



Minutes

**YPSILANTI COMMUNITY UTILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
Tuesday, May 23, 2006 – 4:00 p.m.
YCUA Administration Building
2777 State Road
Ypsilanti, MI 48198-9112**

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

Members Absent: Mark Namatevs

1. **CALL TO ORDER:** Doe called the meeting to order at 4:04 p.m.
2. **MINUTES OF THE PREVIOUS MEETING:** Motion by Wagner to receive and file the minutes of the April 25, 2006 meeting. Support by Koryzno. In favor: All. Opposed: None. (Motion carried.)
3. **NEW BUSINESS:**
 - A. **Request to Approve- New Deferred Compensation Vendor - Larry R. Thomas**

Mr. Thomas advised the Board that the Authority has offered a Deferred Compensation Plan to its employees for many years. He indicated that the director of the Authority is the plan trustee for the program and a consultant group is hired for plan administration. Mr. Thomas also explained that, over the years, YCUA has changed the plan administrator several times. He pointed out that the current administrator is National Benefit Consultations located in West Bloomfield.

Mr. Thomas explained that YCUA has been experiencing some inconsistencies of services by its consultants and has recently investigated other providers of this service. He further advised that, additionally, a periodic review of investment choices and fees is appropriate. Mr. Thomas stated that staff requested assistance from YCUA's auditing firm of Rehmann Robson in this investigation and Doug Barber assisted in identifying potential providers as well as evaluating the various programs. He acknowledged that YCUA identified four providers and had presentations from each. Mr. Thomas confirmed that staff met with the Personnel Committee on Friday, May 19th and examined programs from

National Benefits, the Hartford Company, Nationwide Insurance Company, and International City County Management Association (ICMA).

He explained that, as the plan trustee, he has a fiduciary responsibility to provide the employees with the most beneficial Deferred Compensation Plan. Mr. Thomas pointed out that it is his belief that changing the plan providers to the ICMA-RC group will be in the best interests of the employees and of the Authority. He also stated that this plan is paid through employee contributions and there is no cost to the Authority.

Mr. Thomas advised the Board that ICMA-RC offers a group of investments through the Vantage Trust Corporation. He indicated that they offer much more extensive education of employees on the programs and retirement planning. Mr. Thomas also explained that ICMA-RC will pay the surrender charges that participants with the current investment providers may be charged to transfer their assets to ICMA-RC.

Mr. Thomas directed the Board's attention to a resolution that will adopt the deferred compensation plan and trust for ICMA-RC Retirement Corporation. He pointed out that the assets of the program will be invested in the Vantage Trust Company and ICMA-RC will act as the administrator of the plan. Mr. Thomas explained that he can continue to be the managing trustee of the program or the Board can appointment anyone they wish to that position.

Mr. Thomas recommended approval of the request to retain ICMA-RC as the Authority's new Deferred Compensation Plan vendor pending YCUA attorney review.

Edward B. Koryzno, Jr. concurred with the recommendation and advised that he has been a satisfied member of the ICMA-RC plan for over 25 years in three different cities.

Motion by Koryzno to approve the request to retain ICMA-RC as the Authority's new Deferred Compensation Plan vendor pending YCUA attorney review. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

B. Request to Approve – Change Order No. 1 re: Bridge Road Water Treatment Plant Demolition Project - T. Michael Jessee

Mr. Jessee reminded the Board that YCUA recently signed an agreement with Stantec Engineering for design and engineering services for the Bridge Road Water Plant Demolition Project. He indicated that the proposal will supply the Authority with bidding specifications for the project. Mr. Jessee also explained that, previously, a Phase I Environmental Site Assessment was performed by AKT Peerless through Ypsilanti Township and Washtenaw County. He pointed out that Stantec

has identified two potential areas of contamination not identified in the Phase I Assessment. Mr. Jessee explained that Stantec is recommending supplemental sampling of materials suspected to contain asbestos-and lead-based paint. He acknowledged that this additional sampling will assist in developing the proper bidding specifications.

Mr. Jessee confirmed that the demolition bid specifications will be most accurate and useful if all potential contaminants have been identified. He explained that Stantec is requesting an additional \$8,337.50 to perform this service.

Mr. Jessee recommended approval of Change Order No. 1 of the Stantec contract, bringing the new contract total to \$87,322.50.

