



# Minutes

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**YPSILANTI COMMUNITY UTILITIES AUTHORITY  
BOARD OF COMMISSIONERS MEETING  
Wednesday, October 24, 2012 – 4:00 p.m.  
YCUA Administration Building  
2777 State Road  
Ypsilanti, MI 48198-9112**

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

**Members Absent:** None.

1. **CALL TO ORDER:** Ms. Stumbo called the meeting to order at 4:01 p.m.
2. **MINUTES OF THE PREVIOUS MEETING:** Motion by Doe to receive and file the minutes of the September 25, 2012 meeting as presented. Support by Peoples. In favor: All. Opposed: None. (Motion carried.)
3. **NEW BUSINESS:**
  - A. **Request for Consideration – Change in YCUA Board of Commissioners’ Meeting Schedule – Jeff Castro**

Mr. Castro advised the Board that the December 2012 Board meeting falls on the day after Christmas (Wednesday, December 26) and the November and December 2013 meetings fall on the day before Thanksgiving and Christmas Day respectively. He indicated that obtaining a quorum may be difficult on the days immediately before or after a holiday and the Authority is closed on Christmas Day.

Mr. Castro recommended approval of the request to move the December 2012 Board meeting from December 26 to December 19, 2012, to re-schedule the November 2013 meeting from November 27 to November 20, 2013, and to move the December 2013 meeting from December 25 to December 18, 2013.

Motion by Doe to approve the change in the YCUA Board of Commissioners' meeting schedule as presented. Support by Bodary. In favor: All. Opposed: None. (Motion carried)

**B. Request to Approve – Change in Organizational Structure – Kim Robinson**

Ms. Robinson directed the Board's attention to a proposed organizational chart. She indicated that the chart reflects a recommendation of the Personnel Committee.

Ms. Robinson explained that the change involves the elimination of the chemist position and the addition of a day shift wastewater foreman. She pointed out that this change aligns the structure better in both departments for increased operational effectiveness.

Motion by Doe to approve the change in organizational structure as presented. Support by Cameron. In favor: All. Opposed: None. (Motion carried)

**C. Request to Approve - Authorization to Seek Bids re: Manhole Rehabilitation – Scott D. Westover**

Mr. Westover advised the Board that staff has been researching this project for several years, including some pilot-testing done on about 10 manholes over the last three to four years. He indicated that, by rehabilitating the 65 manholes indicated in the bid specifications, the project, estimated to cost about \$165,000, will save the Authority in the range of \$200,000 annually in costs transport and treat groundwater entering the system -- thereby paying for itself in less than a year.

Mr. Westover recommended approval of the request for authorization to seek bids for the manhole rehabilitation project.

Motion by Peoples to approve the request for authorization to seek bids for the manhole rehabilitation project as presented. Support by Doe.

Ms. Stumbo inquired as to whether this is a City of Ypsilanti project. Mr. Westover responded that 55 manholes are in the city and 10 are in the township. He added that this project is anticipated to be highly successful and will result in future projects involving more sewers in the township.

Mr. Doe inquired as to how the actual cost savings will be measured. Mr. Westover responded that the results will be visible in the amount of flow as well as the before and after appearance of the manholes, many of which now are constantly receiving infiltration.

In favor: All. Opposed: None. (Motion carried)

**D. Request to Approve - Tetra Tech Proposal re: WWTP Septage Receiving Station Improvements – Scott D. Westover**

Mr. Westover directed the Board's attention to a proposal from Tetra Tech for engineering services during the design and bidding phases of the referenced project at the wastewater treatment plant (WWTP). He indicated that the engineering department has reviewed the proposal and it appears to be commensurate with the anticipated level of effort required for the project.

Mr. Westover recommended approval of Tetra Tech's engineering services proposal for the design and bidding phases of the WWTP Septage Receiving Station Improvements project in the not-to-exceed amount of \$50,500.

Motion by Bodary to approve Tetra Tech's engineering services proposal for the design and bidding phases of the WWTP Septage Receiving Station Improvements project. Support by Doe.

Mr. Bodary inquired as to whether rates charged to septage haulers can be increased to cover these expenses. Mr. Castro responded that this is something that staff is researching and will report back to the Board.

Ms. Stumbo inquired as to how many gallons are coming in from septage haulers. Perry M. Thomas responded that YCUA receives slightly over one million gallons per year from septage haulers, which equates to roughly \$150,000 in annual revenue.

In favor: All. Opposed: None. (Motion carried)

**E. YCUA Resolution No. 12-14 re: WWTP Septage Receiving Station Improvements S2 Grant – Scott D. Westover**

Mr. Westover directed the Board's attention to his memo regarding the referenced resolution. He indicated that this project is eligible for a low-interest loan from the State Revolving Fund program, which is the mechanism that staff is recommending to fund this project.

