
Members Absent: None.

1. CALL TO ORDER: Doe called the meeting to order at 4:02 p.m.

2. MINUTES OF THE PREVIOUS MEETINGS: Motion by Namatevs to receive and file the minutes of the August 23, 2005 meeting. Support by Wagner. In favor: All. Opposed: None. (Motion carried.)

3. NEW BUSINESS:

A. Request to Approve – Fons/Old Wayne Supplemental Agreement - Larry R. Thomas

Mr. Thomas advised the Board that, in the early 1990s, YCUA was listed as one of the potentially responsible parties for the cleanup of hazardous materials associated with the Willow creek sludge lagoon, Willow creek, Tyler pond, and the Fons/Old Wayne landfill. He indicated that YCUA and Ypsilanti Township jointly agreed to pay approximately $2 million of the cleanup costs and the natural resources damage mitigation activities. Mr. Thomas also explained that the Authority has paid a small amount toward YCUA’s liability and YCUA’s larger payments will be due when MDEQ accepts the closure report for the sites.

He pointed out that Ypsilanti Township levied a millage and paid $1,050,000 toward natural resources damage mitigation at the Fons/Old Wayne landfill sites. Mr. Thomas explained that that money went to the University of Michigan who, as one of the PRPs, had agreed to do the natural resources damage mitigation activities.

He further advised that, as it turned out, MDEQ never required any natural resources damage mitigation activities to be carried out at the Fons/Old
Wayne landfill sites. Mr. Thomas stated that this led to some internal disagreement among the PRPs as to the ownership of the $1,050,000 even though YCUA and Ypsilanti Township have always maintained that the money should be returned to Ypsilanti Township. He acknowledged that the supplemental agreement accomplishes this.

Mr. Thomas then directed the Board’s attention to a letter from YCUA attorney Thomas E. Daniels explaining the situation and the agreement in more detail. He confirmed that Mr. Daniels was very involved in the negotiations and the drafting of the agreement along with the Township’s attorney, William Douglas Winters. Mr. Thomas explained that Ford and GM have signed the agreement and that Ypsilanti Township approved the agreement earlier this week. He pointed out that the agreement allows for the return of cash advanced by Ypsilanti Township for natural resources damage mitigation activities that were not needed.

Mr. Thomas recommended approval of the Fons/Old Wayne Supplemental Agreement.

Motion by Wagner to approve the Fons/Old Wayne Supplemental Agreement. Support by Namatevs. In favor: All. Opposed: None. (Motion carried)

B. Request to Approve – Augusta Township Wastewater Treatment Plant Lease - Larry R. Thomas

Mr. Thomas advised the Board that staff has been negotiating with Augusta Township for approximately one year on a contract to lease additional wastewater treatment capacity to Augusta Township on a temporary basis. He indicated that, when the wastewater plant undergoes additional expansion, the leased capacity will be returned to YCUA and Augusta Township will be required to participate and fund a portion of expansion activities equivalent to, at minimum, the amount of the leased capacity.

Mr. Thomas also explained that the agreement leases 0.8 MGD to Augusta Township. He pointed out that the contract also holds in abeyance the capital portion of their payments for this leased capacity for a period of two years, at which time the two years of unpaid funds will be capitalized over the remaining life of the current wastewater treatment plant expansion/improvement bonds.

Mr. Thomas explained that the lease allows additional capacity to be allocated to Augusta Township on a short-term basis, allowing for their continued growth as well as efficient operation of the wastewater treatment plant. He stated that it also allows for the Authority to regain the leased capacity in the future. Mr. Thomas acknowledged that the agreement contains YCUA’s standard contract language dealing with O & M expenses and capital expenses.
Mr. Thomas recommended approval of the Augusta Township Wastewater Treatment Plant Lease.

