



Minutes

**YPSILANTI COMMUNITY UTILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
Tuesday, October 27, 2009 – 9:00 a.m.
YCUA Administration Building
2777 State Road
Ypsilanti, MI 48198-9112**

Members Present: Deedra Climer Bass, Larry J. Doe, and Gregory A. Peoples.

Members Absent: J. Ray Scott and Mark Namatevs.

1. **CALL TO ORDER:** Bass called the meeting to order at 9:07 a.m.
2. **MINUTES OF THE PREVIOUS MEETINGS:** Motion by Doe to receive and file the minutes of the September 22, 2009 meeting as presented. Support by Peoples. In favor: All. Opposed: None. (Motion carried.)
3. **NEW BUSINESS:**
 - A. **Informational Item – 2009 Award for Safety Excellence from the Michigan Section of the American Water Works Association (AWWA) –** Larry R. Thomas

Mr. Thomas advised the Board that Paul Retel from the Michigan Section of the American Water Works Association (AWWA) was in attendance to present to the Authority the Class III Michigan Safety Award.

Mr. Retel thanked the Board for allowing him the opportunity to make the presentation. He indicated that he is civil and environmental engineer as well as a trustee for the Michigan Section AWWA and Chair of the Michigan AWWA Safety Practices Committee. Mr. Retel also explained that the AWWA's purpose is to promote safe drinking water. He pointed out that part of his duties on the AWWA Safety Practices Committee is to sponsor an annual Michigan Safety Award solely for drinking water utilities within the state of Michigan in four utility classes based on the number of employees. Mr. Retel explained that YCUA is a Class III facility which is one of the larger utilities with 100 to 500 employees.

He further advised that YCUA Health and Safety Manager Scott Robinson was instrumental in submitting the information that is required as part of the award process. Mr. Retel stated that this information includes OSHA safety records as well as portions of the actual safety program. He acknowledged that this information is also submitted to the national AWWA in Denver for their award process.

Mr. Retel confirmed that he is aware that YCUA has won safety awards from other organizations and that this tells him that the Authority has a culture of safety that is excellent. He explained that this protects the YCUA's employees as well as the pocketbooks of their customers.

Mr. Retel then presented the award to Mr. Robinson, who accepted it on behalf of everyone at the Authority. Mr. Robinson pointed out that this is an award for everyone because the top-notch safety culture at YCUA is maintained and improved upon every day by all employees at the Authority. Mr. Robinson's comments met with applause from the Board and the assembly.

Informational only; no motion from the Board required.

B. Request to Approve – Contract with AFSCME Local 3451 – Larry R. Thomas

Mr. Thomas advised the Board that AFSCME union represents the majority of employees at the Authority. He indicated that their contract expired on August 31st of this year. Mr. Thomas also explained that the Authority and the union's bargaining unit have reached a tentative agreement, which has been presented for the Board's review and approval. He pointed out that a list of significant changes has also been included for their convenience.

Mr. Thomas explained that an update was emailed the day before which outlines the financial impact of the various changes for the life of the contract. He further advised that the change with the greatest impact is the elimination of the retired employee health care for employees hired after September 1st of this year and that, although short-term it will possibly result in an increase at our next valuation, the amount that must be funded to that actuarial (ARC) fund will then decrease over the next 30 years until the liability is down to zero, which is very significant.

Mr. Thomas stated that, for the long-term viability of the Authority, the elimination of this huge liability is the most responsible solution. He acknowledged that YCUA's auditors, MERS representatives, and YCUA's health care consultants have all concurred.

Mr. Thomas confirmed that both the YCUA Finance and Personnel Committees have reviewed the contract and both are recommending approval.

Mr. Thomas recommended approval of the Contract with AFSCME Local 3451.

Gregory A. Peoples commended both the management team and members of the AFSCME group for their diligence in working together to come up with this contract, particularly in light of the austere times. He explained that this says a lot about the spirit of mutual cooperation at the organization.