Motion by Wagner to approve Change Order No. 1 of the Stantec contract, bringing the new contract total to \$87,322.50. Support by Koryzno. In favor: All. Opposed: None. (Motion carried)

C. Request to Approve Change Order No. 28 re: Wastewater Treatment Plant Expansion/Improvements Project - T. Michael Jessee

Mr. Jessee directed the Board's attention to Change Order No. 28 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 \$168,445. Mr. Jessee also explained that this change order brings total changes to \$4,033,755. 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 dollars budgeted in the contingency budget to cover this increase.

Mr. Jessee recommended approval of Change Order No. 28 in the amount of \$168,445.

Philip W. Wagner inquired as to whether the project is still on track in terms of a completion date. Mr. Jessee responded that there have been delays due to issues with the incinerator.

Motion by Koryzno to approve Change Order No. 28 in the amount of \$168,445. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

D. 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.

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

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

Edward B. Koryzno, Jr. inquired as to whether the \$2.6 million loss is something to be concerned about, particularly with respect to bonding agencies and with a rate increase next year. Mr. Thomas responded that he is not entirely certain and that, generally, bonding companies want to make sure that there is sufficient income to pay the bond payments that become due. He indicated that, when they make their analysis, they remove the depreciation because it should be used for those payments.

Informational only; no motion from the Board required.

F. 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. Thomas pointed out that Powertrain's year-to-date usage is much reduced as expected due to decreased usage as well as problems with their meter. Larry J. Doe inquired as to whether they can be re-billed once the meter has been repaired. Mr. Thomas indicated that there is no mechanism in place at the Authority, except in the case of the contract community agreements, for retroactive billing but the possibility is there to negotiate something.

He also advised that there are issues with the Pittsfield Township meters and that staff is continuing to investigate the situation. T. Michael Jessee interjected that the problems began when the new Pittsfield station was put online. He stated that the next procedure that may be instituted is to close the valve to the new station and verify that the station is still receiving water. Mr. Jessee explained that it is possible that there is an underground bypass that YCUA is not aware of. He assured the Board that staff will continue to research the problem until it is resolved.

Edward B. Koryzno, Jr. commented that he appreciates the work put into this report but that he finds it confusing. He suggested the possibility of presenting it along with a summary memo in the future.

Larry J. Doe inquired as to whether Powertrain's water is contained. Mr. Thomas responded that they return as sewage only a fraction of the water they take in.

Informational only; no motion from the Board required.

G. Director's Report - Larry R. Thomas

There was no director's report for the month.

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 Koryzno to pay the bills in the amount of \$2,287,987.47 plus an addendum in the amount of \$3,727,380.71. Support by Scott. In favor: All. Opposed: None. (Motion carried.)

- 7. PUBLIC COMMENTS:** Perry M. Thomas updated the Board on what staff has been doing in terms of odor control at the wastewater treatment plant. He addressed changes in the telephone auto attendant, odor complaint form, and also the work being done in terms of equipment performance testing.

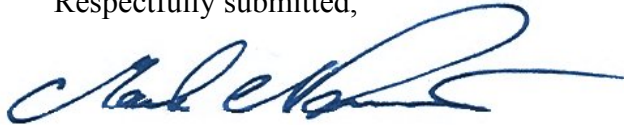
Larry J. Doe inquired as to whether an actual person answers when customers chose the odor complaint option. Mr. Jessee responded that, during normal business hours, the #3 option goes directly to a staff member and that, after hours, callers are instructed to connect to the control room in order to speak with an operator and place an odor complaint.

Edward B. Koryzno, Jr. inquired as to whether staff is receiving any special training to deal sensitively and in an informed manner when dealing with emotional customers. Mr. Jessee responded that there has been no training given in this area and that some instruction is a great idea. Mr. Doe interjected that it might not be a bad idea for YCUA staff to attend the neighborhood watch meetings and give the residents an update.

Perry M. Thomas advised that staff is logging wind directions, temperature, and weather conditions in relationship to the volume of odor complaints. Philip W. Wagner added that there are computer modeling programs available that can show air current patterns based on local weather station conditions.

- 8. ADJOURNMENT:** Motion by Wagner to adjourn the meeting at 4:40 p.m. Support by Scott. In favor: All. Opposed: None. (Motion carried)

Respectfully submitted,



MARK NAMATEVS, Secretary/Treasurer

