



Minutes

**YPSILANTI COMMUNITY UTILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
Tuesday, February 24, 2009 – 9:00 a.m.
YCUA Administration Building
2777 State Road
Ypsilanti, MI 48198-9112**

Members Present: J. Ray Scott, Mark Namatevs, Larry J. Doe, and Gregory A. Peoples.

Members Absent: Deedra Climer Bass.

1. **CALL TO ORDER:** Scott called the meeting to order at 9:06 a.m.
2. **MINUTES OF THE PREVIOUS MEETINGS:** Motion by Namatevs to receive and file the minutes of the January 27, 2009 meeting as presented. Support by Doe. In favor: All. Opposed: None. (Motion carried.)
3. **NEW BUSINESS:**
 - A. **Request to Approve – Annual Officer and Committee Member Appointments – Larry R. Thomas**

Mr. Thomas advised the Board that February is the month that officers and committee assignments are selected by the Board. He indicated that the current Board officers and committee appointments were in their packets for their review. Mr. Thomas also explained that any of the positions can be changed at this time but that even if it is decided that everything should remain as it is, there should be a motion to that effect.

Motion by Peoples to approve the Annual Officer and Committee Members with no changes. Support by Doe. In favor: All. Opposed: None. (Motion carried)
 - B. **Request to Approve – Dixon Engineering Proposal re: Bridge Road Water Storage Tank Project – T. Michael Jessee**

Mr. Jessee reminded the Board that this proposal was brought to the Board in November of 2008 in the amount of \$17,450 for the preparation of bidding documents for the painting and cathodic protection for the Bridge

Road storage tanks. He indicated that the Board suggested that YCUA staff investigate the possibility of putting artwork on the tanks. Mr. Jessee also explained that staff has done so and that it has been determined that it would cost somewhere between \$160,000 and \$180,000. He pointed out that this estimated cost does not include any design work.

Mr. Jessee explained that he is requesting the Board's reconsideration of the Dixon Proposal because staff does not feel the Authority's stakeholders would be amenable to the additional cost to the project. He further advised that the project is estimated at \$325,000 and, with the addition of artwork, the cost is near \$500,000.

Mr. Jessee stated that this estimate was obtained by Scott D. Westover through discussion with Dixon Engineering as well as other parties. He acknowledged that the cost is estimated at \$9.00 per square foot.

Mr. Jessee recommended approval of Dixon Engineering Proposal re: Bridge Road Water Storage Tank Project in the amount of \$17,450.

J. Ray Scott commented that artwork for the Bridge Road tanks is something that can be revisited in stronger financial times but that, at this time, it is not appropriate.

Motion by Doe to approve Dixon Engineering Proposal re: Bridge Road Water Storage Tank Project in the amount of \$17,450. Support by Namatevs. In favor: All. Opposed: None. (Motion carried)

C. Request to Approve – OHM Proposal re: Holmes Road III Water Main Project – T. Michael Jessee

Mr. Jessee advised the Board that YCUA staff is preparing to do this project, which involves the replacement of various size mains from Spencer Lane to Michigan Avenue on Holmes Road. He indicated that they will be replaced with approximately 5,000 feet of 16-inch water main. Mr. Jessee also explained that YCUA staff requested a proposal from OHM for the design work on that project and that they responded with a lump sum price of \$79,900.

Mr. Jessee recommended approval of the OHM Proposal re: Holmes Road III Water Main Project in the amount of \$79,900.

Motion by Peoples to approve the OHM Proposal re: Holmes Road III Water Main Project in the amount of \$79,900. Support by Doe. In favor: All. Opposed: None. (Motion carried)

D. Request to Approve – Eldon Ahles Administration Building Sidewalk Replacement Project – T. Michael Jessee

Mr. Jessee advised the Board that there are numerous areas of sidewalk that were put in with the original building and need to be replaced. He indicated that these areas have become a safety issue. Mr. Jessee also explained that, approximately 12 to 15 years ago, some of the sections were raised but that they have now begun to sink and crack. He pointed out that this presents a tripping hazard for the employees of the Authority as well as its customers.

Mr. Jessee explained that YCUA staff went through the bidding process and received numerous bids. He further advised that the low bid came in at \$16,110 from Best Asphalt. Mr. Jessee stated that staff is also suggesting a contingency in the amount of \$2,390 for a full project budget of \$18,500.

Mr. Jessee recommended approval of the Eldon Ahles Administration Building Sidewalk Replacement Project contract award to Best Asphalt in the amount of \$18,500.

Motion by Namatevs to approve the Eldon Ahles Administration Building Sidewalk Replacement Project contract award to Best Asphalt in the amount of \$18,500. Support by Peoples. In favor: All. Opposed: None. (Motion carried)

E. Request to Approve – 2009 Road Repair Projects – T. Michael Jessee

Mr. Jessee reminded the Board that, each year, the Authority performs road cut repair work. He indicated that roads are cut open when YCUA does water main and sanitary work in the roadways. Mr. Jessee also explained that the bidding procedure was completed and 11 bids were received from 17 prospective bidders. He pointed out that the lowest bid was from Bryant Asphalt Paving Company of LaSalle, Michigan but that they did not meet the bonding requirements nor were they MDOT prequalified.

Mr. Jessee explained that the second lowest bidder was Al's Asphalt Paving Company in the amount of \$152,538.75 with a contingency of \$22,461.325 for a full project budget amount of \$175,000.

Mr. Jessee recommended approval of the 2009 Road Repair Projects contract award to Al's Asphalt Paving Company in the amount of \$175,000.

