Minutes

YPSILANTI COMMUNITY UTILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
Wednesday, August 24, 2016 – 4:00 p.m.
YCUA Administration Building
2777 State Road
Ypsilanti, MI  48198-9112

Members Present:  Brenda L. Stumbo, Michael Bodary, Larry J. Doe, and Keith P. Jason.
Members Absent:  Jon R. Ichesco.

1. CALL TO ORDER:  Ms. Stumbo called the meeting to order at 4:00 p.m.

2. MINUTES OF THE PREVIOUS MEETING:  Motion by Doe to receive and file the minutes of the July 27, 2016 meeting as presented.  Support by Jason.  In favor: All.  Opposed: None. (Motion carried.)

3. NEW BUSINESS:

A. Request to Approve - YCUA Resolution No. 16-9 re: Retirement for Scott E. Robinson – Jeff Castro

Mr. Castro advised the Board that Scott Robinson is the Health and Safety Supervisor for YCUA and has requested retirement as of August 31, 2016.  He indicated that Mr. Robinson has been a valuable employee of the Authority for 32 years and 11 months and his experience and work ethic will be missed.  Mr. Castro explained that this resolution is fitting for his retirement.

Ms. Stumbo concurred that Mr. Robinson will be greatly missed.

Motion by Doe to approve YCUA Resolution No. 16-9 re: Retirement for Scott E. Robinson.  Support by Bodary.  In favor: All.  Opposed: None. (Motion carried.)

B. Request to Approve – Fiscal Year 2016 – 2017 Budget – Jeff Castro

Motion by Bodary to approve Fiscal Year 2016 – 2017 Budget.  Support by Jason.

Mr. Castro directed the Board’s attention to the draft budget and budget highlights documents.  He advised that this budget will take effect on
September 1, 2016. He indicated that staff is projecting that water sales will decrease 2.4% in the City Division and 2.2% in the Township Division compared the 2015 fiscal year budget. Mr. Castro explained that sewer usage in both divisions follows the water usage. He pointed out that this budget also includes a recommended water rate increase of 6.2% and a sewer rate increase of 5%.

Mr. Castro also explained that the proposed budget produces cash after operating expenses, non-operating items, and bond principal payments in the approximate amount of $400,000 in the City Division and $1.5 million in the Township Division, totaling $1.9 million.

He further advised that this cash is available for capital projects for the 2016 – 2017 fiscal year and is needed to replace various components in the water distribution and sewage treatment systems and to maintain the Authority’s bond covenant. Mr. Castro stated that, by approving this budget, the Board will also need to take action on a rate increase, which is the next item on the agenda. He acknowledged that the Finance Committee has met to discuss the proposed budget and recommends approval.

Discussion then took place.

In favor: All. Opposed: None. (Motion carried.)

C. Request to Approve and Recommend – Fiscal Year 2016 – 2017 Water and Sewer Rates – Jeff Castro

Motion by Doe to approve and recommend Fiscal Year 2016 – 2017 Water and Sewer Rates. Support by Bodary.

Mr. Castro advised the Board that, as mentioned in the previous item, the fiscal year 2016 – 2017 budget includes a recommended water rate increase of 6.2% and a sewer rate increase of 5% in the both the City and Township Divisions. He indicated that both divisions will see a combined effect of a 5.6% increase and the City will also have a 2% decrease from 63% to 61% in the surcharge that is used for debt and capital improvements. Mr. Castro explained that the effect of these changes on a City Division minimum (6 units) user’s two-month water and sewer bill is a $3.52 increase and a $5.53 increase for an average (12 – 14 units) user. He pointed out that that the effect of these changes on a Township Division minimum user’s two-month water and sewer bill is a $3.04 increase and a $4.88 increase for an average user.

Mr. Castro also explained that the YCUA Board can increase the Township Division water rate up to the amount of the increase the Authority receives from the Great Lakes Water Authority for the purchase of water, which was 6.2% this year and went into effect on July 1, 2016. He further advised that the sewer rate increase in the Township Division
needs to include a recommendation to the Township Board of Trustees to increase their sewer rate by 5%. Mr. Castro stated that the YCUA Board also needs to recommend to City Council the water rate increase of 6.2% and the sewer rate increase of 5%.

In favor: All. Opposed: None. (Motion carried.)

D. Request to Approve - Award of Bid re: Wastewater Treatment Plant Bulk Chemicals Purchase in the Approximate Amount of $330,000 (O & M Expense Account No. 550-736) - Luther D. Blackburn

Motion by Doe to approve the Award of Bid re: Wastewater Treatment Plant Bulk Chemicals Purchase in the Approximate Amount of $330,000 (O & M Expense Account No. 550-736). Support by Bodary.

Mr. Blackburn reminded the Board that they provided approval to seek sealed bids for the purchase of bulk chemicals (sodium hydroxide, sodium hypochlorite, and aluminum sulfate) at the July 27, 2016 Board meeting. He indicated that YCUA’s wastewater treatment plant uses sodium hydroxide for odor control and sulfur dioxide removal, sodium hypochlorite for odor control and disinfection, and aluminum sulfate to supplement phosphorus removal.

Mr. Blackburn explained that YCUA currently has one-year purchase agreements in place for these chemicals which will expire on October 31, 2016. He pointed out that, in order to fully evaluate all pricing options, the wastewater department requested bids for multiple terms and an expiration date of August 31 which, moving forward, will allow correlation with the end of YCUA’s fiscal year.

Mr. Blackburn also explained that bids were received on August 15, 2016 and that staff is recommending awarding 10-month purchase agreements for Aluminum Sulfate to low bidder Chemtrade, L.L.C, at $0.0786 per wet pound, Sodium Hypochlorite to low bidder JCI Jones Chemicals, Inc. at $0.062 per wet pound, and Sodium Hydroxide to low bidder JCI Jones Chemicals, Inc. at $0.059 per wet pound.

He further advised that Chemtrade, L.L.C. is YCUA’s current supplier for aluminum sulfate. Mr. Blackburn stated that JCI Jones Chemicals, Inc. previously provided sodium hypochlorite to YCUA from December 2010 through October 2015 and is YCUA’s current supplier for sodium hydroxide.

In favor: All. Opposed: None. (Motion carried.)

E. Fund Balance Report – Dwayne Harrigan

Informational only; no motion from the Board required.
F. **Financial Report – Authority Net Assets** – Dwayne Harrigan
   Informational only; no motion from the Board required.

G. **Usage Report – Consumption Report** – Jeff Castro
   Mr. Castro 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. **Attorney’s Report** – Thomas E. Daniels
   There was no Attorney’s Report for the month.

I. **Director’s Report** - Jeff Castro
   There was no Director’s Report for the month.

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 $4,322,315.72. Support by Bodary. 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 4:16 p.m. Support by Jason. In favor: All. Opposed: None. (Motion carried.)

Respectfully submitted,

MICHAEL BODARY, Vice-Chair
Minutes of a meeting of the Board of Commissioners of the Ypsilanti Community Utilities Authority, County of Washtenaw, Michigan, held in the Authority, on the 24th day of August 2016 at 4:00 o’clock p.m., prevailing Eastern Time.

PRESENT: Commissioners Brenda L. Stumbo, Michael Bodary, Larry J. Doe, and Keith P. Jason.

ABSENT: Commissioners Jon R. Ichesco.

The following preamble and resolution were offered by Commissioner Doe and supported by Commissioner Bodary.

WHEREAS, Scott E. Robinson, an employee of the Ypsilanti Community Utilities Authority, has completed thirty-two (32) years and eleven (11) months of service to the Authority; and

WHEREAS, Scott E. Robinson has requested retirement as of August 31, 2016.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners of the Ypsilanti Community Utilities Authority commends Scott E. Robinson for his accomplishments and years of service to the Authority and expresses its appreciation to him.

BE IT FURTHER RESOLVED THAT a suitably inscribed copy of this Resolution of Retirement be sent to Scott E. Robinson as an expression of the Board’s sincere appreciation for his years of service and the desire to convey its best wishes for good health and happiness in his retirement.

AYES: Commissioners Brenda L. Stumbo, Michael Bodary, Larry J. Doe, and Keith P. Jason.

NAYS: Commissioners None.

RESOLUTION DECLARED ADOPTED.

MICHAEL BODARY, Vice-Chair
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 meeting held on the 24th day of August 2016 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.

MICHAEL BODARY, Vice-Chair