



Minutes

**YPSILANTI COMMUNITY UTILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
Tuesday, April 25, 2006 – 4:00 p.m.
YCUA Administration Building
2777 State Road
Ypsilanti, MI 48198-9112**

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

Members Absent: Larry J. Doe

1. **CALL TO ORDER:** Koryzno called the meeting to order at 4:02 p.m.
2. **MINUTES OF THE PREVIOUS MEETING:** Motion by Wagner to receive and file the minutes of the March 28, 2006 meeting. Support by Scott. In favor: All. Opposed: None. (Motion carried.)
3. **NEW BUSINESS:**
 - A. **Request to Approve Construction Services for Hewitt / Valley / Congress Water Main Replacement Project-** T. Michael Jessee

Mr. Jessee directed the Board's attention to a construction services proposal from OHM for the Hewitt / Valley / Congress water main replacement project. He indicated that staff is anticipating an early summer start for this project. Mr. Jessee also explained that the contract is estimated to be \$315,000. He pointed out that YCUA would be charged for professional services hourly, with the not-to-exceed limit of \$315,000. Mr. Jessee explained that this will provide consultant construction services for this project. He further advised that this project is being funded through a DWRf low interest loan.

Mr. Jessee recommended approval of the proposal from OHM for the Hewitt / Valley / Congress water main replacement project with a not-to-exceed amount of \$315,000.

Motion by Wagner to approve the proposal from OHM for the Hewitt / Valley / Congress water main replacement project with a not-to-exceed amount of \$315,000. Support by Scott. In favor: All. Opposed: None. (Motion carried)

B. Request to Approve Construction Services for Ecorse / Emerick / I-94 Water Main Replacement Project - T. Michael Jessee

Mr. Jessee directed the Board's attention to a construction services proposal from OHM for the Ecorse / Emerick / I-94 water main replacement project. He indicated that staff is anticipating an early summer start for this project. Mr. Jessee also explained that the contract is estimated to be \$310,000. He pointed out that YCUA will be charged for professional services hourly, with the not-to-exceed limit of \$310,000. Mr. Jessee explained that this will provide consultant construction services for this project. He further advised that this project is being funded through a DWRP low interest loan.

Mr. Jessee recommended approval of the proposal from OHM for the Ecorse / Emerick / I-94 water main replacement project with a not-to-exceed amount of \$310,000.

Philip W. Wagner commented on the importance of completing this work in a timely manner because it is crucial to the fire protection in that area.

Motion by Wagner to approve the proposal from OHM for the Ecorse / Emerick / I-94 water main replacement project with a not-to-exceed amount of \$310,000. Support by Scott. In favor: All. Opposed: None. (Motion carried)

C. Request to Approve Engineering Services for Lowell Street Water Main Replacement Project- T. Michael Jessee

Mr. Jessee advised the Board that the City of Ypsilanti has notified YCUA that it will be paving Lowell Street this summer. He indicated that this is the Authority's opportunity to replace the water main under the pavement. Mr. Jessee directed the Board's attention to a proposal from OHM for design services for the project in the amount of \$37,500. Mr. Jessee also explained that, as roadwork is done, water mains are replaced whenever possible. He pointed out that he anticipates that this project will be paid through bond funds held by the city. Mr. Jessee explained that a meeting with city finance and DPW staff will confirm this at a later date.

Mr. Jessee recommended approval of the proposal from OHM for design services for the Lowell Street Water Main Replacement Project in the amount of \$37,500.

Edward B. Koryzno, Jr. inquired as to whether sewer cleaning and televising would be done in this area. Mr. Jessee responded affirmatively, indicating that the cleaning and televising would be completed by the time the project starts.

