



Minutes

**YPSILANTI COMMUNITY UTILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
Tuesday, January 24, 2012 – 9:00 a.m.
YCUA Administration Building
2777 State Road
Ypsilanti, MI 48198-9112**

Members Present: Mark Namatevs, Larry J. Doe, Gregory A. Peoples, and Brenda L. Stumbo.

Members Absent: None.

1. **CALL TO ORDER:** Mr. Namatevs called the meeting to order at 9:08 a.m.
2. **MINUTES OF THE PREVIOUS MEETINGS:** Motion by Doe to receive and file the minutes of the December 20, 2011 meeting as presented. Support by Peoples. In favor: All. Opposed: None. (Motion carried.)
3. **NEW BUSINESS:**
 - A. **Request to Approve - YCUA Resolution No. 12-1 re: Retirement for T. Michael Jessee**– Larry R. Thomas

Mr. Thomas advised the Board that Mike Jessee, YCUA’s Assistant Director, has completed 30 years of service to the Authority and has requested retirement as of January 20, 2012. He directed the Board’s attention to a resolution announcing Mr. Jessee’s retirement and commending him for his service. Mr. Thomas explained that Mr. Jessee has been a valuable member of the YCUA staff for 30 years and the resolution is fitting at the time of his retirement.

Mr. Thomas recommended approval of YCUA Resolution No. 12-1 re: Retirement for T. Michael Jessee.

All of the Board members commended Mr. Jessee for his many years of dedicated service and wished him well in his retirement.

Motion by Peoples to approve YCUA Resolution No. 12-1 re: Retirement for T. Michael Jessee. Support by Doe. In favor: All. Opposed: None. (Motion carried)

B. Discussion Item – YCUA Board Policy re: The Role of the Board of Commissioners in Personnel Discipline and Grievance Matters – Larry R. Thomas

Mr. Thomas reminded the Board that, at last month's meeting, it was requested that this policy be added to the agenda for discussion and possible amendment. He indicated that, at present, the policy allows for the filling of open positions at the Authority without Board approval if the position is funded in the budget.

Mr. Doe advised that he is of the opinion that the Board ought to have an opportunity to participate in the hiring process in all instances. He indicated that this should be done particularly with respect to management positions and if there is an opportunity to save the Authority money by distributing tasks among current employees as long as a certain level of quality can be maintained. Mr. Doe explained that he is not sure that all of the different mechanisms of running a business are reviewed when management and the Personnel Committee take on hiring matters without Board involvement.

Mr. Peoples advised that he understands Mr. Doe's point in terms of economic factors but that he is of the opinion that it is the Board's responsibility to act upon the recommendations of YCUA management unless there is something that is really askew. He indicated that the Authority's administrators were hired to do a job, of which this is a part, and that the Board does not need to be involved in their day-to-day operations.

Mr. Peoples explained that he does see a reason for the Board to have input if there is a significant change in responsibilities or organizational structure but that he does not want to get into micromanaging the daily operations of the Authority.

Mr. Namatevs interjected that he does not see how Mr. Doe's comments are relative to the matter at hand and suggested that they may be better directed to the next agenda item. Ms. Stumbo concurred. Mr. Thomas responded that the policy covered by this agenda item contains language in the second paragraph which states:

"... the role of the Board in employee and personnel matters is limited to action related to increases in the Authority's annual budget approved the Board, which includes additional staff or positions that will result in an increase in wages." He indicated that, in light of this, Mr. Doe's comments are appropriate to the discussion because the policy has been

interpreted by management to allow for the filling of a position without Board approval if it is already budgeted.

Mr. Namatevs advised the Board that this policy was recently discussed by the Personnel Committee in reference to filling the vacancy created by the retirement of Assistant Director T. Michael Jessee and he asked Mr. Peoples for his comments on their findings.

Mr. Peoples advised that the Personnel Committee feels that, based on recommendations from administration, filling of the position should go forward. He indicated that, based on the policy as it is written, the position should be filled because it has already been approved by the Board and does not result in a budget increase or change in organizational structure. Mr. Namatevs concurred.

Ms. Stumbo inquired as to whether minutes are taken at the Personnel Committee meetings. Mr. Thomas responded no. She inquired again as to whether Personnel Committee meeting minutes are forwarded to the YCUA Board for review. Mr. Peoples reiterated that no minutes are taken but that the chair of the Personnel Committee reports to the Board as to the results of the committee's discussions.

Mr. Doe interjected that, in some cases, that does not happen as is evidenced by the current personnel restructuring pilot program running at the maintenance department, about which the Board was not advised. He indicated that he doesn't know if this even went to the Personnel Committee or whether administration just acted on its own but that it puts the Board members in a difficult position when they receive calls from constituents about things they know nothing about.

Mr. Thomas confirmed that the current personnel restructuring pilot program running at the maintenance department has not yet been reported to the Board.

Mr. Peoples agreed that something like the pilot study should be reported to the Board members so that they are able to respond in the event that there are calls from the community.

Mr. Namatevs commented that this policy is being discussed in reference to the decision made at the last meeting to consider a recommendation from the Personnel Committee relative to the same. Mr. Peoples concurred, and indicated that the Personnel Committee is prepared to present its recommendation on the policy review.

Ms. Stumbo advised that she is of the opinion that when decisions are being made and money is being spent, matters need to come before the YCUA Board of Commissioners. She indicated that the rate payers have a

right to know what decisions are being made that affect them financially and that they can only be fully informed if these matters are voted upon at a public meeting. Ms. Stumbo explained that is especially true in terms of organizational restructuring and issues of hiring.

Mr. Peoples reiterated that the Personnel Committee was prepared to do just that today. Mr. Namatevs concurred. Ms. Stumbo inquired as to what the recommendation is. Mr. Peoples responded that the recommendation is to keep the policy in place as it is.

Ms. Stumbo advised that she doesn't understand the policy at all. She indicated that, in effect, the policy says that if there is a problem with one of the administration staff members, none of the Board members are allowed to know about it or talk about it. Ms. Stumbo explained that this makes no sense from an organizational structure. She pointed out that union members have the ability to express their concerns to the Board but that the Board can't have any information or ask any questions about anything that is hearsay. Ms. Stumbo also explained that there is no reason for this policy to be in place and that she did not even know that it was put in place in 2004.

She further advised that if there are no minutes are being taken by the Personnel Committee, they have crossed a line over into making policy decisions, which is the role of the Board.

Mr. Peoples responded that he never viewed the Personnel Committee as making decisions about policy. He indicated that perhaps this occurred before his involvement with the committee but that he has never participated in any policy discussions that did not go before the Board. Mr. Namatevs concurred, indicating that the Personnel Committee can't do that.

