Members Present: Brenda L. Stumbo, Larry J. Doe, Karen Lovejoy Roe, and Peter J. Murdock

Members Absent: Edward B. Koryzno, Jr.

1. CALL TO ORDER: Stumbo called the meeting to order at 3:02 p.m.

2. MINUTES OF THE PREVIOUS MEETING: Motion by Doe to receive and file the minutes of the June 24, 2003 meeting, correcting roll call to include Peter J. Murdock as present. Support by Murdock. In favor: All. Opposed: None. (Motion carried)

3. NEW BUSINESS:

   A. Request to Approve – Michigan Municipal League Workers’ Compensation Fund Vote for Trustee - Gwyn Belcher

Ms. Belcher advised the Board that the Michigan Municipal League Workers’ Compensation Fund is voting for five trustee positions. She indicated that, as members of this fund, YCUA is entitled to vote. Ms. Belcher also explained that the nominating committee has nominated five individuals for the positions. She pointed out that information on each of the five was enclosed in their packets. Ms. Belcher explained that staff is recommending an affirmative vote for the five individuals selected by the nominating committee.

Ms. Belcher recommended approval of Michigan Municipal League Workers’ Compensation Fund Vote for Trustee.

Motion by Doe to accept Ms. Belcher’s recommendation for approval of Michigan Municipal League Workers’ Compensation Fund Vote for Trustee.
B. Request to Approve – Award of Bid re: Sherman Oaks Water Main Installation – Scott Westover

Mr. Westover advised the Board that bids were taken last week for water main installation for the Sherman Oaks project. He indicated that this is a special assessment district in Ypsilanti Township. Mr. Westover also explained that bonds were recently sold to finance this construction. He pointed out that proposals were received from six bidders whose referenced were thoroughly checked. Mr. Westover explained that the low bid was received from Cameron Construction Company of Sterling Heights, Michigan. He directed the Board’s attention to his letter of recommendation to award this contract to Cameron Construction Company. He further advised that bond funds are available to finance this project and it will be repaid through the special assessment district.

Mr. Westover recommended approval of Award of Bid re: Sherman Oaks Water Main Installation to Cameron Construction Company of Sterling Heights, Michigan in the amount of $571,360.20, contingent upon approval of bonds and insurance by YCUA’s attorney, and to be paid through the special assessment district.

Brenda L. Stumbo inquired as to whether the contract documents stipulation a completion requirement and penalty if the project is not completed in time. Mr. Westover responded that the dates in the contract book include a tentative construction start date of August 11, 2003 and a tentative completion date of October 31, 2003. He advised that the dates are contingent upon the special assessment process but that there are liquidated damages if the contractor does not finish as of the date of completion.

Motion by Doe to accept Mr. Westover’s recommendation for approval of Award of Bid re: Sherman Oaks Water Main Installation to Cameron Construction Company of Sterling Heights, Michigan in the amount of $571,360.20, contingent upon approval of bonds and insurance by YCUA’s attorney, and to be paid through the special assessment district. Support by Roe. In favor: All. Opposed: None. (Motion carried)

C. Request to Approve – Water Main Relocation at Huron River Drive - Larry R. Thomas

Mr. Thomas advised the Board that the Washtenaw County Road Commission is beginning the process of realigning Huron River Drive at its intersection with Whittaker Road. He indicated that the existing 12-inch
water main under Huron River Drive has been problematic over the years with main breaks. Mr. Thomas also explained that he requested from Scott Westover an estimate of the project cost for replacement of approximately 500 feet of existing water main that would be within the limits of the proposed roadwork. He pointed out that he is of the opinion that the project could be completed for approximately $63,500. Mr. Thomas explained that if we elect to proceed with this replacement project, we would need to move quickly to work with the road commission as they are planning their work to start within the next few weeks. He further advised that the main has had significant breaks in it over the years and is in need of replacement, particularly with new road construction taking place in the area. Mr. Thomas stated that the reserve for construction fund in the Township division has funds available that can be used to finance this project.