Motion by Namatevs to approve the proposal from OHM for design services for the Lowell Street Water Main Replacement Project in the

amount of \$37,500. Support by Wagner. In favor: All. Opposed: None.
(Motion carried)

D. Request to Approve Hewitt / Valley / Congress Sanitary Cleaning and Televising - T. Michael Jessee

Mr. Jessee advised the Board that, as part of the Hewitt / Valley / Congress, staff intends to clean and televise all the sewers in the project area to determine if any repairs need to be done as part of the project. He indicated that sealed bids for the project were received on April 18th following the proper bidding procedures. Mr. Jessee also explained that two bids were received. He pointed out that the low bid was from Inland Waters in the amount of \$59,910. Mr. Jessee explained that, as staff is working in the area, repairs to the sewers could be made. He further advised that America Underground has the contract for the cleaning and televising of the area but, due to technical difficulties, had not completed the \$62,000 remaining on that contract.

Mr. Jessee recommended the award of the Hewitt / Valley / Congress Sanitary Cleaning and Televising contract to Inland Waters in the amount of \$59,910, pending approval by the YCUA attorney.

Motion by Wagner to approve the Hewitt / Valley / Congress Sanitary Cleaning and Televising contract to Inland Waters in the amount of \$59,910, pending approval by the YCUA attorney. Support by Scott. In favor: All. Opposed: None. (Motion carried)

E. Request to Approve Hewitt / Valley / Congress DWRF Water Main Replacement Construction Project - T. Michael Jessee

Mr. Jessee advised the Board that the Hewitt / Valley / Congress DWRF water main replacement construction project was advertised and bids were received on April 18th. He indicated that YCUA staff and OHM engineers reviewed the bids and the low bidder was Pamar Enterprises in the amount of \$2,844,120.30. Mr. Jessee also explained that this is the construction contract for the water main replacement project. He pointed out that this project is in the Authority's capital budget and is funded by the DWRF low interest loan program through MDEQ.

Mr. Jessee recommended approval of award of the contract to Pamar Enterprises in the amount of \$2,844,120.30 pending completion of all MDEQ requirements necessary for the completion of the DWRF loan.

Motion by Namatevs to approve award of the contract to Pamar Enterprises in the amount of \$2,844,120.30 pending completion of all MDEQ requirements necessary for the completion of the DWRF loan. Support by Scott. In favor: All. Opposed: None. (Motion carried)

F. Request to Approve – Ecorse / Emerick / I-94 DWRF Water Main Replacement Construction Project - T. Michael Jessee

Mr. Jessee advised the Board that the Ecorse / Emerick / I-94 DWRP water main replacement construction project was advertised and bids were received on April 18th. He indicated that YCUA staff and OHM engineers reviewed the bids and the low bidder was Goldstein Enterprises in the amount of \$1,873,695.95. Mr. Jessee also explained that this is the construction contract for the water main replacement project. He pointed out that this project is in the Authority's capital budget and is funded by the DWRP low interest loan program through MDEQ.

Mr. Jessee recommended approval of the award of the contract to Goldstein Enterprises in the amount of \$1,873,695.95 pending completion of all MDEQ requirements necessary for the completion of the DWRP loan.

Motion by Wagner to approve the award of the contract to Goldstein Enterprises in the amount of \$1,873,695.95 pending completion of all MDEQ requirements necessary for the completion of the DWRP loan. Support by Namatevs. In favor: All. Opposed: None. (Motion carried)

G. Request to Approve - Administration and Wastewater Departments Copier Purchases - T. Michael Jessee

Mr. Jessee advised the Board that the Authority has budgeted the purchase of two copiers. He indicated that one is for the administrative offices and the other for the wastewater treatment plant office. Mr. Jessee also explained that an RFP was advertised in accordance with YCUA's purchasing procedures. He pointed out that three bids were received. Mr. Jessee explained that the RFP required the demonstration of the products. He further advised that all three demonstrations have been completed and that staff has selected the proposal of American Digital Networks in the amount of \$20,136.00. Mr. Jessee stated that a copier is needed in the administrative offices and a replacement copier is needed in the wastewater treatment plant office. He acknowledged that the purchase of the copiers is budgeted at \$50,000 in the capital budget for this year.

