Minutes

YPSILANTI COMMUNITY UTILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
Tuesday, October 28, 2003 – 3:00 p.m.
YCUA Administration Building
2777 State Road
Ypsilanti, MI  48198-9112

Members Present: Brenda L. Stumbo, Edward B. Koryzno, Jr., Larry J. Doe, and Karen Lovejoy Roe

Members Absent: Peter J. Murdock

1. CALL TO ORDER: Brenda L. Stumbo called the meeting to order at 3:01 p.m.

2. MINUTES OF THE PREVIOUS MEETING: Motion by Doe to receive and file the minutes of the September 23, 2003 meeting. Support by Koryzno. In favor: All. Opposed: None. (Motion carried)

3. NEW BUSINESS:

A. Request to Approve – Change Order No. 1 re: South Harris Road Water Main Replacement - Larry R. Thomas

Mr. Thomas directed the Board’s attention to Change Order No. 1 for the South Harris Road Water Main Replacement Project. He indicated that this project was delayed from the 2002 construction season. Mr. Thomas also explained that this change order reflects changes that are needed due to Washtenaw County Road Commission requirements following their review of the plans and from the delay in acquiring the Washtenaw County Road Commission permit causing postponement from 2002 to 2003, which resulted in an increase in the cost of labor and materials. He pointed out that the total amount of the change order is $56,287.57, increasing the total contract to $580,983.80. Mr. Thomas explained that changes are beyond those
anticipated in the original bid due to WCRC requirements and delay. He further advised that this project is being funded through bond sale. Mr. Thomas stated that there are sufficient funds available for this change order.

Mr. Thomas recommended approval of Change Order No. 1 re: South Harris Road Water Main Replacement in the amount of $56,287.57, increasing the total contract to $580,983.80, to be funded through bond sale.

Motion by Roe to accept Mr. Thomas’s recommendation for approval of Change Order No. 1 re: South Harris Road Water Main Replacement in the amount of $56,287.57, increasing the total contract to $580,983.80, to be funded through bond sale. Support by Doe. In favor: All. Opposed: None. (Motion carried)

B. Request to Approve – Change Order No. 2 re: Wastewater Treatment Plant Expansion/Improvements - Larry R. Thomas

Mr. Thomas directed the Board’s attention to Change Order No. 2 for the Wastewater Treatment Plant Expansion/Improvements Project. He indicated that the change order details the changes in scope from the original bid documents, including additional building permit fees, adjustments and realignments of infrastructure due to conflicts, a change in the heating boilers, a substitution of thickened waste activated sludge transfer pumps, and an extension of the contract completion date for the boiler system replacement project. Mr. Thomas also explained that the total for the change order is $68,482. He pointed out that there are sufficient funds in the trust fund for this change order.

Mr. Thomas recommended approval of Change Order No. 2 re: Wastewater Treatment Plant Expansion/Improvements in the amount of $68,482, increasing the total contract to $92,419,250, to be funded by the project trust fund.

Motion by Roe to accept Mr. Thomas’s recommendation for approval of Change Order No. 2 re: Wastewater Treatment Plant Expansion/Improvements in the amount of $68,482, increasing the total contract to $92,419,250, to be funded by the project trust fund. Support by Doe. In favor: All. Opposed: None. (Motion carried)

C. Request to Approve – Change Order No. 3 re: Wastewater Treatment Plant Improvements Ultraviolet Disinfection System - Larry R. Thomas

Mr. Thomas directed the Board’s attention to Change Order No. 3 for the UV
Disinfection Project. He indicated that the change order covers changes in scope from the original bidding documents. Mr. Thomas also explained that the YCUA expansion subcommittee has reviewed the change order and reasons for this request and it is found to be in order. He pointed out that the change order increases the contract price by $16,437.03. Mr. Thomas explained that these changes compensate the contractor appropriately. He further advised that there are sufficient funds in the trust fund for this change order.

Mr. Thomas recommended approval of Change Order No. 3 re: Wastewater Treatment Plant Improvements Ultraviolet Disinfection System in the amount of $16,437.03, increasing the total contract to $4,024,877.91, to be funded by the project trust fund.