Mr. Peoples reiterated that the Personnel Committee is prepared to make a recommendation today regarding the policy in question but that it has not and cannot change anything relative to that policy. Ms. Stumbo responded that she is starting to understand the process. She added, however, that the Personnel Committee's recommendation should have been included in the Board packet materials. Mr. Peoples responded that the omission was an error on the committee's part due to the fact that the committee chair recently resigned from the YCUA Board and there was some confusion as to whom the interim committee chair was.

Ms. Stumbo indicated that she is still confused as to why people can't come to the Board members with issues so that the Board can discuss them with management. She stated that she is of the opinion that this is

micromanaging in the extreme. Ms. Stumbo explained that at Ypsilanti Township, these discussions are allowed because they are a public body with open communication.

Mr. Peoples interjected that he was not aware that Board members are not allowed to talk to people or that people are not allowed to talk to them. Ms. Stumbo responded that it is a pretty strong policy that is before them. Mr. Namatevs quoted the policy: "*Commissioners shall not to be involved in discipline individually or otherwise in employee discipline or grievance proceedings.*" Mr. Peoples stated that this is not the same as people not being able to talk to Board members.

Mr. Thomas added that it is not the intent of the policy to prevent people from talking to Board members but rather it is designed to prevent improprieties surrounding employees trying to get Board members to intercede on their behalf when they are unhappy with the outcome of a discipline or grievance procedure. He indicated that there is a proper appeal process set forth in the union contract for resolution in these instances.

Mr. Peoples agreed that it is important that people be allowed to approach Board members and that it is the Board's responsibility to fill that role. He continued, however, that when the Board interferes with the discipline of a particular staff member, it is dangerous and complicates the work environment.

Ms. Stumbo advised that the union has very specific processes in place and those aren't the ones the Board has to worry about. She indicated that it is the non-union employees who don't have any processes, which means they are basically disciplining themselves.

Mr. Peoples responded that the processes should be considered the same for union and non-union employees. Mr. Namatevs quoted the policy again: "*this policy respects and preserves the privacy of these employees involved in discipline and grievance matters and respects the role played by employee labor unions in representing employees in discipline and grievance matters and insures that both a union's contractual obligations and management's authority will not be undermined by Board involvement in such matters.*"

Ms. Stumbo inquired as to whether this means that the Board cannot ask questions as to the actions of any management staff members. Mr. Namatevs responded that he does not interpret it that way but rather to say that Board members can't override management's disciplinary efforts. Mr. Peoples added that the Board should present any issues that they have

with non-union employees during their annual performance evaluations. Mr. Namatevs interjected that the only non-union employee who is evaluated by the Board is the director. Mr. Thomas acknowledged that this is correct and added that he evaluates the departmental directors. Mr. Peoples indicated that this procedure still allows for the Board to have input on non-union employee matters through its direct evaluation of the director.

Ms. Stumbo advised that she does not understand why the policy is even necessary when YCUA has a human resources director who follows the processes established by the union contracts. She indicated that the only thing this policy doesn't address is if there are problems with non-union staff. Mr. Thomas responded that this policy was put into place after events took place in the past wherein Board members, whether intentionally or otherwise, have attempted to influence the outcome of an ongoing employee disciplinary action by interfering with the decisions of management. He indicated that instances have occurred in the past where Board members have had trouble seeing both sides of an argument and have put pressure on management to reverse a disciplinary decision. Mr. Thomas explained that this policy was not intended to prevent the Board from questioning the performance of a non-union employee.

Ms. Stumbo commented that the policy states that a vacancy is taken to the Personnel Committee as long as within a budget. Mr. Namatevs responded that the policy makes no mention of the Personnel Committee.

Mr. Doe interjected that the Board looks to administration to make the determination of when a position needs to be filled. He indicated that his question, again, is how much thought is put into these decisions and is there a better way of running the business. Mr. Doe explained that it needs to be considered that the possibility exists that a manager would opt to fill a position so as to not place an undue burden of work on themselves or other employees despite the fact that would save the Authority money if they did not. He pointed out that he understands that no one wants to take on more work if they don't have to but that everyone needs to look at all the possibilities of reorganization of tasks or making the position something different.

Mr. Doe also explained that, as a Board, they need to look at every way to save more money. He further advised that, if it is possible to reorganize and not replace retired individuals, it is very possible save 2% of the budget to the tax payers. Mr. Doe stated that his goal would be to not fill the Assistant Director position and have an extra \$100,000 that can be put in capital improvement, especially in light of the \$700,000 capital

improvement budget and a \$1.8 million repair to the odor control system. He acknowledged that he is of the opinion that YCUA is theoretically short on money. Mr. Thomas responded that the odor control project is being paid from fund balance. Mr. Doe responded that, theoretically, the fund balance will eventually be gone.

Mr. Peoples advised that he understands Mr. Doe's point but that the hiring process set aside in the existing policy allows the Board oversight in that it can accept or reject the Personnel Committee's recommendation to fill a position as well as make changes to the job description or redistribute tasks to other position as it so pleases.

Mr. Doe responded that when a position is posted prior to bringing a recommendation to the Board, it sends a potentially unflattering message if the Board later decides to revoke the posting or make other changes.

Mr. Peoples responded that he does not feel this scenario puts the Board in any negative light but rather sends a message the Board is doing everything in its power to be fiscally responsible and accountable in the hiring procedure.

Mr. Doe reiterated his position that job openings should come to the Board prior to any posting. Mr. Peoples responded that to do so undermines administration in his opinion. Mr. Doe responded that it only undermines administration if the Personnel Committee is allowed to act on a recommendation first and the Board then decides to reject it.

Mr. Namatevs advised that, in light of the hiring policy that the Board just passed, he believes there was a lack of understanding on the part of the Personnel Committee as to the issues that Mr. Doe has with the policy and procedure in question and that some clarification on Mr. Doe's part would have been very helpful in their having a more productive meeting. He indicated that this is indicative of the fact that they need to find a better job of communicating.

Mr. Namatevs invited AFSCME chief steward Pat Morris to address the Board.

Mr. Morris advised the Board that it has come to his attention that two commissioners have inquired via email about two traffic violations that he received while on the job at YCUA, the first for which he was disciplined pursuant to the corrective action procedure set forth in the AFSCME contract. He indicated that his concern is that these emails contradict the policy on Board involvement in personnel grievance and discipline matters signed on April 27, 2004 by Mr. Doe as secretary – treasurer of the Board. Mr. Morris explained that he has an issue with the Board

inquiring about something that was resolved six months ago in complete accordance with policy and union contract.