Motion by Namatevs to approve the 2009 Road Repair Projects contract award to Al's Asphalt Paving Company in the amount of \$175,000. Support by Peoples. In favor: All. Opposed: None. (Motion carried)

F. Request to Approve – Agreement with Washtenaw County Road Commission re: Hewitt Road Water Main Replacement – T. Michael Jessee

Mr. Jessee advised the Board that YCUA is preparing to replace approximately 1,825 feet of eight-inch water main along Hewitt Road from Packard to Washtenaw. He indicated that staff would like to complete this project in the same way that they have done Holmes Road Phases I and II in conjunction with the road project that is going to be done by Washtenaw County Road Commission.

Mr. Jessee also explained that, in order to accomplish the same, the Authority must enter into an agreement with the WCRC for the estimated budget amounts of \$492,360 for water main and sanitary sewer replacement, \$46,000 for contingency, and \$36,800 for contract administration for a not-to-exceed budget of \$575,160. He pointed out that Tom Daniels and Scott Westover worked on this contract and that they are in agreement with it as written.

Mr. Daniels advised the Board that the WCRC and YCUA ended up in litigation with ABC Paving, who sued Washtenaw County and YCUA relative to a similar contract. He indicated that, at that time, he and the attorney for the Washtenaw County Road Commission revised the contract to address some of the things that came up there and substantially improved the agreement template. Mr. Daniels also explained that this is the contract that he worked on with Scott Westover, which is being presented to the Board today.

Mr. Jessee recommended approval of the Agreement with Washtenaw County Road Commission re: Hewitt Road Water Main Replacement for a not-to-exceed budget of \$575,160.

Motion by Peoples to approve the Agreement with Washtenaw County Road Commission re: Hewitt Road Water Main Replacement for a not-to-exceed budget of \$575,160. Support by Doe. 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 for January 31, 2009. 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 Report for January 31, 2009. 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.

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 report and answered questions from the Board.

J. Ray Scott inquired as to whether there is anything to report regarding the meetings that have been taking place with Detroit Water and Sewerage Department regarding a rate increase this year. Mr. Thomas responded that he has attended several of those meetings and that the latest news is that there will be a rate increase to YCUA of 9.6%.

J. Ray Scott suggested that, with a nearly 10% rate increase coming from Detroit, he would like to see the Authority be diligent and proactive in informing the citizenry that this is coming because the last thing people need these days is an unpleasant surprise.

Mr. Thomas concurred.

Informational only; no motion from the Board required.

J. Attorney's Report – Thomas E. Daniels

Mr. Daniels advised the Board that he has three items to report on this month, which have been reported on previously: the C.A. Hull lawsuit, the Meade Westvaco federal litigation, and the WTUA arbitration.

Mr. Daniels advised the Board that the C.A. Hull lawsuit is scheduled for non-jury trial beginning on the afternoon of March 6th. He indicated that, along with Mike Jessee and other staff involved in this matter, he is presently working on trial preparations. Mr. Daniels also explained that he spoke with the court yesterday regarding a trial schedule and he was advised that the parties need to be prepared for every Friday afternoon until the trial is completed with some afternoons in between depending on

the availability of the court staff, lawyers, and witnesses. He pointed out that the trial will probably be completed within a few weeks.

Mr. Daniels advised the Board that the Meade Westvaco federal litigation involving the air ionization equipment is in the midst of pretrial discovery. He indicated that, as he has previously reported, the depositions of Meade Westvaco's executives were to have taken place in March but that has again been changed because of their difficulty in committing to dates. Mr. Daniels also explained that scheduling difficulties have been resolved once again and now the depositions will take place in South Carolina on April 20 – 21, 2009.

Mr. Daniels advised the Board that pre-hearing discovery is ongoing in the WTUA arbitration. He indicated that the intensity of work on this matter is considerable and that, from January 9 to February 20, there were seven depositions and there are at least two depositions left including that of Larry R. Thomas, who will be deposed on Thursday. Mr. Daniels also explained that he has run into considerable difficulty getting WTUA to produce documents that the arbitration panel has ordered them to and there have been pretrial motions to compel them to comply with the panel's orders. He pointed out that WTUA has filed other motions that YCUA has had to respond to relative to similar matters including, for example, a motion that was filed asking the panel to clarify their previous orders for production of documents.

Mr. Daniels explained that the arbitration hearing is scheduled to begin on March 19th.

Informational only; no motion from the Board required.

K. Director's Report - Larry R. Thomas

Mr. Thomas advised the Board that Governor Jennifer Granholm will be at YCUA that afternoon at 1:00 p.m. for a press conference regarding the DWRF program and stimulus monies expected to come from Washington, DC.

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 Namatevs to pay the bills in the amount of \$2,851,036.40 with an addendum in the amount of \$5,510.75. Support by Doe. In favor: All. Opposed: None. (Motion carried)

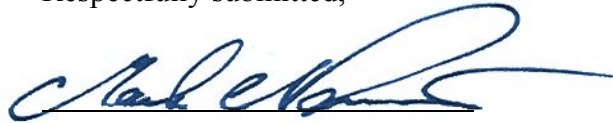
7. PUBLIC COMMENTS:

Jim Sample of Al's Asphalt Paving addressed the Board and thanked them for the opportunity to work with YCUA. He indicated that his company has 44 years of experience and has worked for a number of other municipalities and that the Authority will not even hear them on the streets while they take care of the road work.

Pat Morris, Chief Steward of AFSCME addressed the Board and inquired as to whether the press conference with Governor Granholm is open to the public. Larry R. Thomas responded that, per the governor's office, it is invitation only to members of the press and elected officials. Gwyn Belcher interjected that plans were not confirmed until about 4:00 p.m. yesterday afternoon.

8. ADJOURNMENT: Motion by Doe to adjourn the meeting at 9:32 a.m. Support by Peoples. In favor: All. Opposed: None. (Motion carried)

Respectfully submitted,



MARK NAMATEVS, Vice Chair

