



Minutes

**YPSILANTI COMMUNITY UTILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
Wednesday, November 28, 2012 – 4:00 p.m.
YCUA Administration Building
2777 State Road
Ypsilanti, MI 48198-9112**

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

Members Absent: Michael Bodary.

1. **CALL TO ORDER:** Ms. Stumbo called the meeting to order at 3:59 p.m.
2. **MINUTES OF THE PREVIOUS MEETING:** Motion by Peoples to receive and file the minutes of the October 24, 2012 meeting (open and executive sessions) as presented. Support by Doe. In favor: All. Opposed: None. (Motion carried.)

3. **NEW BUSINESS:**

A. **Informational Item - Michigan Municipal League Liability and Property Pool Dividend Distribution** – Judy Thomson Torosian

Ms. Torosian advised the Board that she is YCUA's account executive with the MML insurance programs. She indicated that the MML insurance program pool, which the Authority has been with since 1983, began giving back surplus to members two years ago. Ms. Torosian explained that this second-year dividend totals \$39,883.

She pointed out that she will be back next year because the MML Board also voted to return a dividend for 2013. Ms. Torosian also explained that this is due to the members' employees, whose excellent work has made a surplus possible.

The Board members congratulated YCUA's staff for their contributions to this overall effort.

Informational only; no motion from the Board required.

B. Request to Approve - Authorization to Appoint Jeff Castro as Full Time YCUA Director – Kimberly Robinson

Motion by Peoples to approve the Personnel Committee's recommendation to appoint Jeff Castro as the full-time YCUA Director. Support by Doe.

Ms. Robinson advised the Board that this moves the previous six-month schedule up by three months because Mr. Castro has excelled quickly in all of the competency areas that were evaluated during the interview process. She indicated that the Personnel Committee is also recommending a 7.9% salary increase to \$95,209.77, which is competitive with a compensation study from the American Water Works Association.

Ms. Robinson explained that the Board had previously approved a 2.1% increase when Mr. Castro assumed the interim role.

Mr. Peoples commented that he is pleased that the Authority was able to move on this so quickly because Mr. Castro's reviews have been excellent and that the Board is pleased to be able to offer him this position. Ms. Stumbo concurred.

Ms. Stumbo inquired as to the next steps in the process of permanently filling Mr. Castro's previous position as Director of Service Operations. Ms. Robinson responded that Bob Fry has been serving in this position in an interim role. She indicated that the position will be posted upon review of the hiring policy. Ms. Robinson added that this will likely cause some movement within the Authority, which complements the other opportunities currently taking place.

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

C. Request to Approve - Authorization to Seek Bids re: Smokler-Textile Subdivision Water Main Improvements – Scott D. Westover

Motion by Doe to approve the request for authorization to Seek Bids re: Smokler-Textile Subdivision Water Main Improvements. Support by Peoples.

Mr. Westover advised the Board that this project is eligible for Drinking Water Revolving Fund loan monies. He indicated that getting Board authorization now will allow staff to make a recommendation at the January meeting.

Ms. Stumbo inquired as to whether the asphalt work will be included in the bids. Mr. Westover responded that the paving portion will be bid separately by the road commission.

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

D. Request to Approve - Authorization to Seek Engineering Proposal for Smokler - Textile Subdivision Water Main Improvements – Scott D. Westover

Motion by Doe to approve the request for authorization to seek an engineering proposal from OHM for the Smokler - Textile Subdivision water main improvements project. Support by Peoples.

Mr. Westover advised the Board that, in conjunction with getting construction bids, YCUA needs to have construction phase engineering for a job of this size. He indicated that OHM is currently completing the design work for the constructions plans and staff would like to seek a proposal from them for the construction phase engineering.

Mr. Doe inquired as to whether there is a mechanism in place to allow OHM to provide a ballpark bid now and then a firmer bid after the project comes in and more information is known about how many crews will be needed. Mr. Westover responded affirmatively and indicated that models show that there are potentially several ways to do so. Mr. Castro added that, if it comes to YCUA's attention in the future that additional crews are required in order to complete various projects on time, staff will be sure to advise the Board. Ms. Stumbo interjected that perhaps this requirement can be added to future contract language.

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

E. Request to Approve - OHM Budget Amendment re: Ecorse / Emerick / I-94 Water Main Replacement Project – Scott D. Westover

Motion by Doe to approve the OHM Budget Amendment re: Ecorse / Emerick / I-94 Water Main Replacement Project. Support by Cameron.

