



Minutes

**YPSILANTI COMMUNITY UTILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
Tuesday, January 24, 2006 – 4:00 p.m.
YCUA Administration Building
2777 State Road
Ypsilanti, MI 48198-9112**

Members Present: Larry J. Doe, Edward B. Koryzno, Jr., Mark Namatevs, J. Ray Scott, and Philip W. Wagner.

Members Absent: None.

1. **CALL TO ORDER:** Doe called the meeting to order at 4:05 p.m.
2. **MINUTES OF THE PREVIOUS MEETING:** Motion by Scott to receive and file the minutes of the December 20, 2005 meeting. Support by Koryzno. In favor: All. Opposed: None. (Motion carried.)
3. **NEW BUSINESS:**
 - A. **Request to Approve Fiscal Year 2004 – 2005 Financial Audit Report –**
Larry R. Thomas and Mark Kettner

Mr. Thomas reminded the Board that YCUA's auditors, Rehmann Robson, have finished auditing the Authority's financial documents for the fiscal year ending August 31, 2005. He directed the Board's attention to the financial statement enclosed in their packets. Mr. Thomas also explained that the Authority had a good year and that its financial position remains strong. He pointed out that this annual audit is required by state statute.

Mr. Kettner then proceeded to give a detailed report to the Board and addressed their questions.

Mr. Thomas recommended acceptance and approval of the Financial Statement prepared by Rehmann Robson.

Motion by Scott to approve the recommendation to accept and approve the Financial Statement prepared by Rehmann Robson. Support by Koryzno. In favor: All. Opposed: None. (Motion carried)

B. Request to Approve – Emergency Excavation of Jeff Avenue Sanitary Lead - T. Michael Jessee

Mr. Jessee advised the Board that, on January 7, 2006, YCUA staff discovered a sewer collapse on Jeff Avenue in Ypsilanti Township. He indicated that the sewer was approximately 12 feet deep. Mr. Jessee also explained that Service Center crews attempted to make the repair on the evening of the 7th but were unable to complete the repair due to ground conditions and sewer depth. He pointed out that, on January 10th, YCUA staff contacted three vendors with the capability and proper equipment to make the repair. Mr. Jessee explained that only SBG responded with a price based on time and materials not to exceed \$38,125. He further advised that, due to weather conditions, the repair was not made until January 13th. Mr. Jessee stated that final cost for time and materials was \$22,392.87. He acknowledged that the repair was an emergency as two homes on Jeff Avenue did not have sewer access. Mr. Jessee confirmed that there were no backups at either home. He explained that this cost will be paid with O & M funds.

Mr. Jessee recommended approval of the Emergency Excavation of Jeff Avenue Sanitary Lead project and authorization to pay SBG for the work done in the amount of \$22,392.87.

Motion by Namatevs to approve the Emergency Excavation of Jeff Avenue Sanitary Lead project and authorization to pay SBG for the work done in the amount of \$22,392.87. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

C. Request to Approve - OHM Budget Amendment Request re: Bradley / Snow / I-94 Water Main Replacement Project - T. Michael Jessee

Mr. Jessee advised the Board that OHM is in the process of designing water main replacements in the Bradley / Snow / I-94 area of Ypsilanti Township. He indicated that the Authority has previously approved \$206,000 for the design. Mr. Jessee also explained that OHM is, at this time, requesting a budget amendment not to exceed \$42,000 for additional design not included in their original estimate. He pointed out that the areas are detailed in his memo. Mr. Jessee explained that OHM's budget of \$206,000 did not include four areas of water main replacement, which have since been added. He further advised that this project will be funded through a DWRP low-interest loan program from MDEQ.

Mr. Jessee recommended approval of the OHM Budget Amendment Request re: Bradley / Snow / I-94 Water Main Replacement Project in an amount not to exceed \$42,000.

