
Members Absent: Mark Namatevs.

1. **CALL TO ORDER:** Mr. Scott called the meeting to order at 9:03 a.m.

2. **MINUTES OF THE PREVIOUS MEETINGS:** Motion by Doe to receive and file the minutes of the May 24, 2011 meeting as presented. Support by Peoples. In favor: All. Opposed: None. (Motion carried.)

3. **NEW BUSINESS:**

   A. **Request to Approve – Contract and YCUA Resolution No. 11-3 Approving Contract re: $3.5 Million Wastewater System No. 8 Bonds (Charter Township of Ypsilanti) for Snow Road Pump Station Improvements** – Tom Colis

   Mr. Colis advised the Board that this resolution and contract are for not-to-exceed $3.5 million improvements to the Snow Road Pump Station. He indicated that this will go through the SRF as has been done in the past on most bond issues.

   Mr. Colis explained that, unlike most bond issues over the past few years, the ARRA stimulus funds are gone which means that all of these bond funds will have to be paid back as opposed to the principal forgiveness that applied to some recent bond issues. He pointed out that the interest rate is low at 2.5%, which is still a much better rate than could be obtained in the open market.

   Mr. Colis also explained that this is the first step for the Board regarding this issue and that the Ypsilanti Township officials approved the contract last week. He further advised that the township’s piece has a 45-day referendum period associated with it, which means that it will be published in the paper on Thursday, June 30th allowing the public to file a
petition within that period of time and making the contract invalid unless it is voted on by the township electors. Mr. Colis stated that he does not anticipate that happening and that it is standard procedure. He acknowledged that the project will be bid and the matter will come back before the Board at the July meeting once the final project cost is known. Mr. Colis confirmed that he expects the bids to come in comfortably under the estimated $3.5 million. He explained that the contract has provisions in it to reduce the principal amount stated in it to the actual dollar amount that is issued and that the adjusted figure is what the township will be required to pay.

Mr. Colis pointed out that there will be a resolution to authorize the bonds at the July meeting for their consideration and that the bonds are slated to close on September 23rd, which is when the proceeds will be received. He also stated that MDEQ will issue its order of approval at the end of August to the Michigan Finance Authority.

Deedra Climer Bass inquired as to whether YCUA general counsel Tom Daniels had reviewed the contract. Mr. Daniels responded affirmatively and indicated that the contract is a standard boilerplate document.

Motion by Doe to approve the Contract and YCUA Resolution No. 11-3 Approving Contract re: $3.5 Million Wastewater System No. 8 Bonds (Charter Township of Ypsilanti) for Snow Road Pump Station Improvements. Support by Peoples. In favor: All. Opposed: None. (Motion carried)

B. Request to Approve – Change Order No. 2 (Final) re: Energy Optimization Project – T. Michael Jessee

Mr. Jessee advised the Board that this is the final change order for the Energy Optimization Project. He indicated that, during the work on the HVAC unit in the solids building, the electricians accidentally damaged the membrane of the roof. Mr. Jessee explained that Duke Roofing was onsite doing other work so the repair was done after getting agreement from Phoenix Contracting that the repairs would be deducted from the project cost. He pointed out that the total cost of the repairs was $320.62.

Mr. Jessee also explained that this change order reduces the total cost of the project to $992,482.08. He further advised that there have been approximately $8,000 of change orders on the project.

Mr. Jessee recommended approval of Change Order No. 2 (Final) re: Energy Optimization Project in the deduct amount of $320.62.

Motion by Peoples to approve Change Order No. 2 (Final) re: Energy Optimization Project in the deduct amount of $320.62. Support by Bass. In favor: All. Opposed: None. (Motion carried)
C. **Fund Balance Report** - Larry R. Thomas

Mr. Thomas directed the Board’s attention to the Fund Balance Report for May 31, 2011. 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.

D. **Financial Report – Authority Net Assets** - Larry R. Thomas

Mr. Thomas directed the Board’s attention to the Financial Report – Authority Net Assets Report for May 31, 2011. 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 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.

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

There was no Attorney’s Report for the month.

G. **Director’s Report** - Larry R. Thomas

Mr. Thomas advised the Board that he and Mr. Jessee were in attendance at the Ypsilanti Township Board of Trustees meeting held the previous Tuesday and that the first reading of the new sewer rate ordinance was passed at that time.

Mr. Thomas also advised the Board that the OSR / MXU water meter replacement project in the City of Ypsilanti is going well and that it has been a tremendous project for the meter and customer service departments. He indicated that the employees have been working extra hard to make sure that the project is completed without inconveniencing customers.

Mr. Thomas explained that, to date, the general consensus of both employee groups is that the project has met with positive response from the customers and very little consternation. He pointed out that the number of OSRs in the city that needed replacement with MXUs at the beginning of the project was 668. Mr. Thomas also explained that, as of the previous Friday, 294 had been changed out (44% of the total) and that appointments are on the books for another 118. He further advised that this translates to 62% either completed or scheduled. Mr. Thomas stated that, of the remaining 256 properties, customer service is in the process of
sending out a series of letters. He acknowledged that each subsequent letter reminds the customer of the last letter and moves them toward the standard processes that YCUA has followed when a customer does not respond to our request to enter the property and provide service.

