Minutes

YPSILANTI COMMUNITY UTILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
Tuesday, August 24, 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 July 27, 2004 meeting. Support by Wagner. In favor: All. Opposed: None. (Motion carried.)

3. NEW BUSINESS:


Mr. Thomas directed the Board’s attention to his proposed budget for the year that begins September 1, 2004. He indicated that, in this budget projection, he made assumptions that water and sewer consumption for next year will be comparable to the present year. Mr. Thomas also explained that the DWSD rate increase of 17.97% went into effect on July 1, 2004. He pointed out that he used a general inflation rate for cost items of 2.5%. Mr. Thomas explained that certain expenses are projected based on other factors. He further advised that, specifically, the increased cost of providing benefits to the Authority’s employees would be out pacing the general inflation rate. Mr. Thomas stated that staff is estimating health coverage costs increasing...
next year at 22%, disability at 5%, and workers’ compensation insurance at 15%. He acknowledged that, as YCUA will be experiencing an increase in the operation and maintenance expenses related to the wastewater treatment plant expansion project in the coming year and not anticipating additional revenues from WTUA until the following year, he projects using fund balance to cover some of these increased expenses.

Mr. Thomas confirmed that he anticipates that, in the following year when the plant is completed and flows increase from WTUA, revenue will cover the increases in expenses. He explained that, for this next year, he recommends that the two divisions’ lease funds be used to cover any shortages in expenses. Mr. Thomas pointed out that he believes this would be an appropriate use of the lease funds inasmuch as the shortages are due to the expansion activities at the wastewater treatment plant and the lease funds are restricted by Board action for plant expansion-related activities. He also stated that this budget is a recommendation for cash activities for the coming fiscal year. Mr. Thomas advised the Board that the Authority must adopt a budget prior to the beginning of the fiscal year, September 1, 2004.

Mr. Thomas recommended approval of the fiscal year 2004 – 2005 Proposed Budget.

Motion by Doe to accept Mr. Thomas’s recommendation for approval of the fiscal year 2004 – 2005 proposed budget. Support by Koryzno. In favor: All. Opposed: None. (Motion carried)

B. Request to Approve – Fiscal Year 2004 – 2005 Township and City Division Water Rate Recommendations - Larry R. Thomas

Mr. Thomas reminded the Board that DWSD has increased the rate that YCUA pays for water by 17.97% as of July 1, 2004. He indicated that the Township Rate Ordinance provides for an automatic pass-through of this increase to the ratepayers of Ypsilanti Township upon the approval of the YCUA Board. Mr. Thomas also explained that item A, the draft budget for the year beginning September 1, 2004 contains revenue figures for the Township Division, including a 17.97% increase in the water rate. He further advised that, with this increase, the Township Division shows a slight income. Mr. Thomas stated that this income, along with depreciation, will allow all debt service payments and a minimal amount of capital acquisition for the coming year. He acknowledged that the draft budget shows a shortfall in funds of $87,943, which will be needed from fund balance.
Mr. Thomas confirmed that, additionally, in the City Division, Paul Stauder, the City and YCUA bond financial consultant, is recommending a 26% increase in the surcharge rate for the City Division. He explained that this increase is included in the draft budget. Mr. Thomas pointed out that this larger than anticipated surcharge increase is due to the declining sales in the City, requiring a higher surcharge to pay the debt service being acquired by the City Division through the main replacement program. He also stated that the income and depreciation in the City Division again would allow for debt service payments and a minimal amount of capital acquisition. Mr. Thomas advised that the draft budget shows a shortfall in the City Division of $12,130, which will be needed from fund balance. He indicated that City Council has already acted to increase the surcharge to YCUA City customers by 26% and that, with this increase in surcharge rate, he does not anticipate an increase being needed to the City Division’s water rate.