Mr. Westover explained that the SRF program has a "cousin" S2 grant program for design and planning. He pointed out that YCUA has used the S2 grant program successfully on three or four pump station projects as well as the plant effluent water project. Mr. Westover also explained that the S2 grant program does not need to be paid back and that it pays for 90% of the design costs. He added that those monies are taken out of the loan with YCUA responsible for 10% as a local match.

Motion by Peoples to approve YCUA Resolution No. 12-14 re: WWTP Septage Receiving Station Improvements S2 Grant. Support by Cameron.

Mr. Doe inquired as to the estimated cost of the project. Mr. Westover responded that the estimated cost is about \$350,000. He added that YCUA will be required to complete the SRF funded project within two years of receiving the grant money, otherwise the money will have to be paid back.

In favor: All. Opposed: None. (Motion carried)

**F. Request to Approve - Wastewater Treatment Plant Chemicals Purchase – Perry M. Thomas**

Mr. Thomas directed the Board's attention to a letter from Kurian Joychan regarding this purchase. He indicated that this is an annual bid for the chemicals used at the wastewater treatment plant. Mr. Thomas explained that Mr. Joychan is recommending that the Authority award the bid for aluminum sulfate to PVS Nolwood at \$0.06 per pound, which is the same price as 2011. He pointed out that YCUA uses about \$230,000 of aluminum sulfate per year.

Mr. Thomas also explained that staff is recommending the purchase of sodium hydroxide from K.A. Steel Chemical for \$0.0691 per pound, which is a decrease from the 2011 price. He further advised that the Authority uses about \$82,000 of sodium hydroxide per year.

Mr. Thomas stated that staff is recommending the purchase of sodium hypochlorite from JCI Chemical at \$0.075 per gallon, which is an increase from 2011. He acknowledged that YCUA uses about \$59,000 of sodium hypochlorite per year.

Mr. Thomas recommended approval of the wastewater treatment plant chemical purchases as presented.

Motion by Doe to approve the wastewater treatment plant chemical purchases as presented. Support by Cameron. In favor: All. Opposed: None. (Motion carried)

**G. Request to Approve – Solids Building Passenger Elevator Upgrade – Kevin Dupuis**

Mr. Dupuis advised the Board that this is a piece of equipment that is original to the plant. He indicated that many of the elevator's parts are obsolete and that a number of service calls have been required in the last year, costing the Authority in the range of \$6,000.

Mr. Dupuis explained that he met with three elevator vendors and that Detroit Elevator was the low bidder. He pointed out that all three vendors suggest replacement of the door operators, safety curtain, associated tracks

supports and rollers for the car doors as well as the doors on each of the five levels.

Mr. Dupuis recommended approval of the quote from Detroit Elevator in the amount of \$24,030.

Motion by Bodary to approve the solids building passenger elevator upgrade purchase from Detroit Elevator in the amount of \$24,030. Support by Cameron. In favor: All. Opposed: None. (Motion carried)

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

Mr. Harrigan directed the Board's attention to the Fund Balance Report for September 30, 2012. 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. Financial Report – Authority Net Assets – Dwayne Harrigan**

Mr. Harrigan directed the Board's attention to the Financial Report – Authority Net Assets Report for September 30, 2012. 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. Usage Report – Consumption Report – Jeff Castro**

Mr. Castro 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. Bodary inquired as to whether the increase in consumption is related to the drought. Mr. Castro responded affirmatively.

Informational only; no motion from the Board required.

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

Mr. Daniels advised the Board that he and Perry Thomas have an item to present together. He asked Mr. Thomas to begin the presentation.

Mr. Thomas advised the Board that, in consultation with attorney Tom Daniels and Tetra Tech consulting engineers, YCUA submitted seven comments to the new proposed NPDES permit, which is the Authority's permit to discharge into the waters of the state. He indicated that the Authority received a reply from MDEQ and that they did not grant two of the items requested.

Mr. Thomas explained that one of the requests was to be made exempt from the mercury minimization program. He pointed out that YCUA's mercury data points in the new permit application were in the range of .9 to 1.5 nanograms per liter and that the limit is 1.3. Mr. Thomas also explained that because a couple of the Authority's data points were over the limit, MDEQ has put mercury limitation on YCUA's permit and is requiring the Authority to develop and implement a mercury minimization program.

He further advised that this will be in the form of a written report to be approved by MDEQ, which identifies the sources of mercury and requires that they reduce or eliminate those sources. Mr. Thomas stated that YCUA staff has already advised MDEQ that one major source is the septage that MDEQ requires YCUA to accept, but that MDEQ was unmoved.