Larry J. Doe interjected that he did not have the opportunity to thoroughly study the contract as did the other members of the Board serving on the aforementioned committees. He also stated that he has a lot of questions and that he is in support of tabling the item pending a special work session to address his questions. Mr. Doe advised the Board that he applauds the union and management for putting the proposed contract together but that he has concerns, particularly with respect with employee health care. He indicated that he does not want YCUA to become another Wal-Mart with decreasing wages and inadequate health care so that the level of qualified and dedicated employees is compromised.

Gwyn Belcher responded that wages have not been affected for new hires under the new contract and that the only change to health care is a move from a defined benefit retiree health care program to a defined contribution program. She indicated that this is very similar to a 401K versus the current MERS program in that the Authority will contribute funds and employees will have the opportunity to save for their own medical expenses after employment. Ms. Belcher also explained that there was some discussion regarding the quality of applicants the Authority will receive after these changes are implemented and that it was decided, with what is happening in other organizations, YCUA will still receive the highest quality of employees as it always has.

Ms. Belcher explained that this was viewed by the negotiating parties as an opportunity to avoid the legacy cost and decrease the liability for the Authority over the long-term.

Ms. Bass added that it is her understanding from a Human Resources perspective that this move from defined benefits to defined contribution model is consistent with the industry as a whole. Ms. Belcher responded that this is without a doubt the case. She acknowledged that YCUA retiree pensions have not been affected and will remain in the MERS defined

benefit program. Ms. Belcher confirmed that there are 10 employees currently contributing to health insurance.

Larry J. Doe inquired as to how retiree benefits will be funded when, at some point in the future when the Authority has all new employees with the defined health insurance and all the employees that are working now have retired and are drawing from the old plan.

Dwayne Harrigan responded that GASB 45 requires that the Authority pre-fund that money. He indicated that the theory is that when that last retiree leaves, the plan will be fully funded and that there will be a pool of money that is earning interest and drawing down until the last people stop using the old health insurance, when that pool of money will be gone.

Ms. Belcher pointed out that Mr. Harrigan is referring to the ARC previously mentioned that, for the current year, is \$2.4 million. She also stated that, keeping things the way they were, that figure would go up to over \$5 million per year. Ms. Belcher advised that this money is earned through operations and that, by closing the fund, the ARC that will need to be contributed will decrease in the future.

Mr. Peoples interjected that he understands Mr. Doe's concern but that the members of both groups have done a yeoman's job trying to work out the best deal they possibly can for the organization. He indicated that it has been his experience in the past that when you have a tentative contract agreement on the table, the longer you delay, the more problems arise.

Mr. Doe reiterated his concern that he is unsure about where this operational income is going to come from, particularly considering that every day an average of five or six homes go into foreclosure and that he is concerned that with revenues consistently going down, this will result in rates going up. He also explained that he is concerned this will create an open door to increase rates to the consumer.

Ms. Belcher explained that there is no way to know exactly where operational income will be going in the future but it is certain that if this is not done and that retiree health care benefits continued unchanged, the cost to the consumer will be considerably higher in the future.

Motion by Peoples to approve the Contract with AFSCME Local 3451. Support by Bass. In favor: Two. Opposed: Doe. (Motion carried)

C. Request to Approve – Resolution No. 09-13 Approving Contracts (Wastewater Treatment Plant / Pump Stations) – Larry R. Thomas

Mr. Thomas advised the Board that the Authority is in the process of securing State Revolving Fund (SRF) loans for two projects for this

coming year. He indicated that the SRF is the state's low interest loan program for local capital projects dealing with wastewater collection and treatment facilities. Mr. Thomas also explained that the projects are the Wastewater Treatment Plant Optimization and the Township Division Pump Station Replacement Project. He pointed out that the projected loan amounts are \$1.15 million for the plant optimization and \$1.05 million for the pump station replacements.

Mr. Thomas explained that a resolution authorizing YCUA to enter into the contracts with the city and township regarding the sale and repayment of the bonds is included in their packets. He further advised that Tom Colis from Miller Canfield, YCUA's bond counsel, was present to give a presentation and answer any questions that they may have.

Mr. Thomas recommended approval of Resolution No. 09-13 Approving Contracts (Wastewater Treatment Plant / Pump Stations).

