



Minutes

**YPSILANTI COMMUNITY UTILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
Wednesday, April 25, 2018 – 4:00 p.m.
YCUA Administration Building
2777 State Road
Ypsilanti, MI 48198-9112**

Members Present: Brenda L. Stumbo, Michael Bodary, Jon R. Ichesco, and Larry J. Doe.

Members Absent: Keith P. Jason.

1. **CALL TO ORDER:** Ms. Stumbo called the meeting to order at 4:00 p.m.
2. **MINUTES OF THE PREVIOUS MEETING:** Motion by Doe to receive and file the minutes of the March 28, 2018 meeting as presented. Support by Ichesco. In favor: All. Opposed: None. (Motion carried.)
3. **NEW BUSINESS:**
 - A. **Request to Approve - YCUA Resolution No. 18-2 re: Retirement for Randy K. Burke – Jeff Castro**

Mr. Castro advised the Board that Randy Burke, a Transmission and Distribution Foreman for YCUA, has completed 31 years and 11 months of service and has requested retirement as of May 18, 2018. He indicated that Mr. Burke's dedication and knowledge of the Authority's distribution system will be missed and this resolution is fitting at the time of his retirement.

Motion by Bodary to approve YCUA Resolution No. 18-2 re: Retirement for Randy K. Burke. Support by Doe. In favor: All. Opposed: None. (Motion carried.)
 - B. **Request to Approve - Application for Waiver of Defined Benefit Pension Retirement Systems (Form 5583) - Kevin M. Welch**

Mr. Welch advised the Board that, in December of 2017, the State of Michigan passed Public Act 202 titled Protecting Local Government Retirement and Benefits Act. He indicated that the purpose of the act is

two-fold: to require public entities to submit an annual form detailing the financial status of its defined benefit plan and OPEB and to designate as underfunded any plans that do not meet their criteria after submitting the aforementioned form.

Mr. Welch explained that YCUA has submitted its OPEB form and has met the state's 40% minimum funding requirement at 81%. He pointed out, however, that the funding level requirement for the defined benefit plan is 60% and that YCUA fell just under that at 55%. Mr. Welch also explained that this leaves the Authority with two options: do nothing while the state considers YCUA underfunded and subject to their review board or apply for a waiver of the underfunded status which includes a written correction plan. He further advised that staff is recommending a resolution allowing staff to apply for this waiver, which he is very confident will be approved in light of the many proactive steps taken by YCUA in recent years to increase funding. Mr. Welch stated that another positive impact will be changes going forward including increased employee contributions as well as retirements of "Tier 1" employees who have the higher benefit package. He acknowledged that this reporting is due again in February of 2019, at which time the numbers should be considerably higher.

Mr. Welch confirmed that the forms are posted on the YCUA website and will be transmitted to the Board electronically, which are requirements of the act. He explained that the resolution and application need to be submitted to the state by May 18th.

The matter of increasing funding for the defined benefit plan was then discussed at length.

Motion by Doe to approve YCUA Resolution 18-3 re: Application for Waiver of Defined Benefit Pension Retirement Systems (Form 5583). Support by Bodary. In favor: All. Opposed: None. (Motion carried.)

C. Request to Approve - Authorization to Seek Construction Engineering Proposal re: Bridge Road Pump Station Improvements (Restricted Funds Account No. 902-398) – Scott D. Westover

Motion by Doe to provide Authorization to Seek Construction Engineering Proposal re: Bridge Road Pump Station Improvements (Restricted Funds Account No. 902-398). Support by Bodary. In favor: All. Opposed: None. (Motion carried.)

D. Fund Balance Report – Dwayne Harrigan

Informational only; no motion from the Board required.

E. Financial Report – Authority Net Assets – Dwayne Harrigan

Informational only; no motion from the Board required.

F. Usage Report – Consumption Report – Jeff Castro

Informational only; no motion from the Board required.

G. Attorney’s Report – Thomas E. Daniels

There was no Attorney’s Report for the month.

H. Environmental Report - Sreedhar Mullapudi

Mr. Mullapudi advised the Board that YCUA has filed its NPDES permit effective March 1st, which includes a couple of new parameters that he outlined in more detail.

He indicated that the biosolids are continuing to be incinerated while the lime stabilization project is ongoing.

Mr. Mullapudi explained that the IF fan in the headworks odor control building has been replaced after the facility was offline April 9 – 13. He pointed out that there were no odor complaints during that time.

Mr. Mullapudi also explained that, due to the ice storm on April 15th, the plant suffered numerous power interruptions from DTE to the sub-stations at the solids, odor control, and retention buildings. He further advised this required staff to open the tertiary filter gates for a short duration during heavy flows upwards to 70 MGD. Mr. Mullapudi stated that this continued until April 17th.

