



Minutes

**YPSILANTI COMMUNITY UTILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
Tuesday, May 27, 2008 – 9:00 a.m.
YCUA Administration Building
2777 State Road
Ypsilanti, MI 48198-9112**

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

Members Absent: None.

1. **CALL TO ORDER:** Scott called the meeting to order at 9:02 a.m.
2. **MINUTES OF THE PREVIOUS MEETINGS:** Motion by Doe to receive and file the minutes of the April 22, 2008 meeting as presented. Support by Peoples. In favor: All. Opposed: None. (Motion carried.)
3. **NEW BUSINESS:**

A. Request to Approve – YCUA Resolution No. 08-5 re: Citizens Bank Signatory Card – Larry R. Thomas

Mr. Thomas advised the Board that this is a bank resolution changing the signatures on YCUA's account at Citizens Bank because of the change in Board structure as well as the vacant Finance Director position being filled.

Mr. Thomas recommended approval of YCUA Resolution No. 08-5.

Motion by Peoples to approve YCUA Resolution No. 08-5. Support by Doe. In favor: All. Opposed: None. (Motion carried)

B. Request to Approve – YCUA Resolution No. 08-6 re: National City Bank Signatory Card – Larry R. Thomas

Mr. Thomas advised the Board that this is a bank resolution changing the signatures on YCUA's account at National City Bank because of the change in Board structure as well as the vacant Finance Director position being filled.

Gregory A. Peoples inquired as to why the Finance Director's name is not listed on this signature card. Mr. Thomas responded that he is under the impression that this resolution is for the Board members only but that he will check into it.

Larry J. Doe inquired as to whether YCUA has any plans of checking our banks' financial status in light of the banking industry problems due to the mortgage crisis. Mr. Thomas responded that the former Finance Director had examined some of those things before he left and that National City had a considerably high rating at that time. Mr. Doe asked if that was looked into on a yearly basis. Mr. Thomas responded that it was not. Mr. Doe added that, with the number of banks going out of business, it might be something wise to consider, especially with the amount of money on deposit with local banks.

Mr. Thomas recommended approval of YCUA Resolution No. 08-6.

Motion by Peoples to approve YCUA Resolution No. 08-6. Support by Doe. In favor: All. Opposed: None. (Motion carried)

C. Request to Approve – Change Order No. 1 re: Laboratory Floor Project – Perry M. Thomas

Mr. Thomas directed the Board's attention to his letter requesting approval of a change order relative to the laboratory floor refinishing project. He reminded them that, at the February meeting, the Board approved \$26,300 to have the floor refinished in the laboratory and adjoining four rooms with an epoxy finish. Mr. Thomas also explained that the asbestos abatement contractor Parnam Global Tech, who was hired to remove the asbestos and associated glue in the old flooring material, advised YCUA staff that they intended to grind the glue off of the floor. He pointed out that, in a 2004 asbestos assessment done on the lab floors, it was determined that there was less than 1% asbestos in the glue but that when a more sophisticated analysis was performed, it was determined that the glue had detectible amounts of asbestos. Mr. Thomas explained that, as a result of this testing, Parnam was instructed not to grind the glue from the floor but that it should be chemically removed. He further advised that the contractor advised that, to remove the asbestos in this manner would result in an additional charge of \$2,300. Mr. Thomas stated that, in order to

keep the asbestos contained for the safety of the Authority's employees, the chemical removal was approved. He acknowledged that, with this additional charge, the total amount of the work to be done by Parnam Global came to \$6,300.

Mr. Thomas confirmed that Parnam did the job and everything went well. He explained that Michigan Specialty Coatings then came in to do their portion of the job in the adjacent rooms when it was discovered that the glue in those rooms was black, which can mean asbestos. Mr. Thomas pointed out that the work was stopped because Michigan Specialty Coatings is not an asbestos abatement contractor. He also stated that the black glue in the joining rooms was analyzed and one of the rooms came back with 5.4% asbestos.

Mr. Thomas advised the Board that, at that time, Michigan Specialty Coatings continued to do the main laboratory but that Parnam Global Tech was called back in to chemically remove the glue from three of the adjacent rooms. He indicated that this resulted in a second additional charge of \$1,200. Mr. Thomas also explained that this brought Parnam's total cost to \$7,500. He pointed out that, in the meantime, Michigan Specialty Coatings was completing their work on the main lab and one of the adjoining floors that did not have asbestos-containing glue but, because they had to wait four days for Parnam to finish work in the joining rooms, which resulted in an additional \$3,000 charge, it took their cost from \$20,000 to \$23,000. Mr. Thomas explained that this increased the overall project cost from \$26,300 that the Board approved in February to \$30,220, which is \$3,920 over the budgeted amount including the contingency amount.

