



# Minutes

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**YPSILANTI COMMUNITY UTILITIES AUTHORITY  
BOARD OF COMMISSIONERS MEETING  
Tuesday, April 24, 2007 – 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.

**Members Absent:** Edward B. Koryzno, Jr.

1. **CALL TO ORDER:** Doe called the meeting to order at 4:00 p.m.
2. **MINUTES OF THE PREVIOUS MEETING:** Motion by Peoples to receive and file the minutes of the March 27, 2007 meeting. Support by Scott. In favor: All. Opposed: None. (Motion carried.)

3. **NEW BUSINESS:**

A. **Customer Request to Address Board** – T. Michael Jessee

Larry J. Doe advised the Board that Mr. Manolakis originally requested to address the Board but later declined. He explained that Mr. Manolakis instead forwarded a letter addressed to the YCUA Board of Commissioners, paraphrased as follows:

*Dear Board Member:*

*I was scheduled to address you in person at your April 24 meeting but unfortunately my work schedule does not allow me to do so.*

*Some of you may know about the dispute I've had with YCUA over the last nearly 2 years. Some of you may not. As the Board of this organization, I don't believe you've been given the whole story regarding this matter. Policy was not followed and rules were broken. I'd like to point out what happened and why I think I am being harassed.*

*First off, the invoice is paid which removes this issue from the court system and takes lawyers out of the picture as well. I don't have the budget your management assumes I have to hire lawyers and to fight a \$20 million organization.*

*To recap what happened, back in June 2005 the tenant in my rental home called to let me know the “toilet wasn’t flushing well.” No sooner than hanging up I had a company on site to snake the sewer lines like a responsible landlord would. They could not get past about 15 feet from the cleanout and told me I needed to hire someone to excavate this one area to solve the problem. They showed me exactly the area that needed to be dug up. It was an open area without any obstruction such as trees etc. Overall, not a major excavation project. They found a broken clean out at time of inspection.*

*I then called YCUA to advise them of the situation and they told me “don’t hire an excavation company yet – let us come out and check the main line before you do that.” I said OK and met two YCUA employees onsite immediately after my call. They checked the main line, found no problems, then asked who I had hired to snake the line. I told them. They then told me I should hire Larry Baird to snake the line. No other names. (This is a violation of YCUA policy. Employees are not allowed to recommend just one contractor.)*

*Had I not followed YCUA employee’s advice, I would have solved the problem on my own for a fraction of what I ended up paying. YCUA would not have been involved. No dispute would have occurred. It would have all ended right there. I wouldn’t have had to pay Larry Baird \$480 either. I do question exactly what relationship these employees had with Mr. Baird. Why was only he recommended? Is it family? Are there kickbacks in place? Seems very suspicious.*

*Following YCUA instructions, I did exactly that. I called Larry Baird. Mr. Baird came out a short time after and worked for several hours. In doing so, he moved whatever was blocking the sewer line to the front of the house where it got blocked again. He continued to work on the blockage and ended up moving the blockage again to the area under the street in front of house where he was not able to move any further. I paid him \$480. And I was no further ahead. Here is the next issue. Whose problem is this at this point? I spent several hundred dollars snaking the sewer line while whatever blockage was on my property and city property. Your YCUA website states:*

*“If the problem with sanitary sewer is found to be inside the property line, all costs associated with repairing the sewer line will be paid for by the owner. If the problem is found to be outside the property line, all costs associated with repairing the sewer line will be paid for by YCUA.”*

*This is a direct quote from your website. Please review this and tell me where the problem that was corrected by YCUA was located. There is no notation saying in this policy stating, “except when problem was first inside of property line.” That doesn’t exist. Your Board of*

*Commissioner's Policy is exactly as stated in the highlighted text above.  
Second violation of policy.*

*YCUA workers were on site by this time. Supervisor Crump told me a team of 4 guys would take 8 hours to handle this repair. He never mentioned truck rental, he never mentioned labor benefits, he never mentioned administrative overhead costs, and he didn't even mention material costs. He said 4 guys, 8 hours. Your organization claims that is a verbal contract. Why is a \$20 million organization dealing in verbal contracts to begin with? Do you think that is good business? Do you think other \$20 million dollar organizations ever deal in verbal contracts? Is this how the Board of Commissioners wants the management of YCUA to enter into contract? Clearly, this is a poorly managed area of your organization. Of course I wasn't billed for just four guys, eight hours. I was billed for all of the above-mentioned items plus 83 man-hours not 32. That was not a part of any verbal contract. If Mr. Crump tells you he mentioned to me any one of those items (besides four guys, eight hours) he is telling a lie. I would call this padding the bill. I never agreed to a blank check to solve this problem that was in large part caused by YCUA.*

*In addition, this job was also used for employee training according to your records. Why should I pay for the training of your employees? The records also indicate that your employees waited for several hours for "Ms Dig" to arrive before they could begin work. And I was billed for that idle time for all those employees. This includes 35 hours of overtime!*

*Even though I believe I would have prevailed in court had this issue reached that level and I would have not been liable for any of the bill, based on what I've already described, I do feel some responsibility should be borne by me. That is why I twice offered to settle this matter. First for \$2000 then after reading the documents from the FOIA request \$1200. The latter figure was based on 32 labor hours at \$21.68 per hour plus material costs of \$473.37, which totals \$1167.13. YCUA did not contract this repair out. The employees were YCUA employees, already being paid by YCUA, and all vehicles used are owned by YCUA as well. But that's a whole other issue that I won't even begin to address here.*

