



# Minutes

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**YPSILANTI COMMUNITY UTILITIES AUTHORITY  
BOARD OF COMMISSIONERS MEETING  
Tuesday, February 26, 2008 – 4:00 p.m.  
YCUA Administration Building  
2777 State Road  
Ypsilanti, MI 48198-9112**

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

**Members Absent:** None.

1. **CALL TO ORDER:** Doe called the meeting to order at 4:00 p.m.
2. **MINUTES OF THE PREVIOUS MEETINGS:** Motion by Peoples to receive and file the minutes of the January 22, 2008 meeting as presented with revision. Support by Scott. 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 the regular February Board meeting is specified by the Authority's founding documents as the month in which officers are elected by the Board and committee appointments are made. He indicated that two Board members serve on the YCUA Personnel Committee and that two serve on the Finance Committee. Mr. Thomas also explained that one City of Ypsilanti representative on the Board serves as a hearing officer for Charter Township of Ypsilanti residents and vice versa. He pointed out that the Board positions of Chair, Vice-Chair, and Secretary / Treasurer should be filled at this time as well.

Larry J. Doe interjected that wishes to step down from the position of Chair of the YCUA Board due to time constraints relative to the upcoming election.

J. Ray Scott commented that the committee listings as presented in the Board packet need to reflect the correction that Deedra Climer Bass is the Chair of the YCUA Personnel Committee.

Motion by Peoples to elect J. Ray Scott as the new Board Chair. Support by Bass. In favor: All. Opposed: None. (Motion carried)

Motion by Peoples to elect Mark Namatevs as the new Board Vice-Chair. Support by Scott. In favor: All. Opposed: None. (Motion carried)

Motion by Peoples to elect Deedra Climer Bass as the new Board Secretary - Treasurer. Support by Scott. In favor: All. Opposed: None. (Motion carried)

Motion by Scott to retain the committee appointments established on June 26, 2007. Support by Bass. In favor: All. Opposed: None. (Motion carried)

**B. Request to Approve - Laboratory Floor Coating Project - Perry M. Thomas**

Mr. Thomas directed the Board's attention to his letter requesting approval of the award of two contracts to complete the laboratory refinishing project. He indicated that YCUA solicited bids for the asbestos tile removal work and that Pranam Global Tech, Inc. was the lowest bidder at \$3,995. Mr. Thomas also explained that their references have checked out favorably. He pointed out that YCUA also solicited sealed bids for the resinous epoxy floor finish installation work. Mr. Thomas explained that the bidding documents specified that the determination of the lowest bidder would be based on the bid for the installation of the 1/8" resinous floor finish onto the main laboratory floor. He further advised that the documents also asked for separate quotations for refinishing the floors of each of the four rooms adjacent to the main lab. Mr. Thomas stated that Michigan Specialty Coatings, Inc. was the lowest bidder for installing the epoxy finish onto the main lab floor at \$14,786. He acknowledged that the Michigan Specialty Coatings, Inc. quote for the four adjacent rooms is \$5,134, for a total for the refinishing work in the amount of \$19,920. Mr. Thomas confirmed that the references for Michigan Specialty Coatings, Inc. were also favorable and the YCUA attorney is presently reviewing their insurance certificates. He explained that the total for the project is \$23,915 with a contingency of \$2,385 for a grand total of \$27,000.

Mr. Thomas recommended approval of the Laboratory Floor Coating Project in the amount of \$27,000.

Mr. Doe inquired as to the total square footage involved in the project. Mr. Thomas responded that the main lab is estimated at 2,000 square feet and that the four adjacent rooms total approximately 2,600 square feet.

Motion by Namatevs to approve the Laboratory Floor Coating Project in the amount of \$27,000. Support by Bass. In favor: All. Opposed: None. (Motion carried)

**C. Request to Approve - Sanitary Relining Project - T. Michael Jessee**

Mr. Jessee advised the Board that the Authority initiates a sanitary sewer lining project this time each year. He indicated that these projects are for the rehabilitation of sanitary sewers where issues are known to exist. Mr. Jessee also explained that the project involves a bidding process wherein the total footage is bid out. He pointed out that Insituform Technologies submitted the lowest bid in the amount of \$297,040 for the relining of approximately 4,000 feet of eight-inch sanitary main, 3,000 feet of 10-inch sanitary main, 1,000 feet of 12-inch sanitary main, 380 feet of 18-inch storm sewer, and 425 feet of 20-inch storm sewer.