He further advised that all of the work was done in compliance with applicable asbestos abatement standards and that the work is now complete and satisfactory.

Mr. Thomas recommended approval of Change Order No. 1 re: Laboratory Floor Project in the amount of \$3,920.

Motion by Peoples to approve Change Order No. 1 re: Laboratory Floor Project in the amount of \$3,920. Support by Bass. In favor: All. Opposed: None. (Motion carried)

D. Request to Approve – Waiver of Maintenance and Guarantee Bonds –
T. Michael Jessee

Mr. Jessee advised the Board that, there are currently over 100 community development projects on the books that have not been closed out. He

indicated that this figure includes residential as well as commercial developments. Mr. Jessee also explained that, with the economic downturn, many developers are asking YCUA to take accept their public utilities without receiving the maintenance and guarantee bonds. He pointed out that this is becoming an issue for the Authority as well as for the developers. Mr. Jessee explained that, in order for the developers to approach YCUA for public acceptance, the development must be 90% built out, all construction punch list items have to be completed, and OHM inspectors must sign off on the job. He further advised that, once the YCUA Board accepts the infrastructure as public, then the developer must post their maintenance and guarantee bond. Mr. Jessee stated that whether the maintenance and guarantee bond is in place or whether the infrastructure has been accepted as a public utility, it leaves the Authority in a very poor situation. He acknowledged that if, during this time, there is a water main break, YCUA will respond in order to avoid a disruption in service to customers, but there could be issues in collecting the cost from the developer. Mr. Jessee confirmed that, in some cases, escrow monies can be utilized in such an occurrence but if there is no escrow, then a lawsuit could result.

He explained that if the Board would agree to waive the maintenance and guarantee bond requirement prior to accepting infrastructure as public utilities with the stipulation that the developers sign a letter of agreement stating that any escrow monies on hold with the Authority can be held by the Authority for a two-year period for any repairs that need to be done during that time if they chose not to post a maintenance and guarantee bond.

Mr. Scott inquired as to whether there is any liability that comes back to YCUA in the event that the existence of the maintenance and guarantee bond becomes arbitrary. Thomas E. Daniels responded that the letter agreement mentioned by Mr. Jessee was discussed at a recent YCUA Finance Committee meeting and that, it is the committee's position that, with notification to the developer, the Authority is in good shape. He added that if any developer declines the letter of agreement, the acceptance will simply be withheld until the maintenance and guarantee bond is posted.

Ms. Bass inquired as to what happens at the end of the two years if the developer is still not ready to post their bond. Mr. Jessee responded that the bond is a two-year bond, which in essence has the same effect of giving YCUA a financial avenue to recoup any maintenance and repair costs as holding the escrow funds for two years. He added that he has

only experienced one main break in a new development when a fire hydrant blew off.

Ms. Bass asked for confirmation that this is a way for YCUA to be responsive to the economic situation of the community without much risk to the Authority. Mr. Jessee responded affirmatively.

Mr. Doe inquired as to what the percentage is presented in escrow with the bond. Mr. Jessee responded that the maintenance and guarantee bond is 100% of the infrastructure cost.

Motion by Namatevs to approve the waiver of Maintenance and Guarantee Bonds. Support by Bass. In favor: All. Opposed: None. (Motion carried)

E. Request to Approve – Vehicle Purchase – T. Michael Jessee

Mr. Jessee advised the Board that staff is in the process of purchasing a dump truck. He indicated that bidding procedures were completed and two bids were received. Mr. Jessee also explained that one bid was from Tri-County International Truck in the amount of \$104,533 on a vehicle from Pollard Equipment and \$99,832 on a vehicle from MBC Equipment. He pointed out that Wolverine Truck Sales came back with a bid for the Pollard equipment in the amount of \$104,669 and \$100,948 on the MBC equipment vehicle. Mr. Jessee explained that Wolverine Freightliner bid the MBC equipment at \$104,428. He further advised that there are bids for two equipment manufacturers because large-ticket vehicles come with two specified hydraulic packages. Mr. Jessee stated that the Pollard hydraulic package meets YCUA's specifications but that MBA does not. He acknowledged that MBA does not provide the hoisting rating, which is the hydraulic pressure needed to raise the bed. Mr. Jessee confirmed that, therefore, the Authority will not be considering the MBC bids. He explained that staff is recommending the Pollard bid from Wolverine Truck Sales for a Sterling truck in the amount of \$104,669 even though the low bid is from Tri-County for an International Truck in the amount of \$104,533. Mr. Jessee pointed out that the Sterling chassis comes with a five-year transmission warranty, two-year warranty on the body, axles, and differential, and the International only comes with one-year and two-year warranties respectively. He also stated that the Sterling truck also features rust-coating, which the International truck does not.