Motion by Wagner to approve the OHM Budget Amendment Request re: Bradley / Snow / I-94 Water Main Replacement Project in an amount not

to exceed \$42,000. Support by Scott. In favor: All. Opposed: None.
(Motion carried)

D. Request to Approve - Televising and Cleaning Proposal re: Bradley / Snow / I-94 Area Sanitary System - T. Michael Jessee

Mr. Jessee advised the Board that YCUA is preparing for the water main replacements in the Bradley / Snow / I-94 area and has sent out Requests for Proposals for sanitary sewer cleaning and televising in the affected areas. Mr. Jessee explained that YCUA staff will be working in this area this next construction season. He further advised that now is the time to determine if any work needs to be done on the sewers. Mr. Jessee stated that, additionally, the Authority is required to clean and televise a portion of its sewage collection system each year through the District Compliance Agreement YCUA has with MDEQ. He acknowledged that this will satisfy that requirement. Mr. Jessee confirmed that cleaning and televising is budgeted in the capital budget.

Mr. Jessee also explained that five proposals were received and directed the Board's attention to the bid tabulations attached to his memo. He pointed out that the lowest responsible bidder was Inland Waters Pollution Control, Inc. at \$77,841.

Mr. Jessee recommended approval of the bid from Inland Waters Pollution Control, Inc. for the Bradley / Snow / I-94 area in the amount of at \$77,841.

Motion by Namatevs to approve the bid from Inland Waters Pollution Control, Inc. for the Bradley / Snow / I-94 area in the amount of at \$77,841. Support by Koryzno. In favor: All. Opposed: None. (Motion carried)

E. Request to Approve- Televising and Cleaning Proposal re: Ecorse / Emerick / I-94 Area Sanitary System - T. Michael Jessee

Mr. Jessee advised the Board that YCUA is preparing for the water main replacements in the Ecorse / Emerick / I-94 area and has sent out Requests for Proposals for sanitary sewer cleaning and televising in the affected areas. Mr. Jessee explained that YCUA staff will be working in this area this next construction season. He further advised that now is the time to determine if any work needs to be done on the sewers. Mr. Jessee stated that, additionally, the Authority is required to clean and televise a portion of its sewage collection system each year through the District Compliance Agreement YCUA has with MDEQ. He acknowledged that this will satisfy that requirement. Mr. Jessee confirmed that cleaning and televising is budgeted in the capital budget.

Mr. Jessee also explained that five proposals were received and directed the Board's attention to the bid tabulations attached to his memo. He

pointed out that the lowest responsible bidder was Inland Waters Pollution Control, Inc. at \$68,855.

Mr. Jessee recommended approval of the bid from Inland Waters Pollution Control, Inc. for the Ecorse / Emerick / I-94 area in the amount of at \$68,855.

Motion by Namatevs to approve the bid from Inland Waters Pollution Control, Inc. for the Ecorse / Emerick / I-94 area in the amount of at \$68,855. Support by Koryzno. In favor: All. Opposed: None. (Motion carried)

F. Request to Approve- Televising and Cleaning Proposal re: Holmes / River / Forest Area Sanitary System - T. Michael Jessee

Mr. Jessee advised the Board that YCUA is preparing for the water main replacements in the Holmes / River / Forest area and has sent out Requests for Proposals for sanitary sewer cleaning and televising in the affected areas. Mr. Jessee explained that YCUA staff will be working in this area this next construction season. He further advised that now is the time to determine if any work needs to be done on the sewers. Mr. Jessee stated that, additionally, the Authority is required to clean and televise a portion of its sewage collection system each year through the District Compliance Agreement YCUA has with MDEQ. He acknowledged that this will satisfy that requirement. Mr. Jessee confirmed that cleaning and televising is budgeted in the capital budget.

Mr. Jessee also explained that five proposals were received and directed the Board's attention to the bid tabulations attached to his memo. He pointed out that the lowest responsible bidder was Inland Waters Pollution Control, Inc. at \$25,261.

Mr. Jessee recommended approval of the bid from Inland Waters Pollution Control, Inc. for the Holmes / River / Forest / I-94 area in the amount of at \$25,261.

Mark Namatevs inquired as to the status of the specs for equipment that would allow YCUA doing this kind of work in house. Mr. Jessee responded that there is a timing issue in that the bid specs and delivery time are 12 to 14 weeks out and that specs are being prepared for the vehicle now. He added that, once the vehicle has been obtained, staff will require another three to four months to be trained on the equipment.

J. Ray Scott expressed his concern that YCUA has only \$130,000 left in the budget if there are substantially more change orders. Mr. Jessee responded that it's impossible to provide a specific dollar figure for the anticipated changes but he indicated that he expects them to be minimal.