Mr. Thomas recommended approval of Water Main Relocation at Huron River Drive for approximately $63,500 to be paid from Reserve for Construction funds.

Brenda L. Stumbo inquired as to whether Scott Martin was in support of commencing the project at this time. Mr. Martin concurred.

Motion by Roe to accept Mr. Thomas’s recommendation for approval of Water Main Relocation at Huron River Drive for approximately $63,500 to be paid from Reserve for Construction funds. Support by Doe. In favor: All. Opposed: None. (Motion carried)

D. Request to Approve – Recommendation of Award for Auditing and Financial Assistance Services Contracts - Larry R. Thomas

Mr. Thomas advised the Board that four proposals for YCUA’s auditing and financial assistance services were received recently following YCUA’s recent Requests for Proposals sent to selected firms. He indicated that the request included instructions that the cost proposals were to be separate and sealed in an internal envelope along with the technical proposals. Mr. Thomas also explained that staff is in the process of reviewing the proposals received. He pointed out that it was his intention that there will be different firms doing the auditing versus the financial assistance services. He further advised that, although cost is a consideration, it is not the primary consideration for these services.

He acknowledged that, because of new regulations by the Governmental Accounting Standards Board (GASB), the same individuals should not do auditing services and financial assistance services. Mr. Thomas confirmed that it was the Authority’s recommendation to comply with the new
regulations and that we award these two services to two different firms.

Mr. Thomas advised that, after careful review of the proposals and the sealed cost bids, he felt it was necessary to interview each of the candidate firms.

Mr. Thomas recommended approval of his request establish a committee consisting of himself, Pete Murdock, Barb Kreger, and Venita Terry, to interview the four proposers for auditing and financial assistance services contracts and that the committee be authorized to enter into contracts with the two firms that it selects.

Motion by Doe to accept Mr. Thomas’s recommendation for approval of his request establish a committee consisting of himself, Pete Murdock, Barb Kreger, and Venita Terry, to interview the four proposers for auditing and financial assistance services contracts and that the committee be authorized to enter into contracts with the two firms that it selects. Support by Murdock. In favor: All. Opposed: None. (Motion carried)


Mr. Thomas directed the Board’s attention to an amended budget for fiscal year 2002 – 2003. He indicated that only the summary pages for each department was included. Mr. Thomas also explained that anyone wishing to see all of the detailed pages could contact him. He reminded the Board that the original budget overstated revenue for water and sewage sales. Mr. Thomas explained that the corrected figures on the amended budget account for the decrease in usage from YCUA’s major industrial customers. He further advised that also included in the revenue figures are the effects of the recent rate increases passed by both the City and the Township.

Mr. Thomas stated that revenue projections are down $1.9 million from what had been budgeted prior to the beginning of this fiscal year. He acknowledged that the budget still shows a significant loss to the Authority even though YCUA has decreased expenditures in this amended budget by $1.9 million by trimming expenses in YCUA’s operating and maintenance costs wherever possible.

Mr. Thomas recommended approval of the amended fiscal year 2002 – 2003 budget.

Karen Lovejoy Roe inquired as to whether the amended budget reflected the reductions made in personnel. Mr. Thomas responded that it takes into account some of those costs; such as the costs associated with the early retirements, costs associated with pay offs, and unemployment costs. He further advised that the cost savings from the personnel reductions would not
be realized until next fiscal year.

Peter J. Murdock commented that the net result of everything is that the Authority is going to increase its deficit by $1 million. Mr. Thomas concurred, indicating that YCUA will spend $1 million of cash reserves that will not be replaced this year.

Brenda L. Stumbo interjected, reminding the assembly that this move is necessary due to decreased revenues, not because the Authority overspent.

Mr. Thomas confirmed that the budget continues to show a loss for the Authority of about $1.9 million for the year. He explained that work is continuing on the budget for the next fiscal year and will be ready for your review well before YCUA’s next Board meeting date. Mr. Thomas pointed out that changes in anticipated revenue and expenses are detailed in the amended budget and should be approved by this Board.

Motion by Roe to accept Mr. Thomas’s recommendation for approval of the amended fiscal year 2002 – 2003 budget. Support by Doe. In favor: All. Opposed: None. (Motion carried)

F. Request to Approve – Augusta Township Wastewater Treatment Plant Capacity Agreement – Thomas E. Daniels

Mr. Daniels directed the Board’s attention to a new Augusta Township Wastewater Contract. He indicated that this contract gives Augusta Township a total of .8 million gallons per day, an increase of .32 million gallons per day from their existing contract. Mr. Daniels also explained that this is a new generation contract generated by YCUA’s attorney, which allows for collection of debt service by the Authority for debt levied for wastewater treatment plant and collection system improvements from which Augusta Township benefits. He pointed out that this contract is modeled after the Pittsfield Township Wastewater Contract recently approved by this Board.

Karen Lovejoy Roe inquired as to when this data was compiled, as she was not previously made aware of these figures. Larry R. Thomas indicated that a meeting took place recently and that the resulting computations could be presented to her.

Brenda L. Stumbo interjected that the Board’s previous authorization of this item was contingent upon making sure that YCUA is covered for capacity needed for the City of Ypsilanti and Ypsilanti Township. She asked Dr. S. Joh Kang if he is comfortable with the recommendation. Dr. Kang responded that he was only involved in the discussions early on so he has no comments.
to offer. Ms. Stumbo then asked Perry M. Thomas if he is comfortable with the recommendation. Mr. Thomas responded affirmatively, adding that the method allows for 130 gallons per day per capita for additional Township buildup, a relatively conversation allocation per capita.

Mr. Daniels indicated that Augusta Township would be voting on this issue at their Board meeting next week, as a moratorium has been in place for some time.

Mr. Daniels recommended approval of the request to enter into new contract with Augusta Township for .8 MGD capacity at the wastewater treatment plant contingent upon a written re-review, including a formal report from Joh Kang.

Karen Lovejoy Roe suggested that the item be tabled until a meeting with Tetra Tech MPS could be scheduled to lay out the three scenarios. Brenda L. Stumbo suggested that a special Board meeting could be scheduled if needed.

Karen Lovejoy Roe inquired as to whether Augusta would be paying right away or would billing be based on their flow and how improvements to pumps and other infrastructure would be paid for. Mr. Daniels responded that the improvements to the pump stations in the future would be made when those projects are bonded based on the capacity that is allocated to Augusta within those projects. Larry R. Thomas interjected that the O & M costs are based on usage and capital costs are based on allocation.

Motion by Roe to table Mr. Daniels’s recommendation for approval of the request to enter into new contract with Augusta Township for .8 MGD capacity at the wastewater treatment plant contingent upon a written re-review, including a formal report from Joh Kang. Support by Doe. In favor: All. Opposed: None. (Motion carried)

G. Community Development Projects - Samuel S. Hu

Mr. Hu presented to the Board the Monthly Community Development Plan Review for July 2003, summarized as follows:

1. Project Name: Parcels B-1 to B-4 on Munger Road
   Project Location: On Munger Road between Morgan and Textile, Pittsfield Township
   Project Stage: Detail Engineering and Permit Application (Water and Sewer Permits)
   Received by YCUA: May 22, 2003 (Model Water & Sewer)
   Developer: Loyalty Building Co., Novi, Michigan
   Engineer: Washtenaw Engineering Company, Ann Arbor, MI
Background: The developer proposes to develop four (4) residential parcels.
Area of Development: 1.94 acres
Site Use: Residential - 4 Lots
Estimated water use: 1,800 gpd (450 gpd/lot x 4 lots)
Estimated sanitary sewer use: 1,200 gpd (300 gpd/lot x 4 lots)
Equivalent to: 4 detached dwelling units (Morgan Rd., Martz-Paint, Martz Rd., Snow Rd.)
Sanitary Flow Path: Trunk→Creek→Pump→Pump→WWTP
Sewer Interceptor Station

