



Minutes

**YPSILANTI COMMUNITY UTILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
Tuesday, September 25, 2007 – 4:00 p.m.
YCUA Administration Building
2777 State Road
Ypsilanti, MI 48198-9112**

Members Present: Larry J. Doe, J. Ray Scott, and Gregory A. Peoples.

Members Absent: Mark Namatevs and Deedra Climer Bass.

1. **CALL TO ORDER:** Doe called the meeting to order at 4:10 p.m.
2. **MINUTES OF THE PREVIOUS MEETINGS:** Motion by Peoples to receive and file the minutes of the August 28, 2007 meeting. Support by Scott. In favor: All. Opposed: None. (Motion carried.)
3. **NEW BUSINESS:**
 - A. **Request for Final Acceptance – Paint Creek Farms Project as a Public Utility – T. Michael Jessee**

Mr. Jessee advised the Board that Paint Creek Farms, now known as Parkside Preserve, is a development located on the south side of Textile Road just west of Whittaker Road, running south to Hitchingham. He indicated that the development includes 264 homes.

Mr. Jessee also explained that OHM has notified the Authority that this project is complete and constructed within all specifications outlined by YCUA. He pointed out that this developer has met all requirements.

Mr. Jessee recommended acceptance of the Paint Creek Farms project infrastructure as a public utility.

Larry J. Doe inquired as to whether YCUA has the as-built drawings for these utilities. Mr. Jessee responded affirmatively.

Motion by Peoples to accept the Paint Creek Farms project infrastructure as a public utility. Support by Scott. In favor: All. Opposed: None. (Motion carried)

B. Request to Approve – Clark Road Water Main Replacement – T. Michael Jessee

Mr. Jessee advised the Board that there is a 850-foot water main on Clark Road that starts at approximately Devon Street and traverses west into Superior Township. He indicated that YCUA agreed with Superior Township that the Authority would replace the main as a joint project since 425 feet of the main belongs the Authority. Mr. Jessee also explained that Superior Township performed the bidding process and came back with a cost to YCUA in the amount of \$65,895 for construction. He pointed out that Authority staff is requesting a contingency budget of \$6,771. Mr. Jessee explained that there is also a fee of \$28,333 for OHM's design and engineering construction inspection. He further advised that the contract has been awarded to Rainbow Construction for \$163,180.50. Mr. Jessee stated that YCUA's portion of the water main accounts for \$105,000 of the project and Superior Township is requesting reimbursement. He acknowledged that this project was budgeted in last year's budget.

Mr. Jessee recommended approval of the request for a project budget for the Clark Road water main replacement in the amount of \$105,000.

Mr. Peoples inquired as to the time frame for this project. Mr. Jessee responded that the project will begin this fall and should be completed within three weeks.

Motion by Peoples to approve the request for a project budget for the Clark Road water main replacement in the amount of \$105,000. Support by Scott. In favor: All. Opposed: None. (Motion carried)

F. 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.

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

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

questions from the Board.

Informational only; no motion from the Board required.

H. 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.

I. Attorney's Report – Thomas E. Daniels

Mr. Daniels advised the Board that he has four items upon which to report for this month. He indicated that his report is a repeat of some information previously provided.

Mr. Daniels explained that the Board is up to speed on IDI after receiving a copy of his letter sent September 19, 2007. He pointed out that one thing he would add is that his letter went to IDI along with a detailed presentation from the Christman Company laying out how this settlement would be effectuated by way of documents and change orders that would be necessary. Mr. Daniels explained that the letter from John Herrygers filled in some of the more technical aspects of the transaction if it goes into place under the IDI's and the Christman Company's contract. He further advised that the Authority is waiting to hear back from them. Mr. Daniels stated that they have been given until October 1st to respond.

Mr. Daniels advised the Board that YCUA filed a lawsuit against Bioclimatic on September 14th in Washtenaw County Circuit Court. He indicated that the Authority is serving Bioclimatic with the complaint at present. Mr. Daniels also explained that a decision needs to be made in the next week to 10 days as to whether YCUA will add Meade Westvaco as a defendant in that litigation. He pointed out that the Authority rushed a little bit in getting the suit against Bioclimatic into court because they had a potential claim against the Authority and could have filed that complaint somewhere else such as New Jersey. Mr. Daniels explained that Meade Westvaco has no such claim against YCUA so there is no time pressure with them but they should still be added sometime within the next week to 10 days.

Mr. Daniels advised the Board that there is nothing significant to report on the C.A. Hull matter. He indicated that, since the last Board meeting, there was a scheduling conference in court, which set aside the schedule for litigation and set deadlines for pretrial discovery. Mr. Daniels explained that the conference also scheduled the next pretrial as well as the mediation process.

Mr. Daniels explained that ABC Paving has filed its brief in the Court of Appeals. He further advised that YCUA's response to the portion of the brief that addresses the Authority is due on October 16th. Mr. Daniels stated that this response will be filed timely in the Court of Appeals. He acknowledged that this is only a \$35,000 item.

Informational only; no motion from the Board required.

S. Director's Report - Larry R. Thomas

Mr. Thomas advised the Board that he has two items upon which to report for this month.

Mr. Thomas advised the Board that YCUA has started negotiations with DWSD on a new water contract. He indicated that DWSD would like to enter into a new type of contract with all of its customers. Mr. Thomas also explained that a Technical Advisory Committee was formed over two years ago and that he participates in the group. He pointed out that this committee consists of various customer communities and DWSD staff in order to develop the language that will require YCUA to declare a usage level with maximum day and peak hour factors rather than setting rates based on what happens for the year. Mr. Thomas explained that the goal was to make the contract and water rates more fair across the communities and also reduce the volatility in the water rates. He further advised that some customers experience significant swings in the rates from one year to the next, although the Authority has not been subject to those swings thanks to its storage capacity. Mr. Thomas stated that YCUA generally gets a small increase each year but that those increases are fairly steady. He acknowledged that Authority staff feels that there will be some advantage to YCUA entering into this new contract in being able to better predict its usage.

J. Ray Scott inquired as to whether YCUA's customers will be impacted by a very costly new water main that is being constructed between DWSD and Macomb County. Mr. Thomas replied that he would review the DWSD capital plan to see if this cost is common to all suburban customers or whether it is directed toward Macomb customers. He explained that there is a new main going in parallel to the major main feeding the YCUA pump station and that the cost will be common to all DWSD customers, which is a typical practice.

Mr. Thomas advised the Board that the Authority finally received the easements from Eastern Michigan University for the double-check valve installation. He indicated that thanks are due to Gregory A. Peoples for his assistance in the matter. Mr. Thomas also explained that the valves will be installed off of Huron River Drive. He pointed out that YCUA staff will be contacting the contractor to determine his schedule and hopefully begin work in the next few weeks. Mr. Thomas explained that

the change order that was approved last month contingent upon the easements not being procured will not be needed and is now a moot issue. He further advised that the contractor may request some additional compensation for the project simply because the bidding was done 14 months ago. Mr. Thomas stated that it would not be out of line for the contractor to ask for additional compensation if his costs have increased during that time.

Informational only; no motion from the Board required.

4. OLD BUSINESS:

There was no old business for the month.

5. OTHER BUSINESS:

There was no other business for the month.

- 6. STATEMENTS AND CHECKS:** Motion by Peoples to pay the bills in the amount of \$4,356,999.51 with an addendum of \$19,313.35. 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 4:34 p.m. Support by Peoples. In favor: All. Opposed: None. (Motion carried)

Respectfully submitted,



MARK NAMATEVS, Secretary/Treasurer