Motion by Namatevs to approve the bid from Inland Waters Pollution Control, Inc. for the Holmes / River / Forest / I-94 area in the amount of at

\$25,261. Support by Koryzno. In favor: All. Opposed: None. (Motion carried)

G. Request to Approve – Change Order No. 24 re: Wastewater Treatment Plant Expansion/Improvements Project - T. Michael Jessee

Mr. Jessee directed the Board's attention to Change Order No. 24 for the WWTP expansion/improvements project as well as his memo regarding the change order. He indicated that the change order covers several items addressed in his memo and represents an increase in the project cost in the amount of \$56,461. Mr. Jessee also explained that this change order brings total changes to \$2,704,293 and also extends the substantial completion date by 90 days, from January 31st to May 1st. He added that the final completion date remains unchanged and staff still anticipates that the contractor will meet the final completion date. 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. 24 re: Wastewater Treatment Plant Expansion/Improvements Project in the amount of \$56,461.

Motion by Koryzno to approve Change Order No. 24 re: Wastewater Treatment Plant Expansion/Improvements Project in the amount of \$56,461. Support by Namatevs. In favor: All. Opposed: None. (Motion carried)

H. Request to Approve – Amendment No. 3 to Tetra Tech MPS Engineering Contract - T. Michael Jessee

Mr. Jessee directed the Board's attention to his memo and a letter from Tom Allbaugh and Joh Kang of Tetra Tech regarding Amendment No. 3 to Tetra Tech MPS Engineering Contract. He indicated that, since the substantial completion date for the project is being extended to complete work on the WAS – TWAS building, the final tanks and the replacement sludge incinerator, additional time will be required of Tetra Tech's resident project representatives. Mr. Jessee also explained that additional services from Tetra Tech are needed while Christman works toward substantial completion. He pointed out that Tetra Tech is requesting that an additional \$103,000 be added to the budget.

Mr. Jessee recommended approval of Amendment No. 3 to Tetra Tech MPS Engineering Contract in the amount of \$103,000.

Motion by Wagner to approve Amendment No. 3 to Tetra Tech MPS Engineering Contract in the amount of \$103,000. Support by Scott. In favor: All. Opposed: None. (Motion carried)

I. Informational Item – First Quarterly Production Report - T. Michael Jessee

Mr. Jessee directed the Board's attention to the fourth quarterly year-end production report. He then proceeded to give a detailed report of the information contained in the report and answered questions from the Board, paraphrased as follows:

The following information will address the production and overtime expenditures that occurred during the first quarter of the fiscal year 2005 - 2006. The submitted first quarter information indicates that the Authority is continuing to maintain acceptable production rates and the reported overtime expenditures are well within budgetary limitations.

Wastewater Treatment Plant

The wastewater treatment plant management staff continued to operate the treatment plant effectively and efficiently with one exception. During the month of November the NPDES permit phosphorus monthly average discharge limitation of 0.8 parts per million (ppm) or 190 total pounds of phosphorus per day was exceeded due to operational issues created by the expansion process. The discharged amounts were 1.11 ppm or 193 pounds per day. The Wastewater Treatment Staff attributes the exceedance to five of the six existing treatment passes being off line. This is due to construction activities hindered by the cold weather. This resulted in a hydraulic overloading of the existing operational pass. The expansion process had limited the backwash water flow to the one existing operational pass, which resulted in the overloading. This is the only exceedance experienced during the expansion, which is an accomplishment in itself. The management and operational staffs continue to comply with all other parameters outlined in the NPDES permit.

The wastewater staff continues to operate the treatment facility efficiently within the constraints of the expansion project. During the first quarter the incinerator was operated through the bake-out process. The bake-out process allows the water in the firebrick and mortar to be evaporated and exit through side portals of the incinerator. When the portal exhaust is void of water vapor the portals are permanently closed. The incinerator will be placed on line after the holidays.

The wastewater treatment plant treated 1,830,754,000 gallons during the first quarter, compared to 1,920,451,000 gallons during the first quarter of the fiscal year 2004 - 2005. This represents a decrease of 89,697,000 gallons or 4.67%. The treatment process produced 6,338.74 tons of sludge during the first quarter; compared to 5,908.42 tons of sludge produced during the first quarter of the previous fiscal year. This represents an increase of 430.32 tons or 7.28%. YCUA has received and

processed 682,035 gallons of septic sewage for which \$47,742.45 has been invoiced. This represents an increase of \$21,899.85, or 84.7%, compared to the first quarter of 2004 - 2005.

