



# Minutes

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**YPSILANTI COMMUNITY UTILITIES AUTHORITY  
BOARD OF COMMISSIONERS MEETING  
Tuesday, May 25, 2010 – 9:00 a.m.  
YCUA Administration Building  
2777 State Road  
Ypsilanti, MI 48198-9112**

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

**Members Absent:** Mark Namatevs and Deedra Climer Bass.

1. **CALL TO ORDER:** Mr. Scott called the meeting to order at 9:04 a.m.
2. **MINUTES OF THE PREVIOUS MEETINGS:** Motion by Doe to receive and file the minutes of the April 27, 2010 meeting as presented. Support by Peoples. In favor: All. Opposed: None. (Motion carried.)
3. **NEW BUSINESS:**
  - A. **Request to Approve - YCUA Resolution No. 10-5 re: Retirement for Rolland Sizemore – Larry R. Thomas**

Mr. Thomas advised the Board that Rolland Sizemore was an employee of the Authority for 17 years. He indicated that Mr. Sizemore is retiring on May 31, 2010. Mr. Thomas explained that, at the time of his retirement, he was the project manager in the engineering office. He pointed out that this resolution commends Mr. Sizemore for his years of service to the Authority.

Mr. Thomas recommended approval of YCUA Resolution No. 10-5 re: Retirement for Rolland Sizemore.

Motion by Doe to approve YCUA Resolution No. 10-5 re: Retirement for Rolland Sizemore. Support by Peoples. In favor: All. Opposed: None. (Motion carried)
  - B. **Request to Approve – Fiscal Year 2010 – 2011 Budget – Larry R. Thomas**

Mr. Thomas advised the Board that the proposed budget for the fiscal year beginning September 1, 2010 contains estimates for water and sewer sales for the coming year. He indicated that the City Division water and sewer

sales have been holding fairly steady and that he anticipates this to remain fairly constant.

Mr. Thomas explained that he has projected a 3% decrease in the Township Division water sales and a 5% decrease in the Township Division sewer sales. He pointed out that he anticipates that Powertrain will cease operations by the end of the year. Mr. Thomas also explained that the budgeted decrease in sales in the last two years has amounted to about 16% in water and 14.5% in sewer.

He further advised that he is budgeting for WTUA flow to return to normal in the next fiscal year as their pump station retention basin project is completed.

Mr. Thomas stated that overall operating expenses are expected to decrease by about \$100,000 from the current fiscal year budget and that purchased water will increase by \$957,000 due to an 18% increase in water cost from DWSD. He acknowledged that employee benefits will increase by about \$177,000 as additional funding is required to the OPEB trust fund.

Mr. Thomas confirmed that wages are budgeted down by \$244,000 as the Authority has eliminated eight positions through attrition. He explained that utilities are budgeted down by \$615,000 and chemical usage down by \$200,000 as improvements are realized in process and plant optimization from work being done through the ARRA.

Mr. Thomas pointed out that depreciation is reduced in this budget by \$800,000 from the current budget, however, the reduction in depreciation has the opposite effect on cash generation at the Authority as dollars expended into depreciation are dollars that become cash at the bottom line of the budget because depreciation is a non-cash expense.

He also stated that there is approximately \$1 million in additional revenue which is required to be generated to maintain the budget. Mr. Thomas advised the Board that, to accomplish this, the budget contains a 12% water rate increase, resulting in a projected increase from the current budget of about \$100,000, but no sewer rate increase is recommended.

He indicated that the budget also contains a 5% reduction in the City Division surcharge rate. Mr. Thomas explained that the City Division uses the surcharge to pay its annual debt payments on water and sewer debt. He pointed out that, with the water rate increase, the surcharge rate can be reduced and is estimated to collect sufficient revenues to pay the City Division water and sewer debt payments.

Mr. Thomas also explained that the Finance and Personnel Committees met and reviewed the budget and that they are recommending it to the Board for their approval.

Mr. Thomas recommended approval of the Fiscal Year 2010 – 2011 Budget.

Larry J. Doe commented that the budget was discussed at great length by the Finance Committee and that he thanks YCUA management, staff, and union members for all of their hard work in this win-win budget. He indicated that he personally supports it 100%.

Motion by Doe to approve the Fiscal Year 2010 – 2011 Budget. Support by Peoples. In favor: All. Opposed: None. (Motion carried)

**C. Request to Approve – Fiscal Year 2010 – 2011 Rates – Larry R. Thomas**

Mr. Thomas advised the Board that, as stated in the previous presentation, the proposed budget contains a water rate increase in both divisions of 12% with a City Division surcharge rate reduction of 5% from 76% to 71%. He indicated that the recommended changes increase a minimum user's bimonthly bill by about \$2.39 in the Township Division and \$1.13 in the City Division. Mr. Thomas explained that an average user will see a \$4.88 increase in their bimonthly bill in the Township Division and a \$2.16 increase in the City Division. He pointed out that the Finance Committee has reviewed this request as part of the budget and is recommending it to the Board for their approval.

Mr. Thomas also explained that the YCUA Board is authorized to increase the Township Division water rate up to the level of the increase in the DWSD increase of 18.6%. He further advised that, therefore, this Board can increase the water rate in the Township Division by 12% effective September 1, 2010. Mr. Thomas stated that the YCUA Board does not have such authority in the City Division and should recommend to City Council a 12% water increase and a 5% surcharge rate decrease effective September 1, 2010.