Mr. Jessee explained that the storm sewers are located in the City of Ypsilanti. He further advised that a city employee contacted YCUA and wanted to piggy-back with the Authority on the project for some storm sewers in the Cross Street area and their footage was included in this bid. Mr. Jessee stated that the Ypsilanti Township portion of the sanitary bid totals \$177,816 and the City of Ypsilanti portion totals \$57,548, and the city storm sewers total \$61,675. He acknowledged that a contingency in the amount of \$42,960 is also being requested for a total budget of \$340,000.

Mr. Jessee confirmed that YCUA will be working on contract language with the City of Ypsilanti before the storm sewer work proceeds. He explained that Tom Daniels will be part of that negotiation process.

Mr. Jessee recommended acceptance of the Sanitary Relining Project in the amount of \$340,000.

Gregory A. Peoples asked for clarification as to the location of the storm sewers located in the City of Ypsilanti. Mr. Jessee responded that there is 905 feet of storm main on the north side of Cross Street near the curb starting near the tower and traversing east almost to Huron Street. He indicated that this storm sewer is in very poor condition. Mr. Jessee also explained that the issues were discovered while staff was investigating some illicit connections in the area.

Motion by Namatevs to accept the Sanitary Relining Project in the amount of \$340,000. Support by Scott. In favor: All. Opposed: None. (Motion carried)

**D. Request to Approve - Roof Replacement Project - T. Michael Jessee**

Mr. Jessee advised the Board that several of YCUA's facilities are in need of new roofs: Martz Road pump station and generator building, Grove Road pump station, Maus Street pump station, and the solids building where the incinerator is stored. He indicated that proper bidding procedures were followed and Duke Roofing was the low bidder in the amount of \$113,200. Mr. Jessee also explained that staff is requesting a contingency budget in the amount of \$16,980 for a total budget in the amount of \$130,180.

Mr. Jessee recommended approval of the Roof Replacement Project in the amount of \$130,180.

Motion by Bass to approve the Roof Replacement Project in the amount of \$130,180. Support by Peoples. In favor: All. Opposed: None. (Motion carried)

**E. Request to Approve – OHM Budget Amendment re: Whittaker Water Main Relocation - T. Michael Jessee**

Mr. Jessee reminded the Board that the Washtenaw County Road Commission (WCRC) relocated and relined Whittaker Road south of Textile. He indicated that, as part of that project, the WCRC paid for the replacement of a water main as well as some sanitary sewers in the area. Mr. Jessee also explained that OHM was contracted to oversee that work on behalf of YCUA while the WCRC did the work. He pointed out that OHM estimated that it would require 20 days to complete the work but, in reality, the work required 29 days. Mr. Jessee explained that part of this time difference is due to the fact that the installation of the sanitary main line took longer to install than anticipated because a boring contractor had trouble getting the encasements underneath the creek and leaks were encountered when the water main was pressure tested. He further advised that mains must maintain a specific pressure over a 24-hour period when inflated with air. Mr. Jessee stated that this main repeatedly failed this test and it was determined that the contractor had installed the gaskets incorrectly. He acknowledged that the water main installation was estimated at 3.6 days but actually required 6.25 days and that the installation of the sanitary sewer was estimated at 4.3 days and actually

required 9.2 days for a total of an eight day delay. Mr. Jessee confirmed that OHM is not requesting reimbursement for the full eight days but, rather, 3.5 10-hour days at \$80 per hour. He explained that OHM has also already expended \$1,200 for the project that is over budget.

Mr. Jessee recommended approval of the OHM Budget Amendment re: Whittaker Water Main Relocation in the amount of \$4,000.