Mr. Doe responded that the bottom line is that it is his responsibility to respond to questions from his constituency regarding any YCUA employee's conduct. Mr. Morris reiterated his concern that the inquiries violate the policy relative to Board involvement in employee disciplinary matter. Mr. Doe responded that he does not see this as Board involvement in employee disciplinary matter rather it was a matter that came to him as a question which he in turn posed to YCUA management. Mr. Morris interjected that the policy requires that employee disciplinary matters remain confidential and that by sending these emails, Mr. Doe violated that confidentiality. Mr. Doe added that he has no idea and does not really remember even sending the emails but evidentially he guesses that he did. He stated that he did talk to Mr. Thomas personally about the matter.

Mr. Peoples indicated that he does not believe that these inquiries constitute a violation of the provision for non-involvement of the Board in employee disciplinary matters and that Board members have a right to respond to inquiries from their constituents. He added, however, that if Mr. Doe has a problem with how the discipline was handled in this particular situation, the Board should address it during Mr. Thomas's performance evaluation.

Mr. Namatevs interjected that they are treading a very fine line in terms of the language in the policy that clearly states: "*Commissioners shall not to be involved individually or otherwise in employee discipline or grievance proceedings, private employee matters including details of disciplinary actions, grievance proceedings, or other issues.*" He inquired as to where the line is drawn between what is informational and what is interference. Mr. Namatevs explained that he agrees in principal that the Board should be informed and needs to be approachable. He pointed out that he would never want to build a wall between the rank and file at YCUA and the Board but that this is a slippery slope. Mr. Namatevs explained that the question ought to be whether Board non-involvement in these matters is the correct policy if it wishes to maintain this level of approachability and accountability.

Ms. Stumbo responded the union process dictates this and it should be respected but that simply asking a question does not constitute interference. Mr. Namatevs responded that simply asking a question can be very innocent or it can be a form of intimidation. He inquired as to how to determine when that line has been crossed.

Mr. Peoples suggested that YCUA general counsel Thomas E. Daniels provide his opinion on the discussion. Mr. Daniels responded that one of the key points is that, when the Personnel Committee reviewed the policy, they didn't do so precisely with Mr. Doe's concern in mind or with the concern now being raised by Ms. Stumbo about other issues. He indicated that he also feels that the Board is mixing up discussion about items 3B and 3C and that item 3C has not been examined as thoroughly as item 3B has been thus far. Mr. Thomas explained that, if it is the Board's pleasure to consider a legal interpretation of the policy as written, he would be happy to prepare one for them.

Karen Lovejoy Roe, Ypsilanti Township Clerk, advised that, as a former YCUA Board member, she knows that the Authority operated just fine before these policies were put in place in 2004. She indicated that she is of the opinion that the policy is in violation of FOIA rules because the majority of what is contained in an employee's personnel file is public information. Ms. Roe explained that she would like the attorney to review this aspect of the policy as well.

She pointed out that this is foreign to her in that a good working relationship does not include policies that create suspicion. Ms. Roe also explained that if something happens that sets the Authority up for potential legal action, it cannot wait to be resolved at someone's performance evaluation. She further advised that, as an elected official, resident, and rate payer, she wants to be able to say that the Board knows what is going on and that all staff should be able to explain their actions openly and clearly with the exception of those things that are protected either by union contract or by law.

Ms. Roe stated that the Ypsilanti Township Board of Trustees has knowledge about everything, perhaps because it is elected and not appointed and thus has to answer more closely to the public. She acknowledged that this makes them a better Board because it creates a completely open-book environment for everyone involved. Ms. Roe pointed out that she finds it to be somewhat repugnant that there is a policy that does not allow the YCUA Board members that she voted for as a Township official and rate payer to get information.

Ms. Stumbo explained that the second paragraph of the policy is very concerning for her, which states: "... *the role of the Board in employee and personnel matters is limited to action related to increases in wages in the Authority's annual budget ...*" She indicated that this language does not provide the Board with the fiduciary ability to look at every position and that this is inherently wrong. Ms. Stumbo explained that she knows

that everyone is doing everything they can to make budget cuts through attrition in order to avoid lay-offs but that to evaluate individual positions as they become vacant is the responsibility of the YCUA Board of Commissioners. She pointed out that, in her opinion, the language in the second paragraph does not allow that to happen.

Mr. Peoples reiterated the fact that the Personnel Committee was prepared to present a recommendation to administer the policy as written and that Ms. Stumbo's suggestion could very well have been added to that recommendation. He indicated that the Personnel Committee reviewed the policy based on the information that it was given and that, when administration presented its desire to the committee to fill Mr. Jessee's position, the Personnel Committee recommended that they do so.

Mr. Peoples explained that this Board meeting should have been the appropriate time for the Board to say that it did not want to fill the position until first considering reorganization and other alternatives. He further advised that he has a problem with interference from the Board before the Personnel Committee can even make a recommendation.

Ms. Stumbo responded that there were no minutes taken by the Personnel Committee and no information was forwarded to the Board about what they had discussed and the position was posted without Board consent. Mr. Peoples responded affirmatively because it is permitted by the policy as it is written and that the posting could have been revoked later after Board consideration at the public meeting.

Ms. Stumbo interjected that this seems backward to her. Mr. Peoples responded that it does not seem backward to him. He reiterated that the Board asked the Personnel Committee to do a job, which they did, but before the Personnel Committee could report back on the job it did, the Board interfered with the Personnel Committee's process and reversed the committee's decision to post Mr. Jessee's position.

Mr. Namatevs interjected that the Board did not interfere with the Personnel Committee's process, rather they interfered with YCUA management's process. He added that management was acting within the rights outlined in the hiring policy that was recently adapted as well as the policy being discussed now. Mr. Peoples concurred, inquiring as to why YCUA should have a Personnel or a Finance Committee if they can't be permitted to do their jobs.

Ms. Stumbo responded that she didn't ask anyone to do anything and didn't know that the Personnel Committee had this job opening as an agenda item. Mr. Peoples responded that Ms. Stumbo was not informed

because she was not serving on the Board at the time. Ms. Stumbo responded that even if she was on the Board, she wouldn't have known because they do not publish an agenda or minutes. Mr. Peoples responded that she would have known because, at their last meeting, the Board directed the Personnel Committee to meet and consider the matter. He indicated that, while there was nothing put into writing, the committee was prepared to make a verbal recommendation on the matter today. Mr. Peoples added that he takes responsibility for nothing having been put into writing due to the fact that he is new to the committee and was not aware that it was procedure to do so.