Mr. Jessee recommended approval of the award of the contract to American Digital Networks in the amount of \$20,136.00.

Mark Namatevs inquired as to the location of American Digital Networks. Mr. Jessee responded that he could not recall. Mr. Namatevs then inquired as to whether the amount included a service contract. Mr. Jessee responded affirmatively, indicating that the service contract was indeed included in the purchase price.

Motion by Namatevs to approve the award of the contract to American Digital Networks in the amount of \$20,136.00. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

H. Request to Approve Change Order No. 27 re: Wastewater Treatment Plant Expansion/Improvements Project - T. Michael Jessee

Mr. Jessee directed the Board's attention to is Change Order No. 27 for the WWTP expansion/improvements project as well as his memo regarding the change order. He indicated that the change order covers several items addressed in his memo and represents an increase in the project cost in the amount of \$51,592. Mr. Jessee also explained that this change order brings total changes to \$3,865,310. He pointed out that the change order addresses items that were discovered during the project as well as changes that staff requested. Mr. Jessee explained that there are sufficient funds in the contingency fund to cover this increase.

Mr. Jessee recommended approval of Change Order No. 27 in the amount of \$51,592.

Motion by Wagner to approve Change Order No. 27 in the amount of \$51,592. Support by Scott. In favor: All. Opposed: None. (Motion carried)

I. 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

As you may recall, during the first quarter of the fiscal year YCUA experienced a violation of the NPDES permit in the area of the acceptable discharge limitation of phosphorus. This situation was attributed to the activities surrounding the operation of our six existing treatment passes; five of the passes were off-line due to expansion activities. With the progression of the expansion, two of the six passes are now operational. This has relieved the operational restrictions that caused the violation. During the second quarter the wastewater treatment operational staff operated the treatment facilities with no violations.

Also during this quarter fourteen members of the WWTP staff began a five-day Sacramento Wastewater Treatment Operation Volume I class. These classes were arranged for the operational staff in preparation for the Michigan Department of Environmental Quality certification exams. As you are aware, a class D license is a minimum requirement for our wastewater operators, and with the large number of new operators needing to obtain their license bringing this class on-site to YCUA was

most economical. The class was met with great reviews by the attendees, who appreciate the Authority's commitment to their continuing education and training.

The Wastewater Treatment Plant treated 2,039,085,000 gallons of wastewater during the second quarter, compared to 2,157,800,000 gallons during the second quarter of the fiscal year 2004/2005. This represents a decrease of 118,715,000 gallons or 5.5 %. This decrease in wastewater treatment can be attributed to the dry weather experienced this past winter.

The solids treatment process produced 6,915.28 tons of sludge during the second quarter; compared to 6,064.73 tons of sludge produced during the second quarter of the previous fiscal year. This represents an increase of 850.55 tons or 14%. A spreadsheet is attached illustrating the disposal tonnage. YCUA has received and processed 106,550 gallons of septic sewage for which \$7,458.50 has been invoiced.

The Wastewater Treatment Department has incurred \$42,716.07 in overtime expenditures during the fiscal year; this represents 35.72% of the budgetary amount of \$119,581. There was a \$67,041 reduction in the overtime budget this fiscal year.

Maintenance Department

YCUA's maintenance department has enjoyed a solid second quarter with 3,150 work orders completed. This represents a 60.9% increase in comparison to the work order completion of 1,957 during the second quarter of the fiscal year 2004/2005. This is excellent work.

The maintenance department completed the installation of the additional cell phone antennas; this project has improved reception for the utilization of cell phones within the wastewater treatment plant galleries and areas where reception has been poor.

With the onset of winter, temperature sensors were installed in the major sanitary pumping facilities wet wells to indicate freezing conditions. When the temperature inside the wet wells decreases to approximately 38 degrees the SCADA system will alert the operational staff; this will trigger the implementation of the maintenance department notification procedure for a swift response.

Wayne Dudley, Maintenance Supervisor, and Steve Vass, Information Systems Technician, coordinated efforts with Integrated Data Solutions

Incorporated on the installation of new data servers. This has addressed many of the e-mail and data storage issues.

