Members Present: Brenda L. Stumbo, Jon R. Ichesco, and Larry J. Doe.

Members Absent: Michael Bodary and Keith P. Jason.

1. CALL TO ORDER: Ms. 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 24, 2019 meeting as presented. Support by Ichesco. In favor: All. Opposed: None. (Motion carried.)

3. NEW BUSINESS:

A. Request to Approve – YCUA Resolution No. 19-9 re: Retirement for Charles L. Smith Jr. – Jeff Castro

Motion by Ichesco to approve YCUA Resolution No. 19-9 re: Retirement for Charles L. Smith Jr. Support by Doe.

Mr. Castro advised the Board that Mr. Smith retired on August 17th and a breakfast took place for him.

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

B. Request to Approve – Fiscal Year 2019 – 2020 Budget – Jeff Castro

Motion by Doe to approve Fiscal Year 2019 – 2020 Budget. Support by Ichesco.

Mr. Castro advised the Board that, if approved, this budget will take effect on September 1, 2019. He indicated that the proposed budget projects water and sewer sales in the City and Township to remain about the same as the 2018 – 2019 fiscal year budget and includes a recommendation for a water rate increase of 2.5% and a sewer rate increase of 2%. Mr. Castro
explained that the budget produces cash after operating expenses, non-operating items, and bond principal payments of about $200,000 in the City Division and about $2.6 million in the Township Division, totaling $2.8 million. He pointed out that this cash is available for capital projects for the 2019 – 2020 fiscal year, which the Authority needs to generate to replace various components in its water distribution and sewage collection systems, treatment infrastructure, and to maintain its bond covenant. Mr. Castro also explained that, with approval of this budget, the Board will also need to take action on the rate increase, which is the following item on the agenda.

Ms. Stumbo requested that next year’s budget include a narrative for each line item.

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

C. Request to Approve and Recommend – Fiscal Year 2019 – 2020 Water and Sewer Rates – Jeff Castro

Motion by Doe to approve and recommend – Fiscal Year 2019 – 2020 Water and Sewer Rates. Support by Ichesco.

Mr. Castro advised the Board that, as stated in the previous item, the proposed budget includes a recommendation for a water rate increase of 2.5% and a sewer rate increase of 2% in both the City and Township Divisions. He indicated that the combined effect of these adjustments in the Township Division will be a 2.27% increase and a 2.31% increase in the City Division. Mr. Castro explained that the effect of these adjustments on an average user bill in the City is $2.71 bimonthly or $1.35 per month and on an average user bill in the Township, the effect is $2.01 bimonthly or $1 per month. He pointed out that the Great Lakes Water Authority (GLWA) has increased its rate to YCUA by 2.5%, which went into effect on July 1, 2019.

Ms. Stumbo inquired as to whether this affects the Readiness to Serve (RTS). Mr. Castro responded affirmatively, that this includes RTS and commodity rate increases that affect everyone the same way.

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

D. Request to Approve – Authorization to Seek Bids re: 2019 Ash Removal (O & M Expense Account No. 592-550) – Scott D. Westover

Motion by Doe to provide Authorization to Seek Bids re: 2019 Ash Removal (O & M Expense Account No. 592-550). Support by Ichesco.

Mr. Westover advised the Board that this is a project that must accomplished every two to three years and was last done in 2017. He
indicated that the north lagoon is full and needs to be emptied as the south lagoon is also approaching capacity. Mr. Westover explained that he anticipates bringing a recommendation for award to the Board at next month’s meeting.

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

E. Request to Approve – Authorization to Seek Bids re: 2019 WWTP Solids Process Building Roof Replacement (Restricted Funds Account No. 901-550) – Scott D. Westover

Motion by Ichesco to provide Authorization to Seek Bids re: 2019 WWTP Solids Process Building Roof Replacement (Restricted Funds Account No. 901-550). Support by Doe. In favor: All. Opposed: None. (Motion carried.)