Mr. Colis advised the Board that, as Mr. Thomas indicated, there are two contracts, one for the wastewater treatment plant with both the city and the township, and one for the pump stations with just the township. He indicated that the city and the township both met earlier this month and approved the contracts. Mr. Colis also explained that this comes with an associated 45-day referendum period for each of the municipalities, which should expire by the end of November. He pointed out that, if there is a petition filed, that particular project would be put on hold until a vote took place in that particular municipality.

Mr. Colis explained that there is currently a 40% principal forgiveness from the state on these loans. He further advised that YCUA has closed a couple of loans this year where they received this 40% principal forgiveness, so only 60% of the contract amounts would actually be repaid. Mr. Colis stated that there has been no official word on the 40% but that this has been the talk pending a finalized budget in Lansing and he is confident that that will be the case.

He acknowledged that the next step will be to come back to the Board at the November meeting and authorize the bonds. Mr. Colis confirmed that staff needs to make sure that these are the right dollar figures once the bids come in so that the bond resolutions can be prepared for the Board's approval. He explained that there will be conference calls with MDEQ and the bond authority taking place soon in order to iron out the bond issue details.

Mr. Colis pointed out that the interest rate is 2.5% and that, factored in with the 40% principal forgiveness, makes this an excellent time to borrow

funds. He also stated that the closing will not take place until January 22, 2010 even though closing would normally take place in December for the state's fiscal first quarter financings. Mr. Colis advised the Board that this is because there is currently a large pool of deals pending with the state due to so many organizations wanting to take advantage of the principal forgiveness and the state needs more time to weed through all of the documentation.

He indicated that this is a standard contract with a 20-year amortization schedule at 2.5% interest rate.

Motion by Peoples to approve Resolution No. 09-13 Approving Contracts (Wastewater Treatment Plant / Pump Stations). Support by Doe. In favor: All. Opposed: None. (Motion carried)

D. Request to Approve – YCUA / Pittsfield Township Customer Agreement – Larry R. Thomas

Mr. Thomas directed the Board's attention to a draft agreement to provide water to a property in Pittsfield Township. He indicated that the property is on Golfside north of Washtenaw and currently does not have access to any of Pittsfield's water or sewer mains. Mr. Thomas also explained that YCUA, however, has both available in front of the property. He pointed out that, in cases like this on bordering communities, it is quite often that the Authority enters into this type of agreement. Mr. Thomas explained that the parties to the agreement are YCUA, the land owner, and Pittsfield Township and that the agreement is fairly standard. He further advised that the contract covers connection fees, the meter reading, and who is doing the billing. Mr. Thomas stated that YCUA attorney Tom Daniels drafted the template for the agreement.

Mr. Jessee recommended approval of the YCUA / Pittsfield Township Customer Agreement.

Motion by Doe to approve the YCUA / Pittsfield Township Customer Agreement. Support by Peoples. In favor: All. Opposed: None. (Motion carried)

E. Request to Approve – Change Order re: Martz Road – T. Michael Jessee

Mr. Jessee reminded the Board that a major renovation is taking place at Martz Road totaling about \$2 million. He indicated that, as the project was being bid, discussions were still taking place as to what type of comminutor would be used. Mr. Jessee also explained that a comminutor is a large disposal that grinds up all the rags and other solids coming into the pump station so that it can be transported to the wastewater treatment

plant. He pointed out that a channel grinder was chosen over a comminutor, which resulted in a reduction in the contract cost of \$15,000.

Mr. Jessee recommended approval of the Change Order re: Martz Road for a reduction in cost of \$15,000.

Motion by Doe to approve the Change Order re: Martz Road for a reduction in cost of \$15,000. Support by Peoples. In favor: All. Opposed: None. (Motion carried)

F. Request to Approve – Change Order re: Clark Road – T. Michael Jessee

Mr. Jessee reminded the Board that, about two years ago, YCUA entered into a contract with Superior Township to extend and replace a water main along Clark Road. He indicated that the project has since been completed and, as a result of contract changes in the field, there were change orders in the amount of \$56,260.57. Mr. Jessee also explained that this was discussed at length with Superior Township officials and it was determined that YCUA would be responsible for a portion of this amount totaling \$10,724.50 for the replacement of a valve and procurement of easements and other engineering costs.