Motion by Peoples to approve the OHM Budget Amendment re: Whittaker Water Main Relocation in the amount of \$4,000. Support by Namatevs. In favor: All. Opposed: None. (Motion carried)

Matt Parks from Orchard, Hiltz, and McCliment interjected that the amount approved is incorrect and that a second memo had been submitted to YCUA reflecting a reduced amount of \$2,100.

Larry J. Doe inquired as to whether the project had been completed. Mr. Parks responded that the project is complete with the exception of a final walkthrough that will take place sometime in the spring.

Mr. Jessee amended his recommendation for approval of the OHM Budget Amendment re: Whittaker Water Main Relocation in the amount of \$2,100.

Amended motion by Namatevs to approve the OHM Budget Amendment re: Whittaker Water Main Relocation in the amount of \$2,100. Amended support by Scott. In favor: All. Opposed: None. (Motion carried)

**F. Informational Item - First Quarter Production Report – T. Michael Jessee**

Mr. Jessee directed the Board's attention to the first quarter 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:

**Service Center Department**

*The YCUA Service Center Department experienced a productive first quarter with the completion of 14,233 tasks (spreadsheet attached), which included the inspection of 9,569 manholes and 1,005 underground infrastructure-staking requests. Additionally, as part of the sanitary collection system preventative maintenance program, there were 133,765 feet of sanitary sewer mains cleaned during the first quarter.*

*The fire hydrant preventative maintenance program was completed during the first quarter with all 3,104 hydrants inspected and winterized. This year there were ninety-nine (99) repairs and two (2) replacements. It should be noted that Mr. Jerry Evans, T & D Foreman, lead the charge on the fire hydrant winterization program. Each year all of the YCUA owned fire hydrants are inspected and winterized to ensure proper operation during the coming seasons. In an effort to ensure fire protection for our valued customers, YCUA also inspects and winterizes privately owned fire hydrants, repairs are the responsibility of the owners. Mr. Jeremy Rippey and Mr. Terry Shaffer, Hydrant/Underground Staking Technicians, were instrumental in implementing the hydrant repairs. Good job to all.*

*As you are aware, last fiscal year, YCUA purchased a mobile televising vehicle for the purpose of televising our sanitary collection system. During the first quarter, this vehicle was utilized in the televising of 20,712 feet of sewer main for an estimated savings of \$30,000. The mobile pipeline-televising vehicle was placed in operation during the second quarter of the fiscal year 2006/2007. Since then, there has been 73,910 feet of sanitary main televised for an estimated savings of \$110,865.*

*Illicit discharges are a major concern for YCUA for it allows sanitary sewer to pollute our environment. With an illicit connection of a sanitary sewer to a storm drainage system, the sewer is discharged into our rivers attributing to health concerns. Recently, YCUA became aware of illicit storm sewer connections on North Congress Street in the City of Ypsilanti. There were two sanitary sewer leads connected into a storm sewer, Mr. Mike Shaffer, T & D Foreman, and the service center crews relocated the sanitary leads and completed a proper connection into a sanitary sewer main. This is yet another customer service that is provided by the YCUA employees.*

*The Transmission and Distribution Department has expended \$19,750.95 in overtime expenses. This represents 10.98% of the \$179,824 budgetary amount.*

#### **Meter Department**

*The Meter Department continues to increase production and provide top quality customer service. Under the leadership of Mr. Bob Fry, Meter*

*Department Foreman, the meter department completed 33,082 meter reads this quarter, 10,708 by radio, 21,859 by hand-held interrogators, and 515 manual reads. In addition to the meter reads, the meter department completed 4,634 tasks during the quarter, which is a 33% increase over the previous first quarter. The most notable increase was the delivery of 24-Hour Non-Payment Turn Off Notices, 30% increase, and cross connection inspections with an increase of a 126%. Great job.*

*The Meter Department continues to rebuild meters in-house. During the quarter there were 246 residential meter rebuilds completed. In comparison to the previous quarter there were 138 rebuilds completed for a 78.2% increase in production. This is an example of the Authority maintaining an effective and efficient operation without the use of outside vendors.*