The wastewater treatment department has incurred \$22,895.25 in overtime expenditures during the first quarter; this represents 19.15% of the budgetary amount of \$119,581. The overtime budget was reduced by \$67,041 this fiscal year.

Maintenance Department

Our maintenance department employees continue to maintain an acceptable production rate. During the first quarter there was 2,863 order orders completed which is an increase of 38.6% or 797 work orders in comparison to the 2004/2005 fiscal year first quarter.

The maintenance department completed the lighting installation around the Primary Tanks, Aeration Tanks, and Final tanks. This project addressed safety concerns of our afternoon and midnight operators. Additionally, installation of a temporary air-monitoring unit in the belt press area was completed. This will ensure the safety of staff in addressing the hydrogen sulfide discharged from the operation of the belt presses. The unit is a borrowed unit from our grit and screen area, a new unit has been ordered and should arrive within the coming weeks.

In order to provide safe access to the equipment located in our new DWSD connection vault the installation of an access ladder and a crossover pipe ladder was completed. This will provide access to the various areas within the valve vault for normal maintenance and operational activities. The sanitary force main air relief valves preventative maintenance tasks have been completed; this ensures proper release of trapped air in the force main which prolongs the life of the force main. Additionally, beginning this fiscal year all twenty three-air relief valves on the effluent station force main has been identified and placed into the preventative maintenance program.

Training is an ongoing effort within the maintenance department. During the first quarter training was completed in the following areas:

- *Grit Classifier*
- *Grit Conveyor*
- *Granulated Activated Carbon scrubber*
- *Venturi Absorber & Wet Electrostatic Precipitator*
- *Motorola Remote Transmitting Units*
- *Wonderware Graphic Development*

The maintenance department has incurred \$20,283.68 during the first quarter; this represents 13.48% of the budgetary amount of \$150,466. The overtime budget was reduced by \$29,426 this fiscal year.

Customer Service Department

First quarter 2006 statistics from the customer service department indicate that the momentum achieved throughout last fiscal year has continued. This is a result of familiarization with and efficiencies gained by the new utility billing software, as well as stability of a strong, motivated, and dedicated customer service staff. Between the last quarter and the previous quarter, revenue collected versus that requested through reminder notices increased by 14.5 percentage points and by 46 percentage points through 10-day notices. Additionally, the number of shut-offs required decreased by 10, approximately 20%. What makes these numbers most remarkable is that there is one staff person dedicated to collection work. Pam Brady continues to do a very impressive job in her relatively new role!

Outstanding accounts receivables continue to be collected within a very respectable time frame. Contract community aging inched up during this quarter as compared to the previous quarter as October and November revenue figures as a whole dropped to winter time levels. Neither contract community payment or YCUA collection processes had changed; total revenues billed dropped as they do seasonally, causing percentages to increase. Comparing contract community outstanding receivables aged at 60 days or over for the current quarter (6.87%) to those for quarter ending February 28, 2005 -- our first quarter collecting the statistics -- (13.54%), we again see the work of a great employee, Gail Thomas, utilizing new resources to increase effectiveness in her position. As well, the current quarter shows a drop in other revenue receivables outstanding beyond 90 days: current quarter 25.99% versus 35.73 % for the previous quarter.

The customer service department has worked hard to maximize efficiencies in the processing of its work. The success of this is evident in the statistics tracked. The department is now moving from the mode of "processing" utility billing to "analyzing" utility billing. Under Cathy Moorman's leadership, the billing staff has begun to identify resources and develop procedures to allow them to monitor and analyze customer accounts and usage, as opposed to just processing the usage. Formalizing processes and procedures to analyze deviations in individual consumption is the next step to increasing the standards of work for this department and will be the focus of the staff over the coming months. This type of monitoring and analysis will provide a higher level of customer service to Authority customers while allowing for more timely trouble shooting of problems.