He acknowledged that YCUA is planning to contest the mercury minimization requirement along with their denial of YCUA's request for phosphorous limitation for the effluent of the plant be increased from .07 / .08 to 1.0 milligram per liter.

Mr. Thomas confirmed that MDEQ has agreed to meet with Authority personnel in Lansing on November 2<sup>nd</sup> in order to discuss these issues. He then responded to questions from the Board and explained the situation in greater detail.

Mr. Daniels then explained to the Board the detailed procedure which is followed in these contested cases. He indicated that YCUA's petition is due on November 28<sup>th</sup>.

Mr. Daniels explained that the phosphorous issue has a long history and that the current limits are those put in place in 1988 when YCUA was discharging its effluent into the Huron River and Belleville Lake – which is an impoundment with a less than one milligrams per liter. He pointed out that the plan put into place then was that YCUA would do a nutrient study in two phases: one with lower discharges after the plant was expanded and a second when WTUA's discharge increased the level of effluent.

Mr. Daniels also explained that the first phase was done in 2002 – 2003 but that, in the most recent permit, they have inexplicably eliminated the second phase. He further advised that one of the things YCUA requested was for MDEQ to put the second phase back into the permit.

Mr. Daniels stated that the technical data and empirical information regarding phosphorous indicates that the limit increase to 1 milligram

would have no appreciable environmental effect whatsoever on the lower Rouge. He acknowledged that YCUA expects a the mercury minimization requirement to be upheld, as most plants like the Authority have one, but that YCUA wants the scheduling of the testing and monitoring to be altered so that it reflects the scheduling of other systems of YCUA's size.

Mr. Daniels confirmed that the Authority is not asking MDEQ to do anything that is unusual or doesn't already have some precedent.

He explained that, after the meeting with MDEQ's technical staff on November 2<sup>nd</sup>, YCUA staff will be able assess what the chances are of achieving any changes to the NPDES permit and then reassess before actually preparing the petition for the Board's approval and then filing it with MDEQ.

Mr. Bodary inquired as to the sources of the mercury other than dentists offices. Mr. Thomas responded that St. Joseph Mercy Hospital is a source as well as landfills but that there are 9,000 possible facilities that would need to be tested in order to make an accurate determination. Mr. Castro interjected that it is unfortunate that dentist offices are a large contributor because they are protected under the law.

Ms. Stumbo commented that, from an environmental standpoint, she would like to see a lower phosphorous limit. Mr. Daniels responded that there are economic reasons for requesting the slight increase not to mention the fact that all of the data collected since YCUA began discharging into the lower Rouge shows that it not only has increased the flow but also improved the water quality there. He reiterated that the phosphorus increase have no appreciable environmental effect whatsoever on the lower Rouge and added that an increase in flow could even further improve the water quality.

Mr. Thomas also commented that YCUA has only had one phosphorous violation in the last few years.

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

Mr. Thomas advised the Board that YCUA submitted its monthly discharge monitoring and operating reports for September 2012 and that the Authority was in compliance with all permit requirements and limitations.

He indicated that construction is progressing on the wastewater treatment plant odor control project and that substantial completion is now expected for November 3, 2012. Mr. Thomas explained, however, that the engineering department expects a 30 - 60 day extension request from the

contractor due to problems getting the exhaust piping from the blower supplier.

Ms. Stumbo inquired as to whether the contract allows for a penalty if the substantial completion date isn't met. Mr. Westover responded that it contains provisions for liquidated damage but that, if the contractor makes a timely request, he feels it is justified. He added that their request would come before the Board as part of a change order.

Mr. Thomas also explained that the Pearl relief sewer project begins tomorrow. He further advised that this will address the violation for the sanitary sewer overflows at the intersection of Michigan Avenue and Huron Street by diverting the flow to the new sewer.

Mr. Thomas stated that the Snow Road pump station improvements project is progressing, a project in response district compliance agreement, and that substantial completion is planned for January 20, 2013.

Ms. Stumbo commented that she noticed an improvement in the odor level at the plant. Mr. Castro responded that staff has reduced the blanket levels on the sludge clarifiers.

**M. Director's Report - Jeff Castro**

There was no Director's Report for the month.

**4. OLD BUSINESS:**

There was no old business for the month.