*The Mega-Net reading pilot program continues with Mr. Gary Bondie, Meter Service Technician, and Mr. Bob Fry working closely with the vendor to address dead zones in the radio system. It is suspected that the non-specific radio frequency is the issue. Currently, the vendor is in process of securing a Federal Communication Commission approved radio frequency for this project. We anticipate that the specific frequency will address the dead zones.*

*During the first quarter the Meter Department overtime compensation expenditures totaled \$1,169, which represent 10.6% of the \$10,965 budget*

### **Water Distribution**

*The Water Distribution Department continues to monitor and respond to operational issues in the distribution system. This quarter YCUA purchased and supplied 1,158,878,644 gallons of water to our customers. With the economy in a down turn, we have been anticipating little if any increase in consumption, contrary to our anticipation there has been an increase of 7.55% in consumption over the previous first quarter. This increase equates to 81,398,108 gallons. Good news indeed.*

*As you are aware, YCUA is in process of negotiations with Detroit Water and Sewer Department for a new water contract. Mr. Jeff Castro, Water Distribution Supervisor, has been instrumental in providing the Standard Operating Procedure (SOP) for the operation of the water distribution*

*system. When the SOP was presented to the DWSD negotiation team, it was accepted without hesitation, and it is being utilized for the operational model for other DWSD customers. In addition to the SOP, Mr. Jeff Castro has supplied the necessary consumption information to optimize our future predicted consumption rates for water rate calculations by DWSD. This has proven to be invaluable for the Authority to ensure that the DWSD water rates are held to a minimum. Mr. Jeff Castro is truly an asset to the Authority and the customers that we serve.*

*The water distribution department utilized \$1,406 in overtime compensation. This represents 3.01% of the \$46,744 budgetary amount.*

### **Maintenance Department**

*The Maintenance Department employees completed 2,741 work orders and 996 sanitary and water distribution station inspections for a total of 3,737 tasks completed during the first quarter. Station inspections are a large portion of the preventative maintenance program for our pumping facilities. The stations are inspected for complete operational capabilities including housekeeping. This ensures that the stations will operate properly during normal flows and are prepared to operate under adverse conditions as well.*

*Two of large air compressors utilized for the aeration tank operation were retrofitted for increase capacity. This was accomplished by a cooperative effort of YCUA and Roots Blower Inc. employees. YCUA provided the necessary labor and Roots Blower assisted with the technical expertise in the retrofit project. It should be noted; the Roots Blower representative indicated that Mr. Ray Dufek, Mr. Greg Caldwell, and Mr. Mike Morris were willing to provide the labor and eager to understand the internal operation of the compressors. It is always encouraging to learn of a demonstration of dedication exhibited by YCUA employees.*

*In addition to the compressor retrofit task, the maintenance department employees provide assistance in the completion of the bio-filter pilot project and the removal and replacement of 10" rubber pinch valves for the ash lagoons.*

*The Maintenance Department Management Team continues to expend overtime compensation in an effective manner. The first quarter*

*expenditures totaled \$27,563, which equates to 19.7% of the \$139,489 budgeted amount*

### **Compliance Department**

*The YCUA compliance department continues to provide the regulatory and operational information necessary to ensure a successful wastewater treatment operation and industrial pretreatment program (IPP). Through the course of the first quarter the compliance department completed 6,835 analyses, 13 Significant Industrial User (SIU) sampling events, 5 SUI inspections, and reviewed 31 SUI self-monitoring reports during the first quarter. In addition to the normal workload the compliance department employees completed the extensive sampling and analysis required for the re-evaluation of the local limits for pollutants of concern for the YCUA wastewater service area.*

*Mr. Luther Blackburn, IPP Supervisor, is currently finalizing the Fats, Oil, and Grease program for a full implementation. As noted in the previous quarterly report, this program has become a priority due to the problematic effect that the discharge of fates, oil, and grease creates for the sanitary collection system. Mr. Keenan Crump, Transmission and Distribution Supervisor, reported significant blockages associated with fats oil and grease in the Cross Street area of our collection system. A cooperative effort was implemented to address this situation; the Service Department cleared the blockages as well as televising the associated sanitary mains. The Compliance Department implemented inspections of the food service vendors, provided regulatory information, and issued compliance timelines. Great job to all.*