F. Request to Approve – Authorization to Seek Engineering Proposals re: WWTP Headworks Odor Control (Restricted Funds Account No. 902-176) – Scott D. Westover

Motion by Doe to provide Authorization to Seek Engineering Proposals re: WWTP Headworks Odor Control (Restricted Funds Account No. 902-176). Support by Ichesco.

Mr. Westover advised the Board that he anticipates that there will be a study phase to evaluate the current facility that will transition into a full-blown design that will come back before the Board.

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

G. Request to Approve – Award of Contract re: Stone Tower Repairs and Painting in the Amount of $147,300 (O & M Expense Account No. 901-540) – Scott D. Westover

Motion by Doe to approve Award of Contract re: Stone Tower Repairs and Painting in the Amount of $147,300 (O & M Expense Account No. 901-540). Support by Ichesco.

Mr. Westover advised the Board that this project was originally bid in March, but only one bid was received that was determined to be non-responsive and over budget. He indicated that a second bidding phase took place in July – August with a mandatory pre-bid meeting on August 6th that resulted in three bids. Mr. Westover explained that Dixon Engineering, who is YCUA’s design consultant on the project, has worked with the low bidder and confirms that they are capable of doing the work.
Ms. Stumbo inquired as to whether all contracts are given prior review by the YCUA attorney Tom Daniels. Mr. Daniels responded affirmatively, adding that all the insurances and bonds are reviewed as well.

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

H. Request to Approve – Change Order No. 1 re: 2019 Road Repairs Phase 1 in the Deduct Amount of $15,343.73 (O & M Expense Account No. 902-161) – Scott D. Westover

Motion by Ichesco to approve Change Order No. 1 re: 2019 Road Repairs Phase 1 in the Deduct Amount of $15,343.73 (O & M Expense Account No. 902-161). Support by Doe. In favor: All. Opposed: None. (Motion carried.)

I. Request to Approve – Change Order No. 1 re: 2018 Road Repairs Phase 2 in the Amount of $41,145.61 (O & M Expense Account No. 902-161) – Scott D. Westover

Mr. Westover advised the Board that this change order resulted from a couple of areas that were significantly thicker than what was in the records as well as items such the Martz Road area that were added later.

Mr. Westover informed the Board that these repairs take place. Ms. Stumbo then inquired as to when the Martz Road cut in particular will be repaired. Mr. Westover responded that it will be done within the year.

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

J. Request to Approve – Change Order No. 1 re: 2018 Drop Manholes Sanitary Sewer Rehabilitation in the Amount of $105,649.73 (O & M Expense Account No. 560-806) – Scott D. Westover

Mr. Westover advised the Board that this includes two previous items associated with the work already completed at Munger Road south of Michigan Avenue. He indicated that those changes in the field were
required due to deterioration of both the pipe and manhole that exceeded expectations.

Mr. Westover explained that a third item involves the addition of unlined pipe south of Michigan Avenue between Utah and Broadmoor that needs to be lined. He pointed out that this work has not yet been completed so that this is, in essence, a request for prior authorization.

Ms. Stumbo inquired as to the amount of the contingency on this project. Mr. Westover responded that contingencies have not been requested in a while because it has become staff’s opinion that requesting both contingencies and change orders is redundant. The matter was then discussed further.

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

K. Request for Final Acceptance – Fairfield Inn as a Public Utility – Scott D. Westover

Motion by Doe to provide Final Acceptance – Fairfield Inn as a Public Utility. Support by Ichesco. In favor: All. Opposed: None. (Motion carried.)

L. Request for Final Acceptance – Restaurant Depot as a Public Utility – Scott D. Westover

Motion by Ichesco to provide Final Acceptance – Restaurant Depot as a Public Utility. Support by Doe. In favor: All. Opposed: None. (Motion carried.)