Mr. Jessee recommended approval of the Sterling dump truck purchase with the Pollard hydraulic package from Wolverine Truck Sales in the amount of \$104,669.

Mr. Bass inquired as to whether this purchase is replacing existing equipment. Mr. Jessee responded affirmatively and indicated that the old vehicle will be sold.

Motion by Namatevs to approve the Sterling dump truck purchase with the Pollard hydraulic package from Wolverine Truck Sales in the amount of \$104,669. Support by Peoples. In favor: All. Opposed: None. (Motion carried)

F. Request to Approve – Fiberglass Pipe Purchase re: Odor Control Project – T. Michael Jessee

Mr. Jessee reminded the Board that a permanent odor control solution has yet to be secured for the Authority's solids handling. He indicated that this is particularly problematic with the warm weather of summer rapidly approaching. Mr. Jessee also explained that the biofilter was very effective in treating air with 50 parts per million or less. He pointed out that YCUA also wants to experiment with a new technology that is presently being used in Traverse City. Mr. Jessee explained that this technology takes the foul air from the more odorous areas of sludge processing and blows it into an aeration tank. He further advised that there is then a biological process that occurs to abate those odors.

Mr. Jessee stated that the Authority is planning a pilot project on this technology that involves two blowers obtained from WTUA that they have had in stock for about 10 years. He acknowledged that the Authority purchased the blowers, which are very good pieces of equipment, for \$4,000 each. Mr. Jessee confirmed that the next step is to get the fiberglass ductwork, which is the subject of this request. He explained that YCUA maintenance staff solicited four vendors for this purchase and the low bid was from Perry Fiberglass Products in Avon Lake, Ohio. Mr. Jessee pointed out that, with this purchase the pipe work can be put into place with the blowers.

He also stated that approval is still pending on this project from MDEQ and that a Part 41 Permit may need to be filed, which is a normal procedure when modifications are made to a wastewater treatment plant.

Mr. Jessee recommended approval of the Fiberglass Pipe Purchase re: Odor Control Project from Fiberglass Products in the amount of \$14,500.

Mr. Namatevs inquired as to whether anyone from YCUA has been to the Traverse City to examine their operation of this equipment. Dr. S. Joh Kang of Tetra Tech MPS responded that Ken Colston and Scott Westover visited the Traverse City operation a year ago. Mr. Namatevs inquired as

to whether the ductwork being purchased can be used as part of a permanent installation later. Mr. Jessee responded that it is very possible that it can but that it will certainly be used somewhere onsite regardless.

Mr. Namatevs inquired as to when this equipment could potentially be in place. Mr. Jessee responded that, pending MDEQ approval, everything could be ready to go within a month of receiving the ductwork.

Motion by Doe to approve the Fiberglass Pipe Purchase re: Odor Control Project from Fiberglass Products in the amount of \$14,500. Support by Peoples. In favor: All. Opposed: None. (Motion carried)

G. Request to Approve – EMU Double-Check Valve Installation – T. Michael Jessee

Mr. Jessee reminded the Board that YCUA has entered into a five-year plan to install double-check valves on all of the water mains supplying EMU. He indicated that the Authority and MDEQ both consider the EMU infrastructure as a private system and, therefore, it cannot be utilized to transport water from one side of campus to the other in order to supply YCUA customers. Mr. Jessee also explained that, in order to enhance and comply with MDEQ's request, the double check valves will be installed. He pointed out that two were installed last year on Huron River Drive and two will be installed this year, one in the area of Oakwood and West Circle North Drive on the west side of campus and another just west of where Forest ends at College Place. Mr. Jessee explained that YCUA has obtained easement rights to those locations. He further advised that bids went out for this work and two bids were received. Mr. Jessee stated that the first was from C.I. Contracting, with which the Authority has worked before, in the amount of \$91,800. He acknowledged that the second bid was from Mancon Michigan in the amount of \$107,000. Mr. Jessee confirmed that a contingency is also being requested in the amount of \$9,200 for a total budget of \$101,000.

Mr. Jessee recommended approval of the EMU Double-Check Valve Installation in the amount of \$101,000.