*The Compliance Department expended \$1,458.32 in overtime compensation for the first quarter. This expenditure represents 9.86% of the budgeted amount of \$14,777.*

### **Customer Service**

*The Customer Service Department has been focused on converting the utility billing system to Clarity, the web-based version of the current software. This process has been laden with problems from the start, and*

*the resolution of outstanding issues is ongoing. YCUA was the first Civic customer to convert from the SQL version to the web-based version, and the process has presented challenges for both the CIVIC and Caselle staffs, in addition to our staff. Despite the frustration and problems the conversion presented, the YCUA customer service staff was true to form and rose to the challenges. The staff managed the issues with very little impact on our customers. When the customers were affected (i.e., temporary deletion of the consumption graph on the bill), the staff handled the calls and concerns with exceptional customer service, despite being extremely frustrated at the ongoing problems with the utility billing system. Additionally, the staff from CIVIC systems has been very conscientious in working with us to rectify and resolve the problems, including sending additional support to work with us on-site, at no cost to YCUA. Once the system is operating as it should be, Cathy Moorman, Customer Service Manager, will be working to implement additional programs that will allow increased on-line customer access to their YCUA accounts.*

*Although difficult to report numbers regarding collection activity due to the conversion process, Pam, our collections clerk, and Cathy Moorman have continued to respond to the financial situation of our customers, and have done a phenomenal job of balancing the customers' needs within the Authority parameters. On average during this quarter, each week, over 100 letters are sent out to customers who are behind in paying their outstanding balances. On average, only 13-15 of those customers actually had their water service terminated. Pam works diligently with customers to set up payment arrangements amenable to both parties.*

*As discussed in a recent Authority-wide operations committee meeting, although the customer service staff does not work outside in inclement weather in the middle of the night like other departments, they are often faced with, and more so now than ever, unhappy, angry, and even threatening customers. Because they handle these situations professionally and with great care, we rarely hear about them. The entire staff deserves recognition for the manner in which they handle this very difficult portion of their job.*

### **Wastewater Treatment Department**

*During the first quarter the Wastewater Treatment Plant Department found themselves completing multiple projects. The filtration process has been scheduled to receive anthracite coal for a replenishing project for the filters. This has required assistance from the maintenance department to ensure that the filters are in proper operational condition in addition to the thorough cleaning by the operational staff. As odor control is a priority for YCUA, the operational staff collected data associated with the bio-filter pilot project for analytical process by Tetra Tech and Biorem, bio-filter manufacture. Mr. Kevin Dupuis, Wastewater Treatment Supervisor, has been instrumental in the data collection process with the operation of a dual metering devise that monitors and records the bio-filter influent and effluent air flows for odor causing agents. With the winter weather looming in the near future, the operational staff has addressed the cold weather concerns with temporary air supplies introduced into the off-line tanks, this will ensure the tanks is prepared to be placed into operation in short notice as well as protecting the sludge collection mechanisms from ice damage.*

*The Wastewater Treatment Department processed 1,918,007,000 gallons of sanitary sewerage during this quarter; this is a decrease of 0.84% in comparison to the first quarter of the fiscal year 2006/2007. With the recorded flow YCUA staff processed and incinerated 6,329 tons of sludge during the first quarter. There has been an increase in revenue of 66.9% for our septage hauling treatment process. During the first quarter there were 381,025 gallons of septage received for revenue of \$26,671.75, previous first quarter totals were 237,275 gallons with received revenue of \$16,069.*

*The Wastewater Management Team expended \$12,525.41 for overtime compensation; this represents 11.29% of the \$110,850 budgeted amount.*

### **Engineering Department**

*The Engineering Department Manager, Mr. Scott Westover, estimates a savings of \$49,000 for engineering design efforts of the engineering department during the first quarter. A listing of the projects is attached for your review. Additionally, YCUA received \$1,411 for community development review fees and \$5,352.46 for escrow administrative fess*