Ms. Stumbo inquired as to whether there is a backup generator. Mr. Mullapudi responded affirmatively, but indicated that it is not effective because there are two separate power feeds into the plant. He acknowledged that the existing generator is intended to keep the UV building operational in the event that there is a partial bypass such as this.

Mr. Mullapudi confirmed that, during this time, there was a discharge into Willow Creek for five or six minutes. He explained that the EPA and MDEQ were timely notified of the discharge.

Mr. Bodary inquired as to whether the agencies have responded to the notification and how much was discharged. Mr. Mullapudi responded that they have not yet responded and that the amount of discharge was approximately .82 million gallons. Mr. Castro interjected that staff has been subsequently sampling the water supply.

Mr. Mullapudi pointed out that, on April 17th, there was a sanitary sewer overflow from the Willow Run pump station after the of loss of power

resulted in it running on emergency generator power. He also stated that, after two and a half days in this condition, there was a mechanical failure on the generator's DAY tank switch, causing sewage to spill into Willow Creek for about an hour and a half. He indicated that samples were collected from Willow Creek and Belleville Lake, the results of which came back reasonably acceptable. Mr. Mullapudi explained that MDEQ has not responded to that notification either.

Mr. Castro added that when power is lost to the Big Four pump stations under normal circumstances, it is rarely less than a day before power is restored. He pointed out that, as a result of this extraordinary weather event, YCUA is asking MDEQ for a new protocol to avoid putting YCUA's power restoration on hold. He added that staff will also be taking more precautions when generators are put into use at any of the Big Four.

Mr. Bodary inquired as to whether the generators are monitored 24-7. Mr. Castro responded that historically they have not but this will be done going forward. YCUA Director of Maintenance Stacey Reynolds interjected that there are generator alarms that are constantly monitored but that there was a communication failure that night because of the generator going down. He indicated that the generators are 35 years old and in dire need of replacement. Mr. Reynolds explained that this is the first time in 30 years that something like this has happened.

Mr. Bodary asked that a report be prepared outlining a plan of action should a similar loss of power take place in the future as well as an answer from MDEQ as to making power losses at YCUA a priority. Mr. Castro interjected that, when the Authority is on generator power at the Big Four, status is not only being constantly monitored by SCADA but also by employees onsite.

Mr. Ichesco inquired as to whether natural gas generators could be installed. Mr. Westover responded that such generators could work for smaller load requirements but are not efficient enough to handle the power demands of the Big Four motors.

Mr. Mullapudi also explained that MDEQ has wide discretionary control over enforcement of these situations but YCUA has extensive proof that a power outage lasting nearly three days was not caused by any negligence on the Authority's part. The topic of power outages was then discussed at length.

Mr. Mullapudi stated that the IPP department attended an informational meeting with MDEQ on an emerging pollutant called PFS which currently

has no limits but is causing a lot of concern. He acknowledged that IPP departments are being asked to investigate potential sources and submit their findings to the state. Mr. Castro interjected that some possible contributors include fire-fighting foam and water-resistant, non-stick, and fire-resistant product coatings, etc. Mr. Mullapudi confirmed that there is already one class action suit underway in Michigan. He explained that the MDEQ has established a June 29th deadline for the reports but there is currently not a single lab in the state equipped to analyze any samples. Mr. Castro added that, eventually, MDEQ will need to assist local utilities in finding an army of labs so that potential contributing industrial customers can have their effluent sampled.

I. 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:

J. Nexus Pipeline - Bob Fry

Mr. Fry advised the Board that construction of the Nexus pipeline has had some notable effects on YCUA's infrastructure. He indicated that, on the American Center for Mobility site, they bored too deep (about 50 feet) under North Beyer pond and compromised the ground near the Authority's main feed to the City of Ypsilanti. Mr. Fry explained that, as a result, YCUA has put a stop to their digging in the area and has re-directed flow from the city to the main connection that feeds Ypsilanti Township. He pointed out that Authority staff is still waiting to hear from Nexus regarding an alternative plan. Mr. Fry also explained that YCUA staff has been continuously monitoring Nexus's activity in order to put a stop to anything as needed. He further advised that there is a 12-inch water line that feeds the airport in the same area and that nothing can be done to divert that flow as it is the only feed in the area.

Ms. Stumbo inquired as to what was happening with the issues in the McKean Road area. Mr. Westover responded that the McKean work is delayed while Nexus waits for a plan from BP, which has a pipe in the area. He indicated that once that information is in place, they will be able to propose a crossing around YCUA's sewers and water mains in the area. Mr. Westover acknowledged that their digging caused the road there to collapse but that they are hopeful to resolve this and resume work within the next week.