Ms. Stumbo responded that the committee did more than just prepare a verbal recommendation to the Board, stating that they took action on their recommendation by posting the position without prior approval from the Board. Mr. Peoples responded affirmatively, stating that it was done so based on the policy as written. Mr. Namatevs added that the action had already been taken by the Board. Ms. Stumbo responded that she was under the impression that the reason that this item was placed on the agenda was to discuss whether to fill positions.

Mr. Doe advised that, at the previous meeting, he asked Mr. Thomas not to post the position and inquired as to whether this request was communicated at the Personnel Committee meeting. Mr. Peoples responded that they were not aware of his request but that other Board members had expressed their desire to move forward with the posting. Mr. Doe indicated that the committee did not know the Board members' positions on the matter and asked rhetorically if that knowledge would have changed anything.

Mr. Namatevs advised that the Authority is dealing with an unfortunate period of transition with the Personnel Committee that left both him and Mr. Peoples a bit uninformed as to established procedures. He added, however, that some input from the Board along with their reasoning would have been very valuable in their considerations. Mr. Doe responded that this is why he wanted the matter to be considered by the full Board and not just acted upon by the Personnel Committee. Mr. Peoples inquired as to why, then, the Board requested that the matter go back to the Personnel Committee at their last meeting.

Ms. Stumbo interjected that, on page 14 of the December Board of Commissioners' meeting minutes, it states that it was Gwyn Belcher who asked that the policy be revisited. She continued to quote the minutes verbatim. Mr. Thomas responded that, whether it was specifically stated in the minutes or not, it was understood that, per established procedure,

the matter would go back to the Personnel Committee for review and recommendation to the Board. Ms. Stumbo interjected that it she is very concerned about the Board approving a budget but that a committee will decide whether to fill a job opening or not. She stated that the Board should have complete fiduciary responsibility and that every available position should be evaluated by them.

Mr. Peoples reiterated that the Personnel Committee does not decide which positions will be filled. Ms. Stumbo responded that they did so in this case. Mr. Peoples stated that they did not, that they only followed the policy was written, which allows for the posting of positions that are vacant as long as there is no impact on the budget. Mr. Namatevs further reiterated that the committee evaluated Board policy and decided that management was consistent with the same in moving forward with posting the position.

Ms. Stumbo reiterated that it states in the December Board meeting minutes that, in response to Mr. Doe's concerns, Gwyn Belcher suggested that the policy should be revisited. Mr. Peoples responded that the committee did what Ms. Belcher suggested and that the decision was to move forward with the policy as presented. He reiterated again that their decision was make a recommendation at the January Board meeting to move forward with the policy as is, which, had they allowed the process to take place, would have provided the Board with the opportunity to voice its objections today.

Motion by Doe to table the item until a recommendation can be obtained from YCUA attorney Thomas E. Daniels on how to make this policy more workable and to leave Mr. Jessee's position unposted in the interim. Support by Peoples.

Mr. Daniels interjected that he is happy to address the issue of whether the policy is in conflict with FOIA but that not YCUA labor attorney John Hancock is the proper party to be involved in the review of personnel policies. He suggested that the motion be amended to reflect the same.

Mr. Peoples offered a friendly amendment to the motion that the personnel policy be reviewed by John Hancock and that Thomas E. Daniels provide clarification on the FOIA implications of the policy. In favor: All. Opposed: None. (Motion carried)

C. Discussion Item – New and Amended YCUA Board Policies – Larry R. Thomas

Mr. Thomas advised the Board that this policy involves the role of the Board of Commissioners in the organizational structure of the Authority.

He indicated that this item was placed on the agenda for discussion at the request of a Board member.

Mr. Thomas explained that the policy states that, in the case of organizational restructuring, a proposal reflecting the administrative recommendation will first be presented to the Personnel Committee, which “may” then make a recommendation to the Board of Commissioners for action. He pointed out that the Board member who requested this discussion has suggested that “may” should be changed to “shall”.

Motion by Stumbo to change the policy as presented. Support by Doe. In favor: All. Opposed: None. (Motion carried)

Ms. Stumbo advised that she is the Board member who made this request. Mr. Thomas responded that it was always the intent that the recommendation for change “shall” come back to the Board.

D. Request to Approve – Construction Phase Agreement re: Golfside Drive Improvements Project – Larry R. Thomas

Mr. Thomas advised the Board that the Golfside Drive Improvements Project will take place this construction season. He indicated that a memo from Scott Westover and a draft contract between YCUA and the Washtenaw County Road Commission are included in the meeting materials.

Mr. Thomas explained that the county is planning to resurface Golfside this construction season and that YCUA’s normal practice is to do its water and sewer improvements at the same time. He pointed out that it is procedure in these instances to request that the WCRC include the Authority’s work in their contract and they have agreed.

Mr. Thomas also explained that the WCRC has bid the project and YCUA’s share of the items totals \$685,100. He further advised that staff is recommending a 10% contingency in the amount of \$68,600. Mr. Thomas stated that the Authority’s share of the administration fee will be \$54,900 for a total project budget of \$808,600. He acknowledged that this amount includes both water and sewer work under and in the vicinity of Golfside Drive.

Mr. Thomas added that he recommends using the remainder of the funds from the Ypsilanti Township Water Supply No. 7 Bonds, which were sold in 2011 to fund Holmes Road and Ford Blvd., in the amount of \$566,401 along with a recommendation to the Township Board relative to the same.

Mr. Thomas recommended approval of the Construction Phase Agreement re: Golfside Drive Improvements Project with a budget in the amount of

\$808,600, pending review of YCUA's attorney, as well as the use of the remaining \$566,401 from the 2011 Ypsilanti Township Water Supply No. 7 Bonds and a recommendation to the Ypsilanti Township Board of Trustees to fund the balance the project from the YCUA Township Division Reserve for Construction fund.

Ms. Stumbo commented that she is having trouble hearing discussions; that she knew that YCUA's Board room speaker system was bad but didn't know that there wasn't one at all.

Mr. Doe inquired as to whether it is permissible to use bond funds from one project for another. Mr. Thomas responded that the Official Statement is written such that "any other water or sewer capital project" can be funded through its proceeds. He added that the funds do need to be utilized within a certain time frame in order to be in accordance with arbitrage agreements.

Motion by Stumbo to approve the Construction Phase Agreement re: Golfside Drive Improvements Project with a budget in the amount of \$808,600, pending review of YCUA's attorney, as well as the use of the remaining \$566,401 from the 2011 Ypsilanti Township Water Supply No. 7 Bonds and a recommendation to the Ypsilanti Township Board of Trustees to fund the balance the project from the YCUA Township Division Reserve for Construction fund. Support by Doe. In favor: All. Opposed: None. (Motion carried)

E. Request to Approve – Construction Phase Engineering Services Proposal from OHM re: Golfside Drive Improvements Project – Larry R. Thomas

Mr. Thomas advised the Board that, with regard to the project just discussed, YCUA requested a proposal from OHM to provide construction engineering services for the Authority's portion of the project. He indicated that OHM responded with a proposal in the not-to-exceed amount of \$52,000.