*I've been singled out by YCUA and threatened with legal fights and civil penalties. Because I happened to own a single rental property, which for the record I sold 3 months ago, I am seen as a deep-pocketed landlord. I am not a deep-pocketed landlord. I am an airline employee who began to sell real estate part time to make ends meet after taking a 20% wage cut at the airline. \$3,173 is a lot of money to me. It may not be to you, but it is to me. I tried to work this out with YCUA management but to no avail. As a member of the Board of Commissioners, I would hope you would want to do the right thing and not tolerate this type of mismanagement in the organization you oversee.*

*Do I think this letter will change anything? Probably not. I know how these things work. An unnamed "insider" has told me that Larry Thomas will do whatever Mike Jessee tells him to do and that Mike Jessee and Keenan Crump are buddies that stick together and that Larry Doe won't do anything that goes against Larry Thomas. Sad how your internal politics work. No one is willing to step up and to the right thing or to take accountability.*

Mr. Jessee advised the Board that he does not have documentation of the exact date that the repairs took place in his possession right now. He indicated that Mr. Manolakis had a problem with his sanitary sewer. Mr. Jessee also explained that the property in question is a rental unit and that there was tenant living there. He pointed out that Mr. Manolakis called a plumber but that the plumber was not able to free the blockage. Mr. Jessee explained that Mr. Manolakis then called the Authority and that YCUA staff told him not to call an excavation company yet but to let the Authority's crew come out and make sure that their main is down and running. He further advised that YCUA's crew did so.

Mr. Jessee stated that he could not verify Mr. Manolakis's claim that one of the Authority's employees told him to call Baird Sewer Cleaning Services. He acknowledged that YCUA has used Baird in the past but that YCUA does not recommend any contractors to its customers. Mr. Jessee confirmed that YCUA merely advised Mr. Manolakis to call a plumber. He explained that Mr. Manolakis called Baird but that they could not free the obstruction either. Mr. Jessee pointed out that the problem was a toy ball that got pushed to the YCUA side of the sewer lead from Mr. Manolakis's side of the land. He also stated that Keenan Crump, supervisor of the Service Center, went to the location and confirmed with Mr. Manolakis that there was an object obstructing the sewer and advised that it was his responsibility to remove because it came from his service.

Mr. Jessee advised the Board that Mr. Manolakis inquired as to whether the Authority crew could excavate and remove it. He indicated that Mr. Crump, supervisor of the Service Center, told him that YCUA could do the work and would charge him for four men for eight hours. Mr. Jessee also explained that Mr. Manolakis agreed and that YCUA did the job. He pointed out that the job actually took about 12 hours and that there was quite a few other people involved and, as this letter indicates, the Service Center did use the situation for the training of a new employee.

Mr. Jessee explained that Service Center Director Henry Gerst sent out an invoice in the amount of \$5,800. He further advised that Mr. Manolakis then called Mr. Gerst and said that the invoice was not what was agreed upon and Mr. Gerst reduced the bill down to \$3,500. Mr. Jessee stated that Mr. Manolakis was still not happy and continued to call Mr. Gerst as well as Gail Thomas in customer service. He acknowledged that the issue

was then referred to him. Mr. Jessee confirmed that he looked at the invoice and called Mr. Manolakis to express his concern. He explained that he then reduced the invoice down to exactly what was agreed upon: four men for eight hours and associated equipment and materials totaling \$3,173. Mr. Jessee pointed out that Mr. Manolakis was still unhappy with the situation and, on June 1, 2006, made a payment offer of \$2,000, which Mr. Jessee declined because YCUA had much more than that invested in the project. He also stated that Mr. Manolakis subsequently did not pay the invoice, at which time the matter was turned over to YCUA attorney Tom Daniels.

Mr. Jessee advised the Board that Mr. Daniels then sent a letter to Mr. Manolakis, who hired an attorney that submitted a Freedom of Information Act request to the Authority. He indicated that the information was supplied to Mr. Manolakis's attorney and that there was more correspondence between the two attorneys. Mr. Jessee also explained that Mr. Manolakis came into the YCUA offices on March 30, 2007 and paid the bill. He pointed out that this entire issue has spanned a time period of approximately two years.

Mr. Jessee explained that Mr. Manolakis makes many allegations in his letter that aren't true. He further advised that YCUA did the job to correct an obstruction caused by the property owner, which is not its normal procedure. Mr. Jessee stated that he intends to instruct his departmental directors not to do this in the future because it puts the Authority in a very awkward situation. He acknowledged that many customers do not realize that YCUA is a union shop and that wages are quite high compared to some contractors. Mr. Jessee confirmed that a customer is often unpleasantly surprised when he or she gets the invoice.

Gregory A. Peoples inquired as to exactly how much Mr. Manolakis paid. Mr. Jessee responded that he paid \$3,173.63 and that the original invoice was for \$5,800 and some change.

J. Ray Scott inquired as to whether it is accurate that a YCUA employee recommended the contractor Baird Sewer Cleaning and, if it is, whether the employee has been identified. Mr. Jessee responded that he has not identified the employee, that he just saw Mr. Manolakis's letter today, and he spoke with Mr. Crump who indicated that he did not make the recommendation to call Baird. He stated that he is not sure who made the recommendation and that it cannot be substantiated that any YCUA employee made such a recommendation. Mr. Scott commented that the customer bears the burden of properly identifying the individual in question if, indeed, the employee made the recommendation that he is claiming. He added that he is completely satisfied with the position of the Authority and that everyone handled the situation well.