He acknowledged that the residents will be notified well in advance of the effective date of the rate increase. Thomas E. Daniels interjected that when this request is discussed in open session of City Council, it will appear in the local newspapers and that public notices and press releases will be sent out as well.

Mr. Doe added that the Finance Committee met a couple of times to discuss this request and that they are in support of the recommendation. He indicated that this can be attributed to management and staff working together to cut every possible corner.

Mr. Scott interjected that it seems as though usage decreases are starting to flatten out and that it is now time to pay attention to the economy making an upswing. He indicated that getting an accurate message out to the public will be important and that he doesn't want anything to become a

potentially inflated rumor. Mr. Scott also indicated that the fact that YCUA only raised the water rate by 12% in light of the 18% increase from DWSD is a very positive thing. He thanked Mr. Thomas for his exemplary leadership.

Mr. Thomas recommended approval of the Fiscal Year 2010 – 2011 Rates as presented.

Motion by Doe to approve the Fiscal Year 2010 – 2011 Rates as presented. Support by Peoples. In favor: All. Opposed: None. (Motion carried)

**D. Fund Balance Report - Larry R. Thomas**

Mr. Thomas directed the Board's attention to the Fund Balance Report for April 30, 2010. He then proceeded to give a detailed report of the information contained in the report and answered questions from the Board.

Informational only; no motion from the Board required.

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

Mr. Thomas directed the Board's attention to the Financial Report – Authority Net Assets Report for April 30, 2010. 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.

**F. Usage Report – Consumption Report - Larry R. Thomas**

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

Mr. Doe inquired as to how much usage can be expected from WTUA when they come online. Mr. Thomas responded that their usage will be about 11 mgd, which will cover about 20% of the sewage usage shortfall.

Informational only; no motion from the Board required.

**G. Attorney's Report – Thomas E. Daniels**

Mr. Daniels advised the Board that he has three items to report on. He indicated that settlement discussions are taking place on the Meade Westvaco matter. Mr. Daniels explained that, a week ago, YCUA submitted a counter-proposal to offers that were received from Meade Westvaco and Bioclimatic, which were formulated with close consultation with Larry Thomas and John Herrygers of the Christman Company. He pointed out that the numbers are consistent with the letter report that was sent to the Board a couple of months ago. Mr. Daniels also explained that the trial date remains at October 5<sup>th</sup>.

Mr. Daniels advised the Board that the time for a final appeal on the WTUA matter has expired. He indicated that he recently contacted opposing counsel about when payment could be expected on attorney fee sanctions and that he was told an installment of \$37,795 would be paid by the end of the month.

Mr. Daniels explained that YCUA has received a letter from Clearwire terminating discussions regarding Shadford tower without explanation. He pointed out that he has attempted to contact them twice but has not received any return calls. Mr. Daniels also explained that this is the second time that they have done this in the last five or six years. He further advised that he does not know why this has occurred again other than that they indicated in a very brief letter that they did not wish to continue discussions.

Informational only; no motion from the Board required.

**H. 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 Doe to pay the bills in the amount of \$2,489,726.83 with an addendum in the amount of \$358.75. Support by Peoples. In favor: All. Opposed: None. (Motion carried)

**7. PUBLIC COMMENTS:**

There were no public comments for the month.

- 8. ADJOURNMENT:** Motion by Peoples to adjourn the meeting at 9:27 a.m. Support by Doe. In favor: All. Opposed: None. (Motion carried)



Respectfully submitted,

DEEDRA CLIMER BASS, Secretary - Treasurer

**YCUA RESOLUTION NO. 10-5 ANNOUNCING  
THE RETIREMENT OF ROLLAND SIZEMORE AND  
COMMENDING HIM FOR HIS SERVICE**

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 25<sup>th</sup> day of May 2010 at 9:00 o'clock a.m., Eastern Daylight Time.

PRESENT: Commissioners J. Ray Scott, Gregory A. Peoples, Larry J. Doe.

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ABSENT: Commissioners Mark Namatevs and Deedra Climer Bass.

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

WHEREAS, Rolland Sizemore, an employee of the Ypsilanti Community Utilities Authority, has completed seventeen (17) years of service to the Authority; and

WHEREAS, Rolland Sizemore has requested retirement as of May 31, 2010 and

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners of the Ypsilanti Community Utilities Authority commends Rolland Sizemore for his accomplishments and years of service to the Authority and expresses its appreciation to him.

BE IT FURTHER RESOLVED THAT a suitably inscribed copy of this Resolution of Retirement be sent to Rolland Sizemore as an expression of the Board's sincere appreciation for his years of service and the desire to convey its best wishes for good health and happiness in his retirement.

AYES: Commissioners J. Ray Scott, Gregory A. Peoples, Larry J. Doe.

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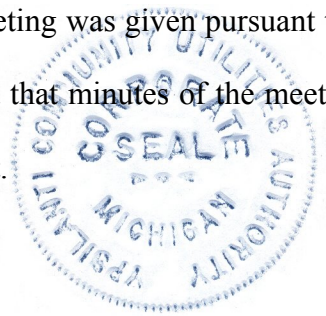
NAYS: Commissioners None.

RESOLUTION DECLARED ADOPTED.



  
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J. RAY SCOTT, Chair

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 25<sup>th</sup> day of May 2010 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.



  
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J. RAY SCOTT, Chair