An excellent example of the higher standards of customer service the department has set for itself was realized during this quarter. During a weekly departmental meeting, the staff discussed the confusion customers experience related to making credit card payments at the YCUA offices. Through collective discussions and brainstorming, the prompt assistance of the maintenance department, and virtually no cost to YCUA, the confusion was resolved by the installation of a phone in the lobby with a direct line to the toll-free number of the credit card payment service provider. This is just one concrete example of the higher level of customer service orientation depicted by the current team. The entire customer service staff is to be commended for their problem-solving mindset and their continuous efforts to provide exceptional customer service to our residents.

During the first quarter the customer service department has expended \$351.28; this represents 5.73% of the \$6,161 budget. The overtime budget was reduced by \$5,903 this fiscal year.

Engineering Department

The engineering department is producing well this quarter and estimates a savings of \$26,000. Those savings are due to engineering's involvement with Emerick St. pump station by-pass piping project, Forest Avenue water main replacement, the road repair contract, the Paint Creek Interceptor sanitary cleaning and televising project, LeForge Villa pump station improvement project, and the City Housing water meter replacement. Additionally, during the first quarter, YCUA collected \$14,267.40 in review fees associated with community development projects. With the estimated savings and the collection of review fees the engineering department contributed \$40,267.40 to the Authority in the first quarter.

The engineering department expended \$334.15 in overtime, this represents 5.4% of the \$6,192 budgeted.

Service Center Department

The Service Center department is addressing the emergency repairs and the preventative maintenance tasks with success. During the first quarter there 11,274 tasks completed, 202,050 feet of preventative sanitary flushing, and 55.25 hours of wet well cleaning at our sanitary pumping facilities.

Our sanitary flushing program saw a decrease of 36,728 feet in comparison to the previous fiscal year first quarter. This can be attributed to equipment failure and scheduling issues. The management team is in the process of revising the flushing schedule in order to address the decrease in production. Additionally, we are witnessing an increase in sanitary related complaints; this can be partially attributed to the

weather, a decrease in flushing activities, and an observed increase in tree root growth. There has been a 42.3% increase in this area.

The Service Center provided 400 man-hours to assist Tetra Tech with our Sanitary System Evaluation Study of the Paint Creek Interceptor collection system. Through this project there were a number of infiltration and inflow points identified and corrected which will assist in eliminating ground and rainwater from entering into our sanitary system. Additionally, the project required an inspection of the sanitary manholes within the Paint Creek collection system; this resulted in the large increase of manhole inspections as indicated on the Service Center first quarter report.

The annual fire hydrant winterization project has been completed with 2904 hydrants inspected and winterized.

The Service Center management team continues to monitor overtime expenditures and manage those expenditures within the budgetary limitations. During the first quarter there were \$44,995 expended for overtime, this represents 23.07% of the budgetary amount of \$195,045.

Water Distribution Department

YCUA purchased 1,279,705,328 gallons of water during the first quarter. Water distribution records indicate 224,833,812 gallons were distributed in the City Division and 1,054,871,516 gallons in the Township Division. There was a decrease of 5.8% in the City Division, a 1.0% decrease in the Township Division, and a total consumption decrease of 1.9%. A listing of our contract communities with consumption totals is illustrated below:

- *Augusta Township* *34.214 Million Gallons*
- *State Hospital* *2.064 Million Gallons*
- *Pittsfield Township* *320.017 Million Gallons*
- *Canton Township* *6.238 Million Gallons*
- *Superior Township* *99.903 Million Gallons*

During the first quarter the water distribution staff worked with our contractor to complete the installation of cathodic protection for our Shadford Field storage facility. Upon inspection, it was discovered that the storage tank had collected calcium deposits in the bottom section of the tank. YCUA staff utilized the opportunity to clean and disinfect the tank. Additionally, YCUA Staff located and identified all valves associated with the storage facility. This will prove beneficial in addressing future projects effectively. This is an example of opportunities being utilized to properly maintain the storage facility.

The first double check-valve installation has been completed on a water main serving Eastern Michigan University. The double check-valve assembly was installed on the water service for the new Student Center located off of Oakwood Street. YCUA has budgeted for two additional double check-valve installations this fiscal year.

The water distribution department has incurred \$2,499.78 in overtime expenditures through the first quarter. This represents 4.96% of the budgetary amount of \$50,426. The overtime budget was reduced by \$33,586 for this fiscal year.