No action was taken by the Board.

**B. Request to Approve – YCUA Resolution No. 07-4 re: Retirement of Ken Knorp - Larry R. Thomas**

Mr. Thomas advised the Board that Ken Knorp, a wastewater treatment plant foreman at YCUA, has completed 26 years of service to the Authority and has requested retirement as of April 1, 2007. He directed the Board's attention to a resolution announcing his retirement and commending him for his service. Mr. Thomas also explained that Mr. Knorp has been a valuable member of the YCUA staff for 26 years and the resolution is fitting at the time of his retirement.

Mr. Thomas recommended approval of Resolution no. 07-4 regarding the retirement of Ken Knorp.

Motion by Peoples to approve Resolution no. 07-4 regarding the retirement of Ken Knorp. Support by Scott. In favor: All. Opposed: None. (Motion carried)

**C. Presentation of Award of Appreciation to Philip W. Wagner - Larry R. Thomas**

Mr. Thomas advised the Board that the Authority wishes to present Phil Wagner with a plaque of appreciation for his three years of service on the YCUA Board. He indicated that Mr. Wagner's devotion and leadership to the Authority at a time of major expansion to the wastewater treatment plant was a tremendous benefit to the community. Mr. Thomas also explained that Mr. Wagner was invited to the meeting to receive the plaque but was not in attendance.

Larry J. Doe commended Mr. Wagner for his exemplary service to the Authority.

Informational only; no motion from the Board required.

**D. Request to Approve – Michigan Avenue Emergency Sewer Repair Project - T. Michael Jessee**

Mr. Jessee directed the Board's attention to his memo regarding the Michigan Avenue emergency sewer repair. He indicated that the Board members were informed when the problem with the East Michigan Avenue sewer was discovered.

Mr. Jessee also explained that YCUA crews had responded to a sewer backup and had discovered large amounts of sand, dirt, and gravel in the main, which indicated a collapse. He pointed out that the main was too deep for the Authority's equipment to excavate. Mr. Jessee explained that YCUA staff contacted three construction companies for quotes and chose D.N. Higgins, Inc. to do the work. He further advised that, at the time, staff anticipated the replacement of a section of main of unknown length. Mr. Jessee stated that it turned out to be a broken riser on the main, which

D.N. Higgins repaired. He acknowledged that the invoice submitted is for \$30,310.87. Mr. Jessee confirmed that Higgins's initial quote was \$22,000, however the job took longer than had been anticipated and the temporary road repair exceeded the quote estimate for bituminous and fill material. He explained that this is an O & M expense.

Mr. Jessee recommended approval of the request for authorization to pay the D.N. Higgins, Inc. invoice in the amount of \$30,310.87.

Gregory A. Peoples inquired as to whether there was any language in the original proposal that allowed for any overage. Mr. Jessee responded that the job was bid on a time and materials basis.

Motion by Namatevs to approve the request for authorization to pay the D.N. Higgins, Inc. invoice in the amount of \$30,310.87. Support by Peoples. In favor: All. Opposed: None. (Motion carried)

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

Mr. Jessee directed the Board's attention to his memo regarding the tailhouse roof replacement. He indicated that staff is recommending the replacement of the 28-year-old roof on the filter tailhouse building at the wastewater treatment plant. Mr. Jessee also explained that the Authority's engineering staff prepared specifications and conducted the bidding process for the project. He pointed out that YCUA received one bid from Wm. Molnar Roofing, Inc. in the amount of \$45,455. Mr. Jessee explained that this project qualifies for EPA replacement fund use.

Mr. Jessee recommended approval of the contract with Wm. Molnar Roofing, Inc. in the amount of \$45,455 with a contingency budget of \$4,545, for a total budget of \$50,000.

Mark Namatevs inquired as to the size of the roof. Mr. Jessee responded that it is not very large. Mr. Namatevs inquired as to why the replacement is so expensive for such a modestly-sized project. Mr. Jessee responded that the materials and labor necessary for this type of flat, industrial grade roofing is extremely expensive.

J. Ray Scott inquired as to the life expectancy of the new roofing system. Mr. Jessee responded that most industrial roofs are rated for 30 years, which is not guaranteed but is what the manufacturer estimates. He added that the roof will come with a one-year quality and workmanship guarantee.

Motion by Scott to approve the contract with Wm. Molnar Roofing, Inc. in the amount of \$45,455 with a contingency budget of \$4,545, for a total budget of \$50,000. Support by Namatevs. In favor: All. Opposed: None. (Motion carried)

**F. Request to Approve – Sanitary Sewer Relining Project - T. Michael Jessee**

Mr. Jessee directed the Board's attention to his memo regarding the sanitary relining projects for 2007. He indicated that, each year, YCUA budgets funds to reline specific areas of its sanitary sewer system. Mr. Jessee also explained that this year, the Authority is targeting areas where the sewer is located in the rear or side yards of its customers. He pointed out that these rear or side yard collection mains pose a problem for routine maintenance activities due to the proximity of houses and garages. Mr. Jessee explained that the areas selected this year are: Lowell Street and the western portion of Michigan Avenue in the City of Ypsilanti, and Ridge, Clark and Dorset Roads and the Candlewood / Rambling / Lexington area in Ypsilanti Township. He further advised that YCUA's engineering staff prepared specifications and conducted appropriate bidding procedures. Mr. Jessee stated that one bid was received from Insituform Technologies USA, Inc. in the amount of \$171,667.50. He acknowledged that sewer relining is a cost-effective alternative to the removal and relocation of problem sewers. Mr. Jessee confirmed that this is a budgeted expense.