**5. OTHER BUSINESS:**

Mr. Doe asked the Board to consider asking the Personnel Committee to discuss changing Jeff Castro's probationary period from six months to two months and to work with the human resources department to develop a recommendation for the Board. Motion by Doe, support by Bodary. In favor: All. Opposed: None. (Motion carried)

**6. STATEMENTS AND CHECKS:** Motion by Cameron to pay the bills in the amount of \$3,946,274.17. Support by Doe. In favor: All. Opposed: None. (Motion carried)

**7. PUBLIC COMMENTS:**

Mr. Thomas advised the Board that he received a copy of an editorial by Rosemary K. Osmond that appeared in the *Belleville Independent* newspaper, which states that YCUA receives millions of gallons of leachate via truck from Carlton Farms Landfill in Sumpter, which is totally false. He indicated that Authority staff is recommending that a retraction be requested. Ms. Stumbo concurred with the recommendation.

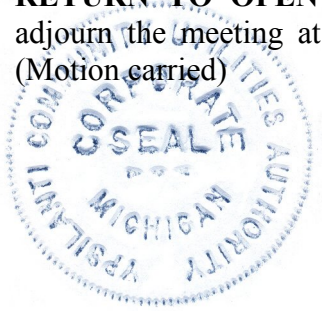
**8. EXECUTIVE SESSION:** Jeff Castro recommended adjourning the open session and calling to order a closed session in order to discuss Union negotiations. Motion by Doe



to accept Mr. Castro's recommendation for adjourning the open session and calling to order a closed session in order to discuss Union negotiations. Support by Peoples. By roll call vote: Ayes: Michael Bodary, Andrew Cameron, Brenda L. Stumbo, Gregory A. Peoples, and Larry J. Doe. Nays: None. (Motion carried)

(Board then met in closed session.)

9. **RETURN TO OPEN SESSION AND ADJOURNMENT:** Motion by Bodary to adjourn the meeting at 5:03 p.m. Support by Doe. In favor: All. Opposed: None. (Motion carried)



Respectfully submitted,

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

ANDREW CAMERON, Secretary - Treasurer

Ypsilanti Community  
Utilities Authority of \_\_\_\_\_  
County of Washtenaw

Resolution Authorizing the S2 Grant Agreement  
Board of Ypsilanti Community Utilities  
Minutes of the regular meeting of the Commissioners of the Authority of \_\_\_\_\_  
County of Washtenaw, State of Michigan, (the "Municipality") held on  
October 25, 2012.

PRESENT: Members: Brenda L. Stumbo, Michael Bodary, Andrew Cameron,  
Gregory A. Peoples, Larry J. Doe.

ABSENT: Members: None.

Member Peoples offered and moved the adoption of the following resolution,  
seconded by Member Cameron.

WHEREAS, Part 52 (strategic water quality initiatives) of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended ("Part 52"), provides at MCL 324.5204a that the Michigan Finance Authority (the "MFA") in consultation with the Michigan Department of Environmental Quality (the "DEQ") shall establish a strategic water quality initiatives grant program; and

WHEREAS, in accordance with the provisions of 2010 PA 231, which provides grants to assist municipalities in completing loan application requirements under MCL 324.5308 or completing loan application requirements for other sources of financing for sewage treatment works projects, storm water treatment projects or nonpoint source projects; and

WHEREAS, in accordance with the provisions of 1985 PA 227, as amended, Part 52, and other applicable provisions of law, the MFA, the DEQ, and the Municipality that is a grant recipient shall enter into a grant agreement (the "S2 Grant Agreement") that requires the Municipality to repay the grant under certain conditions as set forth in MCL 324.5204a, as amended; and

WHEREAS, the Municipality does hereby determine it necessary to undertake planning, revenue system development, and/or design activities related to a project for which it intends to seek financing for construction; and

WHEREAS, it is the determination of the Municipality that at this time, a grant in the aggregate principal amount not to exceed \$43,200.00 ("Grant") be requested from the MFA and the DEQ to pay for the planning and/or design activities; and

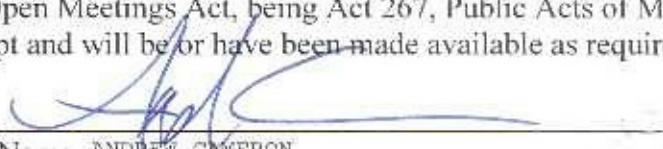
WHEREAS, the Municipality shall obtain this Grant by entering into the S2 Grant Agreement with the MFA and the DEQ.

YEAS: Members: Brenda L. Stumbo, Michael Bodary, Andrew Cameron, Gregory A. Peoples,  
and Larry J. Doe.

NAYS: Members: None.

RESOLUTION DECLARED ADOPTED

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the  
Board of Commissioners of the Ypsilanti Community Utilities Authority, County of  
Washtenaw, said meeting was conducted and public notice of said meeting was given  
pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976,  
and that the minutes of said meeting were kept and will be or have been made available as required by said Act.



Name ANDREW CAMERON

Secretary-Treasurer of Ypsilanti Community Utilities Authority  
of \_\_\_\_\_ County of Washtenaw