Mr. Thomas recommended approval of the Construction Phase Engineering Services Proposal from OHM re: Golfside Drive Improvements Project in the amount of \$52,000 along with a recommendation to the Ypsilanti Township Board of Trustees to utilize the Township Division Reserve for Construction fund to finance the same.

Motion by Stumbo to approve the Construction Phase Engineering Services Proposal from OHM re: Golfside Drive Improvements Project in the amount of \$52,000 along with a recommendation to the Ypsilanti Township Board of Trustees to utilize the Township Division Reserve for

Construction fund to finance the same. Support by Doe. In favor: All. Opposed: None. (Motion carried)

F. Request to Approve – Construction Phase Engineering Services Proposal from Tetra Tech re: Wastewater Treatment Plant Odor Control Modifications Project – Larry R. Thomas

Mr. Thomas reminded the Board that, at last month's meeting, they approved the odor control project at the wastewater treatment plant. He indicated that the construction project was awarded and the contract is now under review by Thomas E. Daniels.

Mr. Thomas explained that YCUA has requested from Tetra Tech a proposal to provide construction engineering services for the project and directed the Board's attention to their response as included in the Board meeting materials. He pointed out that the proposal is in the not-to-exceed amount of \$133,000. Mr. Thomas also explained that this project will be funded through the EPA Reserve for Construction Fund.

Mr. Thomas recommended approval of the Construction Phase Engineering Services Proposal from Tetra Tech re: Wastewater Treatment Plant Odor Control Modifications Project in the not-to-exceed amount of \$133,000 to be funded through the EPA Reserve for Construction Fund.

Ms. Stumbo advised that she was present in the audience at the last Board meeting when this item was approved. She indicated that she is aware of the importance of odor control at YCUA and is grateful for the \$800,000 that was awarded in the legal action surrounding the first system that did not work. Ms. Stumbo explained that she is, however, concerned that there is no contract for this new system.

Thomas Allbaugh of Tetra Tech responded that his recollection of the discussion at the last meeting was that the concern surrounded the perception of a lack of a performance guarantee. He reminded them that he had advised at that time that, because this involves a biological process versus physical equipment, the contractor is not responsible for the performance per se and that the performance is deemed to be predictably good based upon a very extensive pilot study.

Ms. Stumbo indicated that it was indeed stated at the last meeting that there was no contract on this project and now there appears to be one. Mr. Daniels responded that, if he indicated at the last meeting that there was to be no contract on this project, he misspoke.

Ms. Stumbo further indicated that, when the project was approved last month, Mr. Daniels had not seen the contract and that, in the future, a contract should be presented to the attorney before any item comes before

the Board. Mr. Daniels responded that past practice has been to request Board approval by way of management's recommendation subject to final approval of the contract documents by counsel. Mr. Thomas interjected that the contracts are very similar from one project to the next.

Ms. Stumbo responded that it appears to her that this contract is very different from others she has seen and involves a very large dollar amount. She pointed out that, if this is past practice, then she is fine with it and will go on faith that YCUA's attorneys will protect the Authority and its ratepayers from potential damage.

Mr. Thomas continued that the language in the Authority's construction contracts doesn't vary a great deal. Scott D. Westover concurred, advising that the provisions of all construction contracts are very similar, though the specification details can vary from one project to the next.

Mr. Doe inquired as to whether there is some kind of surety bond that can be taken out in the event that this system fails like the first one did. Mr. Allbaugh responded that it is his experience that the answer to that question is no because, as previously stated, because this involves a biological process versus physical equipment. He reiterated that the degree of confidence that Tetra Tech and YCUA staff have in this process is based on the extensive pilot testing. Mr. Allbaugh added that, if it doesn't work perfectly, it will work very well and that the probability of odor from the areas where air is being collected by this process is extremely small based upon the performance of the pilot study.

He reminded them further of last month's discussion wherein they were advised that the only notable exception to this is the instances when the incinerator is offline and biosolids need to be removed by truck. Mr. Allbaugh added that odors during incinerator shut-downs will be handled in other ways.

Ms. Roe interjected that there should be the same kind of guarantees from the consulting engineers as are normally received from construction contractors and that the engineers should be held responsible for the performance of the science involved in the process they are recommending. She indicated that she is of the opinion that the contract language should be changed to reflect this, particularly in light of the large dollar amount of the project. Mr. Namatevs inquired as to how odor is quantifiable. Mr. Peoples indicated that he also feels uncomfortable approving this without some kind of assurance that the system will work. Mr. Thomas commented that the problem is that much of the design was done in house by YCUA staff. Mr. Namatevs concurred.

Mr. Daniels interjected that it is important to remember that YCUA was not awarded a legal settlement on the first odor control system because the contract included a guarantee but rather, YCUA prevailed because it was induced fraudulently into the contract.

Mr. Allbaugh commented that he would not recommend purchasing an insurance policy on the project but that it is certainly something the Authority could do. He assured the Board that Tetra Tech will work with YCUA to fully resolve any issues that might occur every step along with way.

Ms. Stumbo commented that discussions such as these are always good and thanked Mr. Allbaugh for not getting defensive and permitting the Board to make solid decisions that allow them to respond to their constituents in a fully informed manner.

Mr. Namatevs asked for clarification as to whether it is the Board's pleasure to pursue insurance quotes from Lloyds of London and other firms. Ms. Stumbo asked Perry M. Thomas and Mr. Westover if they are confident that this system will work. Both responded affirmatively. She indicated that she will go on the faith of staff's confidence.

Motion by Peoples to approve the Construction Phase Engineering Services Proposal from Tetra Tech re: Wastewater Treatment Plant Odor Control Modifications Project in the not-to-exceed amount of \$133,000 to be funded through the EPA Reserve for Construction Fund. In favor: All. Opposed: None. (Motion carried)

G. Fund Balance Report - Larry R. Thomas

Mr. Thomas directed the Board's attention to the Fund Balance Report for December 31, 2011. 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. Financial Report – Authority Net Assets - Larry R. Thomas

Mr. Thomas directed the Board's attention to the Financial Report – Authority Net Assets Report for December 31, 2011. 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. 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.

J. Attorney's Report –Thomas E. Daniels

There was no Attorney's Report for the month.

K. Environmental Report – Perry M. Thomas

Mr. Thomas advised the Board that YCUA has filed its discharge monitoring report for the wastewater treatment plant in compliance with its National Pollutant Discharge Elimination System (NPDES) permit from the State of Michigan. He indicated that pollutant limitations were in compliance with the permit.