Motion by Namatevs to approve the EMU Double-Check Valve Installation in the amount of \$101,000. Support by Bass. In favor: All. Opposed: None. (Motion carried)

H. Request for Final Acceptance – Tremont Park Subdivision Phase I as a Public Utility – T. Michael Jessee

Mr. Jessee advised the Board that it was recently discovered that there was a letter from OHM recommending public acceptance of this subdivision and that the maintenance and guarantee bond was in place from 2003 – 2005. He indicated that this is a normal acceptance and that no major problems have occurred with the infrastructure.

Mr. Jessee recommended approval of the Request for Final Acceptance – Tremont Park Subdivision Phase I as a Public Utility.

Motion by Doe to approve the Request for Final Acceptance – Tremont Park Subdivision Phase I as a Public Utility. Support by Peoples. In favor: All. Opposed: None. (Motion carried)

I. Informational Item – Second Quarter Operations Report – T. Michael Jessee

Mr. Jessee directed the Board’s attention to the second quarter operations 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:

YCUA has enjoyed a productive second quarter with production rates and overtime expenditures within expectations. The following narrative is a summary of the production activities and overtime expenditures for the second quarter of the fiscal year 2007 - 2008.

Transmission and Distribution Department

During the second quarter, our service department completed 17,710 tasks, which represents a 19% increase over the 14,233 completed tasks during the first quarter. These tasks included 16,637 manhole inspections, 615 staking requests, and the repair of 31 water main breaks. In addition to the completed tasks, there were 111,661 feet of sanitary main cleaned and 8,859 feet of main televised. Under the leadership of Mr. Henry Gerst, Director of Service Operations, and Mr. Keenen Crump, T and D Supervisor, the service department maintains a commitment to a high standard of production as is evident in review of the production rates.

As you would anticipate, with approximately 300 miles of sanitary mains we receive multiple sanitary sewer related customer calls. This quarter, the service department responded to 172 trouble-related sewer calls, televised 36 sanitary service leads, and repaired 17 service leads. The service department takes pride in this customer service and has developed

standard operating procedures (SOP) to enhance their ability to respond consistently and efficiently. Previously, when a sanitary related call was received a Service Department Foreman and a Line Service Technician would respond; that procedure was revised and now the Foreman responds and evaluates the situation prior to securing a Line Service Technician. This has dramatically reduced the response time. Great job to all involved in the development and implementation of the new SOP.

As you are aware, cross-training is very important to any organization and YCUA is no exception. In an effort to address this, the service department and the maintenance department have implemented a program in which a service department automobile mechanic spends two days a week working with the Maintenance Department Mechanic and in turn, the Maintenance Department Mechanic works two days at the service department. This allows for both department mechanics to inspect and repair various types of equipment and provides redundancy in manpower for the repair of critical equipment.

FYTD, the service department has expended \$58,069 in overtime expenses. This represents 32.2% of the \$179,824 budgeted amount.

Meter Department

The meter department continues to maintain production standards while operating with a vacant position. During the second quarter, the meter department employees completed 31,641 meter reads: 12,385 radio reads, 18,763 interrogator reads, and 493 manual reads. In addition to the normal meter reading responsibilities, the meter department completed 2,896 tasks. Those tasks ranged in category from the removal and re-installation of residential meters (174 for the quarter) to the repair and rebuild of meters (158 for the quarter).

The MegaNet radio transmitted meter reading pilot program was fully functional as of February 1, 2008. With 30 community meters on line, the preliminary reports indicate a successful operation of the system. The consumption readings are accurate and timely and the system is equipped to accommodate 5,000 meters. This technology will enhance the availability of consumption figures and improve efficiencies in meter reading.

The meter department fiscal year overtime expenditures totaled \$3,112, which represent 28.3% of the \$10,965 budget.

Water Distribution Department

With fiscal year to date total consumption reflecting a 9% increase in the City Division and a 1.8% increase in the Township Division, the water distribution system has accommodated a 3.1% increase in flow over the same period last fiscal year. The water distribution system received and delivered 2,106,400,688 gallons in comparison to 2,043,834,452 gallons for the same period last fiscal year.

The original DWSD water connection is scheduled for a valve replacement. The current pressure-reducing valve is to be replaced with a cone valve. In order to prepare for the isolation of the DWSD connection, water distribution and service department staffs have exercised the appropriate valves that are to be utilized. Additionally, in a collective manner, the water distribution Management Team and the YCUA engineering staff are preparing the necessary specifications for the project. Teamwork at its finest.

The water distribution department expended \$3,636 in overtime costs. This represents 7.78% of the \$46,744 budgeted amount.