Mr. Thomas advised the Board that he included a comparison for the average residential user in the Township. He indicated that the average usage there is 16 units for a two-month period, which translates to a bi-monthly bill of $62.76, or $67.58 with the proposed rate change (a 7.7% increase).

Brenda L. Stumbo commented that she wished to clarify that this is a pass-through increase in Ypsilanti Township. She added that, for nine years, she witnessed rate increases that came from Detroit Water and Sewerage that were absorbed by YCUA. Ms. Stumbo indicated that the Authority can no longer carry the burden of those rate increases and must now pass the cost on to the customers. She pointed out that she knows this places a burden on fixed income residents but that she hopes the Township will be able to raise the income limit for public assistance to help those residents keep their utility bills up-to-date.

Ms. Stumbo inquired as to how many more double-digit increases are expected to come from DWSD. Mr. Thomas responded that the original plan called for five years of double-digit increases, which would incorporate one more double-digit increase in 2005. He stated, however, that he anticipates the next rate increase to be less than the last four.

Mr. Thomas recommended approval of the request to approve the pass-through rate increase from DWSD in Ypsilanti Township of 17.97%.

Motion by Wagner to accept Mr. Thomas’s recommendation for approval of the request to approve the pass-through rate increase from DWSD in Ypsilanti Township of 17.97%. Support by Doe. In favor: All. Opposed:
None. (Motion carried)

C. Authorization to Make Recommendation re: Miscellaneous Fees - Larry R. Thomas

Brenda L. Stumbo recommended tabling of the request for changes to the miscellaneous meter fees charged by the Authority.

Motion by Koryzno to accept Ms. Stumbo’s recommendation to table the request for changes to the miscellaneous meter fees charged by the Authority. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

D. Request to Approve – Change Order No. 7 re: Wastewater Treatment Plant Expansion - T. Michael Jessee

Mr. Jessee directed the Board’s attention to Change Order No. 7 for the wastewater treatment expansion/improvement project. He also directed their attention to his memo from regarding Change Order No. 7 and his recommendation that it be placed on the Board agenda for the Board’s consideration. Mr. Jessee also explained that the Change Order is in the amount of $330,402. He further advised that he pointed out that the major item is dealing with lead abatement after the discovery of high levels of lead in the paint on the original equipment in the sludge building. Mr. Jessee explained that Change Order No. 6 dealt with the abatement issues for the incinerator. Mr. Jessee stated that this change order contains the cost associated with all other equipment in the sludge building with high lead paint. He acknowledged that these changes are representative of conditions and requirements needed in the project, which are different from those anticipated when the bidding documents were prepared. He explained that the $330,402 addition to the contract represents a 25.25% use of the contingency funds. Mr. Jessee pointed out that the project is estimated to be 65% complete.

Mr. Jessee recommended approval of Change Order No. 7 re: Wastewater Treatment Plant Expansion in the amount of $330,402.

Motion by Doe to accept Mr. Jessee’s recommendation for approval of Change Order No. 7 re: Wastewater Treatment Plant Expansion in the amount of $330,402. Support by Namatevs. In favor: All. Opposed: None. (Motion carried)

E. Request for Recommendation - Second Run Meter Installation Fee - T.
Michael Jessee

Mr. Jessee directed the Board’s attention to his letter regarding the development of a second run meter installation fee. He indicated that, upon partial completion of a dwelling, the YCUA meter department is contacted by the developer/builder to install the required meter(s). Mr. Jessee also explained that it is estimated that, in about 40% of the cases when YCUA staff makes a service call to perform the installation requested, the building is not complete to the point where we can perform the Authority’s task. He pointed out that it is staff’s recommendation that the builder/developer be charged a service call when this happens. Mr. Jessee explained that staff recommends a charge of $50 be billed to the contractor on their first bi-monthly bill. He further advised that this second run meter installation fee was discussed with the finance committee and they have recommended the concept as well. Mr. Jessee stated that this would allow YCUA to recover the Authority’s costs from the wasted service call and would encourage contractors to be ready when they call for a meter installation. He acknowledged that this fee would offset the costs associated with the meter department of unproductive service calls.