Mr. Thomas reminded the Board that, at the December meeting, he reported that the incinerator emissions testing resulted in an observation of a significant decrease in sulfur dioxide from the last measurement in 2006 and he reiterated his previous report. He pointed out that the reason for this decrease is still under investigation and that a proposal has been requested from Tetra Tech to that end.

Mr. Thomas also reminded the Board of his previous report regarding a manhole at the intersection of Michigan Avenue and Huron Street. He advised that this manhole has provisions for heavy rain events allowing sewage to go through a hole and get into the storm water system, where it is discharged into the Huron River. Mr. Thomas stated that YCUA staff was expecting enforcement from MDEQ but that a citation has not been received. He acknowledged that he is hopeful that this is due to the fact that YCUA's report to MDEQ stated that the Authority is committed to correcting the problem expeditiously. Mr. Thomas confirmed that a new design for the main will indeed correct this and that the project will be bid in early March with construction to begin in May. He explained that he anticipates bringing the item before the Board at the March meeting for their consideration. Mr. Thomas pointed out that the project should be completed within a month at an approximate cost of \$300,000.

Mr. Namatevs inquired as to how disruptive the project is likely to be in the area. Mr. Westover responded that the Michigan Avenue bridge will not be affected but that the area north of Michigan Avenue from Pearl toward Washtenaw on Huron will be. He added that staff is looking at some additional products that will prevent opening the intersection too much in an effort to limit the disruption.

Ms. Stumbo inquired as to what a typical fine for this could be. Mr.

Thomas responded that MDEQ has the authority to issue fines up to \$25,000 per day for these kinds of violations. Ms. Stumbo inquired as to whether YCUA has a lobbyist to help in these situations. Mr. Thomas responded that MDEQ doesn't necessarily levy that fine, particularly in instances such as this where the problem is already slated to be remedied. He added that technically, however, MDEQ still maintains the authority to enforce the citation at their discretion.

Informational only; no motion from the Board required.

L. Director's Report - Larry R. Thomas

Mr. Thomas advised the Board that the Authority has collected approximately \$49,000 from the federal government subsidies related to its retired employee health care benefits plan. He indicated that, since YCUA's retiree benefits are above the requirements in the federal regulations, the Authority qualifies for some reimbursement these subsidies. Mr. Thomas explained that this is the result of a program directed by Gwyn Belcher and her staff. He pointed out that Ms. Belcher has done a great job on this matter.

Mr. Thomas also explained that staff anticipates another \$100,000 for the period that has just ended. He further advised that this money all goes into the YCUA Retired Employee Health Care Trust Fund and cannot be used for other purposes. Mr. Thomas commended Ms. Belcher on this tremendous accomplishment.

Mr. Thomas stated that he wished to report to the Board on an organizational restructuring that staff is piloting regarding the fleet and custodial staff. He explained that the fleet staff has historically reported as a separate department but that the mechanics are split between the Service Center and maintenance departments. Mr. Thomas confirmed that the custodians are all budgeted in the maintenance department but that one of them is supervised in the Service Center department. He explained that staff has changed the fleet department's lines of structure so that they are all reporting to the T & D supervisor, which allows for some cross-training and for the ability for the mechanics to work on the equipment contained throughout the Authority, particularly in emergencies.

Mr. Thomas pointed out that having one supervisor for all of the custodians will allow for more efficiency in assigning their duties. He also stated that he recommends that this become a permanent reorganization of the Authority's structure and that he will be bringing the matter to the Personnel Committee for their consideration and preparation of a recommendation to the Board.

Ms. Stumbo asked for a written report on this matter. Mr. Peoples added, based on Ms. Stumbo's recommendation, that minutes be taken at future Personnel Committee meetings so that these discussions can be tracked better.

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 \$2,696,835.00. Support by Stumbo. In favor: All. Opposed: None. (Motion carried)

7. PUBLIC COMMENTS:

Kevin Richards, alternative Chief Stewart for AFSCME union, addressed the Board and indicated that he understands from his union membership that the personnel grievance policy was enacted after there were rough waters at YCUA along with management changes that resulted in a lot of employee intervention by the Board. He indicated that he felt this was a good thing in that it prevented the circumvention of management and because it has fostered healthier environment wherein the unions and management have been able to work together to find solutions to problems. Mr. Richards explained that the policy has opened up communication and allowed the Authority to move forward and become a better place. He pointed out that he hopes that changing this policy doesn't undo the good that has been done by allowing outside sources to disrupt things at YCUA.

Patrick Morris, Chief Stewart for AFSCME union, addressed the Board and indicated that he personally doesn't have a problem with Board involvement in what goes on with the union in that it should be transparent from the top to the bottom. He indicated that Board members should feel comfortable approaching him or the other members of the B & G committee they have questions regarding ongoing matters within the AFSCME union.

Mr. Morris explained he concurs with Mr. Richards in that a lot of good has come out of YCUA in last ten years and that things are better thanks to the remarkable job by management, especially in this economic climate that has hit Ypsilanti particularly hard. He pointed out that, when he first came to YCUA, the atmosphere was pretty volatile and that he does not want that to happen again. Mr. Morris also explained that he also hopes that if there are any questions from the Board about AFSCME employees that the questions come to him in an open and honest manner that allows for complete transparency. He further advised that he holds himself and his membership to the highest standards in fulfilling their duty to participate completely in the resolution of employee corrective actions in a manner than meets the needs of YCUA.

Mr. Namatevs thanked Mr. Morris for his comments and the spirit with which they were given.

8. **ADJOURNMENT:** Motion by Stumbo to adjourn the meeting at 10:55 a.m. Support by Doe. In favor: All. Opposed: None. (Motion carried)



Respectfully submitted,

A handwritten signature in blue ink that reads 'Brenda L. Stumbo'. The signature is written in a cursive style and is positioned above a horizontal line.

BRENDA L. STUMBO, Acting Chair

**YCUA RESOLUTION NO. 12-1 ANNOUNCING
THE RETIREMENT OF T. MICHAEL JESSEE 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 24th day of January 2012 at 9:00 o'clock a.m., Eastern Standard Time.

PRESENT: Commissioners Mark Namatevs, Gregory A. Peoples, Larry J. Doe,
and Brenda L. Stumbo.

ABSENT: Commissioners None.