Mr. Jessee recommended approval of the contract with Insituform in the amount of \$171,667.50 with a contingency budget of \$25,832.50, for a total budget of \$197,500.

Gregory A. Peoples inquired as to whether it is customary to get only one or two bids for such a major project. Mr. Jessee responded that it is not and that YCUA generally receives more bids for a project of this size. He indicated that it is possible that the economic climate in southeastern Michigan has made it difficult for the smaller companies that do this kind of work to stay in business. Mr. Jessee indicated that the Authority has never had any major disputes with any of its contractors, so that business reputation should not be an issue.

Both Larry J. Doe and J. Ray Scott inquired as to whether it is possible to do a better job of scouting for potential contractors for big budget projects such as this one. Mr. Jessee responded that bids are advertised on the YCUA website, in *The Michigan Builders' Publication*, and *The Ann Arbor News*. He added that vendors are also contacted individually if they have been known to do the work in the past. Mr. Jessee suggested that he can begin making follow-up calls to make sure that requests for proposals are being received. He also suggested that he interview some of the contractors who have abstained from bidding in the past and come back to the Board with a report.

Mr. Doe inquired as to whether re-bidding could create any timing issues for this project or the tailhouse roof. Mr. Jessee responded that this and the roof project can wait even though the roof is leaking but that he would

not recommend hesitating too long to complete the Lowell Street sewer relining.

J. Ray Scott interjected that it would not be wise from a cost standpoint to sit on the aforementioned. Mark Namatevs commented that YCUA should take these two incidences under advisement and move forward with a quick study on the purchasing and bidding procedures.

Motion by Namatevs to approve the contract with Insituform in the amount of \$171,667.50 with a contingency budget of \$25,832.50, for a total budget of \$197,500. Support by Scott. In favor: All. Opposed: None. (Motion carried)

**G. Request to Approve - Vehicle Purchase Project - T. Michael Jessee**

Mr. Jessee directed the Board's attention to his memo regarding the 2007 vehicle purchases for the Authority. He indicated that staff is recommending the purchase of vehicles for our service, industrial pretreatment, and maintenance departments. Mr. Jessee also explained that the purchases include one 10 – 12 yard dump truck, one commercial van, and two pickup trucks with utility boxes. He pointed out that Henry Gerst, Director of Service Operations, and John Nowling, Director of Maintenance Operations, prepared the specifications and conducted appropriate bidding procedures. Mr. Jessee explained that replacement of vehicles at the Authority is an ongoing project with an annual budget. He further advised that these are budgeted purchases to be paid through the equipment fund.

Mr. Jessee recommended approval of the request for authorization to purchase one commercial van from Gene Butman Ford in the amount of \$14,965, one dump truck from Wolverine Truck Sales, Inc. in the amount of \$103,169, and two pickup trucks from Gene Butman Ford in the amount of \$51,548.30.

Mr. Namatevs commented that it is nice to see competitive bids coming back in from Gene Butman Ford. He inquired as to whether any company more local than Wolverine was able to bid on the dump truck. Mr. Jessee responded that there were no other bids for that particular item.

Motion by Namatevs to approve the request for authorization to purchase one commercial van from Gene Butman Ford in the amount of \$14,965, one dump truck from Wolverine Truck Sales, Inc. in the amount of \$103,169, and two pickup trucks from Gene Butman Ford in the amount of \$51,548.30. Support by Scott. In favor: All. Opposed: None. (Motion carried)

**H. Request to Approve – Golfside Interceptor Manhole No. 37-A - T. Michael Jessee**

Mr. Jessee reminded the Board YCUA is in the process of replacing sewer manhole 37-A, which is located at the intersection of Munger and Michigan Avenue. He indicated that the manhole was found to be in extremely poor condition due to deterioration caused by long-term exposure of hydrogen sulfide being released from the sewage at that location. Mr. Jessee also explained that Tetra Tech was authorized to proceed with engineering and bidding specifications several months ago. He pointed out that the formal bidding procedure was not followed due to the high-traffic location and the high volume of flow, and that, instead, a selective bidder list of five known vendors was contacted. Mr. Jessee explained that two bids were received: O'Laughlin Construction at \$459,705 and D.N. Higgins, Inc. in the amount of \$426,880. He further advised that staff recommends awarding the project to D.N. Higgins, the low bidder, with a contingency budget of \$53,120. Mr. Jessee advised that this project has been budgeted. He further advised that it is also recommended that this project be paid through the Township Division reserve for construction. Mr. Jessee stated that this fund requires Township Board authorization to use.

Mr. Jessee recommended approval of the contract with D.N. Higgins, Inc. in the amount of \$426,880 with a contingency budget of \$53,120 for a total of \$480,000 to be paid from the Township Division Reserve for Construction funds upon approval of the Ypsilanti Township Board of Trustees.

Motion by Peoples to approve the contract with D.N. Higgins, Inc. in the amount of \$426,880 with a contingency budget of \$53,120 for a total of \$480,000 to be paid from the Township Division Reserve for Construction funds upon approval of the Ypsilanti Township Board of Trustees. Support by Scott. In favor: All. Opposed: None. (Motion carried)

**I. Request to Approve – YCUA Resolution No. 07-5 re: DWRP Project Plan - T. Michael Jessee**

Mr. Jessee directed the Board's attention to Resolution no. 07-5 adopting the YCUA DWRP project plan updated and to be submitted on April 27, 2007. He indicated that the Authority is in the process of revising and updating its capital plan for the next 25 years. Mr. Jessee also explained that the MDEQ requires that the Board adopt the updated plan. He pointed out that this is an MDEQ requirement to qualify for DWRP project funds.