Maintenance Department

During the second quarter, the maintenance department completed 2,789 work orders and 631 water and sanitary pumping facility inspections for a total of 3,420 tasks. 1,347 of these completed tasks were related to the water and sanitary pumping facilities. 1229 work orders were related to maintaining the wastewater treatment facility.

As you are aware, we recently experienced a failure with the incinerator carbon bed. The carbon bed provides polishing of the emissions prior to being released into the atmosphere. Each carbon bed, in which there are two, is partitioned to create three sections. The partitions, referred to as cassettes, are a fiberglass design to house the carbon. Due to an unanticipated amount of moisture in the emissions stream the cassettes were exposed to an acidic solution, which resulted in a delaminating of the fiberglass. The delaminating fiberglass created strips of resin that created an airflow blockage within the carbon beds. In order to correct this failure it was necessary to replace the cassettes. It was determined that the YCUA maintenance department would remove the cassettes and re-install the new cassettes. The cassette removal process has been completed and at the time of this report the cassettes were in shipment from Europe. I would like to recognize the members of the maintenance team for their efforts in addressing this problem. The removal process

required a confined space entry, working conditions in excess of 18 feet in height, the donning of Tyvek protective clothing, and the use of cartridge respirators for fiberglass exposure. Congratulations are in order to Mr. Stacey Reynolds, Maintenance Supervisor, Mr. Michael Mudge, temporary Maintenance Supervisor, Mr. William Schooler, Maintenance Mechanic, and Ms. Luann Carp, Maintenance Helper.

Maintenance department second quarter overtime expenditures totaled \$59,635, which equates to 42.7% of the \$139,489 budgeted amount.

Compliance Department

The compliance department is enhancing the fats, oil, and grease (FOG) program with scheduled inspections of the City and Township food service establishments. This is a critical program for YCUA in that it ensures compliance to prevent fats, oils and grease from entering into the sanitary collection system. Mr. Luther Blackburn, Industrial Pretreatment Supervisor, has initiated the program with positive results. In addition to the FOG program, the compliance department enforces the regulations for the sewer use ordinances for 21 significant industrial users. This is quite the task considering the large geographical area covered by our customers.

During the second quarter, the compliance department completed 8,128 analyses of the wastewater treatment facility operations. Additionally, the following reports were prepared and submitted to the appropriate regulatory agencies: Part 503 Biosolids Report; Superfund Amendments and Reauthorization ACT (SARA) Title III Tier Two Report; Washtenaw County Pollution Prevention Program Report; and the 2007 Incinerator Emission Report.

The compliance department expended \$2,444 for overtime during the quarter. This total represents 16.5% of the budgeted amount of \$14,777.

Customer Service Department

The statistics out of the customer service department continue to show the same trends we have seen over the past year. As has been discussed previously, due to the billing cycles, it is not always clear to compare quarterly statistics of billing information. We have added a column to this department's spreadsheets in order to compare information for the same time period from last fiscal year. This will allow us to compare the same billing cycles during the same time of year, and typically usage pattern.

Most notable in reviewing the information is the following:

- 1. The receivables aging is, for the most part, following the same patterns as last year.*
- 2. Contract community and other large meter customers' outstanding receivables for the 2nd quarter 2008 are up 27% over the receivables outstanding as of the 2nd quarter 2007. This trend is consistent with the increase in flow we are beginning to see from WTUA, the increase in consumption from Pittsfield Township, and increased usage from EMU.*
- 3. Utility billing (residential and commercial with small meters) outstanding receivables are down almost 12% this year over last. This trend would be consistent with the drop in consumption of this group of customers due to the economic slowdown in the area and the increase in the number of vacant homes.*
- 4. Fewer reminder notices and 10-day letters are being sent from the collections area, a larger percentage of the balances owed are paid in response to these notices, and although the number of shut offs required is up, the percentage of service that remains off at the end of the quarter is down this year over last year for the same period. This reflects the increase in the collections threshold that was instituted last summer causing fewer customers to move to the collection phase of the billing process. It also reflects the greater number of payment arrangements the Authority is entering into in an effort to work with customers.*
- 5. The number of new accounts is down from last year.*
- 6. The number of customers utilizing alternate payment arrangements (online, credit card, and ACH) has increased. This is an important trend for a number of reasons: it allows the Authority to receive the funds more expediently; it allows for a more efficient means of receiving payments; and it is an indication that our move to a web-based customer account system in the coming months should be well-received by our customers.*

As mentioned in previous reports, the Authority has invested in increasing the efficiency of the billing and cash receipting processes through various hardware and software enhancements over the past year. As a result, we have been able to reduce the number of positions in the customer service department by one, after a position became open through an internal transfer.