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

WHEREAS, T. Michael Jessee, an employee of the Ypsilanti Community Utilities Authority, has completed thirty years of service to the Authority; and

WHEREAS, T. Michael Jessee has requested retirement as of January 20, 2012 and

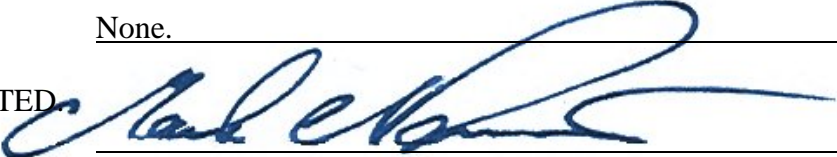
NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners of the Ypsilanti Community Utilities Authority commends T. Michael Jessee for his accomplishments and years of service to the Authority and expresses its appreciation to him.

BE IT FURTHER RESOLVED THAT a suitably inscribed copy of this Resolution of Retirement be sent to T. Michael Jessee 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.

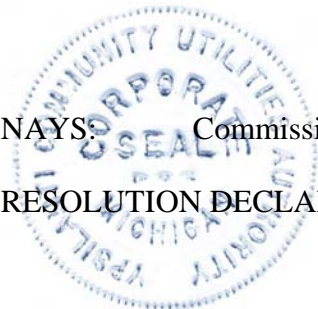
AYES: Commissioners Mark Namatevs, Gregory A. Peoples, Larry J. Doe
and Brenda L. Stumbo.

NAYS: Commissioners None.

RESOLUTION DECLARED ADOPTED



MARK NAMATEVS, Vice-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 24th day of January 2012 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.



MARK NAMATEVS, Vice-Chair

January 6, 2012

YPSILANTI COMMUNITY UTILITIES AUTHORITY
2777 State Street
Ypsilanti, Michigan 48198-9112



Attention: Scott D. Westover, P.E.
Engineering Manager

Subject: **Golfside Road - Construction Services Proposal**
Water Main Replacement Project

Dear Mr. Westover:

Orchard, Hiltz & McCliment, Inc. (OHM) is pleased to submit this proposal for construction services for Golfside Road Water Main Replacement Project in the Charter Township of Ypsilanti. This project was bid in 2011 through MDOT. This proposal includes the scope of services expected for this project. Our understanding is that the water main and sanitary sewer work will be performed concurrently with the road resurfacing which will be administered by the Washtenaw County Road Commission (WCRC).

PROJECT UNDERSTANDING

The project site is located within the right-of-way along Golfside Road in Section 6 in the Charter Township of Ypsilanti; with a point of beginning 1,000 feet south of Washtenaw Avenue and a point of ending 2,200 feet north of Washtenaw Avenue. The construction work to be completed under this project includes approximately 1800 feet of water main replacement through pipe bursting, replacement of associated valves, hydrants and other appurtenances. The project also includes approximately 3,100 feet of sanitary sewer rehabilitation that will be completed via cured in-place pipe lining.

SCOPE OF SERVICES

Construction Observation

OHM will provide full time on-site construction observation services for water main, pipe bursting and associated appurtenances. Also, construction observation services at appropriate levels will be performed for temporary water main installation, sanitary sewer rehabilitation, restoration activity and other pay items outlined on the Authority's portion of the project. Observation of paving and paving restoration that occurred due to the water main installation is also included. Coordinating materials testing services is not included in this proposal and will be conducted through the WCRC's consultant as done on past joint projects with the WCRC. If additional geotechnical services are needed, OHM can obtain quotes from two qualified consultants to provide to the Authority.

Construction Engineering & Administration

OHM will assist the Authority with coordination of construction engineering services for the items of work discussed above. Portions of the construction engineering services will be conducted by the Authority, as the designer of record for the water main and sanitary sewer portion of this project with as-needed assistance from OHM. The tasks to be conducted by the Authority include: reviewing shop drawings and materials certifications provided by the contractor, attending progress meetings. OHM will provide assistance to the Authority by answering requests for information (RFIs) from the contractor, resolving construction conflicts (i.e., field utility conflicts, interpretation of the contract documents, etc.). OHM will gather quantities and appropriately track pay items to be submitted regularly to the WCRC for inclusion in their pay estimates, preparation of preliminary and final punch lists (and submittal to the Authority and the WCRC), substantial

completion and final acceptance letters. OHM will also prepare correspondence needed for clarification of unforeseen changes, periodic project updates as well as project close-out documentation.

Record Document Preparation

Record drawings reflecting information recorded in the field and as recorded on Construction Daily Reports & lead cards and as gathered by our survey crew in the field will be provided showing the new water main and water leads in relation to physical objects in the area. It is assumed that OHM will be provided with the AutoCAD design files used to produce the bid drawings. As with our past projects, the record drawings will be accompanied by a project record book that includes pay item history reports, IDRs, lead cards, sketches and other relevant information that has typically been provided.

Record Drawings will be delivered to the Authority on Compact Disk (CD) in both AutoCAD and .pdf format and also one hard copy of bond and mylar sets. In addition, two record books will be prepared. This will be completed within three months of substantial completion.

FEE SCHEDULE

Services for engineering design will be performed on an hourly not-to-exceed basis in accordance with the enclosed Hourly Rate Schedule. The following budgets are presented for your consideration:

<u>Task & Description</u>	<u>Fee</u>
OHM Construction Services.....	\$52,000.00*
TOTAL	\$52,000.00

* Estimated costs are based on an average contractor production rate. If this production rate is different the construction services cost may increase or decrease accordingly. At no time will OHM bill beyond the amount shown above without prior notification in which OHM would ask the YCUA Board to consider amending budget.

OHM will monitor and report progress and notify the Authority if the estimate provided is not sufficient.

ADDITIONAL SERVICES

OHM will be pleased to provide any of the following additional services for this project on a time and material basis. A separate proposal would be provided for such services.

- Boundary surveys
- Easement document preparation
- Easement acquisition
- Additional geotechnical services
- Construction staking and Layout
- Any other services not specifically described in this scope of work

DELIVERABLES

Record Drawings in the appropriate format as outlined in the Engineering Design Standards and the record booklet will be delivered following project completion. OHM will deliver the record documents to the Authority within three months of substantial completion. A letter recommending that the Authority accept this project into their system issued upon project completion and completion of all punch list items. The WCRC will also receive a copy of this letter and this work will be performed within the time frame that takes into consideration the MDOT deadlines that are set up in the construction contract.

BASIS OF PAYMENT

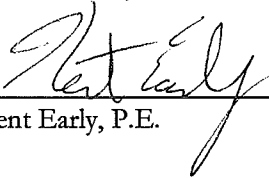
OHM will invoice YCUA once a month for the hourly – not to exceed amount.

We thank you for this opportunity to provide professional engineering services. Should there be any questions, please contact us.

