Minutes

YPSILANTI COMMUNITY UTILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
Wednesday, December 18, 2013 – 4:00 p.m.
YCUA Administration Building
2777 State Road
Ypsilanti, MI 48198-9112

Members Present: Michael Bodary, Andrew Cameron, Larry J. Doe, and Keith P. Jason.

Members Absent: Brenda L. Stumbo.

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 November 20, 2013 meeting as presented. Support by Cameron. In favor: All. Opposed: None. (Motion carried.)

3. NEW BUSINESS:

A. Request to Approve – Purchase of CEMS Data Acquisition Software in the Amount of $31,380 (Wastewater Restricted Fund Expense Account No. 901-590) – Stewart Carroll

Motion by Doe to approve the Purchase of CEMS Data Acquisition Software in the Amount of $31,380 (Wastewater Restricted Fund Expense Account No. 901-590). Support by Cameron.

Mr. Carroll advised the Board that YCUA has a Horiba analyzer that monitors the sewage sludge incinerator’s emissions and that the Authority is required by Federal law to retain data for 90% of the time that the incinerator is operational.

He indicated that, after the Horiba unit collects this data, the Data Acquisition Software analyzes and stores it for daily and historical reporting.

Mr. Carroll explained that this purchase was first considered a few years ago but that staff decided not to proceed at that time. He pointed out that, since that time, the software has become obsolete and is running on an old computer that is no longer supported by Microsoft. Mr. Carroll also
explained that the existing software was developed by Honeywell, which has since disbanded that division of its company.

He further advised that Horiba has recommended a software product called CEMView by Nexus Solutions, Inc. and that staff also did due diligence in researching other compatible options. Mr. Carroll stated that, of the three quotes that were received, Nexus was the low bid in the amount of $31,380.

Mr. Doe inquired as to whether the situation with Honeywell is likely to repeat itself with this purchase. Mr. Carroll responded that he is not of the opinion that Nexus will discontinue supporting this software in the future because it is what they specialize in, whereas Honeywell makes all kinds of commercial and residential hardware and software products.

Mr. Cameron inquired as to whether Nexus provided any kind of demo. Mr. Carroll responded affirmatively and added that they were already familiar with the YCUA system after having provided a similar demo when the purchase was first considered years ago.

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

B. Request to Approve - Lease of Shadford Tower Space to Verizon Wireless – Jeff Castro

Motion by Doe to approve the Lease of Shadford Tower Space to Verizon Wireless. Support by Cameron.

Mr. Castro advised the Board that Verizon has requested authorization to lease space at the top of the Shadford water tower. He indicated that negotiations with Verizon have concluded and he directed the Board’s attention to the lease included for their approval.

Mr. Castro explained that the rental rate on this five-year lease agreement is $22,500 per year, which is split equally with the Ypsilanti Community Schools. He pointed out that the agreement can be extended for four additional five-year terms and also includes a 3% increase in the annual rental rate.

Mr. Doe inquired as to whether YCUA counsel agrees that the agreement is in order. Mr. Daniels responded affirmatively and added that the negotiations with Verizon went very well. He indicated that he and Mr. Castro are confident that the agreement reflects the best possible monthly rental rate of $1,875. Mr. Daniels explained that the numbers were also presented to and approved in advance by the school board. He pointed out that there are three similar wireless communications agreements already in place but that one is likely to be purchased in the near future by Verizon. Mr. Daniels then outlined the details of the three existing contracts. He concluded by stating that, over 25 years, the Verizon lease will pay out a total of $727,000, half of which will be realized by the Authority.
In favor: All.  Opposed: None.  (Motion carried)

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

Mr. Harrigan directed the Board’s attention to the Fund Balance Report for November 30, 2013. He then proceeded to give a detailed report of the information contained in the report and answered questions from the Board.

Mr. Bodary commented that he appreciates the condensed version of the report and thanked Mr. Harrigan for the same.

Mr. Doe inquired as to whether, based on this information, the Authority is in good shape financially. Mr. Harrigan responded that he is comfortable in saying that YCUA is fiscally sound. Mr. Castro concurred.

Informational only; no motion from the Board required.

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

Informational only; no motion from the Board required.