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

- *First Aid*
- *Lock/Out Tag/Out Safety Procedures Program*
- *Self Contained Breathing Apparatus*
- *Venturi Absorber & Wet Electrostatic Precipitator*
- *Electrical Safety Training*

The maintenance department has incurred \$32,173 of overtime expenses during the second quarter; this represents 21.38% of the budgetary amount of \$150,466. The overtime budget was reduced by \$29,426 this fiscal year.

Customer Service Department

The second quarter numbers outlined in the customer service department spreadsheets reflect the typical trend we have seen historically for this time of year. Usage and payments lag during the winter and holiday periods. The administration is pleased with the progress displayed by the efforts of the customer service staff. Two of the three areas of accounts receivable show considerably lower percentages of receivables outstanding 90 days and over than the same period last year. The outstanding balances for "other revenue", i.e. septage hauling, IPP fees, engineering fees, etc. show a spike in the 120 days and over category. A closer look at the detail of this balance shows that over 69% of what is outstanding is either in the collection stage with legal assistance or are claims owed to YCUA by DTE Energy. Working through the DTE bureaucracy has been a long, frustrating experience and we believe we are in the final stages of successfully collecting on our outstanding claims. The positive aspect of going through this process is that the Customer Service Staff members are all very proud of the very customer friendly, responsive utility that YCUA has become!

During this quarter, customer service staff dropped the threshold over which a customer account moves to our collection process. Six months ago we dropped the threshold from a balance of over \$250 to over \$200. This quarter it was dropped again to over \$175. Pam Brady, our collections clerk, deserves great commendation for taking the initiative to stretch her one-person position even more. She is remarkable in this position. Very rarely do you find a collections clerk receiving complimentary mail thanking them for their kindness and fairness,

particularly when they make consistent strides in increasing the amount of money they collect. This type of feedback is common for Pam. She has set a personal goal to continue to reduce the amount of uncollected revenue that gets sent to the tax rolls. Lowering the threshold will help her achieve her goal and help the Authority keep its revenue collection more current.

Finally, it should be noted that the number of transactions conducted through payment methods other than the standard check received in the mail or cash received at the counter more than tripled in 2nd quarter 2006 from the same period last year. These payment methods include ACH, credit card, and debit account transactions. This is noteworthy since it is estimated that these type of transactions cut employee processing time by more than 50%.

The administration would like to compliment the customer service staff for their drive to continuously improve their efficiencies and increase their standards. We all have reason to be proud of the customer service culture at the Authority.

Through the second quarter, the Customer Service Department has expended \$4737 in overtime pay; this represents 7.72% of the budgetary amount of \$6,131.

Engineering Department

The Engineering Department continues to protect the financial interests of the Authority with direct involvement on a number of projects. Through engineering project involvement, a savings of \$24,500 has been realized during the second quarter. In order to capitalize upon the engineering department's involvement, YCUA expanded the engineering department with the addition of a new engineer Sree Mullapudi. MR. Mullapudi began his employment January 3, 2006. With this increase in man-hours we are anticipating a larger involvement from our engineering department in the area of water main engineering design. Additional revenues, in the amount of \$6,870.60, were realized through community development engineering plan reviews. Adding this amount the second quarter contributions from the engineering department were \$31,370.60.

The engineering department has expended \$704.17 in overtime. This represents 11.37% of the \$6,192 budgeted.

Service Department

The Service Department completed 10,666 tasks in the second quarter, which represent a healthy production rate (spreadsheet attached). We

have withstood a slight increase in the number of water main breaks this quarter. There were 36 breaks recorded compared to 34 during the second quarter of 2004/2005. Henry Gerst, Director of Service Operations, indicates that the majority of increased breaks occurred in the Nancy Park area. This will be discussed with our Engineering Department to determine the cause and a long-term solution.

