Minutes

YPSILANTI COMMUNITY UTILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
Tuesday, August 26, 2008 – 8:30 a.m.
YCUA Administration Building
2777 State Road
Ypsilanti, MI  48198-9112


Members Absent:  J. Ray Scott.

1. CALL TO ORDER:  Namatevs called the meeting to order at 8:30 a.m.

2. MINUTES OF THE PREVIOUS MEETINGS:  Motion by Doe to receive and file the minutes of the July 22, 2008 meeting as presented.  Support by Peoples.  In favor: All.  Opposed: None.  (Motion carried.)

3. NEW BUSINESS:

   A. Request to Approve – YCUA Resolution No. 08-8 re: Bank of Ann Arbor Signature Cards – Larry R. Thomas

       Mr. Thomas directed the Board’s attention to a resolution that adds YCUA Finance Director Dwayne Harrigan as a signatory for the Authority’s accounts at the Bank of Ann Arbor.  He indicated that Mike Jessee’s name was added to the resolution after the Board packets were originally prepared.

       Mr. Thomas recommended approval of YCUA Resolution No. 08-8 re: Bank of Ann Arbor Signature Cards.

       Motion by Peoples to approve YCUA Resolution No. 08-8 re: Bank of Ann Arbor Signature Cards.  Support by Bass.  In favor: All.  Opposed: None.  (Motion carried)

   B. Request to Approve – Temporary Removal of Lease Fund
Restrictions – Larry R. Thomas

Mr. Thomas advised the Board that there are two DWRF projects in process. He indicated that he is requesting that the Board temporarily unrestrict both division lease funds so that they can be used to pay the invoices for these projects. Mr. Thomas also explained that the lease funds will be reimbursed when the reimbursements are received from MDEQ. He pointed out that, without the temporary use of the lease funds, paying the contractors prior to the Authority receiving payment from MDEQ can cause cash flow issues. Mr. Thomas explained that this tends to happen at this time of year because the DWRF projects are underway and must be paid for at this time and bond payments are due as well.

Mr. Thomas recommended approval of the temporary removal of Lease Fund restrictions.

Motion by Peoples to approve the temporary removal of Lease Fund restrictions. Support by Doe. In favor: All. Opposed: None. (Motion carried)

C. Request to Approve – Wastewater Treatment Plant Paging Project Budget – T. Michael Jessee

Mr. Jessee reminded the Board that, back in January, they approved the installation of the telephone and paging systems. He indicated that the telephone system was fully funded at that time but that the paging system was not. Mr. Jessee also explained that the telephone system installation has been completed and is now operational. He pointed out that staff is satisfied with the performance of the new telephone system.

Mr. Jessee explained that, due to budgetary limitations, the Board agreed to allow staff to purchase the materials required to install the paging system last year and then wait for the upcoming fiscal year to proceed with the project. He further advised that the paging system materials were indeed purchased last year and that $250,000 was budgeted this year for the installation. Mr. Jessee stated that a contingency is also being requested in the amount of $18,957.22 for a total budget for installation of $240,425.

He acknowledged that, with the approval of this budget amount, staff will proceed with the project, which will incorporate all of the buildings on the plant site and will include 70 telephones (two of which will be explosion-resistant phones for hazardous areas), 22 ceiling speakers, and 148 horns. Mr. Jessee confirmed that this will provide a great communication tool for
the Authority. He explained that this was intended to be included in the plant expansion but that it did not occur.

Mr. Jessee recommended approval of Wastewater Treatment Plant Paging Project Budget in the amount of $240,425.

Motion by Doe to approve Wastewater Treatment Plant Paging Project Budget in the amount of $240,425. Support by Peoples. In favor: All. Opposed: None. (Motion carried)

D. **Request for Final Acceptance – Ann Arbor Distribution Project as a Public Utility** – T. Michael Jessee

Mr. Jessee advised the Board that Ann Arbor Distribution is located at the corner of McGregor and the I-94 Service Drive. He indicated that the facility is a warehouse and beverage distribution point for trucking. Mr. Jessee also explained that an 8-inch water main was installed there along with 910 feet of water main along that property to supply water to a back building. He pointed out that there is an M & G bond in place for this project.

Mr. Jessee recommended approval of the Ann Arbor Distribution Project as a Public Utility.

Mr. Jessee ended his presentation with a comment that locations of final acceptance items will be provided effective immediately in response to a request made at the July Board meeting.