Motion by Koryzno to approve the Augusta Township Wastewater Treatment Plant Lease. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

C. Request to Approve – Change Order No. 1 re: Bunton Road Sanitary Lead Installation - T. Michael Jessee

Mr. Jessee advised the Board that, last year, a developer installed a sewer on Bunton Road north of Martz Road. He indicated that the activities of the developer required extensive work to be done in the roadway of Bunton Road. Mr. Jessee also explained that, because of the roadwork activity, the Authority entered into a contract with SBG to install leads to the east side of the road. He pointed out that the contract was awarded in the amount of $237,675. Mr. Jessee then directed the Board’s attention to the final change order decreasing the contract by $20,8104. He further advised that this is the final change order balancing materials and work done.

Mr. Jessee recommended approval of Change Order No. 1 re: Bunton Road Sanitary Lead Installation in the credit amount of $20,8104.

Motion by Namatevs to approve Change Order No. 1 re: Bunton Road Sanitary Lead Installation in the credit amount of $20,8104. Support by Koryzno. In favor: All. Opposed: None. (Motion carried)

D. Request to Approve – Change Order No. 20 re: Wastewater Treatment Plant Expansion/Improvements Project - T. Michael Jessee

Mr. Jessee directed the Board’s attention to Change Order No. 20 for the WWTP expansion/improvements project as well as his memo regarding the change order. He indicated that the change order represents an increase in the project cost in the amount of $139,951. Mr. Jessee also explained that this change order brings total changes to $2,498,291. He pointed out that the change order addresses items that were discovered during the project as well as changes that staff requested. Mr. Jessee explained that there are sufficient funds in the contingency fund to cover this increase.

Mr. Jessee recommended approval of Change Order No. 20 re: Wastewater Treatment Plant Expansion/Improvements Project in the amount of $139,951.

Motion by Koryzno to approve Change Order No. 20 re: Wastewater Treatment Plant Expansion/Improvements Project in the amount of $139,951. Support by Wagner. In favor: All. Opposed: None. (Motion carried)
E. **Request to Approve - Water Main Replacement North DDA Parking Lot Final Invoice and Change Order No. 2 - T. Michael Jessee**

Mr. Jessee directed the Board’s attention to a change order for YCUA’s contract with Utility Services Authority to replace a water main in the alley between the North Huron Street parking lot and Washington Street. He indicated that the contractor is requesting an additional $11,736.41. Mr. Jessee also explained that two four-inch fire services were installed that were not in the original contract documents. He pointed out that these costs will be billed to the building owners that requested the services. Mr. Jessee explained that three additional 5/8” water services were discovered that were unknown at the time of design and the building vaults discovered in the area caused additional labor for the contractor. He further advised that the additional work required by the contractor adds $4,736.41 to YCUA’s cost.

Mr. Jessee recommended approval of Water Main Replacement North DDA Parking Lot Final Invoice and Change Order No. 2.

Motion by Koryzno to approve Water Main Replacement North DDA Parking Lot Final Invoice and Change Order No. 2. Support by Namatevs. In favor: All. Opposed: None. (Motion carried)

F. **Request to Approve – Warner Street Water Main Replacement Project - T. Michael Jessee**

Mr. Jessee advised the Board that the City of Ypsilanti is repaving the dead-end section of Warner Street north of Michigan Avenue. He indicated that, as part of this activity, the water main will be replaced and sewer leads checked for potential replacement. Mr. Jessee also explained that the City recently awarded the contract to 6 S Inc. He pointed out that the City has excess revenue bond funds that will be used to pay for this project.

Mr. Jessee explained that the Authority is still determining the split in costs between water main work and roadwork. He further advised that, although YCUA will not be expending any funds for the water main replacement activity, the Authority is responsible for the payment of the bonds that will be used to finance this activity and, therefore, he believes it would be appropriate that this Board approve the replacement activities.

Mr. Jessee recommended approval of the Warner Street Water Main Replacement Project.

