



# Minutes

---

**YPSILANTI COMMUNITY UTILITIES AUTHORITY  
BOARD OF COMMISSIONERS MEETING  
Wednesday, June 27, 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 Keith P. Jason.

**Members Absent:** Larry J. Doe.

1. **CALL TO ORDER:** Ms. Stumbo called the meeting to order at 4:00 p.m.
2. **MINUTES OF THE PREVIOUS MEETING:** Motion by Jason to receive and file the minutes of the May 23, 2018 meeting as presented. Support by Bodary. In favor: All. Opposed: None. (Motion carried.)
3. **NEW BUSINESS:**
  - A. **Request to Approve – YCUA Resolution No. 18-5 re: Health Care Savings Plan Administration – Kevin M. Welch**

Mr. Welch advised the Board that this resolution aligns YCUA’s MERS retirement plan contract with current practice and the Authority’s labor and employment agreements. He then outlined the change in more detail.

Motion by Jason to approve YCUA Resolution No. 18-5 re: Health Care Savings Plan Administration. Support by Bodary. In favor: All. Opposed: None. (Motion carried.)
  - B. **Request to Approve – YCUA Resolution No. 18-6 re: Adoption of the YCUA State Revolving Fund (SRF) Project Plan Dated June 29, 2018 and Designating an Authorized Representative (Restricted Funds Account No. 901-585) – Scott D. Westover**

Mr. Westover advised the Board that this a requirement of the SRF loan process. He indicated that draft project plan was issued on May 24<sup>th</sup> and a public hearing was held this past Monday. Mr. Westover explained that this is the final step prior to submitting the plan to the state. He pointed

out that this does not commit YCUA to anything but it makes the Authority eligible for low-interest loans for six projects at the plant over the next five years. He then described the projects at length.

Motion by Bodary to approve YCUA Resolution No. 18-6 re: Adoption of the YCUA State Revolving Fund (SRF) Project Plan Dated June 29, 2018 and Designating an Authorized Representative (Restricted Funds Account No. 901-585). Support by Ichesco. In favor: All. Opposed: None. (Motion carried.)

**C. Request to Approve – Authorization to Seek Bids re: 2018 West Tertiary Filter Repairs (O & M Expense Account No. 901-550) – Scott D. Westover**

Motion by Bodary to provide Authorization to Seek Bids re: 2018 West Tertiary Filter Repairs (O & M Expense Account No. 901-550). Support by Jason. In favor: All. Opposed: None. (Motion carried.)

**D. Request to Approve – Authorization to Seek Bids re: 2018 WTUA Influent Pipes Replacement (O & M Expense Account No. 550-815) – Scott D. Westover**

Motion by Jason to provide Authorization to Seek Bids re: 2018 WTUA Influent Pipes Replacement (O & M Expense Account No. 550-815). Support by Bodary. In favor: All. Opposed: None. (Motion carried.)

**E. Request to Approve - Award of Contract re: 2018 Drop Manholes Sanitary Sewer Rehabilitation in the Amount of \$239,450.75 (O & M Expense Account No. 560-806) – Scott D. Westover**

Motion by Bodary to approve Award of Contract re: 2018 Drop Manholes Sanitary Sewer Rehabilitation in the Amount of \$239,450.75 (O & M Expense Account No. 560-806). Support by Ichesco.

Mr. Westover advised the Board that this project includes 15 sewers that have been affected by hydrogen sulfite, which results from drops in hydraulic elevation. He indicated that the pipes are in need of rehabilitation before they collapse. Mr. Westover explained that this bid came in slightly lower than expected. Mr. Castro interjected that hydrogen sulfite causes corrosive acid that has caused failures at Rawsonville and Whittaker Roads.

Mr. Bodary inquired as to the locations of these 15 sewers. Mr. Westover responded that all the locations are in the township. He pointed out that several locations in the city were examined and they were in acceptable condition. He then outlined the rehabilitation process in detail, which he

likened to putting a stent in an artery. Mr. Westover also explained that there will be no excavation required.

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

**F. Request to Approve - Tetra Tech Engineering Proposal re: Willow Run Pump Station Generator Replacement in the Not-to-Exceed Amount of \$36,500 (O & M Expense Account No. 901-555) – Scott D. Westover**

Motion by Bodary to approve Tetra Tech Engineering Proposal re: Willow Run Pump Station Generator Replacement in the Not-to-Exceed Amount of \$36,500 (O & M Expense Account No. 901-555). Support by Jason.

Mr. Westover advised the Board that this proposal is for the design and bidding services for the generator that has exceeded its useful life and is in need of replacement, as was evidenced this past spring. The project was then discussed further.

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

**G. Request to Approve - Change Order No. 1 re: 2017 Road Repairs Phase 2 in the Amount of \$17,493.78 (O & M Expense Account No. 902-161) – Scott D. Westover**

Motion by Ichesco to approve Change Order No. 1 re: 2017 Road Repairs Phase 2 in the Amount of \$17,493.78 (O & M Expense Account No. 902-161). Support by Bodary.

Mr. Westover advised the Board that this change order reflects a couple of locations that got larger between the bid and construction and a couple that were thicker than anticipated. He indicated that this is the first time in several years that there has been an increase. Mr. Westover explained that the contractor did a good job despite the changes. Mr. Castro interjected that some of the increase was due to jobs that were missed on the prior phase and were added to phase 2.

Ms. Stumbo inquired as to whether there was a contingency. Mr. Westover responded that contingencies have not been requested the last couple of times.

Mr. Bodary inquired as to the original contract amount. Mr. Westover responded that the original figure was about \$202,600.

Ms. Stumbo commented that perhaps it is time to consider once again including contingencies.

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

**H. Authorization to Seek Bids re: Incinerator Emission Testing and Relative Accuracy Test Audit (O & M Expense Account No. 550-815)**  
- Sreedhar Mullapudi

Motion by Jason to provide authorization to Seek Bids re: Incinerator Emission Testing and Relative Accuracy Test Audit (O & M Expense Account No. 550-815). Support by Bodary.

Mr. Mullapudi advised the Board that YCUA's air permit issued by the Michigan Department of Environmental Quality (MDEQ) requires annual emission testing to demonstrate compliance with permitted pollutants. He indicated that the tests are performed in accordance with established EPA procedures and guidelines.

Mr. Mullapudi explained that the Relative Accuracy Test Audit will include temporary placement of an independent monitoring system to collect emissions data in parallel with the YCUA's on-site monitoring system. He pointed out that YCUA is required to conduct a Relative Accuracy Test Audit annually as a condition of the monitoring protocol which has been developed to comply with EPA's Maximum Achievable Control Technology Standard.

Mr. Mullapudi also explained that the emission testing and Relative Accuracy Test Audit will include two separate mobilization efforts by the successful bidder. He further advised that staff anticipates that the initial mobilization effort will be for a Relative Accuracy Test Audit and will be scheduled between April and June. Mr. Mullapudi stated that the second mobilization effort for emission testing will most likely be scheduled in late November or early December. He acknowledged that, in order to fully evaluate all pricing options and improve logistics, the wastewater department plans to request bids for performing the required work in 2019 and 2020.

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

**I. Request to Approve - Schwing Bioset Proposal re: Lime System Expansion in the Amount of \$94,670 (O & M Expense Account No. 550-815) – Sreedhar Mullapudi**

Motion by Bodary to approve Schwing Bioset Proposal re: Lime System Expansion in the Amount of \$94,670 (O & M Expense Account No. 550-815). Support by Ichesco. In favor: All. Opposed: None. (Motion carried.)

**J. Request to Approve - Purchase of Main Scum Pumps in the Amount of \$23,944 (Restricted Funds Account No. 550-727) – Stacey L. Reynolds**

Motion by Bodary to approve the Purchase of Main Scum Pumps in the Amount of \$23,944 (Restricted Funds Account No. 550-727). Support by Jason.

Mr. Reynolds advised the Board that there are two main pumps that transport scum from the well to the concentrator and the collection system includes scum transfer pumps from the grit screen and primary and final settling tanks. He indicated that, when there are high flows, the main scum pump becomes overwhelmed.

Ms. Stumbo inquired as to what the dollar amount is for Board approval requirement on purchases. Mr. Harrigan responded that the purchasing policy sets the limit at \$10,000. Ms. Stumbo suggested that it be increased to \$25,000 in order to make purchases like this less cumbersome for operations. Mr. Castro responded that a recommendation will be made at the next Board meeting.

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

**K. Request to Approve - Purchase of Vehicles in the Amount of \$132,084 (Motor Pool Expense Account No. 901-597) – Stacey L. Reynolds**

Motion by Jason to approve Purchase of Vehicles in the Amount of \$132,084 (Motor Pool Expense Account No. 901-597). Support by Bodary.

Mr. Reynolds advised the Board that these bid requests were advertised on MITN and also hand delivered to local business. He indicated that sealed bids were received on June 8, 2018.

Mr. Reynolds explained that four bidders each submitted a proposal for two one-ton extended cab short bed trucks and two one-ton maintenance service body trucks with the low, responsible bid from Jack Demmer Ford.

He pointed out that the condition of the fleet is evaluated each year for age, mileage, type of service, reliability, and invested repair cost. Mr. Reynolds also explained that the last investment in the motor pool was in 2015.

Mr. Bodary inquired as to who received the hand-delivered bid requests. Mr. Reynolds then listed the recipients.