Mr. Jessee recommended approval of the Change Order re: Clark Road in the amount of \$10,724.50.

Motion by Peoples to approve the Change Order re: Clark Road in the amount of \$10,724.50. Support by Doe. In favor: All. Opposed: None. (Motion carried)

G. Request to Approve – Change Order re: Bridge Road – T. Michael Jessee

Mr. Jessee reminded the Board that YCUA is currently painting the north tank of the Bridge Road facility, which contains two five-million gallon tanks. He indicated that, as the contractor was completing this work, they noticed quite a few weather spots on the other tank. Mr. Jessee also explained that they are large areas where rain, sleet, and hail have knocked the paint off, causing the tank to corrode. He pointed out that the contractor offered to repair the damage at a cost of \$9,200 and extend the life of the tank by three to five years. Mr. Jessee explained that the change order was approved and the work is complete.

Mr. Jessee recommended approval of the Change Order re: Bridge Road in the amount of \$9,200.

Larry J. Doe inquired as to why this wasn't picked up when the contractor examined the facility during the bid procedure. Mr. Jessee responded that

it was not noticed sooner because most of the damage is on the top of the tank and could not be seen until the contractor was on top of the other tank.

Motion by Peoples to approve the Change Order re: Bridge Road in the amount of \$9,200. Support by Doe. In favor: All. Opposed: None. (Motion carried)

H. Request to Approve - Incinerator Expansion Joint Replacement Project – T. Michael Jessee

Mr. Jessee advised the Board that the incinerator has numerous feet of 36-inch ductwork which has a number of expansion joints. He indicated that one of these expansion joints began leaking about three or four months ago and the situation was investigated by the YCUA maintenance department. Mr. Jessee also explained that the repair was made temporarily but, since that time, staff has procured a replacement expansion joint and went out for bids for a contractor to install it. He pointed out that four bidders responded and that the lowest bid was from Process Piping and Equipment from Milford in the amount of \$13,400. Mr. Jessee explained that staff is also requesting a contingency in the amount of \$6,600 for a total budget amount of \$20,000.

Mr. Jessee recommended approval of the Incinerator Expansion Joint Replacement Project in the amount of \$20,000.

Mr. Peoples inquired as to whether YCUA has any previous knowledge of the low bidder and whether there were any concerns as to the quality of work. Mr. Jessee responded that they have done some small jobs for the Authority in the past. He added that YCUA has a very strong track record of evaluating bids and that staff feels very comfortable with this particular company.

Mr. Doe inquired as to why the contingency is so high. Mr. Jessee responded that staff is preparing for the multitude of unforeseen issues that can occur with pipe work of this magnitude. He added that contractors are not advised of contingency figures so that abuse of those funds is not likely to occur. He confirmed that YCUA has worked with this company before.

Motion by Peoples to approve the Incinerator Expansion Joint Replacement Project in the amount of \$20,000. Support by Bass. In favor: All. Opposed: None. (Motion carried)

I. Request to Approve – Arc Flash Project – T. Michael Jessee

Mr. Jessee advised the Board that this project is a major concern for most of the corporations in America today. He indicated that this is a new OSHA / MIOSHA regulation that states that any equipment with 125 kilovolt amperage or higher must be evaluated for safety standards. Mr. Jessee also explained that this evaluation includes work hazard assessment, personal protective equipment requirements, and any and all labeling requirements. He pointed out that YCUA went out for bidding on this project, which resulted in a huge range from \$48,500 to \$242,872. Mr. Jessee explained that the Authority had a very large team working on this and he was assured by the Director of Maintenance that the low bidder, Power Plus Engineering, was thoroughly investigated. He further advised that Power Plus Engineering has done an excellent job at other municipalities in Michigan.

Mr. Jessee stated that staff is requesting a contingency in the amount of \$11,500 for the reason that the work will cover the wastewater facility as well as some of the larger pump stations. He acknowledged that the contract amount is within the budgeted amount.

Mr. Jessee recommended approval of the Arc Flash Project in the amount of \$60,000.