Mr. Jessee recommended approval of Resolution 07-5 regarding the DWRP Project Plan.

Motion by Scott to approve Resolution 07-5 regarding the DWRP Project Plan. Support by Peoples. In favor: All. Opposed: None. (Motion carried)

**J. Request to Approve - Laboratory Countertop Project - Perry M. Thomas**

Mr. Thomas directed the Board's attention to his memo regarding the laboratory countertop and fume hood replacement project. He indicated that the countertops and fume hoods in the wastewater treatment plant laboratory are in need of replacement due to normal wear and the fact that they contain asbestos. Mr. Thomas also explained that YCUA will be replacing the materials with non-asbestos containing products. He pointed out that two bids were received and the low bid was from Farnell Contracting, Inc. in the amount of \$48,609. Mr. Thomas explained that this project qualifies for the use of EPA replacement funds.

Mr. Thomas recommended approval of the contract with Farnell Contracting, Inc. in the amount of \$48,609 with a contingency budget in the amount of \$5,000, for a total of \$53,609.

Mark Namatevs inquired again as to why there were so few bidders on this project. Larry R. Thomas responded that this particular item is extremely specialized due to the asbestos abatement involved. Mr. Jessee interjected that this is also a bad time of year for this type of work because many of the contractors are already tied up on projects that need to be done while schools are out for the summer. Mr. Namatevs asked that this project be added to the test case as to why so few bidders are responding to YCUA's requests for proposals.

Motion by Namatevs to approve the contract with Farnell Contracting, Inc. in the amount of \$48,609 with a contingency budget in the amount of \$5,000, for a total of \$53,609. Support by Scott. In favor: All. Opposed: None. (Motion carried)

**K. Informational Item – Second Quarterly Production Report - T. Michael Jessee**

Mr. Jessee directed the Board's attention to the second quarterly 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:

**Wastewater Treatment Plant**

*The wastewater treatment plant staff is currently operating the incinerator as the single means of solid disposal. The wastewater operating staff has developed the ability to effectively operate the incinerator and address operational issues with minimal assistance from the management team. This is quite an accomplishment when consideration is given to the continuing operating parameter adjustments being implemented by the incinerator manufacture IDI. The collective goal of the operating staff is*

*to operate the incinerator and decrease natural gas and electrical consumptions. Additionally, the wastewater staff has operated the incinerator without any violations of the air permit. Congratulations are in order for the entire wastewater team.*

*The wastewater treatment plant treated 2,173,006,000 gallons of wastewater during the second quarter, compared to 2,039,085,000 gallons during the second quarter of the fiscal year 2005/2006. This represents an increase of 6.57%.*

*The solids treatment process produced 6,032.76 tons of sludge during the second quarter. When compared to the previous fiscal year second quarter there has been a decrease of 882.52 tons or 12.76 %. YCUA has received and processed 360,300 gallons of septic sewage for which \$24,680.75 has been invoiced.*

*The wastewater treatment department has incurred \$34,307 in overtime expenditures during the fiscal year; this represents 27.8% of the budgetary amount of \$123,167.*

### **Customer Service Department**

*The customer service staff has continued to perform well particularly in light of staff members missing due to extended medical leaves. Each of the department employees is to be commended for their extra effort and positive attitude during this period. Sherry Easterday, particularly, has demonstrated the true meaning of teamwork by her exemplary attitude and dedication over the past nine months as she balanced her cash receipt clerk duties with billing clerk duties. She has managed to perform both functions with great competence and has maintained her positive, professional attitude. YCUA is extremely fortunate to have the customer service staff we currently have.*

*Highlights of the 2<sup>nd</sup> quarter 2007 statistics are:*

- *The number of new customers is down by more than one-half over last year at this time.*
- *Outstanding Accounts Receivable figures are skewed by the \$272,541.01 billed to the contractor that worked on the I-94 Service Drive sound barrier wall project and filled the sewer main with concrete. To date, all attempts to collect this bill have failed. It is now in the hands of the Authority attorney.*
- *Number of shut-offs required is approximately 2½ times what they were at the same time last year.*

- *The amount of funds collected as a percentage of funds outstanding requiring 10-day letters is down from last year.*

*It is apparent that the current economic conditions of southeastern Michigan are filtering through the Authority customers.*

*We are very pleased with the manner in which the customer service staff is balancing the needs of the Authority with the difficult situation some of our customers find themselves in. The level of customer service delivered by YCUA staff is incomparable.*

*The Customer Service Department has expended \$2,541 in overtime compensation during this fiscal year. The expenditure represents 40.2% of the budgetary amount of \$6,315.*

#### **Maintenance Department**

*YCUA's maintenance department continues to provide support in the area of equipment and grounds maintenance for the Authority's wastewater treatment facility, sanitary pumping stations, water distribution system, service center, and information technology. With 3,301 work orders completed during the second quarter it is obvious that the tasks at hand are plentiful.*

*As you are aware, YCUA is addressing the odor control issues here at the wastewater treatment facility. The maintenance department completed the installation of the necessary equipment to inject VX-456 into the primary sludge storage tanks. This project resulted in a noticeable reduction in odorous emissions from the primary solids storage tanks. Great job maintenance employees.*

*The aeration blower project is under way with the disassembly of the No. 3 blower. This project will increase the capacity of the blower from 16,000 cubic feet per minute (CFM) to 30,000 CFM. It is anticipated that the No. 2 blower will be disassembled in the coming weeks.*