If you find our proposal acceptable, please execute both copies of the attached agreement and return one copy to us for our files.

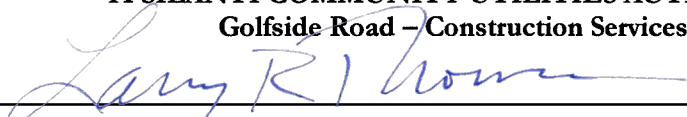
Sincerely,

ORCHARD, HILTZ & McCLIMENT, INC.



Kent Early, P.E.

**YPSILANTI COMMUNITY UTILITIES AUTHORITY
Golfside Road – Construction Services**

Accepted By: 

Printed Name: LARRY R. THOMAS

Title: Director

Date: January 24, 2012



2012 HOURLY RATE SCHEDULE

Professional Engineer IV/Architect IV	\$ 140.00
Professional Engineer III/Architect III.....	\$ 124.00
Professional Engineer II/Architect II.....	\$ 118.00
Professional Engineer I/Architect I	\$ 103.00
Graduate Engineer III.....	\$ 106.00
Graduate Engineer II	\$ 98.00
Graduate Engineer I	\$ 94.00
Graduate Architect III/Landscape Architect III.....	\$ 100.00
Graduate Architect II/Landscape Architect II.....	\$ 82.00
Graduate Architect I/Landscape Architect I	\$ 66.00
Technician IV.....	\$ 103.00
Technician III	\$ 94.00
Technician II.....	\$ 80.00
Technician I.....	\$ 62.00
Engineering/Architectural Aide	\$ 48.00
Professional Surveyor III.....	\$ 127.00
Professional Surveyor II.....	\$ 112.00
Professional Surveyor I	\$ 100.00
Graduate Surveyor	\$ 92.00
Surveyor III.....	\$ 89.00
Surveyor II.....	\$ 85.00
Surveyor I.....	\$ 68.00
Surveyor Aide.....	\$ 48.00
Planner IV.....	\$ 120.00
Planner III	\$ 105.00
Planner II	\$ 92.00
Planner I.....	\$ 60.00
Planner Aide.....	\$ 48.00
Graphic Designer	\$ 90.00
Data Base Developer	\$ 165.00
IT Technician III	\$ 160.00
IT Technician II	\$ 130.00
IT Technician I.....	\$ 85.00
Administrative Support.....	\$ 50.00
Clerical Aide	\$ 42.00
Principal	\$ 160.00
Senior Associate	\$ 150.00
Associate	\$ 145.00
3-Man Survey Crew w/Equipment.....	\$ 205.00
2-Man Survey Crew w/Equipment.....	\$ 175.00
1-Man Survey w/Robotic Equipment	\$ 135.00



TETRA TECH

December 15, 2011

RECEIVED

JAN 03 2012

Mr. Michael Jessee, Assistant Director
Ypsilanti Community Utilities Authority
2777 State Road
Ypsilanti, MI 48198

Y.C.U.A. ENGINEERING

**Re: YCUA WWTP Odor Control Modifications
Engineering Services During Construction**

Dear Mr. Jessee:

Tetra Tech is pleased to submit this proposal to provide engineering services during the construction phase of this project. Bids were received for the Odor Control Modifications project on Thursday, December 8, 2011. YCUA authorized Tetra Tech to provide engineering services for the design phase, which concluded with the Bidding process. The contractor has 240 days for completion. The submittal process will begin in January 2012. We anticipate that on-site construction will commence in March 2012.

Specifically, we propose to provide the following services:

- Prepare final contract documents for execution by YCUA and the Contractor.
- Review Contractor submittals for materials and equipment to be incorporated into the work for conformance with the Construction Documents.
- Provide clarifications in response to Contractor Requests for Information.
- Prepare supplemental drawings, Field Orders, and Work Change Directives.
- Negotiate and prepare Change Orders and other documents necessary to implement changes to the work if necessary.
- Conduct periodic progress meetings with the Contractor and YCUA staff.
- Prepare monthly Pay Certificates recommending the amounts earned and due for the work in place.
- Provide part time inspection of the work as necessary to monitor the installed work and the Contractor's progress.
- SCADA system programming to incorporate the new blowers and air flow meter and allow monitoring and control from other locations on the plant site.
- Modify the Contract Drawings to conform to construction records at the completion of the work and deliver as mylar sepias and electronic AutoCAD files.

Tetra Tech, Inc.

710 Avis Drive, Ann Arbor, MI 48108
Tel 734.665.6000 Fax 734.213.3002 www.tetrattech.com



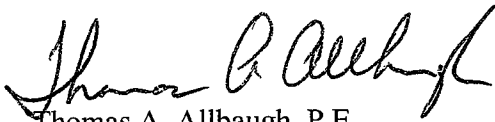
TETRA TECH


We have budgeted for a total of 528 hours by our Tim Ard for on-site inspections and related construction administration activities over the 8 month duration of the contractors work. While on-site work is underway, this represents a half time commitment to the project. Our budget for the tasks by other members of our team is 356 hours which includes programming, startup and commissioning as well as office tasks associated with contractor submittals and other general engineering functions. As the progress of the work is dependent upon the Contractor, who is not directly under the Engineer's control, it is possible that the budgeted effort will need to be adjusted based upon the Contractor's actual progress and completion.

We propose that compensation for our personnel directly engaged in the work of this proposal will be based on our payroll cost times a multiplier plus subcontracted services and outside invoices multiplied by 1.15, plus in-house reimbursable expenses. We propose a budget of \$121,000 for this work, and suggest an additional contingency of \$12,000 (10%) to be used only at YCUA's direction in the event of changes in the project scope once it is underway. The total budget with the contingencies is \$133,000. Our fee will not exceed this amount unless our scope of work is modified by YCUA. Our Standard Terms & Conditions are attached and considered a part of this Proposal.

Please let us know if you have any questions or comments regarding this proposal, or if we can provide any additional information for your consideration at this time.

Sincerely,

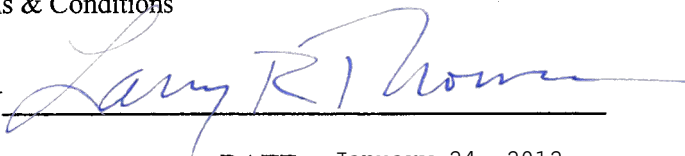

Thomas A. Allbaugh, P.E.
Senior Project Manager


S. Joh Kang, P.E., Ph.D.
Senior Vice President

Copy: Mr. Larry Thomas, Director
Mr. Scott Westover, Engineering Manager

Enclosure: Standard Terms & Conditions

PROPOSAL ACCEPTED BY



TITLE Director

DATE January 24, 2012