Minutes

YPSILANTI COMMUNITY UTILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
Tuesday, June 22, 2004 – 3:00 p.m.
YCUA Administration Building
2777 State Road
Ypsilanti, MI 48198-9112

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 May 25, 2004 meeting. Support by Koryzno. In favor: All. Opposed: None. (Motion carried.)

3. NEW BUSINESS:

A. Authorization to Proceed – Road Cut Repairs - T. Michael Jessee

Mr. Jessee advised the Board that the Authority was not prepared to present this item at the present time, pending further information from the Washtenaw County Road Commission.

Mr. Jessee recommended a motion to table the request for authorization to proceed with entering into a contract with the Washtenaw County Road Commission’s contractor for road cut repairs. Support by Wagner. In favor: All. Opposed:
None. (Motion carried)

B. **Grove Road Water and Sewer Tap – Award Bid** - T. Michael Jessee

Mr. Jessee advised the Board that a service application was submitted to YCUA for water and sewer service for 1758 Grove Road prior to the change in the policy of requiring applicants to hire private contractors to make water or sewer taps to services requiring work in road right of ways. He indicated that the Authority has decided to honor the application and has secured bids to have this tap completed. Mr. Jessee also explained that two bids were received – M.D. Taddie for $19,675 and SBG for $31,296.

He pointed out that, since the application for taps was received prior to the change in YCUA policy we are installing the taps at the Authority’s expense. Mr. Jessee explained that full service application fees were received by YCUA. He further advised that this activity is an O & M expense.

Mr. Jessee recommended approval of the award of the bid to M.D. Taddie in the amount of $19,675 to be funded from the O & M account.

Larry J. Doe inquired as to whether a directional bores was specified in the bidding process. Mr. Jessee responded that, though a directional bore is preferred, it was not specified in the bidding documents because there are not enough contractors available who can do that for YCUA.

Motion by Doe to accept Mr. Jessee’s recommendation for approval of the award of the bid to M.D. Taddie in the amount of $19,675 to be funded from the O & M account. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

C. **Request to Approve Change Order No. 6 re: Wastewater Treatment Plant Expansion/Improvements** - T. Michael Jessee

Mr. Jessee advised the Board that the expansion/improvements project at the WWTP continues to proceed well and on schedule. He indicated that the change order increases the contract amount by $490,569. Mr. Jessee also explained that there are several large items in this change order. He pointed out that, due to the owners’ request, Christman had to delay construction on the WAS/TWAS tanks and building, causing them to incur additional costs. He further advised that Christman had scheduled that work to be done last year when their subcontractor, Barton-Malow, was doing other excavation and concrete work.
Mr. Jessee stated that, in the original schedule, Barton-Malow would have completed all of their excavation and concrete work last year. He acknowledged that, since YCUA could not discontinue use of the garage in the Sludge building, as this was the Authority’s back up sludge disposal mechanism until the new sludge loading facility was in operation, the WAS/TWAS structure had to be delayed until this year. Mr. Jessee confirmed that this required Barton-Malow to stay on site and invoice costs to Christman. He explained that YCUA has negotiated a figure of $189,666 as fair compensation.

Mr. Jessee pointed out that, as demolition work was beginning in the Solids building, it was discovered that the paint on the incinerator and conveyor system contained high levels of lead. He also stated that the levels required hazard abatement activities, as well as additional labor, equipment, training and medical monitoring costs to provide safe working conditions and to protect employees.

Mr. Jessee advised the Board that YCUA has negotiated an amount of $109,994 for lead hazard abatement costs for the incinerator demolition and $14,994 additional labor, equipment, training and medical monitoring cost for the demolition subcontractor. He indicated that there would be additional costs associated with the lead hazard abatement dealing with the sludge conveying and storage facilities in a future change order.

Mr. Jessee also explained that there is also a change to provide additional labor and material to apply waterproofing to the interior walls of the primary solids storage tanks. He pointed out that existing sludge thickening tanks are being covered and converted to holding tanks. He further advised that, since they will now be covered and the volume of the contents will vary, the interior walls should be coated to prevent deterioration from attack by aggressive gases. Mr. Jessee stated that this was negotiated at $134,726.

He acknowledged that there are several other smaller changes, which are due to field conditions discovered as work progresses. Mr. Jessee confirmed that these amounts have been negotiated with Christman Company, YCUA’s general contractors, through a process that includes the Authority’s engineering firm, Tetra Tech MPS, WTUA staff, and YCUA staff. He explained that WTUA is in agreement with this change order.

Mr. Jessee pointed out that, after extensive negotiations between Christman, TTMPS, WTUA staff and YCUA staff it is felt additional compensation is warranted to our contractor Christman Company. He also stated that the
contingency budget for this project is approximately $6,000,000. Mr. Jessee advised the Board that, with this change order, change orders total $1,184,731 or 19.75% of budget. He indicated that the project is 61% complete. Mr. Jessee also explained that the fee paid to TTMPS is not increased as change orders increase the contract price.