Motion by Roe to accept Mr. Thomas’s recommendation for approval of Change Order No. 3 re: Wastewater Treatment Plant Improvements Ultraviolet Disinfection System in the amount of $16,437.03, increasing the total contract to $4,024,877.91, to be funded by the project trust fund. Support by Koryzno. In favor: All. Opposed: None. (Motion carried)

D. Request to Approve – Ash Lagoon Cleaning – Larry R. Thomas

Mr. Thomas advised the Board that Wastewater staff is recommending that the north ash lagoon be emptied at this time. Mr. Thomas directed the Board’s attention to information regarding requests for proposals recently advertised for the removal of the ash. He indicated that three proposals were received and the low bidder is Disposal Management at $6.40 per ton. Mr. Thomas also explained that YCUA is estimating that there are 6,000 tons to be excavated and transported. He pointed out that the ash would be transported to the Onyx landfill in Salem Township. Mr. Thomas explained that tipping fees are not included in this proposal. He further advised that, at 6,000 tons, YCUA is estimating the cost of the project at $38,400. Mr. Thomas stated that the ash lagoon needs to be emptied approximately once per year. He acknowledged that this is part of the operation and maintenance budget.

Mr. Thomas recommended approval of the bid by Disposal Management to remove 6,000 tons of ash from the north ash lagoon at a total project cost of $38,400, to be funded through the operation and maintenance budget.

Brenda L. Stumbo interjected that the recommendation should include a contingency that the winning bidder must meet the prevailing wage requirement for Washtenaw County.
Motion by Roe to accept Mr. Thomas’s recommendation for approval of the bid by Disposal Management to remove 6,000 tons of ash from the north ash lagoon at a total project cost of $38,400, to be funded through the operation and maintenance budget and contingent upon the winning bidder meeting the prevailing wage requirement for Washtenaw County. Support by Doe. In favor: All. Opposed: None. (Motion carried)

E. Authorization to File Lawsuit re: Parkview Apartments – Thomas E. Daniels

Mr. Daniels reminded the Board that Parkview Apartments has been in arrears with their water and sewer bills to the Authority for quite some time and that amounts have been put on their taxes for the past several years, for which the county has reimbursed the Authority. He indicated that YCUA learned earlier this year that the county was preparing to foreclose on the property to collect the delinquent amounts owed to the county. Mr. Daniels also explained that, at that time, all the unpaid water bills would be dismissed and, in fact, YCUA would be required to return funds to the county that they have paid to us through this reimbursement program but have never collected from Parkview. He pointed out that the Authority began the process of discontinuing service to Parkview Apartments in hopes of collecting on the unpaid bills at which point, HUD became involved. Mr. Daniels explained that HUD is now in the process of foreclosing on the property. He further advised that, in order to protect our lien on the property for the unpaid water and sewer bills, our attorney has advised us that a lawsuit should be initiated. Mr. Daniels stated that this would protect our ability to collect on the lien the Authority has on the property for unpaid bills. He acknowledged that, if YCUA’s lien is unprotected, there is a potential that YCUA would be required to repay the county any reimbursement payments that they have made in the past for Parkview Apartments, as well as have all current arrearages dismissed.

Mr. Daniels recommended approval of the request to initiate a lawsuit against Parkview Apartments.

Brenda L. Stumbo inquired as to whether the Authority’s potential liability was budgeted in the City Division. Larry R. Thomas responded that it was not.

Motion by Koryzno to accept Mr. Daniels’s recommendation for approval of the request to initiate a lawsuit against Parkview Apartments. Support by Doe. In favor: All. Opposed: None. (Motion carried)
F. **Fourth Quarterly Report** - Larry R. Thomas

Mr. Thomas directed the Board’s attention to the fourth quarterly report. He continued to give a detailed analysis of the information contained in the report.

Mr. Thomas recommended acceptance of the Fourth Quarterly Report.

Motion by Koryzno to accept Mr. Thomas’s recommendation for acceptance of the Fourth Quarterly Report. Support by Doe. In favor: All. Opposed: None. (Motion carried)

G. **Fund Balance Report** - Larry R. Thomas

Mr. Thomas advised the Board that the fund balance report is enclosed in your packets. He indicated that this report is being reinstated to keep the Board updated on the fund balances in the two divisions.

Informational only; no motion from the Board required.


Mr. Thomas advised the Board that the financial report - receiving saving analysis is enclosed in your packets. He indicated that this report has been created to keep the Board advised on the cash flow at the Authority.