*Mr. Ray Dufek, maintenance mechanic, designed and installed the pipe work and sampling ports on the thickened waste activated sludge piping. Additionally, Mr. Dufek was instrumental in the installation of the foam suppression system for the effluent cascade. Great work, Mr. Dufek.*

*The maintenance department has incurred \$41,036 of overtime expenses during the second quarter; this represents 27.3% of the budgetary amount of \$150,466.*

**Engineering Department**

*The engineering department enjoyed a successful second quarter with the completion of the design for the following projects, the LeForge Lift Station renovation, M-17 water main replacement, and Carol Street water main. Additionally, continuing effort is underway for the completion of the Wild Life Management plan, YT-01 Golden Anderson PRV replacement, and the DWRP loan application. Additionally, the engineering department continues to address daily requests for assistance from other YCUA departments.*

*During the second quarter, the engineering department contributed \$58,125 to the Authority. This was accomplished through the estimated savings of \$49,000 for in-house engineering design, \$4,225 invoiced for community development design review fees, and \$4,900 for administration of the community development escrow account.*

*The engineering department has expended \$378 in overtime. This represents 5.9% of the budgetary amount of \$6,378.*

**Service Department**

*The service department employees completed 10,626 tasks in the second quarter, which represent a healthy production rate. Included in the tasks were thirty (30) water main break repairs, 505 staking requests, and the flushing/cleaning of 80,809 feet of sewer main.*

*As you are aware, YCUA recently purchased a mobile pipeline inspection vehicle. With the use of this equipment, the YCUA service department personnel inspected 11,869 feet of sanitary main for an estimated savings of \$32,000. The inspections resulted in the discovery and cleaning of thirty-five (35) sanitary main flow restrictions, some of which had flow restriction of 75%. The service department management team reports that the personnel have taken the task of mastering the use of the inspection equipment with enthusiasm. This is evident given the estimated savings and flow restrictions that were addressed. With an approximate investment of \$140,000 and a reported fiscal quarter savings of \$32,000 the financial pay back on the investment should occur with fifteen (15) months. Thank you, service department, for seizing an opportunity to enhance YCUA's ability to maintain the sanitary collection system.*

*The Bridge Road demolition contractor struck and broke one of the 16" water mains that provide water to the southern portion of Ypsilanti Township, Augusta Township, and a portion of Pittsfield Township. Don Asher, water distribution operator, responded with quick and decisive*

*action to avoid total system pressure loss by utilizing Bridge Road storage tank levels and adjusting flow rates within the system. Great job, Mr. Asher.*

*With a collective effort by Scott Westover, engineering manager, Keenen Crump, transmission and distribution supervisor, and Henry Gerst, director of service operations, a water main isolation plan was developed. The responding service crew implemented the isolation plan and the 16" broken water main was isolated with repair procedures beginning the next day. This is an example of dedication and superior knowledge of the water distribution system. Thanks to all involved for the extra effort exhibited in addressing a potentially devastating situation.*

*The overtime expenditures for the service department were within budgetary limitations. There was \$63,712 expended for overtime, which represents 31.8% of the budgetary amount of \$199,806.*

#### **Water Distribution Department**

*During the second quarter YCUA purchased 966,353,919 gallons of water from the Detroit Water and Sewer Department. Distribution was as follows: Ypsilanti Township: 454,138,279; City of Ypsilanti: 175,954,003; Pittsfield Township: 241,083,152; Superior Township: 66,515,122; Augusta Township: 28,663,360. It should be noted, the Ypsilanti Township distribution system is utilized in providing water to Augusta, Pittsfield, and Superior Townships.*

*The water distribution department has expended \$8,083 in overtime compensation for the fiscal year. That expenditure represents 15.5% of the budgetary amount of \$51,938.*

#### **Meter Department**

*During the second quarter, the meter department employees completed 32,492-meter reads. A total of 11,500 by radio, 20,413 by hand held interrogators, and 579 manually. Additionally, there were 2,722 tasks completed which included changing out meters, cross connection inspections, and customer courtesy calls.*

*The meter department worked on Saturday January 27, 2007 to install radio read equipment within the City Division. This overtime work allowed the meter department to install 46 MXUs which increased the city division to seven vehicle routes out of thirty-two. The accomplishment associated with the radio reading equipment installation is the reduction in man-hours required to complete the meter reads. This will allow*

*recouped man-hours to be utilized in the back-flow prevention inspections program, preventative maintenance on the industrial/commercial meters, and curb box repairs. Great job meter department personnel.*

*The meter department incurred \$7,197 in overtime expenditures through the second quarter. This represents 65.6% of the \$10,965 budget. As represented in the overtime chart, the meter department is slightly over budget. This can be attributed to the overtime incurred on January 27 with the MXU installations, and the severe cold weather that occurred from February 1, through February 24, 2007. It is anticipated that the overtime expenditures will decrease and will be within budget by fiscal year end.*

#### **Compliance Department**

*The compliance department (wastewater laboratory and the Industrial Pretreatment Program) personnel performed 7,986 analyses during the second quarter. The second quarter goal for the compliance department was to improve the Quality Assurance and Quality Control (QA/QC) program. The charting of the QA/QC results for the various analyses performed in the YCUA Laboratory is a method utilized to evaluate precision and accuracy of the operation of analyses. By confirming the accuracy of the QA/QC program YCUA verifies the deliverable analytic results are correct.*