Mr. Westover advised the Board that staff is requesting approval of OHM's request to increase the construction engineering budget from \$308,000 to \$383,000. He indicated that the original contract called for construction to start this past summer and continue until fall, recommencing again in the spring of 2013. Mr. Westover explained that the contractor made a concerted effort to finish the work on time and, in doing so, used more crews than anticipated which resulted in engineering costs that have exceeded the original budget. He pointed out that there are also some additional costs such as restoration punch list items that will carry over into the spring.

Mr. Westover also explained that he is of the opinion that the increased engineering costs are offset by some savings that are anticipated on the

actual construction contract. He further advised that, currently, this figure comes in at approximately \$200,000 under the bid amount.

Mr. Westover stated that he is also of the opinion that the additional engineering costs are justified in order to keep a close eye on this contractor, who was problematic and about whom both YCUA and the township received complaints, and in making sure they completed the work on time.

He acknowledged that, despite the complaints and the inconvenience to customers, the water system in that area is now greatly improved.

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

F. Request to Approve - Change Order No. 6 (Final) re: Martz Road and Willow Run Pump Station Modifications – Scott D. Westover

Motion by Doe to approve Change Order No. 6 (Final) re: Martz Road and Willow Run Pump Station Modifications. Support by Cameron.

Mr. Westover advised the Board that this change order reflects a slight increase for some additional material. He indicated that the final tally is still under the original contract bid.

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

G. Request to Approve - Change Order No. 1 (Final) re: 2012 Sanitary Sewer Root Treatment – Scott D. Westover

Motion by Peoples to approve Change Order No. 1 (Final) re: 2012 Sanitary Sewer Root Treatment. Support by Cameron.

Mr. Westover advised the Board that this is simply a change order to balance the actual amount of root treatment that the contractor did about a month and a half ago. He indicated that this reflects a reduction in the contract amount of just over \$1,100.

Ms. Stumbo inquired as to how much root was removed. Mr. Westover responded that the roots were not removed but rather treated with a foam that dissolves them.

Mr. Doe inquired as to whether the original contract amount of \$40,323.90 included a contingency. Mr. Westover responded that the project amount with contingency was approximately \$44,000.

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

H. Request to Approve - Change Order No. 1 re: 2012 Road Repairs – Scott D. Westover

Motion by Doe to approve Change Order No. 1 re: 2012 Road Repairs. Support by Cameron.

Mr. Westover advised the Board that this change order balances the quantities in the contract with the actual repairs made. He indicated that there are some increases and some decreases and that the overall increase is in line with previous road repair projects. Mr. Westover explained that there were four locations removed from the contract that were paid for by the road commission and funded by township road bonds, which were more or less offset by the two locations where YCUA filled in a gap along the bike path on South Harris and a last-minute emergency paving restoration on a sewer repair on the Golfside project.

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

I. Request to Approve - Change Order No. 2 re: Snow Road Pump Station Improvements – Scott D. Westover

Motion by Cameron to approve Change Order No. 2 re: Snow Road Pump Station Improvements. Support by Peoples.

Mr. Westover advised the Board that this change order reflects five items on this ongoing project. He indicated that it reflects two small increases and three large decreases, resulting in a net decrease of just under \$23,000.

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

J. Request to Approve – Purchase of Replacement Schwing Pump – Kevin R. Dupuis

Motion by Doe to approve the Purchase of a Replacement Schwing Pump. Support by Peoples.

Mr. Dupuis advised the Board that there are presently four large capacity Schwing pumps in the wastewater treatment plant, which are utilized to transfer dewatered solids in the south processing building from the belt presses to either the incinerator or to truck loading. He indicated that staff is currently not able to operate the incinerator efficiently because the pumps are so large that they run at the minimum rate of speed of 25% and offer no flexibility.

Mr. Dupuis explained that he has done considerable research and has learned that the Schwing KSP-25 series pumps can start out at a much lower volume and provide that flexibility. He pointed out that there are

other benefits as well, such as eliminating shock from phosphates being re-circulated back through the plant.

Mr. Cameron inquired as to whether the larger pumps were initially installed in anticipation of higher flows than are actually being received. Mr. Dupuis responded that he does not know how the original calculations were made. He clarified that a smaller pump will allow for a longer, lower volume feed rather than one large slug, which will allow for a more efficient and cooler burn.

Ms. Stumbo inquired as to whether this is a single source. Mr. Dupuis responded affirmatively in the sense that a Schwing pump is needed to match the other equipment in place.