*associated with the community development projects. This results in a savings contribution of \$ 55,763.46 to YCUA by the engineering department.*

*During the first quarter the engineering department addressed an emergency sanitary repair in the Grove Road area. It was discovered that a sanitary main located in the rear lawns of our customers had deteriorated to a degree of major concern. The engineering department prepared the necessary documentation and secured a contractor to replace the sanitary main. This action abated the possibility of a major failure that would have resulted in numerous sanitary back-ups in the homes of our customers. Additionally, the project was completed within budget and in a timely fashion. Mr. Sree Mullapudi, YCUA Engineer, continues to address the efforts of our Global Information System by successfully merging numerous sources of data in varying formats. This task serves to update our base maps for the water and sanitary infrastructures. This is proving to be beneficial to the transmission and distribution employees in the completion of their duties. With the updates the employees can now reference the base maps via laptops in our service vehicles.*

*The first quarter overtime expenditures for the Engineering Department were \$129.60, which represents 2.25% of the \$5,740 budgeted amount.*

### **State of the Authority**

*I am proud to report that all departments are reporting acceptable production rates and operational expenditures. As you are aware, YCUA strives to provide an exceptional level of customer service. This is evident with the response of the Customer Service Department in assisting customers with payment issues due to limited financial resources during poor economical situations and the response of YCUA staff to address the sanitary blockage and compliance issues due to the discharge of fats, oil, and grease. Additional examples of customer service are, the relocation project of sanitary leads to abate illicit discharges and the management of resources to address the sanitary emergency in the Grove Road area. These examples of customer service are the foundation of YCUA.*

*In conclusion, with consideration given to the dedication of the YCUA employees in addressing our responsibilities to our stakeholders, the Authority is in exceptional state of operational success.*

J. Ray Scott inquired as to status of YCUA's response to a letter he received from a customer who had a complaint regarding a particular YCUA staff member. Gwyn Belcher responded that the matter has been resolved completely.

Mark Namatevs requested clarification as to why 10% of overall receivables are 90 days and over on the reconciliation of accounts receivable spreadsheet. Ms. Belcher responded that these figures are skewed by the C.A. Hull litigation and the outstanding amount relative to that matter in addition to the extreme downturn in the economy.

Deedra Climer Bass inquired as to whether this differs from historical data relative to the same. Ms. Belcher responded that it is typical of past reports. She added that, with the higher level of late payments and delinquent accounts, YCUA's customer service staff is doing an excellent job of balancing the fine line of compassion for customers and running a business. Ms. Belcher indicated that, as a result, the number of shut offs each week is only a fraction of the number of 10-day letters sent out.

Mark Namatevs inquired as to why the maintenance department overtime figures are higher than other departments. Mr. Jessee responded that there were a couple of power outages during this period as well as an incident where a car hit a telephone pole at Duncan and Harris.

J. Ray Scott and Gregory A. Peoples asked that Mr. Jessee pass on their thanks to the employees for the great work.

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 for January 31, 2008. 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, 2008. 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.

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. He indicated that the C.A. Hull litigation depositions were held on February 4, 2008. Mr. Daniels also explained that he and Mr. Jessee were present the entire day deposing four employees from C.A. Hull. He pointed out that the depositions went as expected and that there was no particular testimony that changed their view of the fact that C.A. Hull is responsible for the damage to the sewer line in question. Mr. Daniels explained that depositions of employees of the project engineering firm URS are scheduled for early March. He further advised that depositions of YCUA employees are scheduled later in March.

Mr. Daniels stated that there has been some significant, immediate pretrial motion activity in the Federal District Court relative to the Meade Westvaco matter. He acknowledged that Meade Westvaco took the step of moving the case to the Federal court, YCUA filed a motion to have it remanded to the state court where it was originally filed, and Meade Westvaco filed their response to that motion on February 11, 2008. Mr. Daniels confirmed that YCUA's reply is due on March 3<sup>rd</sup> and that it is ready to go and will be filed on that date. He explained that Meade Westvaco also filed a motion to dismiss the case and his response was filed on the due date of February 11<sup>th</sup> along with an affidavit from Tom Allbaugh and Tetra Tech that outlined some of the essential portions of the claim as to why Meade Westvaco is responsible in this case even though they have long since withdrawn from the LLC with which YCUA was originally contracted. Mr. Daniels pointed out that the Authority is confident in what was submitted and does not believe Meade Westvaco's Motion for Summary Disposition will be granted. He also stated that Meade Westvaco has a reply brief due on March 3<sup>rd</sup> and then the matter is scheduled for oral argument in the Federal District Court in April.