Motion by Namatevs to approve the Warner Street Water Main Replacement Project. Support by Scott. In favor: All. Opposed: None. (Motion carried)

G. **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 – Authority Net Assets Reports for July. He then proceeded to give a detailed report of the information contained in the reports 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 indicated that because some questions were posed regarding the Augusta Township usage, he did a more detailed investigation. Mr. Thomas also explained that the water consumption comparing the 03 – 04 year with the 04 – 05 year is not exactly comparable because the 03 – 04 year actually contains 13 months of usage, whereas the 04 – 05 year contains 12 months of usage. He pointed out that this inconsistency resulted from YCUA’s change in billing procedures between the two years. Mr. Thomas explained that, if approximately one month’s worth of usage is removed from the 03 – 04 consumption, that Augusta Township has experienced a small increase in usage this year from last year of about 1%.

He further advised that, in the sewer consumption during the 03 – 04 fiscal year, YCUA staff discovered that there was additional flow coming into the Authority’s system that was unmetered. Mr. Thomas stated that, at approximately mid-year of 03 – 04, the Authority began estimating that flow. He acknowledged that Augusta Township then began activities to install a meter to track the unmetered flow. Mr. Thomas confirmed that, with the installation of that meter, a significant increase in usage from last year to this is shown.

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:

K. Request to Approve – Wastewater Treatment Plant Construction Phase Services Amendment No. 2 (Tabled Item) - T. Michael Jessee

Motion by Wagner to remove the item from table. Support by Scott. In favor: All. Opposed: None. (Motion carried)
Mr. Jessee reminded the Board that this item was tabled at YCUA’s August Board meeting. He indicated that Tetra Tech, consulting engineer on YCUA’s wastewater issues, is contracted to provide construction phase services for the wastewater treatment plant expansion project.

Mr. Jessee directed the Board’s attention to a memo from Tetra Tech requesting that their budget for the project be increased from $5,805,000 to $6,300,750, an increase of $495,750. He pointed out that there are several reasons for the increase request, which are detailed in his memo.

Mr. Jessee explained that the YCUA Finance Committee met with Tetra Tech staff on August 22nd and September 13th and discussed the request in detail. He further advised that the result of those discussions was a decrease in the amount that Tetra Tech had originally requested and the Finance Committee is now recommending this budgetary increase to the Board.

Mr. Jessee stated that Tetra Tech is requesting this increased budget for the project due to changes in the engineering services that were not anticipated when the budget was originally created. He acknowledged that the contingency budget for the project is sufficient to cover this cost increase.

Mr. Jessee recommended approval of the Wastewater Treatment Plant Construction Phase Services Amendment No. 2 in the amount of $495,750.

J. Ray Scott asked for clarification that the Finance Committee endorses this request. Mark Namatevs responded affirmatively and indicated that several meetings with Tetra Tech resulted in several compromises as shown in this amended request.

Motion by Namatevs to approve the Wastewater Treatment Plant Construction Phase Services Amendment No. 2 in the amount of $495,750. Support by Scott. In favor: All. Opposed: None. (Motion carried)

L. Request to Approve - Change Order No. 2 re: South DDA Parking Lot Water Main Repaving (Tabled Item) - T. Michael Jessee

The Board declined removing the item from table.

5. OTHER BUSINESS:

J. Ray Scott requested an update on the situation regarding Dr. Bruce B. Graves. Mr. Thomas responded that Mrs. Graves recently returned to town, paid the bill, and made arrangements to have the meter replaced.

6. STATEMENTS AND CHECKS: Motion by Namatevs to pay the bills in the amount of $3,391,912.31 plus an addendum in the amount of $750,671. Support by Koryzno. In favor: All. Opposed: None. (Motion carried.)
7. PUBLIC COMMENTS:

There were no public comments for the month.

8. ADJOURNMENT: Motion by Wagner to adjourn the meeting at 4:41 p.m. Support by Scott. In favor: All. Opposed: None. (Motion carried)

Respectfully submitted,

MARK NAMATEVS, Secretary/Treasurer