Ms. Bass inquired as to whether the low bidder can guarantee that YCUA will pass an audit after the work is complete. Mr. Jessee responded that they will not guarantee the work but that after checking all of the company's references, staff feels very comfortable making the recommendation.

Mr. Doe again inquired as to why a contingency of 30% is necessary for work of this nature which appears to be relatively straight forward. Mr. Jessee responded that his main concern revolves around the large switch gears and any safety issues that might be discovered that could result in emergency repairs. Mr. Doe inquired as to the last time the gears were inspected. Mr. Jessee responded that they are generally inspected every three years, the last time being about two years ago.

Motion by Peoples to approve the Arc Flash Project in the amount of \$60,000. Support by Bass. In favor: All. Opposed: None. (Motion carried)

J. Request to Approve - Aspirator Purchase – T. Michael Jessee

Mr. Jessee advised the Board that an aspirator is a device that is placed in a tank to draw in and disperse air into the liquid or solids in the tank. He indicated that staff wishes to put two aspirators in no.1 and no. 2 blending tanks because their studies have shown that aerating those tanks will

reduce the consumption of the chemical alum for phosphate removal. Mr. Jessee also explained that staff has noticed that the filtration coming out of the solids building after the sludge is processed has high concentration of phosphates. He pointed out that two bids were received with the low bid from Jet Pump and Valve in the amount of \$64,000. Mr. Jessee explained that YCUA will do the installation in house.

Mr. Jessee recommended approval of the Aspirator Purchase in the amount of \$64,000.

Motion by Doe to approve the Aspirator Purchase in the amount of \$64,000. Support by Peoples. In favor: All. Opposed: None. (Motion carried)

K. Request to Approve - Insulation of the Granulated Activated Carbon Unit – T. Michael Jessee

Mr. Jessee advised the Board that the Authority began having moisture problems in its carbon bed about two years ago. He indicated that this created a considerable problem, resulting in the replacement of all of the grids, which are partitions that hold the carbon in place allowing the air to come through. Mr. Jessee also explained that this replacement was done at a cost of about \$150,000. He pointed out that, at that time, operational procedures were changed to make sure no more water was being introduced to the process. Mr. Jessee explained that staff also began inspecting the coalescing filter, which is located in the carbon conditioner, on a monthly basis to assure that it was in place and working correctly. He further advised that staff noticed the moisture problems were occurring again.

Mr. Jessee stated that, rather than going back to Donau Carbon, who provided the original equipment as well as the replacement grids, staff contacted Carbon Process and Plant Engineering out of Germany. He acknowledged that, at no charge to the Authority, CPPE came to the states and evaluated the entire carbon system from the WESP to the stack. Mr. Jessee confirmed that CPPE recommended that YCUA insulate all of the duct work from the WESP to the stack and that this bid is expected to come in on November 25th. He explained that they also recommended that they be retained to do some work on the conditioner, including re-supporting and modifying the coalescer filter and the droplet separators, insulating all four man ways on the conditioner and the two on the bed, and insulate the outside of the two sections of the carbon bed.

Mr. Jessee pointed out that the cost of this work comes to \$68,800, which includes four people from Germany, all necessary documentation for

travel, travel expenses, and ten days on the job. He also stated that staff is requesting a contingency of \$7,000 to help offset material costs, which staff would prefer to purchase here in the U.S. Mr. Jessee advised the Board that this brings the total project cost to \$75,000.

Mr. Jessee recommended approval of the Insulation of the Granulated Activated Carbon Unit in the amount of \$75,000.

Mr. Doe inquired as to how long the new incinerator has been in operation. Perry M. Thomas responded that it first went online in January of 2006. Mr. Doe inquired as to when this insulation issue first occurred and why it was not addressed during the construction of the incinerator. Mr. Jessee responded that when GAC issues first began two years ago, he revisited the incinerator bidding specifications and there was no mention of insulation being required on the ductwork itself, nor did it call for any of the work presently being proposed. He indicated that these are issues that have developed since the Authority began operating the incinerator and must be corrected. Mr. Jessee explained that, because YCUA was the very first in the country to utilize this new incinerator technology, other municipalities will benefit from the lessons YCUA is learning.

