



Minutes

**YPSILANTI COMMUNITY UTILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
Tuesday, December 21, 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 9:13 a.m.
2. **MINUTES OF THE PREVIOUS MEETINGS:** Motion by Doe to receive and file the minutes of the November 23, 2010 meeting as presented. Support by Peoples. In favor: All. Opposed: None. (Motion carried.)

3. NEW BUSINESS:

- A. **Request to Approve – Service Center Lease Agreement –** Larry R. Thomas

Mr. Thomas directed the Board's attention to a draft lease agreement for the Authority to lease the Service Center building in which it houses its service department. He indicated that the building is owned by Ypsilanti Township. Mr. Thomas explained that the previous lease expired in September and that this is a replacement lease. He pointed out that the lease was drafted by Thomas E. Daniels and contains standard language for commercial leases of this kind. Mr. Thomas also explained that the annual rental amount remains the same as it has been for the last 20 years. He further advised that the lease is for five years and can be renewed in five year increments indefinitely.

Mr. Thomas stated that the Ypsilanti Township Board of Trustees approved the lease at their December 7th meeting.

Mr. Thomas recommended approval of the Service Center Lease Agreement.

Motion by Peoples to approve the Service Center Lease Agreement. Support by Doe. In favor: All. Opposed: None. (Motion carried)

B. Request to Approve - Change Order No. 3 re: Duncan and Emerick Pump Stations – T. Michael Jessee

Mr. Jessee advised the Board that this is the final change order on this project. He indicated that the project has been completed and, with the approval of this change order, the final total project cost will be \$36,540.35 below the contracted amount.

Mr. Jessee explained that the change order addresses 12 items ranging from an additional cost of \$3,654.72 to a decrease of \$3,904. He pointed out that there were two large items, the first being the decrease of \$3,904 which was due to less than anticipated potholing, which are exploratory excavation procedures at the Duncan Street pump station. Mr. Jessee also explained that this involves using a vactor to pothole the area to make sure that the utilities have been staked properly.

He further advised that the second of the large items is an increase of \$3,654.72 for additional sidewalk removal and replacement at the Duncan location.

Mr. Jessee recommended approval of Change Order No. 3 re: Duncan and Emerick Pump Stations in the deduct amount of \$3,971.69.

Motion by Doe to approve Change Order No. 3 re: Duncan and Emerick Pump Stations in the deduct amount of \$3,971.69. Support by Peoples. In favor: All. Opposed: None. (Motion carried)

C. Request to Approve - Change Order re: Road Repairs Phase II – T. Michael Jessee

Mr. Jessee advised the Board that this is the final change order for the road repairs phase II project for 2010. He reminded the Board that, in August of 2010, the Board approved a \$130,000 budget for this project, which included \$117,775 for the construction amount and \$12,225 for the contingency.

Mr. Jessee explained that the project is now complete. He pointed out that this change order addresses ten items ranging from an increase of \$35,462.70 to a reduction of \$24,339.80. Mr. Jessee also explained that the two larger items addressed bituminous pavement repair of less than five inches and five to eight inches. He further advised that there was an increase for the five inch and less of \$35,462.70 and a decrease of \$24,339.80 for the five to eight inches.

Mr. Jessee stated that, with the approval of this change order, the total project cost will come in under budget by the amount of \$4,104.40.

Mr. Jessee recommended approval of Change Order re: Road Repairs Phase II in the amount of \$8,123.60.

Motion by Peoples to approve Change Order re: Road Repairs Phase II in the amount of \$8,123.60. Support by Doe. 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 November 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 November 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.

Informational only; no motion from the Board required.

G. Attorney's Report – Thomas E. Daniels

Mr. Daniels advised the Board that he has no report this month.

H. Director's Report - Larry R. Thomas

Mr. Thomas advised the Board that YCUA has begun offering paperless and budget billing to its customers. He indicated that just over 50 people have elected to participate in the paperless billing to date and 10 or 12 for the budget billing.

Informational only; no motion from the Board required.

4. OLD BUSINESS:

I. Informational Item – Cortland Street Emergency Sanitary Sewer Repair Project – T. Michael Jessee

Mr. Jessee reminded the Board that, at the last month's meeting, the Board approved a \$140,000 budget for the emergency repair of the Cortland sanitary. He indicated that this is located behind the apartments along Washtenaw.

Mr. Jessee explained that Paymar completed the pipe bursting and that, after further investigation, it was discovered that the entire pipe did not require pipe bursting. He pointed out that it can be lined instead, which was on the relining contract that is currently underway.

Mr. Jessee also explained that he has spoken with the engineering manager, who anticipates a \$60,000 decrease in the contract.

Larry J. Doe inquired as to whether the Ford Blvd. water main project can be tied in with this one. Mr. Jessee responded that there was difficulty with the specifications on this project as written regarding the pipe bursting. He acknowledged that there is a two month window to get the work done before the Authority interferes with the road commission's work in the area. Mr. Jessee confirmed that the job is about a two week project and that moving in this direction will also save the Authority money.

Informational only; no motion from the Board required.

J. Informational Item - Purchase of Sanitary Pump Station Systems – T. Michael Jessee

Mr. Jessee advised the Board that YCUA attorney Thomas E. Daniels has been in contact with the financial firm that is dealing with Tuttle Hill Ventures LLC, which is the owner of the pump station equipment that YCUA has been considering purchasing. He indicated that Mr. Daniels has worked diligently with the financial institution and has been given the go ahead to purchase the equipment.

Mr. Jessee explained that Mr. Daniels has also reviewed the sales agreement that has been drafted and made some necessary changes. He pointed out that staff is ready to proceed but, because this is a tabled item from two months ago, it needs to be removed from the table at the January meeting when a more complete Board is present.

Mr. Daniels also explained that the agreement has been finalized and that the owner's bank has confirmed there is no lien on the equipment and has approved the purchase. He further advised that the company is not in foreclosure as was previously thought. Mr. Daniels stated that the only

question that still remains is whether the check needs to be payable to the bank or the owner.

Informational only; no motion from the Board required.

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 \$2,597,814.20. Support by Peoples. In favor: All. Opposed: None. (Motion carried)

7. PUBLIC COMMENTS:

Perry M. Thomas wished the Board a Merry Christmas and a Happy New Year. Mr. Doe commended the staff and management of YCUA for a prosperous year of working together better than ever. Mr. Scott echoed his sentiments on behalf of the entire Board.

8. ADJOURNMENT: Motion by Doe to adjourn the meeting at 9:31 a.m. Support by Peoples. In favor: All. Opposed: None. (Motion carried)



Respectfully submitted,

DEEDRA CLIMER BASS, Secretary - Treasurer