The customer service staff continues to do an outstanding job processing

bills, collecting payments, and caring for Authority customers in spite of the very difficult atmosphere created by the worsening economic conditions.

As you will notice, the overtime expenditures are minimal with \$101 expended for the fiscal year. This expenditure represents 1.6% of the annual budget of \$6,315. Great job by the customer service management team.

Wastewater Treatment Department

Due to the problems with the granulated carbon system we have been land filling the biosolids since January. The wastewater treatment staff has met the challenge of placing the truck loading facility on-line and managing this method of solids disposal.

Wastewater treatment plant second quarter statistics include:

- 1. 2,209,775,000 gallons of wastewater treated*
- 2. 7,353.08 tons of biosolids produced*
- 3. 2,466.83 tons incinerated*
- 4. 4,886.25 tons land filled*
- 5. 283,900 gallons of septage received*

These production numbers represent an 18% increase in tons processed over the 6,032.76 tons processed last year at this time and a 130.8% increase in septage received over 123,025 gallons in 06 - 07.

Recently, visitors from the Detroit sewer system toured the WWTP. They were extremely impressed with the cleanliness of the facility. I would like to thank the operational team for their commitment and dedication to maintaining a clean and orderly plant.

\$25,409 was expended for WWTP overtime; this represents 22.92% of the \$110,850 budgeted amount.

Engineering Department

The YCUA engineering department, under the leadership of Mr. Scott Westover, Engineering Manager, focused their attention on the City Housing engineering design project, specifications for the annual sanitary sewer lining project, roof replacement specifications, and the updating of the water and wastewater GIS base maps. Additionally, construction

closeout items associated with the Service Center fuel tank piping replacement project and Harris Rd. rear yard sanitary rehabilitation were addressed. These same tasks performed by an outside engineering firm would have cost the Authority \$69,500. Additionally, YCUA received \$797.30 for the administration of the community development escrow accounts and invoiced \$1,152.80 for engineering design reviews for community development projects.

With the severe economic downturn, we are noticing a decrease in revenue for the review of engineering designs for future commercial and residential developments. During the second quarter there were three projects invoiced for the engineering review process totaling \$1,152.80, a 59% decrease from the \$2,807.60 invoiced during the 1st quarter of this year and a 73% decrease from the \$4,225.10 invoiced during the second quarter of fiscal year 2006/2007.

The second quarter overtime expenditures for the engineering department were \$213, which represents 3.72% of the \$5,740 budgeted amount.

State of Authority Operations

The summary of the second quarter would not be complete without recognizing the initiative taken to develop and enhance the supervisory and teambuilding skills of the Authority management staff. It is impressive and quite notable the manner in which the supervisors have embraced these new initiatives and come together as a management team.

With twenty-seven years (27) of history, I have witnessed many changes within the Authority. The current production rates and overtime expenditures are evidence that YCUA has achieved and is maintaining a level of operational success without a historical comparison. With the televising of sanitary mains, sanitary flushing totals, the disassembly of the carbon bed cassettes, and the ability of the wastewater treatment staff to address adverse operating conditions the Authority stands head and shoulders above most municipalities. This can be attributed to the ownership attitude of our work force. Congratulations to all for the success that the Authority now enjoys.

Mr. Scott interjected that the implementation of the programs suggested during the management audit as a matter of record, the YCUA Board of Commissioners is very happy with the direction that the Authority has taken.

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 for April 30, 2008. He then proceeded to give a detailed report of the information contained in the report and answered questions from the Board.

Informational only; no motion from the Board required.

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

Mr. Thomas directed the Board's attention to the Financial Report – Authority Net Assets Report for April 30, 2008. He then proceeded to give a detailed report of the information contained in the report and answered questions from the Board.

Informational only; no motion from the Board required.

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 report and answered questions from the Board.

Informational only; no motion from the Board required.

M. Attorney's Report – Thomas E. Daniels

Mr. Daniels advised the Board that he has three items to report on: the C.A. Hull litigation, the Meade Westvaco / Bioclimatic matter, and the WTUA arbitration. He indicated that the C.A. Hull litigation continues with pretrial discovery and that he and Mr. Jessee will be attending depositions on that case later in the day. Mr. Daniels also explained that the discovery will be concluded in that case very shortly. He pointed out that, overall, the case continues to go well but that they are not, by any means, rolling over and offering to pay \$200,000 to reimburse YCUA for the expenses of repairing the sewer line.

Mr. Daniels explained that, by the time the Board meets in June, the hearing on the Meade Westvaco matter will have taken place on the pretrial motions. He further advised that the hearing is scheduled for June 11th in Federal District Court in Detroit.