The service center has experienced a decrease in the number of requests for the installation of new services. This can be attributed to the decrease in new developments in our service area. The decrease in requests has allowed the service center crews to focus their attention on the repair and/or replacement of 45 sanitary leads. The Hydrant/Repair/Staking personnel have taken advantage of this lull by completing the upgrade of 38 hydrants. Proper planning is the key to abating lost opportunities. Good job. Keenen Crump, Transmission and Distribution Supervisor, has done an outstanding job managing and leading the productivity of his crews.

The sanitary flushing program continues on track with 89,234 feet flushed during the second quarter. This represents an increase of 20,000 feet in comparison to the second quarter of the fiscal year 2004/2005. As reported in the first 2005/2006 quarterly report, a decrease in the flushing production was realized. In an effort to combat this, a revised schedule for this program has been implemented and the results indicate that the flushing goals for the months of January and February were exceeded.

The overtime expenditures for the Service Center were within budgetary limitations. There was \$93,816.80 expended for overtime, which represents 48.1% of the budgeted amount of \$195,045.

Water Distribution Department

YCUA's Water Distribution staff continues an effective operation of the water distribution system. There have been no major disruptions of services, only isolated disruptions associated with water main breaks. Jeff Castro, Water Distribution Supervisor, continues to coordinate efforts with Orchard, Hiltz, and McCliment and the valve operator manufacturer, Hesco, to resolve the operational issues associated with the Geddes Road connection.

YCUA purchased 975,222,204 gallons of water from the Detroit Water and Sewer Department from which 183,729,008 gallons were distributed in the City division and 791,493,196 gallons were distributed in the Township division. The year to date DWSD water purchase is

2,254,927,532 gallons, compared to 2,366,876,000 gallons last fiscal year. This represents a decrease of 4.7%.

The Water Distribution Department has incurred \$8,730.83 in overtime expenditures through the second quarter. This represents 17.31% of the budgetary amount of \$50,426 (chart attached). The overtime budget was reduced by \$33,586 for this fiscal year. It is extremely difficult to run a 24-hour/7 day operation with a staff of 5 operators. Jeff Castro has done an excellent job with his scheduling and management to control unavoidable overtime expenses.

Meter Department

The Meter Department completed 3,041 tasks during the second quarter, which is an increase of 81 tasks from the first quarter. Bob Fry, Meter Department Foreman, revised and implemented performance standards for the meter personnel. This has enhanced the meter department's ability to absorb extended man-hour losses and maintain acceptable production rates. This was demonstrated this quarter with extended leaves of absences occurring in the meter department.

The Meter Department incurred \$4,249.97 in overtime expenditures through the second quarter. This represents 39.92% of the \$10,646 budget (chart attached). The overtime budget was reduced by \$4,376 this fiscal year.

Compliance Department

The Compliance Department completed 8,237 analyses this quarter and submitted three MDEQ Monthly Discharge Reports. The Laboratory Personnel have completed analyses on the solids for the verification of volatile content. There had been a concern raised by the incinerator manufacturer that the solids contained a higher than specified volatility. The analysis indicated that BTU value of the solids was consistent with the specifications supplied to the incinerator manufacturer.

The Industrial Pretreatment Program remains on track and the Chief Compliance Officer has implemented a plan to include the laboratory technicians in the data entry procedure. The Industrial Pretreatment Program conducted 11 sampling events and 15 inspections, and received 57 self-monitoring reports during the second quarter.

The Compliance Department expended \$2,960.66 in overtime during the second quarter. The expenditures represent 18.57% of the budgeted amount of \$15,940.

Waste Water Treatment Plant Expansion

The expansion is nearing completion with a minimal number of issues remaining. Tetra Tech continues to manage the construction effectively. As to the incinerator, YCUA, Tetra Tech, The Christman Co., and Infilco (incinerator manufacturer) have coordinated efforts in hopes of resolving a number of operational issues. Operating the incinerator results in excessive temperature flares, which have been attributed to the alleged build-up of methane gas in the feed lines and calculated excessive sludge feed rates, which inhibit extended operation. Tetra Tech and Infilco are discussing a plan of action to verify the causes of the temperature flares. It is anticipated that incineration operation will resume in the coming weeks.