Motion by Bass to approve Ann Arbor Distribution Project as a Public Utility. Support by Doe. In favor: All. Opposed: None. (Motion carried)

E. **Request for Final Acceptance - Walgreens Project as a Public Utility** – T. Michael Jessee

Mr. Jessee advised the Board that the new Walgreens is located at the corner of Michigan Avenue and Prospect. He indicated that there is a sanitary lead and a water lead that go into that facility that will be maintained by YCUA. Mr. Jessee also explained that the M & G bond is in place.

Mr. Jessee recommended approval of Walgreens Project as a Public Utility.

Motion by Peoples to approve Walgreens Project as a Public Utility. Support by Doe. In favor: All. Opposed: None. (Motion carried)

F. **Fund Balance Report** - Larry R. Thomas
Mr. Thomas directed the Board’s attention to the Fund Balance Report for July 31, 2008. 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 – Authority Net Assets Report for July 31, 2008. 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.

Mr. Namatevs inquired as to whether Mr. Thomas anticipates this to result in a net loss for the fiscal year. Mr. Thomas responded that he does not expect that but will not know for sure until the books are closed out.

Informational only; no motion from the Board required.

I. Attorney’s Report – Thomas E. Daniels

Mr. Daniels advised the Board that he has three items to report on, all of which have been reported on at previous meetings. He indicated that there were some settlement discussions in the C.A. Hull litigation regarding the damage to the sewer near the Harris Road overpass at I-94 that resulted in no settlement. Mr. Daniels also explained that the cyber-settle system was utilized in an attempt to come up with a number that the parties could agree on but that it was unsuccessful. He pointed out that YCUA does not know what C.A. Hull’s numbers are and vice versa. Mr. Daniels explained that the next step in that litigation is a case evaluation process that will occur on September 10th. He further advised that the case evaluation is also a settlement process whereby the case is reviewed by three attorneys who have no connection with the case whatsoever but have experience in this type of litigation. Mr. Daniels stated that these attorneys will make a recommendation as to a settlement amount and that the parties then have a period of time to accept or reject that recommendation.
He acknowledged that a stipulated discovery plan will be submitted to the court later that day in the Meade Westvaco litigation centering on the air ionization odor control equipment and installation, which is required in Federal court. Mr. Daniels confirmed that the most significant date in that plan is that the court will specify that discovery in this case must be complete by February 2009. He explained that pre-trial discovery continues in that case.

Mr. Daniels pointed out that the Authority is on the same scheduling track in the WTUA arbitration as reported previously. He also stated that the next significant date is on December 19th, when stipulated facts will be submitted to the arbitration panel, which are undisputed facts that both sides agree upon.

Informational only; no motion from the Board required.

J. Director’s Report - Larry R. Thomas

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 Bass to pay the bills in the amount of $5,027,010.37 with an addendum in the amount of $8,728.75. Support by Peoples. 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 8:49 a.m. Support by Peoples. In favor: All. Opposed: None. (Motion carried)

Respectfully submitted,

[Signature]

DEEDRA CLIMER BASS, Secretary/Treasurer
I, _______________________, certify that I am Secretary / Treasurer of the above named association organized under the laws of MICHIGAN, Federal Employer I.D. Number 38-2052446, and that the resolutions on this document are correct copies of the resolutions adopted at a meeting of the Association duly and properly called and held on ______________ August 26, 2008. These resolutions appear in the minutes of this meeting and have not been rescinded or modified.

AGENTS Any Agent listed below, subject to any written limitations, is authorized to exercise the powers granted as indicated below:

Name and Title or Position

<table>
<thead>
<tr>
<th>Name and Title or Position</th>
<th>Signature</th>
<th>Facsimile Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. LARRY R. THOMAS - DIRECTOR</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>B. T. MICHAEL JESSEE - ASSISTANT DIRECTOR</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>C. DWAYNE HARRIGAN - FINANCE DIRECTOR</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>D. VENITA TERRY - ACCOUNTANT</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>E. _________________________</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>F. _________________________</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

POWERS GRANTED (Attach one or more Agents to each power by placing the letter corresponding to their name in the area before each power. Following each power indicate the number of Agent signatures required to exercise the power.)

Indicate A, B, C, D, E, and/or F Description of Power

1. Exercise all of the powers listed in this resolution.

2. Open any deposit or share account(s) in the name of the Association.

3. Endorse checks and orders for the payment of money or otherwise withdraw or transfer funds on deposit with this Financial Institution.

4. Borrow money on behalf and in the name of the Association, sign, execute and deliver promissory notes or other evidences of indebtedness.