Meter Department

The meter department completed 2,960 tasks during the first quarter. This represents a 39.4% increase over the first quarter of the previous fiscal year in which 2,073 tasks were completed. The increase can be largely attributed to the increase in turn on services, turn off services, and delivery of bills/notices. The customer service department and the meter department have implemented revised procedures in order to effectively implement the 24-hour shut off notices.

The meter department Supervisor, Jeff Castro, requested that the multiple resident customers by-pass connections to be inspected within the City Division. Due to this directive it was discovered that a by-pass connection for one of the multiple-resident dwelling was open and supplying non-metered water. The situation was addressed by invoicing the customer an estimated amount of \$98,000 for the non-metered water consumption. All industrial customers with bypass provisions are inspected annually residential customers were not. This oversight has been corrected. Good job, Jeff.

The meter department incurred \$2,453.34 in overtime expenditures through the first quarter. This represents 23.04% of the \$10,646 budget. The overtime budget was reduced by \$4,376 this fiscal year.

Compliance Department

The compliance department enjoyed a productive first quarter. Laboratory personnel completed 9,229 analyses, which represents a 17.3% increase over the first quarter in 2004/2005. In September the laboratory employees conduct an experiment to compare autoclave digestion versus hot plate digestion procedure for phosphorus analysis. The objective of the experiment was to determine which method would produce the more accurate analytical results. The findings indicated that the autoclave method yielded a more precise result over the hot plate digestion procedure. This resulted in 60 to 70 additional sample analyses. The experiment was due to continuing conversations between wastewater and laboratory personnel. Additionally, the laboratory participated in an annual Performance Evaluation Study (DMR # 25), which required 50

additional analyses. The laboratory received an acceptable (100 %) rating in all areas. Congratulations, laboratory staff.

The industrial pretreatment division completed seven industrial sampling events, three SIU inspections, reviewed 53 self-monitoring reports, issued five violation notice letters, 10 notice of violation letters, and conducted one administration order to show cause hearing.

Additionally, the compliance department submitted the following reports:

- *Certification of the WWTP Storm Water Pollution Prevention Program Review*
- *Capacity Management Tracking System (CETS) Report*
- *Certification of Adoption of Local Limits by Member Communities.*
- *Annual Biosolids Report*
- *Notification of Non-Compliance Report*

The compliance department expended \$1,263.07 in overtime during the first quarter. The expenditures represent 7.92% of the budgeted amount of \$15,940.

Wastewater Treatment Plant Expansion

The expansion of the wastewater treatment plant has suffered set backs during the latter portion of the first quarter. There is currently a request from Christman Company for an extension of the substantial completion timeline. Substantial completion was scheduled to occur January 31st 2006, Christman Company has requested a 90-day extension to a May 1st timeline.

The incinerator was placed on line for the bake-out procedure; this procedure consists of warming the incinerator at a controlled rate in order to evaporate the moisture from the mortar and firebrick. This was accomplished in the latter portion of November. There were complications associated with the incinerator fuel train. The incinerator natural gas regulator required modification and repair; MichCon was contacted and responded expeditiously. Operation of the incinerator is expected to resume after the holidays.

All of the new primary, aeration, and final tanks (passes) are on line and operational. The transition of operation from the existing to the new passes has raised a number of operational issues. YCUA staff labored diligently in addressing these issues which include the backwash drain water and the waste activated sludge treatment.

YCUA is looking forward to the expansion completion, currently 91% of the equipment is on line and operational. The wastewater staff has addressed the difficulties created by the expansion project as

professionals, continuing to operate the treatment facility effectively. This is accomplishment in itself. The operation of a treatment facility requires expertise under normal operating conditions, with the complications created by the expansion the ability of the operational staff has been tested beyond what falls under normal operating conditions. Recognition is due for their patience, diligence, and fortitude.

State of the Authority

YCUA finds itself in favorable condition. Production levels are well above what once was to be considered the norm. Overtime expenditures are well within the reduced budgetary limitations. Projects are now being completed within time frames and budgetary guidelines. All of these accomplishments are due to the employee's ability to accept challenging standards and consider the collective good of the Authority.

YCUA survived the financial short falls and have negotiated acceptable union contracts. In order to be proactive in managing our financial situation we have implemented standard operating procedures to track and analyze the consumption of our larger customers. We have secured additional staff, which will be required in order to provide services for an expanded wastewater treatment facility, additional neighborhoods, and an aging water and sanitary infrastructure. The longevity of the Authority now rests in the hands of a productive work force. I have no doubt in the employee's ability to secure a successful future for YCUA.