Mr. Daniels stated that the WTUA arbitration is moving forward and that a witness list is due in June along with some stipulated facts that are due in July. He acknowledged that staff is working frequently on items relative to prehearing activity on this matter. Mr. Daniels confirmed that the hearing is slated for some time in October.

Informational only; no motion from the Board required.

N. 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 Bass to pay the bills in the amount of \$3,064,037.97 with an addendum of \$322.50. Support by Namatevs. In favor: All. Opposed: None. (Motion carried)

7. PUBLIC COMMENTS:

Mr. Reza Rajabi, 110 and 114 North Summit in Ypsilanti, addressed the Board.

Mr. Scott advised Mr. Rajabi that the YCUA Board appreciates his comments and the passion with which they were presented.

- 8. ADJOURNMENT:** Motion by Namatevs to adjourn the meeting at 10:16 a.m. Support by Peoples. In favor: All. Opposed: None. (Motion carried)



Respectfully submitted,

DEEDRA CLIMER BASS, Secretary/Treasurer

Account Name and Title
YPSILANTI COMMUNITY
UTILITIES AUTHORITY
Account Number
 ALL

 New Checking Personal
 Change Savings Business

Type of Account
PUBLIC FUNDS
Authorized Signatures
TIN / DOB

Authorized Signatures	TIN / DOB

By signing the document I (we) have received a copy and agree to abide by the rules and regulations applicable to this account.

TAX ID NUMBER 38-9052446	Accepted By Barb Welker	Bank # 143	Branch # 21	Date 4/29/08
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Signature Card
**CERTIFIED COPY OF RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE
YPSILANTI COMMUNITY UTILITIES AUTHORITY RESOLVED**

1. That the bank is designated as a depository of this corporation and that the bank is authorized to accept for credit to this corporation and/or for collection, any and all checks, drafts, notes, and other negotiable instruments when endorsed in the name of this corporation, in writing, by rubber stamp, or otherwise, with or without designation of the party making such endorsement.

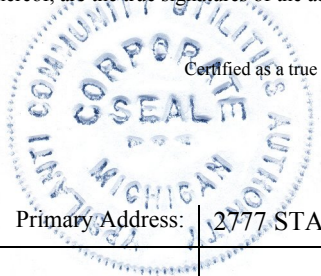
2. That any and all funds standing to the credit of this corporation with the bank in said account or accounts may be withdrawn upon checks, drafts, notes, orders, other undertakings for the payment of money, when signed in the name of this corporation by any of the following duly elected officers of this:

 CORP SOLE PROP PARTNERSHIP ORGANIZATION POLITICAL SUBDIVISION

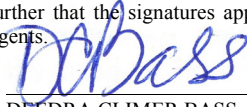
NAME	TITLE
J. RAY SCOTT	CHAIR
MARK NAMATEVS	VICE CHAIR
DEEDRA CLIMER BASS	SECRETARY - TREASURER
LARRY R. THOMAS	DIRECTOR
T. MICHAEL JESSEE	ASSISTANT DIRECTOR
DWAYNE HARRIGAN	DIRECTOR OF FINANCE

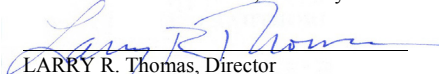
Whose signatures shall be duly certified to the bank, and the bank is authorized to pay any checks, drafts, notes, and orders, so signed without inquiry as to the circumstances of issue or the disposition of the proceeds thereof, whether drawn to the individual order or tendered in payment of individual obligations, or for deposit to the individual accounts, or the officers above name or other officers of this corporation or otherwise.

3. That these resolutions and the authority hereby conferred shall remain in full force and effect until notice to the contrary in writing shall be received by the bank.

 I certify that I am the secretary of YPSILANTI COMMUNITY UTILITIES AUTHORITY, that the above is a true copy of a resolution adopted by a quorum of the board of directors of this corporation at a meeting held on the 27th day of May, 2008 and further that the signatures appearing on the reverse hereof, are the true signatures of the above officers or agents.