Mr. Jessee recommended approval of Change Order No. 6 re: Wastewater Treatment Plant Expansion/Improvements in the amount of $490,569.

Edward B. Koryzno thanked Mr. Jessee and the rest of the YCUA staff for the running total and break downs for change orders that have been issued for this contract.

Brenda L. Stumbo inquired as to whether it is likely that any more change orders are forthcoming. Mr. Jessee indicated that YCUA would likely see one or two more large change orders due to the fact that work is beginning on the mechanical and electrical portions of the expansion, which are often complicated and detailed work.

Ms. Stumbo then asked for clarification that one of the largest change order items was the unexpected lead abatement. Mr. Jessee confirmed the same and advised that phase 1 of that item was included in Change Order No. 6 with phase 2 to be included in the next change order. He further advised that lead paint was discovered on the incinerator, conveying systems, and presses but that the lead was removed from the incinerator and the incinerator has been demolished. Mr. Jessee stated that the lead removal from the remaining equipment would be included on the next change order. He stated that this work was being done in compliance with OSHA guidelines in order to promote the health and safety of YCUA employees.

Motion by Namatevs to accept Mr. Jessee’s recommendation for approval of Change Order No. 6 re: Wastewater Treatment Plant Expansion/Improvements in the amount of $490,569. Support by Stumbo. In favor: All. Opposed: None. (Motion carried)

D. Third Quarterly Production Report – T. Michael Jessee

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

Overall, Mr. Jessee commented that the Authority is in very good shape, that
all departments are producing well, and that morale is up.

Mr. Jessee recommended approval of the Third Quarterly Production Report. Mark Namatevs requested background information on flushing water mains. Mr. Jessee responded that a daily route is planned for certain streets in the Township and the City, wherein a vactor and a hose is placed inside the sanitary sewer mains in order to clean and flush them. He advised that this work was done in compliance with the Administrative Consent Order entered into four years ago. Perry M. Thomas added that the flushing is done as a part of the Service Center’s preventative maintenance program for the wastewater collection system, which existed prior to the ACO but was enhanced in response to the same. Brenda L. Stumbo added that the flushing is done in order to remain proactive to sanitary sewer overflows rather than reactive.

Edward B. Koryzno inquired as to whether the Kronos system had been implemented. Mr. Jessee responded affirmatively, adding that the system is doing very well and the employees are very pleased with it, particularly the payroll staff.

Mr. Koryzno commended Mr. Jessee for his very valuable and informative report and indicated that good news is always welcomed.

Brenda L. Stumbo concurred with Mr. Koryzno’s comments and added that accountability is very important and that she is appreciative of the efforts being made in that area.

Larry J. Doe agreed, indicating that he is very impressed with the report.

Informational only; no motion from the Board required.

E. **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.

Informational only; no motion from the Board required.

H. **Director’s Report** – Larry R. Thomas

Mr. Thomas directed the Board’s attention to a new Organizational Chart, which reflects a change in the chain of command for the Service Center stockroom clerk and Maintenance Auto Mechanic positions. He clarified that the former now reports to the Service Center Office Manager and the latter to the Director of Maintenance.

4. **OLD BUSINESS:**

T. Michael Jessee updated the Board on the progress of the landscaping at the Martz Road pumping station, indicating that the maintenance department purchased some plants late last week which should be planted this week.

5. **OTHER BUSINESS:**

T. Michael Jessee advised that Board that emergency relocation work was recently done to a fire hydrant at Textile and Hitchingham as part of a Washtenaw County Road Commission repaving project on Hitchingham from Stoney Creek to Merritt Roads. He advised that this work needed to be done immediately in order to avoid compromising fire protection in that area. Mr. Jessee stated that George W. Odien, Inc. did the relocation as well as removal of an eight-inch stub on Textile Road on a time and materials basis. He indicated that the total cost of the work is $45,010.17 and that $19,624.72 would be invoiced to the road commission at a later date.

Mr. Jessee recommended approval of payment in the amount of $45,010.17 to George W. Odien, Inc. for the Textile/Hitchingham fire hydrant relocation.

Larry J. Doe inquired as to why the road commission will not pay their portion directly, rather than waiting to be invoiced. Brenda L. Stumbo inquired that since YCUA dealt directly with the contractor it is the Authority’s responsibility to pay their entire bill and seek reimbursement from the road commission for their portion.
Motion by Wagner to accept Mr. Jessee’s recommendation for approval of payment in the amount of $45,010.17 to George W. Odien, Inc. for the Textile/Hitchingham fire hydrant relocation. Support by Doe. In favor: All. Opposed: None. (Motion carried)

6. STATEMENTS AND CHECKS: Motion by Doe to pay the bills in the amount of $2,864,602.29 plus an addendum in the amount of $2,413,201.34. Support by Koryzno. 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 3:35 p.m. Support by Doe. In favor: All. Opposed: None. (Motion carried.)

Respectfully submitted,

LARRY J. DOE, Secretary/Treasurer