5. Endorse, assign, transfer, mortgage or pledge bills receivable, warehouse receipts, bills of lading, stocks, bonds, real estate or other property now owned or hereafter owned or acquired by the Association as security for sums borrowed, and to discount the same, unconditionally guarantee payment of all bills received, negotiated or discounted and to waive demand, presentment, protest, notice of protest and notice of non-payment.

6. Enter into a written lease for the purpose of renting, maintaining, accessing and terminating a Safe Deposit Box in this Financial Institution.

7. Other _______________________

Indicate number of signatures required TWO (2)

LIMITATIONS ON POWERS The following are the Association’s express limitations on the powers granted under this resolution.

EFFECT ON PREVIOUS RESOLUTIONS This resolution supersedes resolution dated _______________. If not completed, all resolutions remain in effect.

CERTIFICATION OF AUTHORITY I further certify that the Association has, and at the time of adoption of this resolution had, full power and lawful authority to adopt the resolutions on page 2 to confer the powers granted above to the persons named who have full power and lawful authority to exercise the same. (Apply seal below where appropriate.)

X If checked, the Association is a non-profit lodge, association or similar organization.

__________________________________________
DEEERA CLIMER BASS (Secretary)

__________________________________________
J. RAY SCOTT (Attorney by Other Officer)

__________________________________________
MARK NAMATEWS (Attorney by Other Officer)
RESOLUTIONS

The Association named on this resolution resolves that,

(1) The Financial Institution is designated as a depository for the funds of the Association and to provide other financial accommodations indicated in this resolution.

(2) This resolution shall continue to have effect until express written notice of its rescission or modification has been received and recorded by the Financial Institution. Any and all prior resolutions adopted by the Association and certified to the Financial Institution as governing the operation of this Association’s account(s), are in full force and effect, until the Financial Institution receives and acknowledges an express written notice of its revocation, modification or replacement. Any revocation, modification or replacement of a resolution must be accompanied by documentation satisfactory to the Financial Institution, establishing the authority for the changes.

(3) The signature of an Agent on this resolution is conclusive evidence of their authority to act on behalf of the Association. Any Agent, so long as they act in a representative capacity as an Agent of the Association, is authorized to make any and all other contracts, agreements, stipulations and orders which they may deem advisable for the effective exercise of the powers indicated on page one, from time to time with the Financial Institution, subject to any restrictions on this resolution or otherwise agreed to in writing.

(4) All transactions, if any, with respect to any deposits, withdrawals, discounts and borrowings by or on behalf of the Association with the Financial Institution prior to the adoption of this resolution are hereby ratified, approved and confirmed.

(5) The Association agrees to the terms and conditions of any account agreement, properly opened by any Agent of the Association. The Association authorizes the Financial Institution, at any time, to charge the Association for all checks, drafts, or other orders, for the payment of money, that are drawn on the Financial Institution, so long as they contain the required number of signatures for this purpose.

(6) The Association acknowledges and agrees that the Financial Institution may furnish at its discretion automated access devices to Agents of the Association to facilitate those powers authorized by this resolution or other resolutions in effect at the time of issuance. The term “automated access device” includes, but is not limited to, credit cards, automated teller machines (ATM), and debit cards.

(7) The Association acknowledges and agrees that the Financial Institution may rely on alternative signature and verification codes issued to or obtained from the Agent named on this resolution. The term “alternative signature and verification codes” includes, but is not limited to, facsimile signatures on file with the Financial Institution, personal identification numbers (PIN), and digital signatures. If a facsimile signature specimen has been provided on this resolution, (or that are filed separately by the Association with the Financial Institution from time to time) the Financial Institution is authorized to treat the facsimile signature as the signature of the Agent(s) regardless of by whom or by what means the facsimile signature may have been affixed so long as it resembles the facsimile signature specimen on file. The Association authorizes each Agent to have custody of the Association’s private key used to create a digital signature and to request issuance of a certificate listing the corresponding public key. The Financial Institution shall have no responsibility or liability for unauthorized use of alternative signature and verification codes unless otherwise agreed in writing.

Pennsylvania. The designation of an Agent does not create a power of attorney; therefore, Agents are not subject to the provisions of 20 Pa.C.S.A. Section 5601 et seq. (Chapter 56; Decedents, Estates and Fiduciaries Code) unless the agency was created by a separate power of attorney. Any provision that assigns Financial Institution rights to act on behalf of any person or entity is not subject to the provisions of 20 Pa.C.S.A. Section 5601 et seq. (Chapter 56; Decedents, Estates and Fiduciaries Code).

FOR FINANCIAL INSTITUTION USE ONLY

Acknowledged and received on _____________ (date) by _______ (initials) □ This resolution is superseded by resolution dated ____________ .

Comments: