



# Minutes

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**YPSILANTI COMMUNITY UTILITIES AUTHORITY  
BOARD OF COMMISSIONERS MEETING  
Tuesday, March 27, 2012 – 9:00 a.m.  
YCUA Administration Building  
2777 State Road  
Ypsilanti, MI 48198-9112**

**Members Present:** Larry J. Doe, Gregory A. Peoples, Brenda L. Stumbo, and Andrew Cameron.

**Members Absent:** Mark Namatevs.

1. **CALL TO ORDER:** Ms. Stumbo called the meeting to order at 8:59 a.m.
2. **MINUTES OF THE PREVIOUS MEETINGS:** Motion by Doe to receive and file the minutes of the February 28, 2012 meeting as presented. Support by Cameron. In favor: All. Opposed: None. (Motion carried.)
3. **NEW BUSINESS:**
  - A. **Request to Approve – YCUA Resolution No. 12-2 Approving Contract re: \$8 Million Water System No. 8 Bonds (Charter Township of Ypsilanti) – Tom Colis**

Mr. Colis advised the Board that this bond issue covers the Ypsilanti Township water improvements portion of two projects being done in conjunction with Washtenaw County Road Commission paving improvements. He indicated that the bonding process includes a contract between YCUA and Ypsilanti Township and a resolution approving the same. Mr. Colis explained that this is being done in a not-to-exceed amount of \$8 million while staff is in the process of determining a final figure for the project.

He pointed out that the contract allows for the issuance of bonds in more than one series so that one of these projects can be completed this year and one can be done in 2013. Mr. Colis also explained that the township approved the contract at their meeting last night and that the public notice will be published in the local newspaper on Thursday of this week. He further advised that, after the notice is published, the contract will become

effective following a 45-day referendum period as long as there is no petition filed by a township resident to stop the contract. Mr. Colis stated that the goal is to sell the bonds in the market following that referendum period.

He acknowledged that these projects did not score high enough by the state to qualify for DWRP loans, so the interest rate will be higher than DWRP / SRF projects but still reasonable at 3 – 4% depending on how long the bonds will be taken out.

Mr. Colis confirmed that a bond resolution will be presented for the Board's approval once the exact amount of the bond issue is known, which he anticipates will be in time for the April Board meeting. He explained that proceeds from the bond sale should be available by early to mid June, allowing for one of the projects to begin at that time.

Mr. Colis pointed out that the resolution before the Board at this time only approves the contract and that the contract is typical of the form utilized in YCUA's bond issues in the past.

Mr. Doe inquired as to whether there is a time limit for the utilization of the second portion of the bond proceeds. Mr. Colis responded that there is no limit on the notice itself but that there is a comfort level of three to five years.

Ms. Stumbo asked Scott D. Westover for an overview of the areas covered in the projects and why those areas were chosen.

Mr. Westover advised the Board that five areas most in need of water and sewer improvements were selected from a list of scheduled paving projects that was prepared by the road commission and Ypsilanti Township. He indicated that those areas include Ecorse / Emerick, Rawsonville / Grove / Snow / Bradley, Textile / Huron River west of Tuttle Hill, Holmes Road east of Huron High School, and Fairview Heights. Mr. Westover explained that small-diameter dead-end mains and water main breaks will be addressed in those areas. Mr. Westover also explained that two of these projects have already been designed and that design on the other three should begin in the near future.

Ms. Stumbo inquired as to whether these projects are part of the overall master plan. Mr. Westover responded affirmatively.

Motion by Doe to approve YCUA Resolution No. 12-2 Approving Contract re: \$8 Million Water System No. 8 Bonds (Charter Township of Ypsilanti). Support by Peoples. In favor: All. Opposed: None. (Motion carried)

**B. Request to Approve - Solicitation of Bids re: Ash Removal Project – Scott D. Westover**

Mr. Westover advised the Board that YCUA has two ash lagoons located at the northwest corner of the property. He indicated that past practice has been to fill one lagoon with incinerator ash while the other is offline. Mr. Westover explained that the south lagoon has been online for several years now. He pointed out that, in the past, ash needed to be removed every two or three years but that the new incinerator creates considerably less ash and, as a result, the last removal was completed in 2005.

Perry M. Thomas interjected that different conditioning chemicals are also used now. He indicated that lime and ferric were previously used, which created a lot of additional ash and that a polymer is used now, which burns more cleanly.

Mr. Westover also explained that the south lagoon is now reaching its capacity, so it is time to empty the north lagoon. He further advised that the exact amount of ash contained in the north lagoon has not yet been determined but is presently estimated between 7,000 and 10,000 tons. Mr. Westover stated that the ash will be removed and transported to Veolia ES Arbor Hills Landfill in Northville, Michigan. He acknowledged that staff is estimating the cost of the project between \$50,000 and \$70,000. Mr. Westover confirmed that this work will be paid through the O & M budget.

Mr. Westover recommended approval of the Open Solicitation of Bids re: Ash Removal Project in an amount not-to-exceed \$70,000.

Motion by Peoples to approve the Open Solicitation of Bids re: Ash Removal Project in an amount not-to-exceed \$70,000. Support by Cameron. In favor: All. Opposed: None. (Motion carried)

**C. Request to Approve - Solicitation of Construction Bids re: 2012 Double Check Valve Assembly Installation – Scott D. Westover**

Mr. Westover advised the Board that staff is requesting authorization to solicit construction bids for the installation of two double check valve assemblies (DCVAs) to isolate the Eastern Michigan University (EMU) water system in the City of Ypsilanti. He indicated that one DCVA will be installed immediately west of the intersection of St. John's Street and Ann Street and the second DCVA will be installed south of Huron River Drive west of Leforge Road.

Mr. Westover explained that the proposed work is necessary to eliminate the potential for the EMU water supply system to convey water from one part of YCUA's system to another. He pointed out that, due to the fact

that the water mains within the EMU campus are privately owned and not controlled by the Authority, the Michigan Department of Environmental Quality (MDEQ) requires that backflow prevention devices be installed. Mr. Westover also explained that, once the two proposed DCVAs are installed, isolation of the main campus area will be complete.

He further advised that staff is estimating construction costs for the project at about \$100,000. Mr. Westover stated that this work will be paid through the O & M budget. He acknowledged that this is a project that has been ongoing since about 2004, when YCUA began installing backflow prevention DCVAs around the perimeter of EMU's campus in order to prevent the flow-through of water.

Mr. Westover recommended approval of the Solicitation of Construction Bids re: 2012 Double Check Valve Assembly Installation in an amount not-to-exceed \$100,000.

Ms. Stumbo inquired as to why YCUA does not want to take ownership of EMU's water system. Jeff Castro responded that the water mains at EMU are very old and a lot of them are under parking lots, buildings, and tunnels, which are connected to basements that could be flooded if a water main break occurred, leading to a tragic mess -- something with which YCUA does not want to get involved.

Ms. Stumbo also inquired as to whether this will affect EMU's water pressure. Mr. Westover responded that it will reduce their pressure very slightly. Mr. Castro added that the difference will be in the range of about two to four psi, which is very minimal.

Mr. Peoples interjected that, as an employee of Eastern Michigan University, he wishes to abstain from voting on this item.

Motion by Doe to approve the Solicitation of Construction Bids re: 2012 Double Check Valve Assembly Installation in an amount not-to-exceed \$100,000. Support by Cameron. In favor: Three. Opposed: None. Abstain: One. (Motion carried)

**D. Request to Approve - Solicitation of Construction Bids re: Ecorse / Emerick / I-94 Area Improvements Project – Scott D. Westover**

Mr. Westover advised the Board that staff is requesting authorization to solicit construction bids for improvements to the water system in the Charter Township of Ypsilanti. He indicated that the project area is bounded by Dubie Avenue on the east, Ecorse Road on the north, Emerick Road on the west, and Tyler Road on the south. Mr. Westover explained that the proposed water supply improvements will include the installation of approximately 16,000 feet of new 8-inch and 12-inch diameter pipe to

replace old and undersized water mains. He pointed out that the utility work will precede road improvements in the neighborhood.

Mr. Westover also explained that the existing water mains within the project area are primarily small diameter 4-inch pipes originally installed beginning in 1943. He further advised that, in addition to being small diameter pipe, the area has experienced more than 30 water main failures in the past two decades. Mr. Westover stated that many of the existing water mains are not looped; that is, they are supplied from Ecorse Road but dead-end just north of Tyler Road.

He acknowledged that the proposed improvements include a new water main along Tyler Road to provide much-needed redundancy to the area. Mr. Westover confirmed that this project is one of those covered by the bond issue approved in item 3.A and is one of the two projects designed by OHM in 2005 – 2006 but never constructed. He explained that staff is estimating construction costs for the project at about \$2 million. Mr. Westover pointed out that this project does not qualify for a DWRf loan.

Ms. Stumbo inquired as to why the project does not qualify for the DWRf program because it seems to her that these pressure issues affect water quality. Mr. Castro responded that water quality is affected more by the dead-end mains. He added that the DWRf is based on a point system and that it is unfortunate that YCUA isn't awarded a lot of points based on lack of fire suppression, but that's just how it works.

Mr. Westover interjected that the scoring system for the DWRf program provides for a number of points in a variety of categories including pump stations, transmission mains, security measures, etc. He indicated that, when this project was first submitted to the DWRf program in 2005 along with a group of other projects, there was also pump station work included and the project scored higher than it would have on its own, even though the bulk of the work was distribution-related like the current project. Mr. Westover explained that, since the project was not constructed within five years of first being proposed, DWRf regulations stipulate that the project must be considered individually and scored on its own merit. He pointed out that, as a result, the project only scores as a distribution main improvement without the previously recognized benefit of the pump station work.

Ms. Stumbo inquired as to whether the project was resubmitted. Mr. Westover responded that this was included in a draft project plan last week, which was done under the assumption that the projects wouldn't be re-scored and probably wouldn't fall within the fundable range for next year. He indicated, however, that there are a couple of new projects that

are included in the notice of intent for the bond that have been on the list but were so far in the future that they've never been scored by MDEQ. Mr. Westover explained that, this time, staff included in this project plan some security and communications enhancements and pump replacements in the hopes of receiving a better score and possibly being eligible for DWRP funding next year.

Mr. Doe inquired as to whether DWRP considers the projects individually or as a group. Mr. Westover responded that they are considered in the manner in which they are presented as long as they have not been scored previously. Mr. Doe inquired as to when they are awarded. Mr. Westover responded that a final plan will be presented on or before May 1<sup>st</sup> and that the process usually wraps up in late August. He added that the chances are very slim that this project will qualify.

Mr. Westover recommended approval of the Solicitation of Construction Bids re: Ecorse / Emerick / I-94 Area Improvements Project.

Motion by Peoples to approve the Solicitation of Construction Bids re: Ecorse / Emerick / I-94 Area Improvements Project. Support by Cameron. In favor: All. Opposed: None. (Motion carried)

**E. Request to Approve - Solicitation of a Construction Phase Engineering Proposal re: Ecorse / Emerick / I-94 Area Improvements Project**– Scott D. Westover

Mr. Westover advised the Board that staff is requesting authorization to solicit a proposal for construction phase engineering services from Orchard, Hiltz and McCliment, Inc. to assist during water main improvements in the Ecorse / Emerick / I-94 area of the Charter Township of Ypsilanti as discussed in item 3.D. He indicated that the plans for the project were originally designed by Orchard, Hiltz and McCliment, Inc. in 2005 and the project was bid in early 2006 but never constructed.

Mr. Westover explained that the project is now being bid again in order to construct the utility improvements in advance of proposed road work in the neighborhood. He pointed out that, due to the fact that Orchard, Hiltz and McCliment, Inc. completed the design phase engineering, staff feels that they are the best option for providing engineering services during the construction phase of the project.

Mr. Westover also explained that the proposal will be presented to the Board for their approval at the April meeting.

Mr. Westover recommended approval of the Solicitation of a Construction Phase Engineering Proposal re: Ecorse / Emerick / I-94 Area Improvements Project from Orchard, Hiltz and McCliment, Inc.

Ms. Stumbo inquired as to the estimated cost of this project. Mr. Westover responded that his best guess would be approximately \$325,000 based on the amount of the 2005 design proposal.

Mr. Doe inquired as to whether this was a part of the Ecorse water main project that was done a year or so ago. Mr. Westover responded that the area will realize some benefit from that project, which could result in a small savings.

Motion by Doe to approve the Solicitation of a Construction Phase Engineering Proposal re: Ecorse / Emerick / I-94 Area Improvements Project from Orchard, Hiltz and McCliment, Inc. Support by Cameron. In favor: All. Opposed: None. (Motion carried)

**F. Request to Approve - Award of Contract re: Tyler Pond Trestle Repair – Scott D. Westover**

Mr. Westover reminded the Board that staff was authorized to solicit sealed bids from a select bidder list for the Tyler Pond Trestle Repairs project at the February meeting. He indicated that, due to the unique nature of the work, bid documents for the project were provided to six prospective bidders recommended by Spicer Group, Inc., the design engineer who developed the plans and specifications.

Mr. Westover explained that four prospective bidders attended the mandatory pre-bid conference conducted on March 6, 2012 and two bidders submitted proposals. He pointed out that the low, responsible bid was received from Brock and Associates, Inc., of Novi, Michigan, in the amount of \$43,000. Mr. Westover also explained that staff is recommending a contingency of \$7,000 for a total construction budget of \$50,000.

Mr. Westover recommended approval of the Award of Contract re: Tyler Pond Trestle Repair to Brock and Associates, Inc., of Novi, Michigan, in the amount of \$43,000 with a contingency of \$7,000 for a total construction budget of \$50,000.

Motion by Doe to approve the Award of Contract re: Tyler Pond Trestle Repair to Brock and Associates, Inc., of Novi, Michigan, in the amount of \$43,000 with a contingency of \$7,000 for a total construction budget of \$50,000. Support by Peoples. In favor: All. Opposed: None. (Motion carried)

**G. Request to Approve - Construction Phase Engineering Proposal re: Tyler Pond Trestle Repair – Scott D. Westover**

Mr. Westover reminded the Board that staff has received authorization to solicit a construction phase engineering services proposal for the referenced project. He indicated that, due to the fact that Spicer Group, Inc. performed both the inspection and design phase engineering, staff feels that they are the best option for providing engineering services during the construction phase of the project.

Mr. Westover recommended approval of the Construction Phase Engineering Proposal re: Tyler Pond Trestle Repair from Spicer Group, Inc. in the not-to-exceed amount of \$9,600.

Motion by Peoples to approve the Construction Phase Engineering Proposal re: Tyler Pond Trestle Repair from Spicer Group, Inc. in the not-to-exceed amount of \$9,600. Support by Doe. In favor: All. Opposed: None. (Motion carried)

**H. Request to Approve - Award of Contract re: 2011 Road Repairs Phase II – Scott D. Westover**

Mr. Westover reminded the Board that, at the February meeting, they approved the termination of a contract for the 2011 Road Repairs project because the contractor was not able to finish the work last fall and did not provide ample consideration or guarantee for continuing the contract. He indicated that the Board also approved the solicitation of advertised bids for the remaining work. Mr. Westover explained that bid documents for the project were obtained by 10 prospective bidders and four bidders submitted proposals.

Mr. Westover advised that the low, responsible bid was received from Midwest Pavement Contracting, Inc., of Milford, Michigan, in the amount of \$227,957.50. He pointed out that the bid amount is below the YCUA engineering department's best estimate of \$275,000 and that staff feels that the price is fair.

Mr. Westover also explained that YCUA has worked with Midwest in the past on two or three road repair projects and that staff is confident that they are capable of performing the work.

Mr. Westover recommended approval of the Award of Contract re: 2011 Road Repairs Phase II to Midwest Pavement Contracting, Inc., of Milford, Michigan, in the amount of \$227,957.50 along with a 10% contingency in the amount of \$22,042.50 for a total construction budget of \$250,000.



Mr. Doe inquired as to how much has already been paid to the previous contractor. Mr. Westover responded that it was somewhere in the range of \$125,000. Mr. Doe inquired as to the total amount of the original contractor's bid. Mr. Westover responded that the total bid amount was \$320,000 with a construction contingency added for a total project cost of \$340,000.

Mr. Peoples inquired as to whether the Authority has any further financial obligations as a result of terminating the contract with the original contractor. Mr. Westover responded that there are none.

Ms. Stumbo commented that the possibility of doing this work in-house was discussed at the last meeting and inquired again as to the feasibility of that. Jeff Castro responded that, in the last five to six years, the meter department and the Service Center have experienced staff reductions due to budget constraints. He indicated that the Washtenaw County Road Commission's standards and criteria have changed over the last 10 years so that larger cuts are required, which require a greater amount of effort to repair. Mr. Castro explained that staff is busy with yard repair and concrete jobs that extend the entire summer as well as a root-cutting preventative maintenance program and excavation for water and sewer for customers. He further advised that staff is limited and does not want to sacrifice its root cutting preventative maintenance program in order to do road repairs. Mr. Castro stated that YCUA simply does not have the available staff at this time but that it is possible to consider it again in the future as demands on employees' time improves.

Ms. Stumbo asked that the idea be revisited because she is confident that YCUA would do a better job. Mr. Westover responded that YCUA's staff is currently given the right of first refusal on smaller repair jobs that are less demanding in terms of man hours.

Ms. Stumbo added that, if \$300,000 is going to be spent on hiring an outside contractor to do this work, perhaps the money is better spent by hiring a couple of people. Mr. Westover responded that last year's job was considerably bigger than usual due to the fact that it included some previous years' road work in 30 to 35 locations that had slipped through the cracks. He indicated that the 2012 road repair amount will be much lower, especially considering the mild winter weather and the lower-than-normal number of water main breaks.

Mr. Doe inquired as to whether staff is seeing any kind of trend toward an overall decrease in water main breaks that might affect future road repairs. Mr. Westover responded affirmatively. Mr. Castro interjected that he has

a spreadsheet going back to 2004 which shows a downward trend in water main breaks and that he will share the same with the Board.

Mr. Doe commented that, by rebidding this work, YCUA is incurring an additional \$35,000 over the original contractor's bid. He inquired as to whether there is any recourse to recoup that money from the original contractor. Mr. Westover responded that reimbursement from the original contractor would be unlikely due in part to the fact that it had become clear that deterioration of the conditions in the field last fall would have resulted in a sizeable change order anyway. He added that he is confident that there will be no significant change orders to the new contract.

Ms. Stumbo commented that there have been concerns voiced recently by the Washtenaw County Road Commission regarding the quality of YCUA's road repairs and inquired as to what kind of testing is done on the asphalt. Mr. Westover responded that YCUA receives certification from the contractor that it will meet all of the road commission's standards and that the road commission typically sends an inspector to the site. Ms. Stumbo interjected that the road commission's specific comments related to the mixture of the asphalt, which, in at least one instance, cracked and crumbled within a year. Mr. Westover responded that he will stand by the quality of YCUA's repairs and would go so far as to say that they often exceed the quality of the existing pavement.

Ms. Stumbo inquired as to which YCUA staff members follow up to make sure that the road commission's standards are being met. Mr. Westover responded that the engineering department is responsible for that task.

Ms. Stumbo inquired as to when this work will begin. Mr. Westover responded that the work will commence between May 1<sup>st</sup> and June 15<sup>th</sup>. He added that the normal time frame for the work is Labor Day through the end of October.

Ms. Stumbo inquired as to how this work is funded. Mr. Westover responded that it is an O & M expense.

Motion by Doe to approve the Award of Contract re: 2011 Road Repairs Phase II to Midwest Pavement Contracting, Inc., of Milford, Michigan, in the amount of \$227,957.50 along with a 10% contingency in the amount of \$22,042.50 for a total construction budget of \$250,000. Support by Cameron. In favor: All. Opposed: None. (Motion carried)

Ms. Stumbo interjected that YCUA needs to make sure that the contractor adheres to the Davis-Bacon Act. Mr. Westover responded that all of YCUA's contracts require written verification of the same.

Ms. Stumbo inquired as to whether this contract has been reviewed by the attorney. Mr. Westover responded that that has not yet taken place and will be done after the performance bonds and insurance documents are received from the contractor. Mr. Doe made a friendly amendment to the motion to reflect that the item is approved contingent upon attorney review.

**I. Request to Approve – Change Order No. 1 re: Wastewater Treatment Plant Odor Control Modifications Project – Scott D. Westover**

Mr. Westover advised the Board that this change order reflects a deduction of \$124,990 and represents a credit to the original contract amount resulting from YCUA's decision to install blowers manufactured by ABS instead of Neuros as included in the base bid. He indicated that three options were included in the bid documents and that, after discussions by Authority staff and communication with the various references provided by the suppliers of each product, it was determined that the less-expensive ABS blower would provide better performance and would be easier to maintain. Mr. Westover explained that staff is of the opinion that Change Order No. 1 is acceptable.

Mr. Westover recommended approval of Change Order No. 1 re: Wastewater Treatment Plant Odor Control Modifications Project in the deduct amount of \$124,990.

Ms. Stumbo asked Kevin Dupuis if he is comfortable going with this blower, especially considering all of the problems that have occurred in the past regarding odor control equipment. Mr. Dupuis responded that there is a new blower technology available called a "Turbo Blower" that operates at a much higher rpm. He indicated that the blower on which the committee decided does not have any bearings to support the shaft and that the shaft is supported by magnets. Mr. Dupuis explained that staff could have picked the higher priced unit but felt that the quality and price of the unit selected was the best choice for the Authority. He indicated that he is in support of the purchase.

Motion by Peoples to approve Change Order No. 1 re: Wastewater Treatment Plant Odor Control Modifications Project in the deduct amount of \$124,990. Support by Doe. In favor: All. Opposed: None. (Motion carried)

Ms. Stumbo interjected that, in future, according to Robert's Rules, a motion, support, and vote need to immediately follow the presentation and recommended action and then questions and discussion should take place last.

**J. Fund Balance Report – Dwayne Harrigan**

Mr. Harrigan directed the Board's attention to the Fund Balance Report for February 29, 2012. He then proceeded to give a detailed report of the information contained in the report and answered questions from the Board.

Ms. Stumbo asked for clarification as to whether the \$189,276 excess is actually a shortfall. Mr. Harrigan responded that the correct terminology is that the requirement is in excess of the cash balance.

Informational only; no motion from the Board required.

**K. Financial Report – Authority Net Assets - Dwayne Harrigan**

Mr. Harrigan directed the Board's attention to the Financial Report – Authority Net Assets Report for February 29, 2012. He then proceeded to give a detailed report of the information contained in the report and answered questions from the Board.

Ms. Stumbo inquired as to when the budgeting process starts. Mr. Harrigan responded that it began last week with the departmental reports. He added that the budget needs to be approved by June 1<sup>st</sup> and will be presented to the Board at either the April or May meeting.

Ms. Stumbo indicated that she would like to see a report on the time frame involved in this process. She then inquired as to whether the Board is involved in the budget preparation process before a draft is presented for their approval. Mr. Harrigan responded that past practice has been that the Finance Committee participates in that process. He proceeded to explain the process in greater detail.

Mr. Castro interjected that the directors modify their budgets and submit their recommendations within two or three weeks, which are further evaluated and fine-tuned before a draft budget is put in place.

Ms. Stumbo inquired as to whether narratives are involved in this process and, if they are not, she would like to be provided with them moving forward so that she can better understand the decisions being made in the budgeting process. Mr. Peoples interjected that it is the Finance Committee that participates in the process of presenting a draft budget to the Board. Ms. Stumbo inquired as to whether the Finance Committee provides direction in this process. Mr. Peoples responded affirmatively. Ms. Stumbo inquired as to which Board members participate in the Finance Committee. Mr. Peoples responded that Mr. Namatevs and Mr. Doe are the Board representatives in the Finance Committee.

Ms. Stumbo inquired as to whether the spike in the monthly cost of

wastewater treatment on page 10 was the result of natural occurrences. Mr. Harrigan responded that it is a relatively normal monthly variation and that it looks bigger on the graph than it really is.

Ms. Stumbo inquired as to whether Mr. Harrigan has any opinion to offer on the report. Mr. Harrigan responded that it is where it should be this time of year and is consistent with last year, reflecting slightly lower expenditures and slightly lower revenues.

Informational only; no motion from the Board required.

**L. Usage Report – Consumption Report - Dwayne Harrigan**

Mr. Harrigan 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. Peoples inquired as to whether there are any projections for consumption this coming summer, understanding that no one can predict the weather. Mr. Castro responded that one hot, dry month can make a tremendous difference. Mr. Harrigan added that, in a normal spring, there is more usage during the melt period, which will not occur this year.

Mr. Doe inquired as to the status of WTUA's flows. Thomas E. Daniels indicated that he would be addressing that matter in the Attorney's Report.

Ms. Stumbo interjected that, in her neighborhood association, the new motto is "Brown is Beautiful" and that they are not watering their grounds due to the expense.

Informational only; no motion from the Board required.

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

Mr. Daniels advised the Board that YCUA recently met with WTUA regarding the negotiations that have been ongoing over the past several months. He indicated that several items have been agreed upon structurally but problems have been encountered that have extended over six to eight months' discussions relative to WTUA attempting to get a handle on precisely what their needs are. Mr. Daniels explained that, at the most recent meeting, WTUA presented the results of some very sophisticated engineering reports that demonstrated to them that their need for capacity exceeded their expectations. He pointed out that, because of those reports, YCUA is now waiting for WTUA to complete discussions with Wayne County and the possibility of renewal of that contract and preserving some capacity with them.

Mr. Daniels also explained that, because so much has occurred in the past

several months, he is in the process of drafting a written report to the Board and a memo to the file to memorialize what has taken place from the very beginning of this process and to outline which portions of the contract with WTUA have been agreed to in principle thus far, pending approval by YCUA's Board of Commissioners. He further advised that his report will be presented to the Board prior to the April meeting.

Mr. Daniels stated that the negotiating team has consisted of Larry R. Thomas, Perry M. Thomas, T. Michael Jessee (prior to his retirement), and him with Dwayne Harrigan as a consultant as needed. He acknowledged that WTUA's team has consisted of their director Aaron Sprague, their financial director Cindy Cezat, and attorney Chuck Barbieri, who was involved in the 2000 contract negotiations.

Mr. Daniels confirmed that YCUA has been attempting to negotiate necessary revisions to the current contract in order to get substantially more flow from them and that the discussions have included wastewater treatment costs at YCUA versus Wayne County as well as the most recent turn of events, namely the testing results presented at the last meeting that conveyed that their capacity needs have exceed expectations and how that will affect their relationship with Wayne County. He explained that their contract with Wayne County has expired and that WTUA, along with a number of other Wayne County communities, is in the process of negotiating with the county on the renewal of those contracts. Mr. Daniels pointed out that they are at least a few months away from completing those negotiations.

He also stated that he understands that it is important for the Board to get a thorough report on the course of these negotiations. Ms. Stumbo interjected that YCUA built its new plant and incinerator to meet WTUA's needs under the understanding that those flows would come here and that she is concerned that those flows will now be reduced. Mr. Daniels responded that the flows will not be reduced but that the overall technical explanation of the issues at hand will require input from Larry R. Thomas and Perry M. Thomas, which will be part of his written report to the Board.

Mr. Doe commented that WTUA was projecting higher growth than they have realized, just as Ypsilanti Township has, and, therefore, their flows must be down from what was anticipated. He added that, based on the reports from the past several meetings, he understood that the flows were delayed due to pump problems. Mr. Daniels responded that Mr. Doe's understanding is correct and that the information on WTUA's pump problems and related litigation and the resulting delay in WTUA's

negotiations with YCUA will be reiterated in his report as well.

Ms. Stumbo inquired as to whether Mr. Daniels's report needs to be presented in a closed session. Mr. Daniels responded that it can be discussed in open session as there is nothing that falls within attorney – client privilege. He advised the Board that, when the time comes to discuss portions of the report relative to positions that have been taken in the course of the negotiations, the Board may want to call a closed session.

Informational only; no motion from the Board required.

**N. Environmental Report – Perry M. Thomas**

Mr. Thomas advised the Board that YCUA submitted its monthly discharge monitoring report on time and complied with all of the pollutant limitations and terms and conditions of its NPDES permit.

He indicated that, at the last meeting, he notified the Board that the MDEQ issued YCUA a violation notice for sanitary sewer overflows at three locations: the Michigan Avenue / Huron Street structure, Riverside Park, and Peninsula Park. Mr. Thomas provided the Board with photographs of the Michigan Avenue / Huron Street structure and gave a detailed explanation of the cause of the overflow there.

He pointed out that the violation notice required a reply by March 20<sup>th</sup>, with which YCUA complied. Mr. Thomas also explained that, in its reply, the Authority addressed the Michigan Avenue / Huron Street structure with the submission of a Part 41 Permit, which requests permission from the state to alter a sewer system. He further advised that the permit will allow YCUA to cut out a portion of the Huron Street sewer, allowing the sewer to drop into the manhole and into the Pearl Street relief sewer. Mr. Thomas stated that the sewage is presently coming from north to south on Huron Street and picks up at Cross Street. He acknowledged that, if this is done, all of the sewage going down Huron from north to south will drop down into the Pearl Street sewer.

Ms. Stumbo inquired as why staff did not know that any of these problems existed previously. Mr. Thomas responded that he became aware of the problems last year.

Mr. Westover interjected that, at last month's meeting, staff was authorized to solicit bids on the Huron Street Sanitary Sewer Improvements Projects, for which there are three components, one being the lining of the existing sewers downstream of the Michigan Avenue bridge in the Water Street area, which is the reason the pipes were isolated and is believed to be the cause of the Riverside Park event. He indicated that, also as part of this project, the sewer in Huron Street would be re-laid

from Pearl to the north to the manhole there in order to redirect flow away from the Huron intersection and down through the Pearl relief sewer into the interceptor sewer that is in Riverside Park.

Mr. Westover explained that the third component was to go to into the manhole at Michigan and Huron and put a top on the pipe so that it couldn't overflow into the storm sewer system. He pointed out that staff has not yet bid the work and that, in the interim while staff was finishing the bid documents, the Service Center did a thorough cleaning of the Huron Street sanitary sewer from Washtenaw south almost all the way to Catherine and removed somewhere between six and eight cubic yards of debris, which is a considerable amount.

Mr. Westover also explained that, as a result of this cleaning, the flow in that pipe has dropped from about 3/4 of the depth of the pipe down to a 1/3 to 1/4. He further advised that staff is of the opinion that the cleaning has alleviated a lot of the capacity concerns and that perhaps YCUA does not need to relay the sewer from Huron Street going north.

Mr. Westover stated that the Part 41 Permit application has been submitted for two of the original three portions, one being the lining of the sewers in the Water Street area, for which bid documents should be ready in the next day or two for the Board's consideration at the April meeting. He acknowledged that staff has written to the MDEQ outlining the anticipated success of the cleaning project and asking for authorization to put YCUA's three flow meters in the system and get a better handle of what flows are coming from where to hopefully prove that it is not necessary to tear up Huron Street and redirect that sewer.

Mr. Westover confirmed that, in the interim, YCUA wants to go into the manhole at the Pearl relief sewer and divert the flows from the north down the hill through the relief sewer and into the interceptor, which can happen regardless of whether the flow metering is complete or not. He explained that staff anticipates that the metering and modeling will show that those improvements will prevent further backups in the vicinity of Michigan and Huron. Mr. Westover pointed out that staff anticipates a three-month metering window in order to receive good data and that OHM will assist in coming up with a scope of work to accurately analyze this and hopefully avoid tearing up the street.

Ms. Stumbo inquired as to why there was so much debris present and whether preventative maintenance was done. Mr. Castro responded that preventative maintenance was done and that the new vactor purchased two years ago played a significant role because it is much more powerful in extracting debris unlike the old vactors. He indicated that the old vactors



are great tools to use in smaller mains but that, at this level, staff definitely needed great vacuuming and flushing power.

Ms. Stumbo inquired as to whether this is an area that gets televised. Mr. Castro responded that he was not aware of the issues in the area until last June and pointed out that, many years ago before environmental concerns were a priority, this structure was designed to intentionally overflow into the river instead of area buildings. He indicated that, as such, staff does not want to simply cap the main and see what happens, risking a possible overflow into city hall. Mr. Westover concurred. Ms. Stumbo added that in all likelihood, the original designers never expected the flows to reach these levels.

Mr. Doe inquired as to what size main is present in that area. Mr. Westover responded that it is a 15-inch main which could have been reduced to a 10-inch with all the debris. He reiterated that the normal flow level was up above 3/4 of the pipe and it is much lower in most cases now.

Mr. Castro interjected that, during the heavy rain two weeks ago, it did overflow but not as significantly as before during similar rain events.

Ms. Stumbo inquired as to whether this is part of YCUA's master plan. Mr. Westover responded that, while the Authority does have a system-wide master plan, this is being addressed not as an improvement issue but as a reaction to an actual overflow event that needs to be addressed immediately. Ms. Stumbo interjected that this should qualify for money from the state. Mr. Westover responded that the matter needs to be corrected before YCUA can try to get the project considered for the next funding cycle, which could take another year.

Mr. Thomas continued with his report, indicating that the Peninsula Park overflow, which is believed to have occurred due to debris in the system, was addressed with a new standard operating procedure for inspecting manholes. He indicated that the Service Center cleaned the structure with the vacator and is committed to inspecting those manholes every week and flushing the system twice a year as well as any time there is any surcharge detected.