Mr. Doe inquired as to whether all four pumps are run at the same time. Mr. Dupuis responded that they are run one at a time and that the most pumps ever run simultaneously is two, which occurs during the rare occasions when the plant is sending feed to both the incinerator and the truck loading area. He added that, if this smaller pump works as he anticipates it will, it is likely that there will be a future request for a second smaller pump as back up.

Mr. Doe also inquired as to whether any of the larger pumps can be exchanged for smaller pumps and a credit in the future. Mr. Dupuis indicated that he did make this inquiry but did not receive a response from the supplier.

Joh Kang from Tetra Tech interjected that once increased flows are received from WTUA, staff will have a better idea of future pump needs and that the larger pumps may be better utilized at that time.

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

K. Request to Approve – Purchase of Trench Box and Trailer for Service Center – Bob Fry

Motion by Cameron to approve the Purchase of Trench Box and Trailer for Service Center. Support by Peoples.

Mr. Fry advised the Board that the most common concern when working in trenches is cave-ins. He indicated that trench boxes prevent these cave-ins and provide a safe working environment. Mr. Fry explained that trench boxes also allow for more shallow excavations, which reduce restoration costs dramatically.

He pointed out that the trench box being requested is compatible with and supplied by the same manufacturer as YCUA's existing trench box, so they can be used together to make a larger box as well as individually for

multiple simultaneous excavations, the latter of which is occurring more and more frequently.

Mr. Fry also explained that this request is in the amount of \$15,202.50 from a sole provider.

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

L. Request to Approve - Authorization to Seek Bids re: IT Infrastructure Upgrade Purchase – Stew Carroll

Motion by Doe to approve the Authorization to Seek Bids re: IT Infrastructure Upgrade Purchase. Support by Cameron.

Mr. Carroll advised the Board that most of YCUA's computers are between five and eight years old and run on the Windows XP operating system, which will no longer be supported by Microsoft after April 2013. He indicated that this request includes the replacement of these computers with Windows 7 installed and an upgrade option for Windows 8 at no extra charge.

Mr. Carroll explained that staff also wishes to retire its Novell network server, which is no longer supported, and replace the current GroupWise email application with Microsoft Exchange.

He pointed out that one of the benefits of consolidating to all Microsoft products and retiring some of the other operating systems is the elimination of some of the conflicts that are occurring with backup procedures.

Mr. Carroll also explained that YCUA upgraded its servers to a virtual environment in 2010 using Integrated Data Solutions and, therefore, staff wishes to utilize them for the server part of this project as it is an expansion of their previous work.

He further advised that also included in this RFP will be licenses for MS Office 2010 to replace the current licenses for Office 2000, which is causing some compatibility issues.

Mr. Cameron inquired as to how many computers need to be replaced. Mr. Carroll responded that there are between 80 and 90 work stations.

Ms. Stumbo inquired as to whether YCUA utilizes a computer replacement schedule. Mr. Carroll responded that past practice has to replace $\frac{1}{4}$ of the Authority's computers annually but that, because of budget constraints, this has not been done in recent years. He added that this will qualify as an original purchase because the operating system

needs to be upgraded across the Board and then the replacement schedule can re-commence.

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

M. Fund Balance Report – Dwayne Harrigan

Mr. Harrigan directed the Board's attention to the Fund Balance Report for October 31, 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.

N. Financial Report – Authority Net Assets – Dwayne Harrigan

Mr. Harrigan directed the Board's attention to the Financial Report – Authority Net Assets Report for October 31, 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.

O. 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.

Informational only; no motion from the Board required.

P. Attorney's Report – Thomas E. Daniels

Mr. Daniels reminded the Board that YCUA is in the midst of ongoing negotiations with MDEQ regarding the terms and conditions of the Authority's new National Pollutant Discharge Elimination System (NPDES) Permit, which is issued on a five-year cycle.

He indicated that this process has involved the usual steps of communications resulting in a series of draft permits and then a public comment period. Mr. Daniels explained that, subsequent to the public comment period that occurred in August and September, YCUA submitted a comment letter to MDEQ that contained seven items upon which the Authority requested clarification or to which it objected entirely. He pointed out that this letter resulted in substantial changes to the permit, which was finally issued on September 28, 2012.

Mr. Daniels also explained that, at that time, YCUA had arranged for an informal negotiation session with MDEQ on November 2nd in order to discuss three items that remained subject to dispute. He further advised

that two of those three items were resolved. Mr. Daniels stated that YCUA then had 60 days in which to file a petition for a contested case on the one remaining issue, namely the phosphorous discharge at the outfall at the lower Rouge, and that the petition was filed on November 27th.