Certified as a true resolution


 DEEDRA CLIMER BASS, Secretary - Treasurer


 LARRY R. Thomas, Director

Mailing Address (if different)

Primary Address:	2777 STATE ROAD	
City, State & Zip	YPSILANTI MI 48198-9112	
Phone #:	734-489-4600	
Fax #:	734-544-7185	



**CERTIFIED TREASURY MANAGEMENT RESOLUTIONS
For Corporations, Unincorporated Associations, and Governmental Entities**

I, Deedra Climer Bass, Secretary – Treasurer of the
(Name) (Title)
Board of Commissioners of Ypsilanti Community Utilities Authority (the “entity”), a(n)
(Governing Body) (Name of Corporation, Association, or Governmental Entity)
Water / Wastewater Utility organized under the laws of the State/Commonwealth of Michigan (the “State”)
(Type of Entity)

do hereby certify that (a) at a meeting of the governing body duly called and held, at which meeting a quorum of the governing body was present and voting, or (b) by an action without a meeting as authorized under the laws of the State, such as a writing or writings filed with or entered upon the records of the entity, resolutions, of which the following are a full and true copy as appears by said records, were duly adopted, and the proceedings of the governing body were in accordance with the rules and regulations, if any, of the entity, and that the resolutions as set forth below are now in full force and effect.

RESOLVED, that National City Bank (“Bank”) is designated a depository of this entity with full authority to accept deposits of money, checks, and other instruments (collectively, “Items”) to the credit of this entity in accounts with Bank in accordance with the oral or written instructions of any person making the deposit and subject to the present or subsequently amended Business Account Agreement (the “Account Agreement”) receipt of which is hereby acknowledged; and that this entity hereby guarantees to Bank the payment of all Items which are deposited in its account(s) and the certification of these resolutions by the undersigned shall bind this entity upon this guaranty.

RESOLVED FURTHER, that Bank is authorized to pay or otherwise honor or apply in accordance with the Account Agreement without inquiry and without regard to the application of the proceeds thereof, all checks, drafts, and other orders for the payment, transfer, or withdrawal of money from any and all accounts maintained by this entity with Bank, including those drawn to the individual order of a signer, when signed, accepted, or indorsed by any of the following, namely:

Name	Title	Name	Title
J. Ray Scott	Chair		
Mark Namatevs	Vice-Chair		
Deedra Climer Bass	Secretary - Treasurer		

RESOLVED FURTHER, that a facsimile signature of any or all of the above-named signers, regardless of by whom or by what means the facsimile signature is affixed, is to be relied on by Bank without any duty on the part of Bank to determine the genuineness of or authorization for said facsimile signature.

RESOLVED FURTHER that any of the above-named signers may access safe deposit boxes, if any, leased in the name of this entity.

RESOLVED FURTHER, that this entity enter into agreements with Bank from time to time, to furnish treasury management services to this entity, which agreements may relate to one or more of the deposit accounts of this entity with Bank;

RESOLVED FURTHER, that, in connection herewith, (a) any of the following, namely: _____ be and each of them is authorized for and on behalf of this entity to execute and deliver to Bank such agreements and other writings, if any, as Bank may require, which agreements and other writings, if any, each shall be in such form and contain such representations, agreements, authorizations, waivers, and other provisions as Bank may require and as the person executing such agreements on behalf of this entity may approve, and (b) any of the following, namely: _____ be and each of them is authorized for and on behalf of this entity to make and do all such further and other acts and things, including, but not limited to, supplying operational and procedural information to Bank, as Bank may from time to time deem necessary or advisable in connection with the foregoing, and, in each case, any such person’s execution thereof or other acts in connection therewith shall be conclusive evidence of his or her approval and the approval of this governing body;

RESOLVED FURTHER, that the authority of the aforesaid individuals shall not impinge upon or expand the authority previously, concurrently, or hereafter granted to certain employees of this entity for the transaction of business in connection with deposit accounts of this entity with Bank, and that Bank’s treasury management personnel may rely exclusively on the authority herein granted without reference to any such resolution of this governing body;

RESOLVED FURTHER, that all such agreements and other writings heretofore executed and delivered to Bank and other acts taken in connection therewith on behalf of this entity are hereby ratified, confirmed, and approved by this governing body; and

RESOLVED FURTHER, that a certified copy of these resolutions and a certification of the names, titles and specimen signatures of the persons herein authorized to act on behalf of this entity shall be furnished to Bank, and that Bank is authorized to rely on these resolutions and such certification until written notice of any change therein, in a form satisfactory to Bank, shall have been received by an appropriate officer of Bank.

I further certify that set forth below is the name, title, if any, and specimen signature of each person authorized above to act on behalf of the entity and that, where a title appears, such person is a duly elected and acting officer of the entity with the title indicated.

Name	Title	Specimen Signature
J. Ray Scott	Chair	
Mark Namatevs	Vice Chair	
Deedra Climer Bass	Secretary - Treasurer	

Certified at Ypsilanti, Michigan, on the 27th day of May, 2008.

SIGNED:
 Title: **DEEDRA CLIMER BASS,**
Secretary - Treasuere