*The Industrial Pretreatment Program purchased a subscription from Sales Genie Database Service. This service allows YCUA personnel to verify pertinent information concerning our industrial pretreatment customers. This is a great tool for tracking and inspecting a significant industrial user concerning the nature of their reported business.*

*The compliance department expended \$2,592 in overtime during the second quarter. The expenditures represent 15.7% of the budgetary amount of \$16,419.*

#### **State of the Authority**

*YCUA stands on solid ground as we concluded our second fiscal quarter of 2006/2007. The incinerator is on line and performing well. Negotiations continue with IDI (the incinerator manufacturer) for the remaining punch list items. Reported water main breaks have been within projected totals and the repairs have been completed within overtime compensation budgetary limitations. All departments are reporting acceptable production rates.*

Mark Namatevs commented that he would like to see YCUA establish a quarterly report to the Board of any and all legal issues involving the Authority. J. Ray Scott concurred. Mr. Jessee inquired as to whether there are any criteria that should be considered when compiling this report. Mr. Namatevs responded that issues over \$10,000 should certainly be concerned but that Mr. Daniels should be called upon to give a brief informational update on any current legalities.

Informational only; no motion from the Board required.

**L. 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.

**M. Financial Report – Authority Net Assets - Larry R. Thomas**

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

**N. 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.

Mr. Scott inquired as to whether the Detroit overcharge went to their fire protection system. Mr. Thomas responded that this went to their 911 emergency system and will show up as a credit to YCUA for future water purchases.

Informational only; no motion from the Board required.

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

Mr. Thomas advised the Board that negotiations are moving well with PCS Metro for leasing space on Shadford Towner and that Tom Daniels is drafting contract language that should be ready for Board consideration at the May meeting.

He indicated that Nokia Clearwire, a wireless Internet provider, is interested in leasing space as well. Mr. Daniels interjected that this would be the fourth user of space on the Shadford Tower but that there is plenty of space. He indicated that the company's paperwork seems to be in order but that the lease consultant will be contacted before the contract is finalized.

Mr. Thomas advised the Board that the Township Division bond sale was completed on April 19<sup>th</sup> and that there were \$6.205 million sold in refunding bonds for the Township Division, refunding part of the wastewater treatment plant expansion / improvement bonds and \$1.5 million in new money for the Ecorse M-17 water main replacement project. He indicated that the Township refunding portion will save the Authority about \$475,000 over the next 25 years in bond payments, which is about \$276,000 in present value.

He also advised that Superior Township and YCUA have been in contact regarding the replacement of a water main on Clark Road, which is one of the main feeds to Superior Township from the Authority. Mr. Thomas stated that if Superior Township proceeds with the project, YCUA will join in the project in order to replace a portion of YCUA's main so that the entire problematic section can be replaced. He stated that there have been a number of main breaks in that area due to the proximity of residential housing foundations.

Mr. Thomas advised that \$134,000 has been budgeted for this project for a number of years pending a move by Superior Township to begin the work. He stated that it is anticipated that Superior Township will be doing the work this construction season and that a recommendation should be forthcoming to the Board in order to allow YCUA to piggy-back onto the project.

**4. OLD BUSINESS:**

**P. Request to Approve – Use of Lease Fund for M-17 Water Main Replacement Project - Larry R. Thomas**

Mr. Thomas reminded the Board that approval was given last month for the transfer of funds to MDOT to cover the cost of the water main replacement on the M-17 project. He indicated that the Township Division portion is largely being funded through a bond sale. Mr. Thomas also explained that, at the beginning of the project, staff estimated that the Township portion would be about \$1.5 million. He pointed out that, as it turned out, the Township portion was slightly more than the \$1.5 million estimate and the bond sale produced slightly less than \$1.5 million in usable funds. Mr. Thomas explained that, consequently, \$105,903.30 of the project is currently not funded. He further advised that Board approval is needed in order to fund \$105,903.30 of the M-17 water main replacement project with Township Division lease funds.

Mr. Thomas recommended approval of the request to fund \$105,903.30 of the M-17 water main replacement project with Township Division lease funds.

Motion by Scott to approve the request to fund \$105,903.30 of the M-17 water main replacement project with Township Division lease funds. Support by Peoples. In favor: All. Opposed: None. (Motion carried)

**5. OTHER BUSINESS:**

There was no other business for the month.

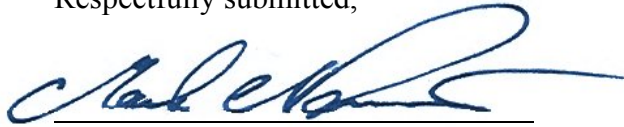
- 6. STATEMENTS AND CHECKS:** Motion by Namatevs to pay the bills in the amount of \$4,550,458.34 plus an addendum in the amount of \$227,027.50. Support by Scott. In favor: All. Opposed: None. (Motion carried.)

**7. PUBLIC COMMENTS:**

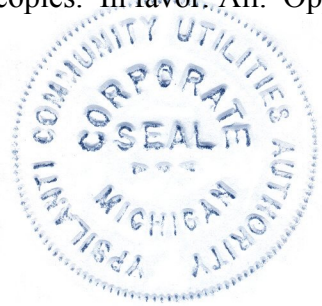
There were no public comments for the month.