Mr. Jessee recommended approval of the request for authorization to make recommendation to City Council and Township Board to amend the rate ordinances to include this fee.

Motion by Namatevs to accept Mr. Jessee’s recommendation for approval of the request for authorization to make recommendation to City Council and Township Board to amend the rate ordinances to include this fee. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

F. Request for Recommendation – Construction Water Fee - T. Michael Jessee

Philip W. Wagner recommended tabling of the request for authorization to make recommendation to City Council and Township Board to amend the rate ordinances to include this fee pending a summary of all fees involved in new residential and commercial construction.

Motion by Namatevs to accept Mr. Wagner’s recommendation to table the request for authorization to make recommendation to City Council and Township Board to amend the rate ordinances to include this fee. Support by Doe. In favor: All. Opposed: None. (Motion carried)
G. **Request for Recommendation - Final Read Fee** - T. Michael Jessee

Philip W. Wagner recommended tabling of the request for authorization to make recommendation to City Council and Township Board to amend the rate ordinances to include this fee pending a summary of all fees involved in new residential and commercial construction.

Motion by Namatevs to accept Mr. Wagner’s recommendation to table the request for authorization to make recommendation to City Council and Township Board to amend the rate ordinances to include this fee. Support by Doe. In favor: All. Opposed: None. (Motion carried)

H. **Request to Approve – Change Order No. 5 re: South Harris Road Water Main Installation Project** - T. Michael Jessee

Mr. Jessee directed the Board’s attention to Change Order No. 5 regarding the South Harris Road water main installation project. He also directed their attention to his letter recommending the change order. Mr. Jessee also explained that this is the final balancing change order for the project and is a decrease from contract price of $3,897.37. He pointed out that this change order represents the actual quantities used for the project. Mr. Jessee explained that this decreases the budget for the project by the amount of the change order.

Mr. Jessee recommended approval of Change Order No. 5 re: South Harris Road Water Main Installation Project in the credit amount of $3,897.37.

Motion by Namatevs to accept Mr. Jessee’s recommendation for Change Order No. 5 re: South Harris Road Water Main Installation Project in the credit amount of $3,897.37. Support by Doe. In favor: All. Opposed: None. (Motion carried)

I. **Request to Approve – Change Order No. 4 re: Ultraviolet Disinfection Project** - T. Michael Jessee

Mr. Jessee directed the Board’s attention to Change Order No. 4 regarding the ultraviolet disinfection project. He also directed their attention to his letter recommending the change order. Mr. Jessee also explained that this is the final balancing change order for the project and is a decrease from contract price of $6,371.40. He pointed out that this change order represents the actual quantities used for the project. Mr. Jessee explained that this decreases the budget for the project by the amount of the change order.
Mr. Jessee recommended approval of Change Order No. 4 re: Ultraviolet Disinfection Project in the credit amount of $6,371.40.

Motion by Doe to accept Mr. Jessee’s recommendation for approval of Change Order No. 4 re: Ultraviolet Disinfection Project in the credit amount of $6,371.40. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

J. Request to Approve – Televising and Cleaning of Backyard Sanitary Mains - T. Michael Jessee

Mr. Jessee directed the Board’s attention to his letter regarding the preventative maintenance program for the cleaning and televising of the Authority’s sanitary sewer mains. He indicated that, within the Authority’s sanitary collection system, there are sanitary mains with access manholes located in backyards of the Authority’s customers. Mr. Jessee also explained that YCUA does not have the proper equipment to address the cleaning of these mains in all situations. He pointed out that staff is therefore recommending that the cleaning and televising of these particular mains be done by outside sources. Mr. Jessee explained that RFPs were requested for cleaning and televising the West Willow area in Ypsilanti Township. He further advised that three proposals were received. Mr. Jessee stated that Inland Water submitted the low bid of $38,812.50. He acknowledged that cleaning and televising of sanitary sewer mains is required by the Authority’s ACO with the Michigan DEQ as well as being a prudent practice. Mr. Jessee confirmed that this item is budgeted in next year’s budget.