Ms. Bass inquired as to whether there are any American companies that can do what CPPE has proposed. Mr. Jessee responded that numerous U.S. vendors were contacted for the job but that none wanted anything to do with it. He reiterated that when you are on the leading edge of new technology, you get to be the first to work through all the problems.

Motion by Peoples to approve the Insulation of the Granulated Activated Carbon Unit in the amount of \$75,000. Support by Doe. In favor: All. Opposed: None. (Motion carried)

L. Fund Balance Report - Larry R. Thomas

Mr. Thomas directed the Board's attention to the Fund Balance Report for September 30, 2009. He then proceeded to give a detailed report of the information contained in the report and answered questions from the Board.

Informational only; no motion from the Board required.

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

Mr. Thomas directed the Board's attention to the Financial Report – Authority Net Assets Report for September 30, 2009. 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.

N. Usage Report – Consumption Report - Larry R. Thomas

Mr. Thomas directed the Board's attention to the Consumption Report. He then proceeded to give a detailed report of the information contained in the report and answered questions from the Board.

Informational only; no motion from the Board required.

O. Attorney's Report – Andrew Eggan

Andrew Eggan, Tom Daniels' partner, reported that Mr. Daniels was not in attendance. Mr. Eggan reported Mr. Daniels' attorney's report, paraphrased as follows:

1. C.A. Hull Litigation: The favorable verdict achieved by YCUA in this litigation was followed by a motion for entry of a judgment in the amount of the damages awarded (\$208,909), plus court costs, interest, and case evaluation attorney fee sanctions, resulting in a final judgment in the amount of \$252,031, entered on September 30th. Following this, C.A. Hull proposed to pay a lesser sum in exchange for C.A. Hull not filing an appeal. In consultation with Larry Thomas and Mike Jessee, we believed an appeal would be filed in the absence of settlement, but assessed C.A. Hull's likelihood of success on appeal as "very low." On that basis, we considered the expense and fees to be incurred on appeal, the "time-value" of money, and the benefit of terminating the work required of YCUA management and staff if this litigation continued, and made one settlement demand of C.A. Hull in the amount of \$240,000, indicating that a counter offer would not be entertained. C.A. Hull has accepted this settlement number and we expect receipt of the settlement check immediately.

2. Bioclimatic — MeadWestvaco Litigation: (1) As previously reported, the facilitative mediation on September 9th was unsuccessful. (2) Pre-trial discovery ended July 31st, but TCC / YCUA filed a motion to compel more thorough document production from MeadWestvaco. That motion was opposed by MeadWestvaco and we appeared in federal district court on October 15 to argue that motion. The court has taken the matter under advisement and will issue a written decision. (3) TCC / YCUA owes document production to Bioclimatic and we are working on that discovery request now. (4) Bioclimatic has filed a late request to file a counter claim in the amount of \$67,000, allegedly for extra work and services provided as a result of TCC / YCUA delays and failure to timely install and properly maintain the equipment. TCC / YCUA filed a motion to strike that late counter claim. Bioclimatic has responded. The matter will be heard by the court at a hearing on December 10th. (5) As expected,

MeadWestvaco and Bioclimatic filed separate motions and supporting briefs for summary judgment. TCC / YCUA's answers and response briefs are due October 30th and will be timely filed.

The defendants may file reply briefs by November 13, and these motions will be heard by the court, with oral argument of counsel, on December 10th.

3. WTUA Arbitration Appeal: *As previously reported, YCUA submitted a proposed Order Confirming the Arbitration Award and Judgment on the Award to the court with a supporting motion. WTUA responded with a request for delay, stating they had a counter order / judgment and expected the parties could resolve the matter without a hearing. On that basis, the court adjourned the matter to November 5th, to give the parties plenty of time to settle the final order. Recently, we received WTUA's proposed order / judgment. It is unacceptable for a variety of reasons, primarily because their proposed order is inconsistent with the Arbitration Award and includes provisions that would supplement the YCUA-WTUA contract, which the Arbitration Panel determined to be clear and unambiguous and enforceable as is. We have informed WTUA that YCUA will submit the matter to the court at the scheduled hearing on 11-5. (As previously reported, WTUA has paid all damages and costs required by Arbitration Award.)*

Informational only; no motion from the Board required.