J. Ray Scott commended Mr. Jessee and the YCUA staff for starting the first quarter out on a very positive note.

Informational only; no motion from the Board required.

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.

H. Financial Report – Authority Net Assets - Larry R. Thomas

Mr. Thomas directed the Board's attention to the Financial Report – Authority Net Assets Reports for December. 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.

I. Usage Report – Consumption Report - Larry R. Thomas

Mr. Thomas directed the Board's attention to the Consumption Report. 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.

J. Director's Report - Larry R. Thomas

Mr. Thomas directed the Board attention to the City of Ypsilanti Financial Report that was included in their packets as an informational item.

He advised the Board that the incinerator has been baked-out and that staff plans to begin introducing sludge the next morning at 9:00 a.m.

Mr. Thomas indicated that the organization analysis has been delayed slightly from the original intention of having a recommendation ready for this meeting. He stated that the Personnel Committee and the selection committee containing union employee representatives will be meeting with the top three bidders the following week in order to choose a final vendor. Mr. Thomas clarified that he anticipates having a recommendation for the Board's February meeting.

4. OLD BUSINESS:

There was no old business for the month.

5. OTHER BUSINESS:

Mr. Thomas advised the Board that staff is having some difficulties with the wastewater treatment plant chemical odor control scrubber unit and have requested the purchase of some equipment for the scrubbing facilities. T. Michael Jessee then gave the Board a detailed reporting of the problems being experienced with the differential pressure across the sludge packing bins. He indicated that staff's investigation found damage to the packing and possibly the grid work supporting the packing, which could have been caused either by lack of cleaning or regular usage.

Mr. Jessee stated that staff contacted MetoPro's Duall Division, sole source provider and the manufacturer of the packing unit, who came back with a proposal of \$43,602 to replace the packing. He indicated that staff is requesting approval of this purchase along with a contingency budget of \$4,398 in the event that grid damage is discovered during the installation.

Mr. Jessee recommended approval of the request to purchase odor control scrubber unit packing equipment from MetoPro's Duall Division in the amount of \$103,000 contingency budget of \$4,398.

Larry J. Doe asked for clarification that this equipment will eliminate the recent odor problems. Mr. Jessee responded that this equipment will improve the situation but that there are other issues relating to odor relative to the expansion and improvements project.

Mark Namatevs inquired as to whether this equipment is different from the air ionization equipment being considered. Mr. Jessee responded that they are two different systems. He added that air ionization will be used in the solids handling facilities as well as the solids storage TWAS areas.

Mr. Namatevs inquired as to whether this damage is to be expected under the equipment's normal service life. Mr. Jessee responded that it is likely the result of maintenance and cleaning issues. He stated that the vendor will provide proper training on the new equipment to avoid this problem in the future. He added that, beyond the complaints the Authority has received about odors relative to the Super Bowl, YCUA owes it to its residents to solve the problem expeditiously. Mr. Jessee responded that he feels comfortable projecting that, by summertime, there should not be the number of issues presently being experienced.

Motion by Wagner to approve request to purchase odor control scrubber unit packing equipment from MetoPro's Duall Division in the amount of \$103,000 contingency budget of \$4,398. Support by Scott. In favor: All. Opposed: None. (Motion carried)

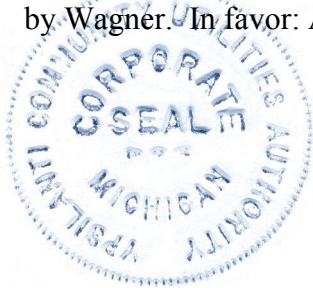
6. **STATEMENTS AND CHECKS:** Motion by Namatevs to pay the bills in the amount of \$2,914,953.99 plus an addendum in the amount of \$936,123.50. Support by Koryzno. In favor: All. Opposed: None. (Motion carried.)

7. **PUBLIC COMMENTS:**

Larry J. Doe welcomed students in attendance from Ypsilanti High School and Eastern Michigan University.

8. **ADJOURNMENT:** Motion by Namatevs to adjourn the meeting at 5:08 p.m. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

Respectfully submitted,




MARK NAMATEVS, Secretary/Treasurer