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

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

Informational only; no motion from the Board required.

**M. Financial Report – Authority Net Assets – Dwayne Harrigan**

Informational only; no motion from the Board required.

**N. Usage Report – Consumption Report – Jeff Castro**

Informational only; no motion from the Board required.

**O. Attorney’s Report – Thomas E. Daniels**

There was no Attorney’s Report for the month.

**P. Director’s Report - Jeff Castro**

Mr. Castro advised the Board that the lead and copper rule from the EPA and MDEQ is expected within the next month or two. He indicated that regional utilities are beginning to update their budgets to reflect what is coming in terms of increased sampling and analysis. Mr. Castro explained that many communities will be privatizing some of their lead and copper sampling and many will be adding to their staff.

He pointed out that those communities that have lead service lines will have the responsibility to remove them, even those that are on the homeowners’ property. Mr. Castro also explained that the City of Ypsilanti and Ypsilanti Township have done a remarkable job over the last 20 years of replacing everything non-copper between the water main and the property line.

Mr. Castro also advised the Board that PFAS is something that they will be hearing more and more about in the months to come. He indicated that PFAS is a chemical pollutant that is found in a multitude of products including fire retardant, water resistant, and non-stick materials. Mr. Castro explained that PFAS has been found in Great Lakes fish and currently, contributors are being identified and new limits set.

He pointed out that the EPA and MDEQ have no intention to put anyone out of business but that there will be future pre-treatment requirements.

Mr. Castro also explained that the Board is welcome to forward any inquiries to him or Mr. Mullapudi. He further advised that there is a great deal of information available including maps of groundwater sources. Mr. Castro stated that surface water sources are currently not a concern. He acknowledged that the threshold currently under consideration is 70 parts per trillion for drinking water and 11 parts per trillion for wastewater. Mr. Castro confirmed that 1 part per trillion is equivalent to one grain of sand in an Olympic-sized swimming pool. He explained that this is a learning process for all parties that will be half a decade in the works. Mr. Castro pointed out that YCUA will continue to update the Board.

**4. OLD BUSINESS:** There was no Old Business for the month.

5. **OTHER BUSINESS:** There was no Other Business for the month.
6. **STATEMENTS AND CHECKS:** Motion by Ichesco to pay the current month's bills in the amount of \$3,652,122.17. 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 Bodary to adjourn the meeting at 4:31 p.m. Support by Ichesco. In favor: All. Opposed: None. (Motion carried.)



Respectfully submitted,

JON R. ICESCO, Secretary - Treasurer

# MERS Health Care Savings Program Participation Agreement



1134 Municipal Way Lansing, MI 48917 | 800.767.2308 | Fax 517.703.9707

www.mersofmich.com

## I. PARTICIPATING EMPLOYER

**Employer Name:** \_\_\_\_\_  
(Name of municipality or court)

**Municipality Number:** \_\_\_\_\_ **Division Number:** \_\_\_\_\_

## II. EFFECTIVE DATE

1. If this is the initial Participation Agreement relating to the MERS Health Care Savings Program for this covered group, the effective date of the program here adopted shall be:

\_\_\_\_\_  
(Date)

2. If this is an amendment and restatement of an existing Participation Agreement relating to the MERS Health Care Savings Program for this covered group, the effective date of this amendment and restatement shall be effective: \_\_\_\_\_.

(Date)

The original Health Care Savings Program was effective: \_\_\_\_\_.  
(Date)

*Note:* You only need to mark *changes* to your plan throughout the remainder of this Agreement.

## III. COVERED EMPLOYEE GROUPS

A participating Employer may cover all of its employee groups, bargaining units or personnel/ employee classifications (“Covered Group”), in Health Care Savings Program. **Contributions shall be made on the same basis within each Covered Group identified by this agreement, and remitted as directed by the Program Administrator.** If the Employer has varying coverage or contribution structures between groups, a separate agreement will need to be completed for each covered group. This agreement encompasses the following group(s):

\_\_\_\_\_  
(Name/s of HCSP covered group/s)

## IV. ELIGIBLE EMPLOYEES

Only Employees of a “municipality” may be covered by the Health Care Savings Program Participation Agreement. Independent contractors may not participate in the Health Care Savings Program.

The Employer shall provide MERS with the name, address, Social Security Number, and date of birth for each Eligible Employee, as defined by the Participation Agreement.



# MERS Health Care Savings Program Participation Agreement

**V. EMPLOYER CONTRIBUTIONS TO THE HEALTH CARE SAVINGS PROGRAM**

The Participating Employer hereby elects to make contributions to the Trust. Contributions shall be made on the same basis within each Covered Group specified in this agreement, and remitted to MERS as directed by the Employer, to be credited to the individual accounts of Eligible Employees as follows:

**Check one or more (A, B, and/or C):**

**A.  Basic Employer (Before-Tax) Contributions.** Before-tax employer contributions may be made as a percentage of salary and/or by a specified dollar amount. Identify below the basic employer contribution formula to be applied to the covered groups within the Health Care Savings Program identified in this agreement.