Informational only; no motion from the Board required.

**4. OLD BUSINESS:**

**O. Request to Approve – Annual Committee Member Appointments**

Ms. Stumbo suggested that this item remain on table until all Board members can be present for the discussion.

Motion by Peoples to leave tabled the Annual Committee Member Appointments. Support by Doe. In favor: All. Opposed: None. (Motion carried)

**P. Discussion Item – YCUA Board Policy re: The Role of the Board of Commissioners in Personnel Discipline and Grievance Matters**

Ms. Stumbo suggested that this item remain on table until all Board members can be present for the discussion.

Motion by Peoples to leave tabled the YCUA Board Policy re: The Role of the Board of Commissioners in Personnel Discipline and Grievance Matters. Support by Doe. In favor: All. Opposed: None. (Motion carried)

**5. OTHER BUSINESS:**

**Q. Discussion Item – Past Practices at YCUA Regarding the Preparation of Bidder Lists – Scott D. Westover**

Mr. Westover reminded the Board that, at the February meeting, comments were made regarding the abundance of selective bidder lists that have been utilized and / or proposed by YCUA staff. He indicated that, during the calendar years 2009 through 2011, the engineering department has been involved in a total of 39 bids, 33 of which utilized a completely open, advertised bid process or an open bid process that utilized prequalification of bidders.

Mr. Westover explained that seven of these 33 projects were run by MDOT, which has a special pre-qualification process for bidding. He pointed out that there were 26 other open bids, only one of which involved a prequalification mandated by YCUA due to some very specific needs involving a pump station project.

Mr. Westover also explained that the other 25 open bids involved no restrictions other than a mandatory pre-bid meeting, which is consistent in four out of five bids at the Authority.

He further advised that only six projects during this time period utilized a select bidder list. Mr. Westover stated that, of those six, one was an equipment purchase that involved matching equipment already in place from a sole source provider, two other projects involved requesting work from contractors that were already onsite, and three projects wherein staff requested a select bidder due to specific location and timing concerns.

He acknowledged that he hopes this information will help to dispel any implications that YCUA is a closed shop.

Ms. Stumbo asked that the information be put into writing. Mr. Westover confirmed that he was in the process of doing that.

Informational only; no motion from the Board required.

6. **STATEMENTS AND CHECKS:** Motion by Doe to pay the bills in the amount of \$2,639,898.22. Support by Peoples. In favor: All. Opposed: None. (Motion carried)

Ms. Stumbo inquired as to why it is shown in the payables that there is one Board member who was paid \$150 and another \$100 for the February 28<sup>th</sup> Board meeting. Mr. Harrigan responded that those amounts included previous meetings for which they had previously not been paid and pointed out that the dates of the meetings are shown next to the individual payment amounts. The Executive Administrative Assistant interjected that standard procedure is to submit pay requests after each Board meeting but that, due to a clerical oversight, the January 27<sup>th</sup>, February 1<sup>st</sup> special meeting, and February 28<sup>th</sup> pay requests were all submitted within this month's check approval period.

Ms. Stumbo pointed out that, regardless, Mr. Namatevs was paid for the February 28<sup>th</sup> meeting, at which he was not present. Mr. Harrigan responded that he would look into that and make sure that the matter is corrected.

7. **PUBLIC COMMENTS:** There were no public comments for the month.
8. **ADJOURNMENT:** Motion by Doe to adjourn the meeting at 10:31 a.m. Support by Peoples. In favor: All. Opposed: None. (Motion carried)

Respectfully submitted,



BRENDA L. STUMBO, Chair



**YCUA RESOLUTION No. 12-2 APPROVING CONTRACT**

Ypsilanti Community Utilities Authority  
County of Washtenaw, Michigan

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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 March, 2012, at 9:00 a.m., Eastern Daylight Time.

PRESENT: Commissioners Brenda L. Stumbo, Andrew Cameron, Larry J. Doe, and  
Gregory A. Peoples.

ABSENT: Commissioners Mark Namatevs

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

WHEREAS, the Board of Commissioners of the Ypsilanti Community Utilities Authority, County of Washtenaw, Michigan, intends to authorize the issuance and sale of its Water Supply System No. 8 Bonds (Charter Township of Ypsilanti) pursuant to Act 233, Public Acts of Michigan, 1955, as amended, in one or more series, in an aggregate amount of not to exceed Eight Million Dollars (\$8,000,000), for the purpose of defraying the cost of acquiring and constructing water supply system improvements to service the Charter Township of Ypsilanti; and

WHEREAS, a Contract 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.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Contract dated as of March 27, 2012 between the Authority and the Charter Township of Ypsilanti is 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 Brenda L. Stumbo, Andrew Cameron, Larry J. Doe, and  
Gregory A. Peoples.

NAYS: Commissioners None.

RESOLUTION DECLARED ADOPTED.



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

ANDREW CAMERON, 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 March, 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.



  
ANDREW CAMERON, Secretary - Treasurer