Mr. Daniels advised the Board that YCUA and WTUA have recently agreed upon and selected together a panel for the arbitration matter. He indicated that he has a meeting on March 4, 2008 with the YCUA auditor Mark Kettner to get started on preparations for that arbitration hearing.

Mr. Daniels also explained that there will be a three member panel, which makes it a little bit more difficult to schedule with some of the pre-hearing activity

He pointed out that all three of these matters are moving forward as expected. Mr. Daniels explained that YCUA particularly confident about its position in the Meade Westvaco matter, particularly since more detail was recently provided to the court from Tom Allbaugh and Tetra Tech about how, in the beginning stages of the transaction for the purchase of the air ionization equipment, Meade Westvaco essentially led YCUA to believe that they were financially backing and committed to the project through its completion.

Informational only; no motion from the Board required.

**M. Director's Report - Larry R. Thomas**

Mr. Thomas advised the Board that he has one item to report on. He indicated that the incinerator is presently offline for IDI's inspection as part of their original installation contract. Mr. Thomas also explained that there is an issue with the granulated activated carbon scrubber, which is part of the air scrubbing system for the incinerator. He pointed out that the differential pressure going in and out of the scrubber was no longer meeting permit requirements, which required YCUA staff to shut the incinerator down.

Mr. Thomas explained that staff has examined everything and taken the old carbon filtration media out of the unit and disposed of it. He further advised that the retaining walls for those media were examined and three out of four need to be replaced. Mr. Thomas stated that the carbon filtration media got wet and caused a series of problems that, in turn, caused the deterioration of those retaining walls. He acknowledged that it took a good deal of research to determine the cause for these retaining walls to be compromised in their ability to hold the media and staff is finally comfortable that replacement of those walls with a similar material is needed. Mr. Thomas confirmed that it is also crucial to make sure that the preceding filtration devices that are intended to remove the moisture from the gas stream are working properly so that, in the future, the media will not get wet. He explained that it is designed that there should be no free water in that media but that, because of some other problems upstream of the carbon filter, it did get wet.

Mr. Thomas pointed out that a couple of prices have been received and staff is in the process of getting a purchase order in place and negotiating the payment in order to get the process going. He also stated that he hopes

to have this completed this week, at which point he will place the order and this matter will be brought to the Board for approval at the March meeting. Mr. Thomas advised the Board that, although he does not have the final cost at this point, this is something that needs to be moved forward with simply because it is costing the Authority a lot of money to take sludge to landfill as well as the fact that it causes a lot of public consternation regarding the odors that the movement of that sludge causes. He indicated that the purchase agreement will be with the company that supplied the material originally, which should help with getting everything installed quickly and correctly. Mr. Thomas also explained that this can be considered an emergency due to the amount of money being spent on landfilling sludge and the public perception that causes. He pointed out that those three walls will cost approximately \$110,000. Mr. Thomas explained that YCUA will be doing the installation.

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 Namatevs to pay the bills in the amount of \$3,641,485.39 with an addendum of \$11,260. Support by Peoples. In favor: All. Opposed: None. (Motion carried)

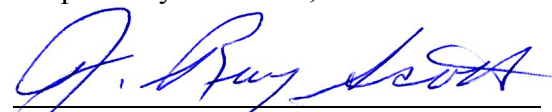
**7. PUBLIC COMMENTS:**

There were no public comments for the month.

- 8. ADJOURNMENT:** Motion by Namatevs to adjourn the meeting at 4:54 p.m. Support by Scott. In favor: All. Opposed: None. (Motion carried)



Respectfully submitted,

  
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J. RAY SCOTT, Chair