Mr. Thomas confirmed that the first group of residents who have not responded to three previously sent letters will receive a fourth letter that indicates that YCUA needs to have them contact the Authority within 10 days of the date of the letter to avoid termination of services. He explained that this is the normal process, however, with the MXU project, customers have been given two and one-half months, much longer than normal circumstances. Mr. Thomas pointed out that the first set of these letters is scheduled to go out on July 11th and that staggering the issuance of the letters will be done so as to not overwhelm the meter department. He also stated that, if there is no response to this fourth letter, the first group of residents will receive notice of water service termination on or after July 22nd.

Mr. Thomas advised the Board that it should also be noted that the YCUA meter department adjusted schedules in May and June to accommodate evening hours and worked a full Saturday in May. He indicated that, during July and August, the employees and managers are staggering four 10-hour days a week, so there will be plenty of appointments for residents who need them. Mr. Thomas explained that the department has worked well as a whole to ensure proper coverage for continuing normal operations in addition to accomplishing this task.

Ms. Bass inquired as to whether there was any active verbal rumbling in regards to the project. Pat Morris, Chief Steward of YCUA’s AFSCME Local, responded that he has heard some comments from customers that this is an attempt to automate the system so that the Authority can lay people off, but that he was very quick to explain that is not the case and there is plenty of other work for YCUA’s staff to do.

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 Bass to pay the bills in the amount of $2,575,671.40. Support by Doe. In favor: All. Opposed: None. (Motion carried)

7. **PUBLIC COMMENTS:** Pat Morris, Chief Steward of YCUA’s AFSCME Local, asked YCUA attorney Thomas E. Daniels for his opinion on the new legislation regarding municipalities in Lansing. He inquired as to whether YCUA falls under this legislation and Public Act 1939 since the Authority was formed under Public Act 1955.
Mr. Daniels responded that, in response to the Board’s request in April, he has been in contact with YCUA’s management and human resources department regarding this legislation over the past 60 days. He indicated that some of this legislation has no effect whatsoever on YCUA but some of it definitely will in its current form if adopted and signed by the governor. Mr. Daniels explained that the matter is being closely followed, specifically several pieces of legislation that refer to that particular public act as well as other parts including the bill that defines public employers to include utility authorities. He pointed out that some of the legislation will pass into law but other parts will never see the light of day.

J. Ray Scott advised the Board that he recently met with Mayor Paul Schreiber of the City of Ypsilanti. He indicated that the mayor expressed to him that he wished to compliment YCUA regarding its high standing in the community and the excellence of its Board and administrative duties. Mr. Scott explained that this was a detailed conversation that was very positive. He pointed out that he has had similar conversations with the Ypsilanti Township Board of Trustees who, as a whole, is very favorable of the direction YCUA has taken as an Authority. Mr. Scott also explained that everyone connected to YCUA should feel very proud that the community leaders are viewing it in such a favorable light, especially considering the current economic and political climate.

He further advised that he is personally grateful to be able to receive this kind of feedback in the community and he thanked YCUA staff for making that possible.

8. **ADJOURNMENT:** Motion by Doe to adjourn the meeting at 9:31 a.m. Support by Bass. In favor: All. Opposed: None. (Motion carried)
Minutes of a regular meeting of the Board of Commissioners of the Ypsilanti Community Utilities Authority, County of Washtenaw, Michigan, held on the 28th day of June, 2011 at 9:00 o’clock a.m., prevailing Eastern Time.

PRESENT: Commissioners J. Ray Scott, Deedra Climer Bass, Larry J. Doe, and Gregory A. Peoples

ABSENT: Commissioners Mark Namatevs

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

WHEREAS, the Board of Commissioners of the Ypsilanti Community Utilities Authority, County of Washtenaw, Michigan, intends to authorize the issuance and sale of its Wastewater System No. 8 Bonds (Charter Township of Ypsilanti) pursuant to Act 233, Public Acts of Michigan, 1955, as amended, in an amount of not to exceed Three Million Five Hundred Thousand Dollars ($3,500,000), for the purpose of defraying the cost of the acquisition, construction of certain wastewater system improvements, consisting of the acquisition, construction and installation of improvements to the Snow Road pump station in the Charter Township of Ypsilanti (the “Township”), including pump replacement and electrical and control system upgrades, together with all necessary appurtenances and attachments thereto, to serve the Township; and

WHEREAS, a Contract (Snow Road Pump Station) (the “Contract”) has been prepared between the Authority and the Township to provide for the financing of the cost of said improvements, which Contract has been reviewed by the Board of Commissioners; and
NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Contract is hereby approved and the Chair and Secretary are each authorized to sign the same on behalf of the Authority.

2. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution by and the same hereby are rescinded.

AYES: Commissioners
J. Ray Scott, Deedra Climer Bass, Larry J. Doe, and
Gregory A. Peoples

NAYS: Commissioners
None.

RESOLUTION DECLARED ADOPTED.

DEEDRA CLIMER BASS, 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 28th day of June, 2011 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.

DEEDRA CLIMER BASS, Secretary - Treasurer