
Members Absent: None.

1. CALL TO ORDER: Mr. Bodary 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 August 26, 2015 meeting as presented. Support by Ichesco. In favor: All. Opposed: None. (Motion carried.)

3. NEW BUSINESS:
   A. Informational Item - Retiree Drug Subsidy (RDS) Refund – Kimberly Robinson

   Ms. Robinson advised the Board that YCUA has received a Retiree Drug Subsidy (RDS) refund in the amount $29,856 for the 2014 plan year. She indicated that RDS is a program funded by the Centers for Medicare and Medicaid Services (CMS) that allows organizations that have an Employer Identification Number (EIN) to request tax-free subsidy for 65+ retiree prescription costs that were incurred in a plan year, as long as its prescription drug plan coverage is equal to or greater than the defined standard coverage under the Medicare Part D Prescription Drug Benefit. Ms. Robinson explained that the lengthy administrative process is spearheaded by the human resources generalist, allowing YCUA to receive an average refund of about 15% of the annual plan cost.

   Informational only; no motion from the Board required.
B. **Request to Approve – Addendum to WTUA Wastewater Treatment Service Agreement** – Jeff Castro

Motion by Doe to approve the Addendum to WTUA Wastewater Treatment Service Agreement. Support by Bodary.

Mr. Castro reminded the Board that YCUA will be required to implement GASB 68 in accounting and financial reporting for pensions beginning with the fiscal year ending August 2015. He indicated that GASB will affect the rate that the Authority charges its contract communities. Mr. Castro explained that, after discussing many alternatives to maintain status quo, it was decided to communicate with the contract communities and add language to the recently renewed contracts as well as addendums to existing contracts. He pointed out that these new contracts and addendums will assure that YCUA will be able to maintain the share of payments that the contract communities contribute for pension and OPEB.

Mr. Castro also explained that, with the Board’s approval of the addendum to the WTUA contract, the new language for all contract communities will be complete. He further advised the Board on the highlights of the agreement, particularly in terms of the increased flow that will be coming from WTUA. Mr. Castro then thanked YCUA attorney Thomas E. Daniels and YCUA finance director Dwayne Harrigan for their efforts throughout this process over the last two years.

Mr. Daniels then addressed the Board and indicated that the benefits of this agreement have been evident in the last couple of months in the sizable sewer revenue that the Authority has received.

Ms. Stumbo commented that this is a huge accomplishment for YCUA and that the results will be nothing but good.

Mr. Doe inquired as to whether there is any language in the agreement that will guarantee the increased flow. Mr. Castro responded that the agreement includes a change in the incentive in the readiness-to-serve charge discount, which he explained in detail.

Dr. Joh Kang of Tetra Tech congratulated the negotiation team for accomplishing this long-term increased revenue to the Authority.

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

C. **Request to Approve - Authorization to Seek Bids re: Sand, Stone and Cold Patch Purchase (O & M Expense Account No. 560-806)** – Bob Fry

Mr. Fry advised the Board that this is an annual bid for materials that are used for backfilling excavations throughout the year.
He indicated that bids will be published in accordance with YCUA’s purchasing policy.

Motion by Doe to provide Authorization to Seek Bids re: Sand, Stone and Cold Patch Purchase (O & M Expense Account No. 560-806). Support by Bodary. In favor: All. Opposed: None. (Motion carried.)

D. Request to Approve - Engineering Proposal from Tetra Tech re: McGregor Effluent Pump Station Improvements in the Not-to-Exceed Amount of $118,500 (SRF Project Account No. 902-172) – Scott D. Westover

Motion by Doe to approve the Engineering Proposal from Tetra Tech re: McGregor Effluent Pump Station Improvements in the Not-to-Exceed Amount of $118,500 (SRF Project Account No. 902-172). Support by Ichesco.

Mr. Westover reminded the Board that this was proposal is the result of the new process that includes obtaining Statements of Qualifications, which they approved at the July meeting. He indicated that four firms submitted their qualifications and that Tetra Tech has a leg up in terms of experience in dealing with the complexities of the interaction between McGregor and the rest of the plant.

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

E. Request to Approve - Engineering Proposal from Power Plus Engineering, Inc. re: Arc Flash Study Update in the Amount of $19,800 (O & M Account No. 901-594) - Scott D. Westover

Motion by Doe to approve Engineering Proposal from Power Plus Engineering, Inc. re: Arc Flash Study Update in the Amount of $19,800 (O & M Account No. 901-594). Support by Bodary.

Mr. Westover advised the Board that this project will update the Arc Flash study that Power Plus originally completed in 2010. He indicated that the study needs to be revised to include improvements made at the plant as well as the Big Four pump stations.

Mr. Bodary asked for clarification as to what Arc Flash is. Kevin G. Dupuis responded that it is an electrical explosion that is rated in calories and relates to the time it takes for a circuit to open and the corresponding PPE that is required by the National Fire Protection Association. He indicated that the study needs to be re-evaluated every five years. Mr. Westover added that an over-simplified explanation is that the flash is the explosion and the arc is the electricity going from the device through the person to ground.
F. **Request to Approve - Award of Contract re: Wastewater Treatment Plant Bulk Chemicals Purchase in the Approximate Amount of $305,000 (O & M Expense Account No. 550-736)** - Luther D. Blackburn

Motion by Jason to approve the Award of Contract re: Wastewater Treatment Plant Bulk Chemicals Purchase in the Approximate Amount of $305,000 (O & M Expense Account No. 550-736). Support by Bodary.

Mr. Blackburn reminded the Board that they approved this bid request at the July meeting. He indicated that these chemicals are used in the wastewater treatment plant for odor control, disinfection, and in the sulfur reduction project. Mr. Blackburn explained that this bid goes out annually. He pointed out that YCUA has worked with all of the low bidders in the past and is comfortable awarding this bid.