M. Request for Final Acceptance – UMRC PACE Expansion as a Public Utility – Scott D. Westover

Motion by Doe to provide Final Acceptance – UMRC PACE Expansion as a Public Utility. Support by Ichesco. In favor: All. Opposed: None. (Motion carried.)

N. Fund Balance Report – Dwayne Harrigan

Informational only; no motion from the Board required.

O. Financial Report – Authority Net Assets – Dwayne Harrigan

Informational only; no motion from the Board required.


Informational only; no motion from the Board required.

Q. Attorney’s Report – Thomas E. Daniels

Mr. Daniels advised the Board that he had two items to present.
He indicated that the first is the sewer that was discovered to be under a building at 1902 East Michigan Avenue. Mr. Daniels explained that staff examined the evidence and the construction history to determine if there is any possible claim to pursue and there is none. He pointed out that one of the major factors is that it occurred so long ago.

Mr. Daniels also explained that staff is continuing its investigation into a possible claim relative to the sanitary sewer break on Martz Road and all of the related expenses.

Ms. Stumbo asked for more information on the building on Michigan Avenue. Mr. Westover responded that the original building was constructed in about the 1960s with an addition in the mid to late ‘80s over an abandoned alley. The matter was then discussed at length.

R. Human Resources Report – Debra Kinde

Ms. Kinde advised the Board that she is continuing to familiarize herself with YCUA operations by reviewing policies and procedures, workplace environment and culture, and attending the family meetings. She indicated that she is very pleased to be a part of such an outstanding organization.

Ms. Kinde explained that, over the last month, 56 employees received various trainings in 13 different topics such as pollution prevention, chemical hygiene, emergency action plan, and job safety data base training. She pointed out that the HR department is gearing up for the Authority’s open enrollment fair in October with vendors onsite to answer questions about employee benefit options.

S. Director’s Report - Jeff Castro

Mr. Castro advised the Board that GLWA recently asked him to sit on one of their boards, which he declined in order to concentrate on YCUA’s customer base. He indicated that the EPA also recently requested for him to review their lead and copper outreach program as well as EGLE’s lead and copper lead service submission evaluation, both of which he has accepted. Mr. Castro added that much of that work can be done on his own time.

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 Ichesco to pay the current month’s bills in the amount of $6,540,432.69. Support by Doe. 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 3:29 p.m. Support by Ichesco. In favor: All. Opposed: None. (Motion carried.)

Respectfully submitted,

JON R. ICHESCO, Secretary - Treasurer
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 28th day of August 2019 at 3:00 o’clock p.m., prevailing Eastern Time.

PRESENT: Commissioners Brenda L. Stumbo, Jon R. Ichesco, and Larry J. Doe.

ABSENT: Commissioners Michael Bodary and Keith P. Jason.

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

WHEREAS, Charles L. Smith Jr., an employee of the Ypsilanti Community Utilities Authority, has completed thirty-two (32) years and four (4) months of service to the Authority; and

WHEREAS, Charles L. Smith Jr. has requested retirement as of August 17, 2019.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners of the Ypsilanti Community Utilities Authority commends Charles L. Smith Jr. 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 Charles L. Smith Jr. 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, Jon R. Ichesco, and Larry J. Doe.

NAYS: Commissioners None.

RESOLUTION DECLARED ADOPTED.

JON R. ICHESCO, 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 meeting held on the 28th day of August 2019 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.

[Signature]

JON R. ICHESCO, Secretary - Treasurer
YCUA RESOLUTION NO. 19-9 ANNOUNCING
THE RETIREMENT OF CHARLES L. SMITH JR. AND
COMMENDING HIM FOR HIS SERVICE

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 28th day of August 2019 at 3:00 o’clock p.m., prevailing Eastern Time.

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AYES: Commissioners Brenda L. Stumbo, Jon R. Ichesco, and Larry J. Doe.

NAYS: Commissioners None.

RESOLUTION DECLARED ADOPTED.

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JON R. ICHESCO, Secretary - Treasurer