Mr. Jessee recommended approval of the request to enter into a contract with Inland Waters in the amount of $38,812.50 to clean and televise various sewers in the West Willow area.

Motion by Doe to accept Mr. Jessee’s recommendation for approval of the request to enter into a contract with Inland Waters in the amount of $38,812.50 to clean and televise various sewers in the West Willow area. Support by Namatevs. In favor: All. Opposed: None. (Motion carried)

K. Request to Approve – Increase in Engineering Services Budget for City Water Main Replacement Projects - T. Michael Jessee

Mr. Jessee directed the Board’s attention to his letter regarding the engineering services budget amendment request. He indicated that Orchard, Hiltz, and McCliment is requesting an amendment to their approved budgets
for the five water main improvement projects currently in progress in the city. Mr. Jessee also explained that the requested total increase for the five projects is $548,000. He pointed out that there are two reasons for the increased cost to OHM. Mr. Jessee explained that original construction costs were estimated to be approximately $5 million, with the addition of the road restoration and sewer improvements. He further advised that the YCUA portion of the contract costs has increased to about $7.9 million. Mr. Jessee stated that, additionally, there have been numerous utility conflicts in the construction area as a result of poor records for existing utilities. He acknowledged that, in the original concept of the project, all road restoration costs were to be included in the road restoration project financed separately from the water main replacement projects by the city. Mr. Jessee confirmed that because of the low interest rates being charged for the DWRF loans, the restoration costs which can qualify for DWRF replacement, i.e., the road directly above the new water main, those restoration costs have been reassigned to the water main portion of the project. He explained that these increased engineering costs could be submitted to DWRF for reimbursement.

Mr. Jessee recommended approval of the Orchard, Hiltz, and McCliment budget increases for the five City Division water main replacement projects.

Brenda L. Stumbo inquired as to whether the City of Ypsilanti representatives concur with the recommendation. Edward B. Koryzno, Jr. responded affirmatively, indicating that, while they are not enamored with spending more money, he met with YCUA and OHM staff and discussed the issue on several occasions that the difficulties encountered with these projects justify the additional expenditures.

Motion by Koryzno to accept Mr. Jessee’s recommendation for approval of the Orchard, Hiltz, and McCliment budget increases for the five City Division water main replacement projects. Support by Namatevs. In favor: All. Opposed: None. (Motion carried)

L. Request to Approve – Purchase of HRIS/Payroll Software System - Gwyn Belcher

Ms. Belcher advised that Board that, in line with the Authority’s strategic plan to improve efficiencies in the financial operations of the Authority, YCUA has moved ahead with stage three of this plan, which is upgrading the Authority’s payroll system as well as automating employee administration. She directed the Board’s attention to her memo regarding the acquisition of this software system. Ms. Belcher also explained that RFPs were prepared
and supplied to 11 vendors. She pointed out that three bids were received; two met the mandatory elements. Ms. Belcher explained that the recommended bidder is Kronos, the company that presently supplies the Authority’s timekeeping system. She further advised that project costs for the Kronos system are $119,990. Ms. Belcher stated that next year’s budget contains a $140,000 line item for this capital acquisition. She acknowledged that, currently, Pentamation is being used as the Authority’s payroll system. Ms. Belcher confirmed that the Authority’s initial goal of removing the use of Pentamation from the Authority would be complete once the new payroll system is implemented.

Ms. Belcher recommended approval of the request to enter into a contract to purchase HR Payroll Software System from Kronos for $119,990.

Motion by Doe to accept Ms. Belcher’s recommendation for approval of the request to enter into a contract to purchase HR Payroll Software System from Kronos for $119,990. Support by Koryzno. In favor: All. Opposed: None. (Motion carried)

M. Request to Approve – MERS Officer and Employee Delegate Certification Form - Gwyn Belcher

Ms. Belcher directed the Board’s attention to information from MERS, which designates the Authority’s officer delegate to the annual MERS meeting. She indicated that this certification appoints Dale Beaudet, a Teamster at YCUA, as the Authority’s officer delegate. Ms. Belcher also explained that the Board of Commissioners must formally appoint an officer delegate to the MERS annual meeting. She pointed out that Dale Beaudet was chosen in the Authority’s standard fashion to be the Authority’s representative.

Ms. Belcher recommended approval of the request to appoint Dale Beaudet as the Authority’s officer delegate to the MERS annual meeting.

Motion by Koryzno to accept Ms. Belcher’s recommendation for approval of the request to appoint Dale Beaudet as the Authority’s officer delegate to the MERS annual meeting. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

N. Request to Approve – YCUA Resolution No. 04-9 re: Opening of Investment Account with McDonald Investments (Key Bank) - Larry R. Thomas
Mr. Thomas directed the Board’s attention to forms regarding the opening of an account at Key Bank with McDonald Investments for the purpose of investing portions of the Authority’s various funds in this vehicle. He indicated that this fund complies with all of the Authority’s requirements for investing funds at the Authority. Mr. Thomas also explained that this is an additional bank in which to invest some of the Authority’s fund balances, spreading the Authority’s balances throughout many institutions.

Mr. Thomas recommended approval of the request to approve YCUA Resolution No. 04-9 re: Opening of Investment Account with McDonald Investments (Key Bank).

Motion by Doe to accept Mr. Thomas’s recommendation for approval of the request to approve YCUA Resolution No. 04-9 re: Opening of Investment Account with McDonald Investments (Key Bank). Support by Namatev. In favor: All. Opposed: None. (Motion carried)

O. Request to Approve – Engagement Letter from Rehmann Robson re: Audit - Larry R. Thomas

Mr. Thomas directed the Board’s attention to a letter from Rehmann Robson regarding the audit for the year that will end on August 31, 2004. He indicated that Rehmann Robson is requesting a not-to-exceed fee for the audit of the financial statements for $67,900, plus $2,500 to $3,500 for the audit of the federal awards. Mr. Thomas also explained that an audit is required of the Authority’s financial statements annually. He pointed out that this is a budgeted cost.

Mr. Thomas recommended approval of the engagement letter from Rehmann Robson regarding completion of the audit of the Authority’s financial statements for fiscal year 2003 – 2004.

Motion by Koryzno to accept Mr. Thomas’s recommendation for approval of the engagement letter from Rehmann Robson regarding completion of the audit of the Authority’s financial statements for fiscal year 2003 – 2004. Support by Doe. In favor: All. Opposed: None. (Motion carried)

P. 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.

S. Director’s Report – Larry R. Thomas

Mr. Thomas advised the Board that a discussion took place in detail at the last Personnel Committee meeting regarding the Authority committees. He indicated that the Finance, Planning, Public Relations, and Operations committees each have one Board member as Chair and three or four YCUA employees chosen at random as its members. Mr. Thomas stated that the Personnel Committee has examined this policy and has determined that it be changed. He directed their attention to a memo outlining their recommendations and confirmed that Board action was not required on this item but that it was being brought forward for their information.

Mr. Thomas outlined the newly structured Finance Committee, to consist of two YCUA Board members, the WTUA Director, and the YCUA Director, Assistant Director, Director of Human Resources, and Accountant. He stated that it was recommended to remove the Board member from the re-structured Planning Committee, which would consist of the YCUA Director, Assistant Director, Director of Human Resources, Engineer, Chief Compliance Officer, and Directors of Maintenance, Wastewater, and Services. Mr. Thomas added that the recommended changes for the Public Relations Committee include the replacement of the randomly selected employees with permanent members. He stated that it was recommended to remove the Board member from the re-structured Operations Committee, which would consist of the YCUA Director, Assistant Director, Director of Human Resources, one
Administration/Customer Service employee, one Laboratory employee, and one management employee from each Maintenance Wastewater, and Service Departments. He added that there would are no recommended changes to the Personnel Committee.

Gwyn Belcher then interjected, commenting at length at the reasoning behind the decision to make the recommended changes. Philip W. Wagner commented that he and Edward B. Koryzno, Jr., examined the committee recommendations from a Personnel Committee standpoint and indicated that they concurred.

Motion by Wagner to accept Mr. Thomas’s recommendation for the restructuring of the YCUA Finance, Planning, Public Relations, and Operations committees. Support by Koryzno. In favor: All. Opposed: None. (Motion carried)

Mr. Thomas advised the Board that recently a main break occurred in the Detroit water system, leaving YCUA with no water feed from DWSD. He indicated, however, that there was no disruption in service to YCUA’s customers, which speaks highly of our water storage system.

4. OLD BUSINESS:

A. Request to Approve – Change Order No. 4 re: DWSD Second Connection Project - T. Michael Jessee

Mr. Jessee directed the Board’s attention to his letter regarding Change Order No 4 for the DWSD Second Connection Project. He indicated that this change order was first brought before the Board at the May 25, 2004 meeting. Mr. Jessee also explained that questions arose at the Board meeting regarding the details of Triangle Excavation’s ability to get a permit from WCRC to move an overweight crane during the frost law restriction. He pointed out that, although the Authority can get no verification from WCRC in writing, we believe the permit was denied based on the physical size of the crane as well as the weight. Mr. Jessee explained that permits to transport oversized loads are not attainable during the frost law restriction period. He further advised that this change order is brought to the Board once again with the Authority’s recommendation for approval in the amount of $29,283.75. Mr. Jessee stated that it is staff’s recommendation that Triangle Excavating receive additional compensation because of the inability to move some of
their equipment during the frost law restrictions. He acknowledged that this change order adds $29,283.75 to the contract price and is eligible for DWRF reimbursement.

Mr. Jessee recommended approval of Change Order No. 4 re: DWSD Second Connection Project in the amount of $29,283.75.

Motion by Wagner to accept Mr. Jessee’s recommendation for approval of Change Order No. 4 re: DWSD Second Connection Project in the amount of $29,283.75. Support by Doe. In favor: All. Opposed: None. (Motion carried)


Michael Jessee

Mr. Jessee reminded that Board that, at last month’s Board meeting, the Board approved an emergency repair in the area of Greenfield Subdivision on Martz Road. He indicated that the emergency repair was required because the original installation by Greenfield Subdivision did not match the construction drawings. Mr. Jessee also explained that OHM was requested to provide additional information as to how water main and storm sewers could have been installed by Greenfield Subdivision not matching the construction documents with OHM inspectors on site. Mr. Jessee then directed the Board’s attention to a letter from Al McComb regarding this situation.

Informational only; no motion from the Board required.

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 $2,874,597.68 plus an addendum in the amount of $2,556,450.37. Support by Namatevs. 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 4:30 p.m. Support by Stumbo. In favor: All. Opposed: None. (Motion carried.)

Respectfully submitted,

LARRY J. DOE, Secretary/Treasurer
McDonald Investments

Corporate Resolution to Open and Carry a Brokerage Account

YCUA RESOLUTION 04-9

Dear Client:

We are required by the New York Stock Exchange to have a Corporate Resolution of the Board of Directors covering the opening of said account. This resolution must be attested by the Secretary of the Corporation. Please read and sign the form below and return in the envelope provided. Your prompt response is greatly appreciated.