P. Director's Report - Larry R. Thomas

There was no director's report for the month.

4. OLD BUSINESS:

Q. Request to Approve – Revisions to Sewer Use Ordinances – Perry M. Thomas

Mr. Thomas reminded the Board that, at the September meeting, they approved the proposed revisions to the Sewer Use Ordinances for the City and Township of Ypsilanti. He indicated that, since then, the Michigan Department of Environmental Quality (MDEQ) has reviewed the proposed revisions and has required language changes to four sections. Mr. Thomas also explained that those requirements have been outlined for the Board's review in their packet materials.

He pointed out that the requirements include certification statements that need to be made and best management practices language addition. Mr. Thomas explained that MDEQ did not require any limit changes of any kind.

Mr. Thomas recommended approval of the Revisions to Sewer Use Ordinances.

Motion by Bass to approve the Revisions to Sewer Use Ordinances. Support by Peoples. In favor: All. Opposed: None. (Motion carried)

5. OTHER BUSINESS:

R. Request to Approve – Incinerator Ductwork Insulation Project - T. Michael Jessee

Mr. Jessee reminded the Board that they have approved the replacement of the expansion joint on the incinerator and the carbon bed and conditioner work. He indicated that staff is currently in the bidding process for the insulation of the ductwork from the WESP to the conditioner down to the carbon bed up to the stack. Mr. Jessee also explained that this was not included in the CPPE proposal. He pointed out that those bids will be opened on November 5th and that he anticipated between \$65,000 - \$75,000 to complete that project. Mr. Jessee explained that he is asking for the Board's consideration and approval to allow YCUA staff to enter into an agreement with the contractor prior to the next Board meeting for that project, only in the event that it does not exceed \$75,000. He further advised that this will allow the scheduling the incinerator to be shut down to a cold state for completion of all three phases of the project as indicated during the first two weeks of December. Mr. Jessee stated that this timing will avoid any possible delays or additional costs related to the holidays.

Mr. Jessee recommended approval of the Incinerator Ductwork Insulation Project in the not-to-exceed amount of \$75,000.

Motion by Peoples to approve the Incinerator Ductwork Insulation Project in the not-to-exceed amount of \$75,000. Support by Doe. In favor: All. Opposed: None. (Motion carried)

S. 2010 Board Meeting Schedule – Larry R. Thomas

Mr. Thomas advised the Board that staff is working on the Board meeting schedule for 2010. He indicated that, as often happens in December, the Board meeting would normally fall in between Christmas and New Years, which is a difficult time to obtain a quorum.

Mr. Thomas recommended approval of the 2010 Board Meeting Schedule with the December Board meeting moved from December 28, 2010 to December 21, 2010.

Motion by Doe to approve the 2010 Board Meeting Schedule with the December Board meeting moved from December 28, 2010 to December

21, 2010. Support by Bass. In favor: All. Opposed: None. (Motion carried)

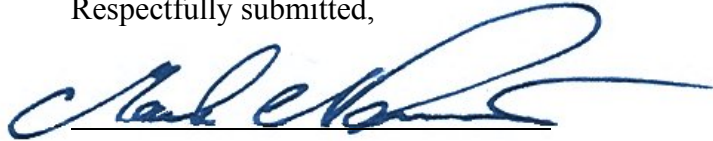
6. STATEMENTS AND CHECKS: Motion by Bass to pay the bills in the amount of \$3,989,876.57 with an addendum in the amount of \$21,908.15. Support by Peoples. In favor: All. Opposed: None. (Motion carried)

7. PUBLIC COMMENTS:

Pat Morris, AFSCME Local 3451 Chief Steward, thanked the Board for approving the new AFSCME contract. He indicated that all parties worked hard to develop this contract which passed overwhelmingly within the union membership and which meets their long-term needs as well as the need of the Authority. Mr. Peoples thanked Mr. Morris for the union's work as well.