Contribution structure (specify):

**Vesting Cycle For Basic Employer Contributions Only.** The employer contributions identified in this Participation Agreement are subject to the following vesting cycle.

- Immediate Vesting upon Participation
- Cliff Vesting: The participant is 100% vested upon \_\_\_\_\_ year(s).  
(Stated years)
- Graded Vesting Percentage per year of service: Employers can select the percentage of vesting with the corresponding years of service:

Years of Service	Percent Vested
_____	_____
_____	_____
_____	_____
_____	_____
_____	100%

**FORFEITURE PROVISION.** Upon separation from service with the Employer prior to meeting the required vesting schedule set out above or in the event a Participant dies without Dependent(s) and/or a named Beneficiary, a Participant’s account assets shall:

**Check only one:**

- Remain in the HCSP sub-trust to be reallocated among all Plan participants equally
- Remain in the HCSP sub-trust to be used to offset future Employer Contributions
- Be transferred to the Retiree Health Funding Vehicle (“RHFV”)

# MERS Health Care Savings Program Participation Agreement

- B.  Mandatory Salary Reduction (Before-Tax) Contributions.** Before-tax Employer Contributions to the Health Care Savings Program Sub-Trust shall be made that represent a mandatory salary reduction resulting from collective bargaining or the establishment of a personnel policy. These reductions may be made as a percentage of salary or a specific dollar amount.

Contribution structure (specify):

- C.  Mandatory Leave Conversion (Before-Tax) Contributions.** Before-tax Employer Contributions to the Health Care Savings Program Sub-Trust shall be made that represent a mandatory conversion of accrued leave including, but not limited to vacation, holiday, sick leave, or severance amounts otherwise paid out, to a cash contribution. These contributions may be calculated as a percentage of accrued leave or a specific dollar amount representing the accrued leave. Leave conversions may be made on an annual basis or at separation from service, or at such other time as the Employer indicates. *(Note: The leave conversion program shall not permit employees the option of receiving cash in lieu of the employer contribution.)*

**Check one or more:**

- As of \_\_\_\_\_, \_\_\_\_\_% of \_\_\_\_\_  
Annual date or X weeks before termination    Percentage    Type of Leave Conversion (sick, vacation, etc.)  
must be contributed to the HCSP.
- As of \_\_\_\_\_, \_\_\_\_\_% of \_\_\_\_\_  
Annual date or X weeks before termination    Percentage    Type of Leave Conversion (sick, vacation, etc.)  
must be contributed to the HCSP.
- As of \_\_\_\_\_, \_\_\_\_\_% of \_\_\_\_\_  
Annual date or X weeks before termination    Percentage    Type of Leave Conversion (sick, vacation, etc.)  
must be contributed to the HCSP.
- As of \_\_\_\_\_, \_\_\_\_\_% of \_\_\_\_\_  
Annual date or X weeks before termination    Percentage    Type of Leave Conversion (sick, vacation, etc.)  
must be contributed to the HCSP.

# MERS Health Care Savings Program Participation Agreement

**Post-Tax Employee Contributions.** Post-tax Employee Contributions made by Eligible Employees within the Covered Group(s) shall be remitted as directed by the Program Administrator, to be credited to the individual accounts of Eligible Employees. All Employee Contributions must be remitted to MERS along with the Participation Report.

## VI. MODIFICATION OF THE TERMS OF THE PARTICIPATION AGREEMENT

If a Participating Employer desires to amend any of its previous elections contained in this Participation Agreement, including attachments, the Governing Body by official action must adopt a new Participation Agreement and forward it to the Board for approval. The amendment of the new Participation Agreement is not effective until approved by the Board and other procedures required by the Trust Agreement and Plan Document have been implemented.

## VII. STATE LAW

To the extent not preempted by federal law, this agreement shall be interpreted in accordance with Michigan law.

## VIII. TERMINATION OF THE PARTICIPATION AGREEMENT

This Participation Agreement may be terminated only in accordance with the Trust Agreement.

## IX. EXECUTION BY GOVERNING BODY OF MUNICIPALITY

The foregoing Participation Agreement is hereby adopted and approved on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ at the official meeting held by \_\_\_\_\_.

(Name of approving employer)

Authorized Signature: Brenda L. Stumbo BRENDA L. STUMBO

Title: Chair

Witness Signature: Kevin M. Welch KEVIN M. WELCH



**Received and Approved by the Municipal Employees' Retirement System of Michigan**

Dated: \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
(Authorized MERS signatory)