Ms. Stumbo expressed her concern that, once Nexus is gone, things will start to settle and there will be issues. Mr. Castro responded that YCUA has been requiring them to backfill to the Authority's specifications any mains that they have exposed so that should not happen. Mr. Westover interjected that they have

also paid all costs incurred by YCUA in that regard. Mr. Castro added that Nexus has been put on notice and they have acknowledged that they will be responsible for replacing any water or sewer mains that may become damaged during their work.

Ms. Stumbo inquired as to what can be done after the fact if damage occurs due to settling. Mr. Daniels responded that, because YCUA has been onsite making sure that proper backfilling is being done, there could be some difficulty further down the road if there were damage due to settling. He indicated that, as a result, the Authority has been proactive in attempting to prevent this from happening. Mr. Westover added that staff is as close to 100% sure as possible that everything is being done to prevent future failures. Mr. Thomas concurred that he is of the opinion that the resulting infrastructure will be more secure than it was before the work was done. The matter was then discussed further.

6. **STATEMENTS AND CHECKS:** Motion by Ichesco to pay the current month's bills in the amount of \$3,437,279.88. Support by Bodary. 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 4:38 p.m. Support by Bodary. In favor: All. Opposed: None. (Motion carried.)



Respectfully submitted,

JON R. ICHESCO, Secretary - Treasurer

**YCUA RESOLUTION NO. 18-2 ANNOUNCING
THE RETIREMENT OF RANDY K. BURKE AND
COMMENDING HIM FOR HIS SERVICE**

Minutes of a meeting of the Board of Commissioners of the Ypsilanti Community Utilities Authority, County of Washtenaw, Michigan, held in the Authority, on the 25th day of April 2018 at 4:00 o'clock p.m., prevailing Eastern Time.

PRESENT: Commissioners Brenda L. Stumbo, Michael Bodary, Jon R. Ichesco, and Larry J. Doe.

ABSENT: Commissioners Keith P. Jason

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

WHEREAS, Randy K. Burke, an employee of the Ypsilanti Community Utilities Authority, has completed thirty-one (31) years and eleven (11) months of service to the Authority; and

WHEREAS, Randy K. Burke has requested retirement as of May 18, 2018.


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

BE IT FURTHER RESOLVED THAT a suitably inscribed copy of this Resolution of Retirement be sent to Randy K. Burke as an expression of the Board's sincere appreciation for his years of service and the desire to convey its best wishes for good health and happiness in his retirement.

AYES: Commissioners Brenda L. Stumbo, Michael Bodary, Jon R. Ichesco, and Larry J. Doe.

NAYS: Commissioners None.

RESOLUTION DECLARED ADOPTED.



JON R. ICHESCO, 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 meeting held on the 25th day of April 2018 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.





JON R. ICHESCO, Secretary - Treasurer

**YCUA RESOLUTION NO. 18-3 APPROVING
APPLICATION FOR YPSILANTI COMMUNITY AUTHORITY
WAIVER OF DEFINED BENEFIT PENSION RETIREMENT SYSTEMS (FORM 5583)**

Minutes of a meeting of the Board of Commissioners of the Ypsilanti Community Utilities Authority, County of Washtenaw, Michigan, held in the Authority, on the 25th April 2018 at 4:00 o'clock p.m., prevailing Eastern Time.

PRESENT: Commissioners Brenda L. Stumbo, Michael Bodary, Jon R. Ichesco, and Larry J. Doe.

ABSENT: Commissioners Keith P. Jason

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

WHEREAS, the Ypsilanti Community Utilities Authority ("YCUA") wishes to apply for the 2018 Waiver and Plan for the YCUA Defined Benefit Pension Retirement System (Form 5593) ("Application"); and


WHEREAS, YCUA requests authorization from the YCUA Board of Commissioners for YCUA's Director to sign the Application and for YCUA's Human Resources Director to submit the completed Application to the Michigan State Treasurer no later than May 18, 2018.

NOW, THEREFORE, BE IT RESOLVED THAT the 2018 Application for Waiver and Plan for the YCUA Defined Benefit Pension Retirement System and the request for YCUA's Director to sign the Application and for YCUA's Human Resources Director to submit the completed Application to the Michigan State Treasurer no later than May 18, 2018 are hereby approved by the Board of Commissioners of the Ypsilanti Community Utilities Authority.

AYES: Commissioners Brenda L. Stumbo, Michael Bodary, Jon R. Ichesco, and Larry J. Doe.

NAYS: Commissioners None.

RESOLUTION DECLARED ADOPTED.



JON R. ICHESCO, Secretary - Treasurer



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JON R. ICHESCO, Secretary - Treasurer