8. ADJOURNMENT: Motion by Peoples to adjourn the meeting at 10:11 a.m. Support by Doe. In favor: All. Opposed: None. (Motion carried)

Respectfully submitted,

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

MARK NAMATEVS, Vice Chair

YCUA RESOLUTION No. 09-13
APPROVING CONTRACTS
(WASTEWATER TREATMENT PLANT / PUMP STATIONS)

Minutes of a regular meeting of the Board of Commissioners of the Ypsilanti Community Utilities Authority, County of Washtenaw, Michigan, held in the Authority, on the 27th day of October 2009 at 9:00 o'clock a.m., Eastern Daylight Time.

PRESENT: Commissioners Deedra Climer Bass, Larry J. Doe, Gregory A. Peoples

ABSENT: Commissioners J. Ray Scott and Mark Namatevs

The following preamble and resolution were offered by Commissioner Peoples and supported by Commissioner Doe.

WHEREAS, the Board of Commissioners of the Ypsilanti Community Utilities Authority, County of Washtenaw, Michigan, intends to authorize the issuance and sale of its Wastewater System No. 5 Bonds (City of Ypsilanti and Charter Township of Ypsilanti) pursuant to Act 233, Public Acts of Michigan, 1955, as amended, in an amount of not to exceed One Million One Hundred Fifty Thousand Dollars (\$1,150,000), for the purpose of defraying the cost of the acquisition, construction and installation of various improvements to the existing Wastewater Treatment Plant, together with all necessary appurtenances and attachments thereto, to service the City of Ypsilanti (the "City") and the Charter Township of Ypsilanti (the "Township"); and

WHEREAS, a Contract (Wastewater Treatment Plant) has been prepared among the Authority, the City and the Township to provide for the financing of the cost of acquiring and constructing said improvements, which Contract has been reviewed by the Board of Commissioners; and

WHEREAS, the Board of Commissioners of the Ypsilanti Community Utilities Authority, County of Washtenaw, Michigan, intends to authorize the issuance and sale of its Wastewater System No. 6 Bonds (Charter Township of Ypsilanti) pursuant to Act 233, Public Acts of Michigan, 1955, as amended, in an amount of not to exceed One Million Fifty Thousand Dollars (\$1,050,000), for the

purpose of defraying the cost of the acquisition, construction and installation of improvements to various pump stations, together with all necessary appurtenances and attachments thereto, to service the Township; and

WHEREAS, a Contract (Pump Stations) has been prepared between the Authority and the Township to provide for the financing of the cost of acquiring and constructing said improvements, which Contract has been reviewed by the Board of Commissioners; and

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Contract (Wastewater Treatment Plant) and the Contract (Pump Stations), each dated as of October 27, 2009, are hereby approved and the Chair and Secretary are each authorized to sign the same on behalf of the Authority.

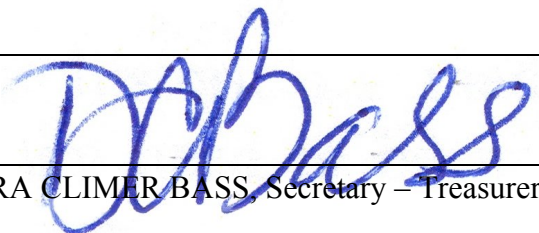
2. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution by and the same hereby are rescinded.

AYES: Commissioners Deedra Climer Bass, Larry J. Doe, and Gregory A. Peoples.

NAYS: Commissioners None.

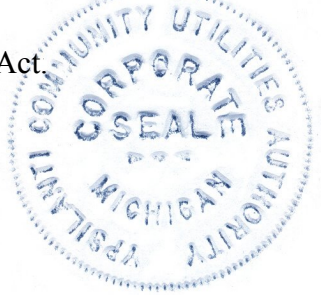
RESOLUTION DECLARED ADOPTED.





DEEDRA CLIMER BASS, Secretary – Treasurer

I hereby certify that the attached is a true and complete copy of a resolution adopted by the Board of Commissioners of the Ypsilanti Community Utilities Authority, County of Washtenaw, State of Michigan, at a regular meeting held on the 27th day of October 2009 and that public notice of said meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976 and that minutes of the meeting were kept and will be or have been made available as required by said Act.



DEEDRA CLIMER BASS, Secretary - Treasurer