Informational only; no motion from the Board required.

J. 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.

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

Mr. Thomas directed the Board's attention to the Financial Report – Authority Net Assets Reports for March. He then proceeded to give a detailed report of the information contained in the reports and answered questions from the Board.

J. Ray Scott inquired as to the odor problem will be solved soon. Mr. Thomas responded that it will be corrected eventually but that it may take longer than staff would like. He indicated that staff is currently adding significant amounts of sodium permanganate prior to the dewater process and then, in the near future, they will be able to separate the primary sludge process from the second process which will reduce the chemicals needed and naturally reduce the amount hydrogen sulfide.

Edward B. Koryzno, Jr. commended Jeff Williams for his graphical contributions to the net assets report, which he finds to be very helpful.

Informational only; no motion from the Board required.

L. 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.

Mark Namatevs inquired as to whether WTUA is close to resolving its situation with Detroit. Mr. Thomas responded that there is a meeting on April 17th at which time they hope to have a time frame in place.

Mr. Namatevs then inquired as to whether there is a way to recoup monies lost when meters are over and under read. Mr. Thomas responded that there is a system in place to do that but that it is not as reliable as he would like in the sense that there is usually some disagreement between the two parties as to when the event occurred that is causing the misread.

Informational only; no motion from the Board required.

M. Director's Report - Larry R. Thomas

There was no director's report for the month.

4. OLD BUSINESS:

A. Request to Approve – Purchasing Policy - Larry R. Thomas

Edward B. Koryzno, Jr. called for a motion to remove this item from table.

Motion by Namatevs to remove the item from table. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

Mr. Thomas reminded the Board that, at the March Board meeting, a draft purchasing policy was presented for their consideration. He indicated that two issues were raised: the time frame for advertising RFPs and whether a local provider preference provision should be included. Mr. Thomas also explained that the time frame for advertising has been adjusted to ten business days from ten calendar days in the draft now being presented.

He pointed out that YCUA Finance Director Jeff Williams contacted the City of Ypsilanti, Ypsilanti Township, and Washtenaw County for potential language on local provider preference. Mr. Thomas explained that none of those entities presently have any local provider preference language in their purchasing policies. He further advised that staff was able to find some language from the St. Joseph, Michigan purchasing policy. Mr. Thomas directed the Board's attention to a memo from Jeff Williams containing two possible versions a of local preference provision

Mr. Thomas recommended approval of the Purchasing Policy as presented.

Motion by Namatevs to approve the Purchasing Policy as presented. Support by Scott. In favor: All. Opposed: None. (Motion carried)

5. OTHER BUSINESS: Philip W. Wagner inquired as to the status of the odor issues in the Gault Village area of Ypsilanti Township. He indicated that the township supervisor has received complaints via telephone and email. Mr. Thomas responded that he received a communication from the Ypsilanti Township Supervisor about an odor

complaint on Jay Street, which had resulted from a problem at the Jay Street Pumping Station. Mr. Jessee interjected that he would follow-up in order to resolve the issue.

6. **STATEMENTS AND CHECKS:** Motion by Namatevs to pay the bills in the amount of \$2,773,940.59 plus an addendum in the amount of \$474,273.00. Support by Wagner. In favor: All. Opposed: None. (Motion carried.)
7. **PUBLIC COMMENTS:** Perry M. Thomas commented that odor complaint calls should be routed to the control room, which is manned 24 hours a day, 365 days a year. He added that there is a form that needs to be completed in order to document details such as wind direction, temperature, etc. in order for YCUA to properly respond and resolve the problem.
8. **ADJOURNMENT:** Motion by Wagner to adjourn the meeting at 4:55 p.m. Support by Scott. In favor: All. Opposed: None. (Motion carried)



Respectfully submitted,

MARK NAMATEVS, Secretary/Treasurer