Ypsilanti Community Utilities Authority
C/O Venita Terry
2777 State Road
Ypsilanti MI 48199-9112

Sincerely,
McDonald Investments Inc.
NEW ACCOUNTS DEPARTMENT

I hereby certify that a meeting, duly called, of the Board of Directors of Ypsilanti Community Utilities Authority, a corporation organized and existing under and by virtue of the State of Michigan, held the 24th day of August, 2004, at which said meeting a quorum was present and acting throughout, the following preamble and resolution was adopted and ever since has been and now is in full force and effect:

"WHEREAS this Corporation is duly authorized and permitted by its Charter and By-Laws to open and maintain trading accounts with brokers and to operate such Trading Accounts on margin or otherwise."

"NOW THEREFORE BE IT RESOLVED that this Corporation open a trading account or accounts in its name with McDonald Investments Inc. of Suite 2100, 800 Superior Avenue, Cleveland, Ohio 44114-2603, subject to the terms and conditions set forth in their usual customers' agreement, and that, President Brenda L. Stumbo, Vice President Edward Koryzno, Jr., or any one of them or their successors in office, may, on behalf of this aforementioned Corporation, (1) execute and deliver the said customers' agreement, (2) give orders in the said account or accounts for the purchase and sale of stocks, bonds and any other securities on margin or otherwise (including short sales and options), (3) deliver to and receive from McDonald Investments Inc. for the said account or accounts, monies, stocks, and/or securities as collateral or otherwise, (4) purchase or redeem such shares of any money market fund as described in its prospectus, including but not limited to, written and telephonic redemption of shares, check redemption of shares, and expedited redemption of shares, and (5) sign acknowledgments of the correctness of all statements of this account which authorization to each of said officers shall remain in full force and effect until written notice from the Secretary or Assistant Secretary of the revocation thereof shall have been filled with McDonald Investments Inc."

I FURTHER CERTIFY that the following are signatures of the officers authorized by the foregoing resolution to act for this Corporation.

Brenda L. Stumbo
President Name (Please Print)

Edward Koryzno, Jr.
Vice President Name (Please Print)

Larry J. Doe
Treasurer Name (Please Print)

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Corporation this 24th day of August, 2004.

**This resolution cannot be used to transfer securities.**

FORM NO. 63-7702/6X 5/98
McDonald Investments

Institutional Account Application

PL 61882696 20T KC96
YPISILANTI COMMUNITY UTILITIES AUTHORITY
C/O VENITA TERRY
2777 STATE ROAD
YPISILANTI MI 48198-9112

Choose One:
This application is for the following type of account:
Active Asset □ No Minimum to open
Active Asset Plus □ $10,000 Minimum to open
Additional fee may apply

Tax Identification Number is:
38-2052446

Investment Objectives (select at least one, but not more than three)
Please Note: If your account objectives change for this account please contact your Financial Advisor.

☑ Income – Assets are allocated to provide a current stream of income and/or preservation of capital. This strategy is suited for the investor willing to assume risk commensurate with the level of income desired.

☐ Long-Term Growth with Income – Assets are allocated to provide primarily capital appreciation over time and, secondarily, income. This strategy is for an investor willing to accept a moderate amount of risk in seeking to achieve long-term growth.

☐ Long-Term Growth with Risk – Assets are allocated to provide capital appreciation over time with little consideration given to income generation. This strategy is for a more aggressive investor willing to accept considerable risk in seeking to achieve long-term growth.

☐ Short-Term Growth with High Risk – Assets are allocated to provide for above-average capital appreciation in a short period of time. This strategy is suited for an investor willing to accept a high amount of risk in seeking to achieve short-term growth.

☐ Speculation – Assets are allocated to provide for above-average returns through the selection of high risk investments and/or the use of an active trading style. This strategy is suited for the investor willing to accept an extensive amount of risk.

All investments purchased through McDonald Investments Inc. involve risk, which may include: loss of principal invested, loss of earnings, and failure to achieve desired income.