- 8. ADJOURNMENT:** Motion by Scott to adjourn the meeting at 4:59 p.m. Support by Peoples. In favor: All. Opposed: None. (Motion carried)

Respectfully submitted,



MARK NAMATEVS, Secretary/Treasurer



**YCUA RESOLUTION NO. 07-4 ANNOUNCING  
THE RETIREMENT OF KEN KNORP AND  
COMMENDING HIM FOR HIS SERVICE**

Minutes of a regular meeting of the Board of Commissioners of the Ypsilanti Community Utilities Authority, County of Washtenaw, Michigan, held in the Authority, on the 24<sup>th</sup> day of April 2007 at 4:00 o'clock p.m., Eastern Daylight Time.

PRESENT: Commissioners Larry J. Doe, Mark Namatevs, J. Ray Scott, and  
Gregory A. Peoples

ABSENT: Commissioners Edward B. Koryzno, Jr.

The following preamble and resolution were offered by Commissioner Peoples and supported by Commissioner Scott:

WHEREAS, Ken Knorp, an employee of the Ypsilanti Community Utilities Authority, has completed twenty-six (26) years of service to the Authority; and

WHEREAS, Ken Knorp has requested retirement as of April 1,2007 and

WHEREAS, Ken Knorp demonstrated probity, loyalty, dependability, and dedication to this employment; and

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners of the Ypsilanti Community Utilities Authority commends Ken Knorp for his accomplishments and years of service to the Authority and expresses its appreciation to him.

BE IT FURTHER RESOLVED THAT a suitably inscribed copy of this Resolution of Retirement be sent to Ken Knorp as an expression of the Board's sincere appreciation for his years of service and the desire to convey its best wishes for good health and happiness in his retirement.

AYES: Commissioners Larry J. Doe, Mark Namatevs, J. Ray Scott, and  
Gregory A. Peoples

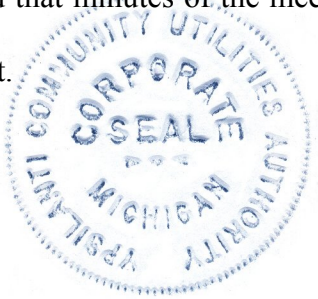
NAYS: Commissioners None.

RESOLUTION DECLARED ADOPTED.



  
MARK NAMATEVS, Secretary - Treasurer

I hereby certify that the attached is a true and complete copy of a resolution adopted by the Board of Commissioners of the Ypsilanti Community Utilities Authority, County of Washtenaw, State of Michigan, at a regular meeting held on the 24<sup>th</sup> day of April 2007 and that public notice of said meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976 and that minutes of the meeting were kept and will be or have been made available as required by said Act.



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MARK NAMATEVS, Secretary - Treasurer

**YCUA RESOLUTION No. 07-5 ADOPTING THE**  
**YCUA DRINKING WATER REVOLVING FUND PROJECT PLAN**  
**UPDATE DATED APRIL 27, 2007**

Minutes of a regular meeting of the Board of Commissioners of the Ypsilanti Community Utilities Authority, County of Washtenaw, Michigan, held in the Authority, on the 24<sup>th</sup> day of April 2007 at 4:00 o'clock p.m., Eastern Daylight Time.

PRESENT: Commissioners Larry J. Doe, Mark Namatevs, J. Ray Scott, and  
Gregory A. Peoples

ABSENT: Commissioners Edward B. Koryzno, Jr.

The following preamble and resolution were offered by Commissioner Scott and supported by Commissioner Peoples:

**WHEREAS**, the Ypsilanti Community Utilities Authority recognizes the need to make improvements to its existing water transmission and distribution system; and

**WHEREAS**, the Ypsilanti Community Utilities Authority prepared an update to the Drinking Water Revolving Fund Project Plan, originally adopted by the Ypsilanti Community Utilities Authority April 26, 2005. The updated Project Plan, for the City of Ypsilanti and Charter Township of Ypsilanti, recommends the implementation of 64 separate improvements during a 25-year planning period; and

**WHEREAS**, said Project Plan update was presented at a Public Hearing held on Thursday, April 19, 2007 and all public comments have been considered and addressed;

**NOW THEREFORE BE IT RESOLVED**, that the Ypsilanti Community Utilities Authority formally adopts said Project Plan update and agrees to implement the selected alternatives stated in the Project Plan.

**BE IT FURTHER RESOLVED**, that the Director of the Ypsilanti Community Utilities Authority, a position currently held by Larry R. Thomas, is designated as the authorized representative for all activities associated with the project referenced above, including the submittal of said Project

Plan update as the first step in applying to the State of Michigan for Drinking Water Revolving Fund Loans to assist in the implementation of the selected alternatives.

AYES: Commissioners Larry J. Doe, Mark Namatevs, J. Ray Scott, and

Gregory A. Peoples

NAYS: Commissioners None.

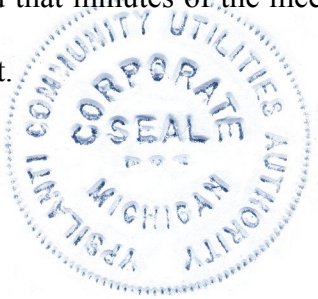
RESOLUTION DECLARED ADOPTED.



A handwritten signature in blue ink, appearing to read "Mark Namatevs", is written over a horizontal line.

MARK NAMATEVS, Secretary/Treasurer

I hereby certify that the attached is a true and complete copy of a resolution adopted by the Board of Commissioners of the Ypsilanti Community Utilities Authority, County of Washtenaw, State of Michigan, at a regular meeting held on the 24<sup>th</sup> day of April 2007 and that public notice of said meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976 and that minutes of the meeting were kept and will be or have been made available as required by said Act.



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MARK NAMATEVS, Secretary - Treasurer