Ms. Stumbo inquired as to how this bid compares to last year’s. Mr. Blackburn responded that there is a 10% decrease in sodium hypochlorite, sodium hydroxide is within a few percent, and alum is up about 40% due to the fact that one supplier who was low bidding everyone for a few years has brought their prices back up to normal.

Mr. Bodary inquired as to how many gallons are purchased at a time. Mr. Blackburn responded that all of the chemicals are received in bulk via tanker truck carrying about 4,500 gallons at a time.

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


Mr. Blackburn advised the Board that YCUA’s air permit requires that this testing be done annually with additional testing every five years. He indicated that this request includes that five-year testing, so the cost is higher than last year. Mr. Blackburn explained that this year’s testing is also being coordinated with the new Maximum Achievable Control Technology (MACT) Standards air regulations. He pointed out that performing all of this testing now is the most cost-effective approach.

Mr. Blackburn also explained that the low bidder, Bureau Veritas, has performed this work for YCUA each year since 2007. He further advised
that staff is hopeful that there will be some savings in the bid amount of $44,600 in terms of testing that is listed in reserve for last-minute changes.

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

H. Request to Approve - Award of Contract re: Emission Measurements in the Amount of $10,200 (O & M Expense Account No. 550-736) – Luther D. Blackburn

Motion by Jason to approve the Award of Contract re: Emission Measurements in the Amount of $10,200 (O & M Expense Account No. 550-736).  Support by Ichesco.

Mr. Blackburn reminded the Board that they approved this bid request at the July meeting.  He indicated that sulfur dioxide emission measurements need to be performed in order to complete a project for the caustic addition.  Mr. Blackburn explained that staff needs to correlate the SO₂ emissions with the pH.

He pointed out that applications were also looked at to make sure that the Authority is taking the most cost-effective approach to complying with the Maximum Achievable Control Technology (MACT) Standards.  Mr. Blackburn also explained that staff is recommending to avoid the most extravagant emission measurement options and to instead add a detector to the existing analyzer in the amount of $10,200.

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

I. Request to Approve - Award of Contract re: Sludge Hauling and Disposal Services (O & M Expense Account No. 550-805) – Luther D. Blackburn

Motion by Bodary to approve the Award of Contract re: Sludge Hauling and Disposal Services (O & M Expense Account No. 550-805).  Support by Doe.

Mr. Blackburn advised the Board that this bid has never done before because the Authority doesn’t utilize sludge hauling under normal circumstances.  He indicated that the recent malfunctioning of the incinerator has made it necessary to secure these services more often.  Mr. Blackburn explained that the haulers are unable to meet YCUA’s needs without a long-term contract that will allow them to line up landfill capacity.  He pointed out that Stansley, the hauler that the Authority has worked with for the past five years, turned out to be the sole bidder, which highlights the difficulties YCUA has in getting sludge removed and landfilled.
Mr. Blackburn also explained that this three-year contract features a 20% discount over what the Authority pays on an emergency basis. He further advised that Stansley also provides this service for the Ann Arbor wastewater treatment plant and DWSD.

Ms. Stumbo inquired as to whether a designated landfill would open this up to more bidders. Mr. Blackburn responded affirmatively and indicated that the contract contains a provision allowing YCUA to secure its own landfill in the future. He added that the Authority has capacity at Arbor Hills landfill for leachate but that there have been odor complaints from the sludge and issues with MDEQ as a result.

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


Motion by Doe to approve the Engineering Proposal from Tetra Tech re: Incinerator Compliance Programming in the Not-to-Exceed Amount of $26,112 (O & M Expense Account No. 550-815). Support by Bodary.

Mr. Blackburn advised the Board that this is somewhat an extension of the emission measurement proposal as staff obtains the information on the cost of continuously monitoring all of the pollutants which will be required in the EPA’s new Maximum Achievable Control Technology (MACT) Standards of collecting the operational data, which are different from current monitoring and reporting procedures. He indicated that staff has been working with Tetra Tech for about a year and it has been determined that adjustments need to be made to the current programming in the incinerator and additional wiring put into place on some air pollution control devices so that information can be transferred to the SCADA system. Mr. Blackburn explained that these new devices will spell out the different PLC and SCADA programming, provide drawings, and update a report manager that was developed after the plant expansion.

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

K. **Fund Balance Report** – Dwayne Harrigan

Informational only; no motion from the Board required.

L. **Financial Report** – **Authority Net Assets** – Dwayne Harrigan

Informational only; no motion from the Board required.

M. **Usage Report** – **Consumption Report** – Jeff Castro
Informational only; no motion from the Board required.

N. Attorney’s Report – Thomas E. Daniels
   There was no Attorney’s Report for the month.

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

4. OLD BUSINESS:

P. Emergency Incinerator Repairs – Kevin G. Dupuis
   Mr. Dupuis advised that Board that Infilco Degremont made some changes that will allow the incinerator to be operated at a lower temperature in the hopes of reducing the temperatures in the primary heat exchanger and decreasing the feed rate into the incinerator. He indicated that improvements are being made daily. Mr. Dupuis explained that the programmer from Tetra Tech is working side-by-side with YCUA staff and IDI flew someone in.

5. OTHER BUSINESS: There was no Other Business for the month.

6. STATEMENTS AND CHECKS: Motion by Ichesco to pay the bills in the amount of $4,945,248.11. 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 436 p.m. Support by Bodary. In favor: All. Opposed: None. (Motion carried.)

Respectfully submitted,

[Signature]
JON R. ICHESCO, Secretary - Treasurer