Prior Investment Experience
Please indicate your investment experience

Bonds
☑ None
☑ Average
☑ High
Number of Years

Stocks
☑ None
☐ Average
☑ High
Number of Years

Options
☑ None
☑ Average
☑ High
Number of Years

McDonald Investments Inc. May ☐ May Not ☒ disclose name, address, and security position to requesting companies in which I hold securities under rule 14b(c)-1 of the Securities and Exchange Commission.

Authorized Officers: Please list below all individuals who have been authorized to open and conduct business with this account. Please attach evidence of authorization.

First Name Larry M R. Last Thomas
Home Street Address same as above City __________________ State ______ Zip ______
U.S. Social Security/Taxpayer’s ID same as above Birth Date ______ / ______ / ______

For Internal Processing - Client Verification Information
☑ Driver’s License Number ☐ Passport Number ☐ Alien Identification Number
Visual Verification Yes ☐ No
State/Country of Issuance __________________ Verification # __________ Date of Issuance ________ Exp. Date ________
Other Form of Verification? Please Specify:

SIGN REVERSE SIDE AND RETURN
FORM NO. 63-2117MIX 704
First Name  Venita               M. A.  Last  Terry
Home Street Address  same as above  City  ________  State  ____  Zip  ______
U.S. Social Security/Taxpayer’s ID  same as above  Birth Date  _____/____/____
For Internal Processing - Client Verification Information
☐ Driver’s License Number  ☐ Passport Number  ☐ Alien Identification Number  Visual Verification  Yes  No
State/Country of Issuance  ___________  Verification #  ___________  Date of Issuance  ___________  Exp. Date  ___________
Other Form of Verification? Please Specify:  

Money Market Fund:
Please indicate in which of the following money market funds you wish to invest.

☐ FDIC Variable Rate Deposit+  ☐ Victory Ohio Muni Money Market Portfolio*
☐ Federated MI Muni Money Market Fund*  ☐ Victory Prime Obligation Fund*
☐ Victory Gradson Gov’t Reserves Select Shares*  ☐ Victory Tax-Free Fund*
☐ Victory NY Daily Tax-Free Fund*
+This product is a bank deposit product offered through McDonald Investments Inc., and held at KeyBank, NA, which is eligible for federal-deposit insurance from the FDIC. Interest earned on this product will fluctuate. Past performance is no guarantee of future results.
*There can be no assurance that a money market mutual fund will be able to maintain a stable net asset value of $1.00 per share. An investment in money market mutual funds is neither insured nor guaranteed by the U.S. Government.

Signature(s)
By signing below I affirm that:
• All information provided on this form is correct and complete;
• We have authority to open and use this account and hereby agree to notify McDonald Investments Inc. in writing of any change in authority or capacity whatsoever;
• I/we have read, understand and agree to the terms and conditions of the Arbitration Agreement and Disclosure within this application. I/we acknowledge receipt of this agreement and understand that it contains a predispute arbitration agreement.

Important Information About Procedures for Opening a New Account

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each customer who opens an account. What this means for you: When you open an account with any entity within the KeyCorp family of companies, including McDonald Investments Inc., we will ask for your name, address, date of birth and identification number. For business accounts, we may also obtain this information for individuals associated with the business. We may also ask to see your driver's license or other identifying documents. In all cases, we are committed to protecting the privacy and identity of each of our customers.

Securities, mutual funds and other investment products are:
• Not insured by the FDIC.
• Not deposits or other obligations of, or guaranteed by McDonald Investments Inc., KeyBank or any of their affiliates.
• Subject to investment risks, including possible loss of the principal amount invested.
• Not insured by any federal government agency.

X  Applicant:  Larry J. Doe  8/1/04  X  Financial Advisor  

X  Co-Applicant:  Larry R. Thomas  8/5/04  X  Branch Manager Approval  

X  Co-Applicant:  Venita A. Terry  8/5/04  