2. Project Name: Red Cross
Project Location: Packard Road between Carpenter and Golfside, Pittsfield Township
Project Stage: Detail Engineering and Permit Application (Water and Sewer Permits)
Received by YCUA: May 23, 2003 (Model Water and Sewer)
Developer: MAM Holdings, LLC., Ann Arbor, MI
Engineer: Atwell-Hicks, Inc., Ann Arbor, MI
Background: The developer proposes to build an American Red Cross Washtenaw County Headquarters with office, blood services, classrooms, and emergency response vehicle garage.
Area of Development: 4.71 acres
Number of Parking Spaces: 96 pkg. spaces (Phase I)
Estimated water use: 4,800 gpd (50 gpd/pkg. x 96 pkgs.)
Estimated sanitary sewer use: 3,360 gpd (35 gpd/pkg. x 96 pkgs.)
Equivalent to: 11 detached dwelling units (Golfside, Morgan Rd., Martz-Paint, Martz Rd., Snow Rd.)
Sanitary Flow Path: Road→Trunk→Creek→Pump→Pump→WWTP Interceptor Sewer Interceptor Station

Brenda L. Stumbo inquired as to what time, specifically, is being referenced to in the statement “a single development may not have enough of an impact to affect the entire system, however the cumulative effect of the new developments will significantly impact the system over time.” Scott Westover indicated that he did not know and would have to check into it. Ms. Stumbo asked to have the information available to her by next Board meeting.

Informational only; no motion from the Board required.

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

Mr. Thomas directed the Board’s attention to a memo listing the nine employees taking advantage of the early retirement options recently offered as well as information regarding the reorganization of the Authority,
including the reductions in staff – seven layoffs – that took place. He then proceeded to elaborate on that information.

Brenda L. Stumbo inquired as to how long the layoffs were anticipated to last. Mr. Thomas indicated that, while he hoped they were as short as possible, many variables involved and did not wish to guess at this point.

Brenda L. Stumbo interjected that she is sorry that YCUA has to lay off employees but that, in light of the revenue shortage, there was no choice. She further commented that she is confident that the Authority will bring employees back as soon as possible.

Informational only; no motion from the Board required.

Larry R. Thomas advised the Board that there was an emergency use of City Improvement Funds for a sewer repair at Whittier and College Heights at a cost of $42,058.04. He indicated that the Authority has been providing the new manhole rings and covers in the areas that the city is repaving this summer as well as past summers. He stated that doing so is a big benefit to YCUA as it cuts down on infiltration to the sewers. Mr. Thomas advised that the Authority has spent a total of $24,611.50 on these rings and covers and he is recommending that funds be used from the City Division Improvement Fund, which was created many years ago for a forgotten purpose.

Brenda L. Stumbo asked Peter J. Murdock for his feelings on the request. Mr. Murdock responded that he was of the opinion that the recent water surcharge increase should cover this expense.

Ms. Stumbo interjected that her only concern is that enough money be retained if there is another emergency occurs in the city. Mr. Thomas responded that those funds were available in the Reserve for Construction fund.

Motion by Murdock to accept Mr. Thomas’s recommendation to use City Division Improvement Funds in the amount of $24,611.50 for emergency sewer repair at Whittier and College Heights and for purchase of rings and covers. Support by Doe. In favor: All. Opposed: None. (Motion carried)

Mr. Thomas advised the Board that, a week ago Monday, the newly approved Assistant Director position has been awarded to Mike Jessee. The announcement met with applause from the assembly.

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 $1,630,257.19 plus an addendum in the amount of $2,825,669.86. Support by Murdock. In favor: All. Opposed: None. (Motion carried)

7. PUBLIC COMMENTS:

There were no public comments for the month.

8. ADJOURNMENT: Motion by Roe to adjourn the meeting at 3:50 p.m. Support by Doe. In favor: All. Opposed: None. (Motion carried)

Respectfully submitted,

[Signature]

LARRY J. DOE, Secretary/Treasurer