Informational only; no motion from the Board required.


Mr. Thomas advised the Board that the usage report – consumption report is enclosed in your packets. He indicated that this report has been created to track consumption of water and sewer in various user groups and customers in both divisions of the Authority. Mr. Thomas also explained that some interesting trends for the last year show decreased usage in both divisions of the Authority. He pointed out that, in the city division, the domestic usage decreased approximately 3% from the previous year. Mr. Thomas explained that much of the decrease occurred in the fourth quarter, likely as a response to the wet summer. He further advised that usage throughout the year was down slightly, which may be indicative of people conserving water. Mr. Thomas stated that usage at EMU decreased as well, by 11%. Almost all of the decrease is due to the summer months. He acknowledged that, in the township division, domestic usage increased slightly. Mr. Thomas confirmed
that Hydramatic decreased significantly (26.8%), which continues to be the result in their changes in cooling water systems. He explained that both Pittsfield and Superior Townships showed decreased usage. Mr. Thomas pointed out that, once again, the big variations were in the summer months and the decrease in irrigation water.

Brenda L. Stumbo inquired as to whether the new Ypsilanti State Hospital facilities had opened. Mr. Thomas confirmed that they have.

Larry J. Doe inquired as to whether any increases could be expected from Hydramatic in 2004. Mr. Thomas responded that his contact at Hydramatic has indicated that there will be a slight increase once their new line production begins.

Informational only; no motion from the Board required.

J. Community Development Projects - Samuel S. Hu

Mr. Hu advised the Board that there was no Monthly Community Development Plan Review for October 2003.

Informational only; no motion from the Board required.

K. Director’s Report - Larry R. Thomas

Mr. Thomas advised the Board that YCUA staff has researched odor control options for the expanded wastewater treatment plant and is, at this time, recommending further investigation into air ionization odor control. He indicated that members of the Authority’s odor mitigation committee visited two facilities presently utilizing ionization equipment and were pleased with the results. Mr. Thomas stated that YCUA has directed its consulting engineers to change the approach from biofilter-method odor control to air ionization. He also advised that he is receiving additional cost information from the contractor with regards to changing from one technology to another and thus far it appears to be a cost effective move.

Mr. Thomas advised the Board that the Washtenaw County Road Commission has denied any permits to YCUA to cut into the roadways except for emergency repairs due to the Authority’s inability to get the road cuts completed this year. He indicated that the road commission has initiated an agreement with a contractor to get those repairs done before November 15, 2003, which is generally the last day of the year in which asphalt work
can be done. Mr. Thomas stated that YCUA has elected to discontinue doing taps in which road cuts are required since the Authority can no longer fix those cuts to the requirements of the road commissions. He also advised that customers will still be charged an inspection fee but will no longer be charged tap fees but that they will be responsible for obtaining their own contractors to complete the road cut repairs. Mr. Thomas further stated that outside the right-of-way or in unpaved areas, the Authority will continue to do its own road cut repairs.

Informational only; no motion from the Board required.

4. OLD BUSINESS:

A Director’s Evaluation – Goals - Larry R. Thomas

Mr. Thomas reminded the Board that goals that were discussed as part of the Director’s evaluation at the September 23rd meeting. He indicated that he met with the YCUA Personnel Committee to review those goals and that a plan of action, as included for the Board’s review, had been completed.

Mr. Thomas recommended acceptance of the Director’s Evaluation Goals.

Edward B. Koryzno concurred with Mr. Thomas’s recommendation on behalf of the YCUA Personnel Committee, adding that it was the committee’s desire to see periodic updates to those goals.

Motion by Koryzno to accept Mr. Thomas’s recommendation for acceptance of the Director’s Evaluation Goals as well as periodic updates to the same. Support by Doe. In favor: All. Opposed: None. (Motion carried)

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 $3,579,962.02 plus an addendum in the amount of $4,935,633.23. Support by Koryzno. In favor: All. Opposed: None. (Motion carried)

7. PUBLIC COMMENTS:

There was no public comments for the month.

8. ADJOURNMENT: Motion by Doe to adjourn the meeting at 3:55 p.m. Support by
Koryzno. In favor: All. Opposed: None. (Motion carried)

Respectfully submitted,

[Signature]

LARRY J. DOE, Secretary/Treasurer