He acknowledged that the discharge limits date back to the time when YCUA switched from the Huron River to the lower Rouge and that, since that time, very substantial studies have been incorporated into the permit including one very expensive nutrient assessment study, the cost of which is shared with WTUA. Mr. Daniels confirmed that the nutrient study was eliminated from the new permit, thereby foreclosing any change in some rather restrictive phosphorous limits.

He explained that YCUA expects to hear back from MDEQ on this petition in the near future and that the Board will be advised of future developments.

Informational only; no motion from the Board required.

Q. Environmental Report – Perry M. Thomas

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

He indicated that the Authority's new NPDES permit takes effect on December 1st and that YCUA will be adhering to the phosphorous limit set forth therein at that time while the contested case relative to the same proceeds.

Mr. Thomas explained that staff is currently working on a report to MDEQ, due on February 1, 2013, which will negate the new NPDES permit requirement to monitor all possible mercury sources twice per year. He reminded the Board that YCUA's service area includes too many potential sources to feasibly test them at the required frequency and that MDEQ has agreed to waive this requirement pending the Authority's development of an alternative mercury minimization plan.

Mr. Thomas also explained that the wastewater treatment plant odor control project is progressing and that the new equipment should be online by mid-December.

He further advised that the Pearl Street relief sewer repair is now complete and that the diversion of sewage from the northern section of Huron Street into that sewer has occurred. Mr. Thomas stated that, once a rain event of 1-inch or more within a 24-hour period occurs, staff can determine the effectiveness of the diversion based on whether the overflow and

surcharge have been resolved. He acknowledged that, once this resolution has been assured, the provision for the overflow into the storm water system will be sealed and MDEQ will be notified. Mr. Thomas confirmed that this will then resolve the violation notice concerning that area.

He explained that two of the five pumps and the generators at the Snow Road pump station have been replaced and are operational and that substantial completion on the project is scheduled for mid-January. Mr. Thomas pointed out that this will terminate the District Compliance Agreement currently in place.

He also stated that, as a result of the Board's request that research be done into the possibility of increasing septage revenues to help cover the cost of that new equipment, staff has discussed alternatives and decided that the options would be to increase the current \$.07 per gallon or to charge actual truck capacity rather than the using honor system currently in place. Mr. Thomas advised the Board that the latter was attempted in the past but met with complaints from the sludge haulers. Mr. Castro interjected and explained the options in greater detail and assured the Board that the matter will be brought back to them for their consideration.

Mr. Thomas explained that the incinerator emissions test took place on November 7th and that the air sample results are forthcoming. He pointed out that the initial examination of sulfur dioxide showed it to be substantially over the limit and that YCUA will need to be compliant by March of 2016. Mr. Thomas also explained that staff is investigating the source of the increase, which may be the aluminum sulfate used to remove phosphate. He further advised that staff is also considering the purchase of a sulfur dioxide meter so that the Authority can self-test under a variety of operating conditions.

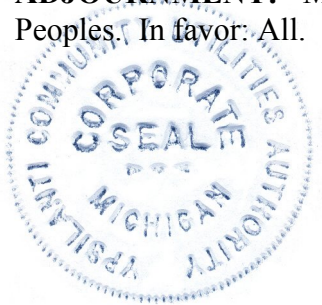
Informational only; no motion from the Board required.

R. Director's Report - Jeff Castro

Mr. Castro advised the Board that YCUA is currently in a water contract reopener with DWSD and that it is also preparing to provide Detroit with new annual volume, max day, and peak hour values for the next five years. He indicated that he intends to present the contract amendment to the Board for approval at the December meeting. Mr. Castro explained that this is the typical negotiation process that occurs periodically for all DWSD customers.

Informational only; no motion from the Board required.

4. **OLD BUSINESS:** There was no old business for the month.
5. **OTHER BUSINESS:** Mr. Peoples advised the Board that he is resigning from the YCUA Board of Commissions effective with the expiration of his current term on December 31, 2012. He thanked the Board and the YCUA community for their support and indicated that he has enjoyed working with them for the past few years.
6. **STATEMENTS AND CHECKS:** Motion by Doe to pay the bills in the amount of \$3,814,982.67. Support by Cameron. In favor: All. Opposed: None. (Motion carried)
7. **PUBLIC COMMENTS:** There were no public comments for the month.
8. **ADJOURNMENT:** Motion by Doe to adjourn the meeting at 5:53 p.m. Support by Peoples. In favor: All. Opposed: None. (Motion carried)



Respectfully submitted,

ANDREW CAMERON, Secretary - Treasurer