E. **Usage Report – Consumption Report** – Jeff Castro

Mr. Castro 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. Doe inquired as to whether there should be any concern over the decrease in water and sewer sales compared to the same time period last year. Mr. Harrigan commented that these decreases were a result of the unusually hot, dry summer experienced this year. Mr. Castro interjected that the non-peak months of October through February are the most important and the fact that these months have stayed fairly stable is an indication that the economic crisis has come and gone.

Informational only; no motion from the Board required.

F. **Attorney’s Report** – Thomas E. Daniels

There was no Attorney’s Report for the month.

G. **Environmental Report** – Perry M. Thomas

Mr. Thomas advised the Board that YCUA submitted its monthly discharge monitoring and operating reports and is in compliance with all permit requirements and limitations.

He indicated that, on November 21, 2013, the Authority’s emissions testing was conducted by Bureau Veritas, which he outlined in detail.

Mr. Thomas introduced Luther D. Blackburn, Jr., YCUA’s new Director of Wastewater / Compliance.
Mr. Blackburn advised the Board that, on November 15th, YCUA staff met with an engineering firm to re-evaluate the Authority’s local limits in the sewer use ordinances of the city, township, and contract communities. He indicated that about three years’ worth of data was collected and that staff is on track to submit that information to the State of Michigan by the due date.

Mr. Blackburn explained that staff is also on target to complete the mercury minimization program for this year. He pointed out that most of the information thus far indicates that the local industrial users are discharging at or below background levels which seems to provide evidence for the assumption that most of the mercury in the YCUA system is coming from dentists.

Mr. Doe inquired as to whether the 125 ppms of mercury reported versus the 15 ppm goal is going to require some kind of major project. Mr. Thomas responded that the pilot study involving the addition of caustic sodium hydroxide into the Venturi scrubber has been successful in driving the sulfur dioxide down to 1 ppm. Mr. Castro interjected that this highly successful pilot program is not a major cost and that much of the implementation is being done in house.

Mr. Doe inquired as to a ballpark annual cost for the project. Joh Kang of Tetra Tech explained the project in detail and advised the Board that, while the cost of the full-scale caustic addition system is likely to be in the range of $750,000, it will save YCUA money in the long run by protecting its expensive carbon system. Mr. Castro added that the goal is to double the lifespan of the carbon cassettes, which will result in a $500,000 savings to the Authority every two years or so.

Mr. Doe inquired as to whether YCUA has the funds to pay for the upfront cost or whether it will require bonding. Mr. Harrigan responded that the wastewater treatment plant restricted fund can be used for this.

Mr. Bodary thanked Mr. Thomas for his clear, concise, and informational reports and expressed confidence that Mr. Blackburn will continue the same.

Informational only; no motion from the Board required.

H. Director’s Report - Jeff Castro

Mr. Castro thanked Mr. Thomas on his 35 years of service to YCUA and congratulated Mr. Blackburn on his new position.

He advised the Board that Teamsters negotiations are now complete and that all parties are pleased with the outcome.

Informational only; no motion from the Board required.

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 Cameron to pay the bills in the amount of $3,141,140.70. Support by Doe. In favor: All. Opposed: None. (Motion carried)

7. **PUBLIC COMMENTS:** Perry M. Thomas addressed the Board and thanked them for the opportunity to serve the Authority. He also thanked them for their support and confidence over the years. Mr. Thomas indicated that he loves YCUA and the people he has worked with and that the 35 years at the Authority have been a wonderful experience. He wished everyone at YCUA well in the future and invited the Board to his retirement luncheon the following day at noon.

8. **EXECUTIVE SESSION:** Mr. Bodary recommended adjourning the open session and calling to order a closed session in order to discuss Union negotiations. Motion by Doe to accept the recommendation for adjourning the open session and calling to order a closed session in order to discuss Union negotiations. Support by Jason. By roll call vote: Ayes: Michael Bodary, Andrew Cameron, Keith P. Jason, and Larry J. Doe. Nayes: None. (Motion carried)

   (Board then met in closed session.)

9. **RETURN TO OPEN SESSION AND ADJOURNMENT:**

Motion by Doe to approve the Teamsters negotiated contract and non-union employee contracts. Support by Jason. In favor: All. Opposed: None. (Motion carried)

Motion by Doe to adjourn the meeting at 5:19 p.m. Support by Cameron. In favor: All. Opposed: None. (Motion carried)

Respectfully submitted,

ANDREW CAMERON, Secretary - Treasurer