation Date: 55.2774 Years
N/A
Credit Service on Calculation Date: 25 Years, 3 Months
Other Governmental Service (for eligibility): 0 Years, 0 Months
Type of Credited Service to be Granted: Generic
Additional Credited Service to be Granted: 3 Years, 0 Months
Total Actuarial Cost of Additional Credited Service: $42,307

The member's share of the cost may be any amount from zero up to the Total Actuarial Cost, and is due at the time of purchase. The employer's share is the balance of the actuarial cost not paid by the member, and may be paid in a lump sum, or amortized over 30 years. For example, amortizing the Total Actuarial Cost over 30 years results in a first year employer contribution of $2,269, increasing 4.5% each year thereafter.

Benefit Provisions in Effect on Calculation Date:
Benefit #2
Benefit FSS (with 25 Years of Service)
Benefit FAC-3 (3 Year Final Average)
Benefit B-10 (20 Year Vesting)

Resolution to be Adopted by the Governing Body
As provided by the MERS Plan Document, the above additional credited service is granted this member by resolution adopted by the Governing Body at its meeting on . It is understood that calculation of the actuarial cost is based on the assumptions approved by the Retirement Board on the date the calculation was prepared. Actual, future events and experience may result in changes different than those assumed, and liability different than that estimated.

Larry J. Doe, Secretary/Treasurer

To Be Completed By The Member
I do hereby certify that the above service credit, for which I am applying, is in accordance with the restrictions regarding purchasing service credit. (Restrictions are outlined on reverse side of this form.)

(Signature of Dale R. Beaudet) 4-26-04
(Date)

Acknowledgement of Purchase (To Be Completed By MERS Staff)

<table>
<thead>
<tr>
<th>Payment Received:</th>
<th>Member Payment:</th>
<th>Employer Payment:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Service Credited:</th>
<th>Signed:</th>
<th>Or Amortized:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ret. Date</th>
<th>Ret. Age</th>
<th>Service</th>
<th>FAC</th>
<th>Annual Ben.</th>
<th>Change Date</th>
<th>Change Age</th>
<th>Annual Ben.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before Purchase: 05/01/2004</td>
<td>55.2774</td>
<td>25.2500</td>
<td>65009.22</td>
<td></td>
<td></td>
<td></td>
<td>32829.72</td>
</tr>
<tr>
<td>After Purchase: 03/01/2004</td>
<td>35.2774</td>
<td>28.2500</td>
<td>65099.22</td>
<td></td>
<td></td>
<td></td>
<td>30139.20</td>
</tr>
</tbody>
</table>

04/14/2004 15:20:47
1134 Municipal Way, Lansing, MI 48917
Phone (517) 703-9030 · 1-800-767-6377
Fax (517) 622-3197

Please Return Signed Original With Your Payment
RETIREMENT BOARD ASSUMPTIONS FOR CALCULATING ESTIMATED COST TO PURCHASE ADDITIONAL SERVICE CREDIT

1. Member will retire at the earliest date for unreduced retirement benefits. If member will terminate employment before eligibility for unreduced retirement benefits and MERS was not notified at time of calculation, the employer understands they may be incurring an additional liability.

2. Final average compensation is projected to increase 4.5% annually from date of purchase to date of retirement.

3. Investment return is projected to be 8% annually.

RESTRICTIONS ON PURCHASES OF OTHER GOVERNMENTAL SERVICE CREDIT

1. Service credit has not and will not be used in any other defined benefit retirement plan for the purpose of drawing a retirement benefit.

2. If the prior plan was not a defined benefit plan, service may be purchased if the former employer did not make contributions on behalf of the member to the retirement fund. This applies whether or not the member is currently receiving, or will in the future, receive, a benefit or distribution, except where the former employee did not vest and will not receive any benefit from this fund.

   NOTE: Under federal law changes, effective January 1, 2002, if the distribution is an eligible qualified rollover to MERS from a public sector 401(k) plan, 401(a) defined contributions plan, or 457 deferred compensation plan in which employer contributions were made for the member, then the service period for which the employer contributions were made may be purchased in MERS.

EMPLOYER'S AMORTIZATION PAYMENT

If the member will pay a portion, but not all, of the Total Actuarial Cost, and the Balance of the Total Actuarial Cost will be funded by the employer, then the employer can determine the adjusted first year employer contribution, based on the amortization period and method reflected on the calculation printout, using the following formula:

1. Balance of Actuarial Cost = Total Actuarial Cost - Member Payment

2. Adjusted First Year Employer Contribution = First Year Employer Contributions * Balance of Actuarial Cost / Total Actuarial Cost
YCUA RESOLUTION NO. 04-7 EXPRESSING INTEREST TO POTENTIALLY EXTEND WATER AND WASTEWATER LINES TO A SITE IN THE CHARTER TOWNSHIP OF YORK KNOWN AS THE STATE HOSPITAL GROUNDS, PURSUANT TO ALL CONDITIONS BEING MET

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 25th day of May 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, Ypsilanti Community Utilities Authority (“YCUA”) is informed that:

1. The property known as the State Hospital Grounds in the Charter Township of York, Washtenaw County, has not been developed due to a lack of infrastructure, particularly water and wastewater services to the site;

2. The Washtenaw Development Council and the Michigan Economic Development Corporation have identified an interested party that may purchase the parcel for purposes of a low-density, high-technology research development;

3. The lack of public water and wastewater services to this site presents further consideration by this party;

4. The Township of York has approached YCUA regarding the possibility of YCUA’s interest in providing such services to this site; and

5. The Township of York and other interested parties, in order to move forward on this possible project, require a written expression from YCUA as to YCUA’s present position on the matter;
THEREFORE, be it resolved that YCUA hereby agrees to provide water and wastewater services to this site providing that all of the following conditions are met:

a. YCUA and the Charter Township of York are held harmless from all direct and indirect costs of the construction of any and all wastewater and water lines and other infrastructure to the site.

b. The necessary infrastructure is installed according to YCUA’s reasonable and standard specifications.

c. YCUA and the Charter Township of York negotiate and enter into a contract that specifies the means and amounts to be paid to YCUA for such services and other standard terms and conditions of such a contract between YCUA and a YCUA contract community.

d. It is determined that YCUA has adequate capacity to accommodate the project in question.

IT IS FURTHER RESOLVED that this Resolution will remain in effect for a period of 120 days from its adoption and that within that time the parties will have access to additional information on the proposed project that will allow them to adequately evaluate their respective interests in proceeding further with this project but this term may be extended by mutual agreement of the involved parties.

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