



Minutes

**YPSILANTI COMMUNITY UTILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
Wednesday, July 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, Larry J. Doe, and Keith P. Jason.

Members Absent: None.

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 June 27, 2018 meeting as presented. Support by Bodary. In favor: All. Opposed: None. (Motion carried.)
3. **NEW BUSINESS:**
 - A. **Request to Approve – Revised Purchasing Policy – Dwayne Harrigan**

Mr. Harrigan advised the Board that the purchasing policy was last amended in 2017 to allow for a corporate credit card. He indicated that this request changes the Board approval requirements Class B from \$10,000 to \$24,999 and Class C from \$10,000 to \$25,000.

Mr. Harrigan explained that there are also a couple of minor editing changes, removing the Michigan Contractor and Builder magazine, which no longer exists, as well as the addition of some language allowing for a signature procedure when the Director is absent.

He pointed out that this is coming in response to a suggestion from the Board at the June meeting.

Mr. Bodary inquired as to whether there are any other publishing requirements. Mr. Harrigan responded that bids are posted on MITN, MLive Ann Arbor, the YCUA website, and direct delivery.

Motion by Doe to approve the Revised Purchasing Policy. Support by Ichesco. In favor: All. Opposed: None. (Motion carried.)

B. Request to Approve – Purchase of Valves re: 2018 West Tertiary Filter Repairs in the Amount of \$77,128 (O & M Expense Account No. 901-550) – Scott D. Westover

Motion by Doe to approve the Purchase of Valves re: 2018 West Tertiary Filter Repairs in the Amount of \$77,128 (O & M Expense Account No. 901-550). Support by Bodary.

Mr. Westover advised the Board that this request is related to an item that was authorized for bids by the Board last month. He indicated that these two 30-inch butterfly valves have a lead time of four months and, in order to complete this project in advance of the wet and snow-melt season this coming winter, it makes most sense to order them now.

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

C. Request to Approve – Award of Contract re: 2018 Road Repairs Phase 2 in the Amount of \$215,325 (O & M Expense Account No. 902-161) – Scott D. Westover

Motion by Bodary to approve the Award of Contract re: 2018 Road Repairs Phase 2 in the Amount of \$215,325 (O & M Expense Account No. 902-161). Support by Jason. In favor: All. Opposed: None. (Motion carried.)

D. Request to Approve – Award of Bids re: Wastewater Treatment Plant Bulk Chemicals Purchase in the Approximate Amount of \$550,000 (O & M Expense Account No. 550-736) – Sreedhar Mullapudi

Motion by Doe to approve the Award of Bids re: Wastewater Treatment Plant Bulk Chemicals Purchase in the Approximate Amount of \$550,000 (O & M Expense Account No. 550-736). Support by Bodary.

Mr. Mullapudi reminded the Board that they approved this request at their May meeting. He indicated that eight prospective bidders obtained bidding documents and five prospective bidders submitted sealed bids June 11 - 27, 2018.

Mr. Mullapudi explained that the WWTP uses sodium hydroxide for odor control and sulfur dioxide removal, sodium hypochlorite for odor control and disinfection, and aluminum sulfate to supplement phosphorus removal.

He pointed out that the Authority currently has one-year purchase agreements in place for these chemicals which will expire on August 31,

2018. Mr. Mullapudi also explained that, in order to fully evaluate all pricing options, the wastewater department requested bids for one-year and two-year contracts and an expiration date of August 31 which will allow correlation with the end of YCUA's fiscal year. He further advised that, based on the unit cost for a 12-month contract, the Authority staff believes the 12-month pricing is better suited for YCUA's needs.

Mr. Jason inquired as to why the requested amount is approximate. Mr. Mullapudi responded that the chemicals are purchased at a per-unit cost and that the total units ordered on an as-needed basis can vary somewhat throughout the year. Ms. Stumbo interjected that there is a not-to-exceed amount for this line item in the annual budget.

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

E. Fund Balance Report – Dwayne Harrigan

Informational only; no motion from the Board required.

F. Financial Report – Authority Net Assets – Dwayne Harrigan

Informational only; no motion from the Board required.

G. Usage Report – Consumption Report – Jeff Castro

Informational only; no motion from the Board required.

H. Attorney's Report – Thomas E. Daniels

There was no Attorney's Report for the month.

I. Human Resources Report – Kevin M. Welch

Mr. Welch advised the Board that, since the first of the year, there have been numerous new hires and transfers. He indicated that in the month of June alone, a line service tech and a customer service cash receipts clerk were hired due to retirements and seven transfers took place.

Mr. Welch advised the Board that YCUA has conducted 27 training programs in 2018, including in-house and offsite training in topics such as team building, health, and safety. He indicated that there have been 13 new certifications or licenses this year.

J. Director's Report - Jeff Castro

Mr. Castro advised the Board that there will be a water and sewer rate change presentation in August including the replacement of the minimum usage charge with a readiness to serve charge. He indicated that this new water structure has been discussed with the Finance Committee. Mr. Castro explained that this new rate model will calculate water and sewer revenue requirements based on operation and maintenance expenses as

well as debt service including required bond covenants in reserve funds. He pointed out that this eliminates the minimum usage charge of six units or less for a residential customer with a readiness to serve charge for the water and sewer that each customer will be billed based on each 100 cubic feet of water (a commodity rate). Mr. Castro also explained that those customers that use six units or less will reap the most benefits in terms of a decreased bill. He further advised that this change is revenue neutral and has met with positive response.

Mr. Daniels commented that this is the result of a very thorough and sophisticated rate study that was done by Tetra Tech, who has been doing work for YCUA and Ypsilanti city and township for years as a leader in the field of rate studies.

Mr. Bodary commented that staff is also considering a self-computing online rate calculator that customers can use to determine their bill amount based on units of usage. Mr. Castro concurred and indicated that it would consist of a water consumption calculator on the YCUA website.

Ms. Stumbo commented that the Finance Committee meeting was very long but informative after many challenges were addressed. She indicated that this change will be very helpful, especially for people on fixed incomes who need to know exactly what their bill will be.

Mr. Castro advised the Board that this is the ideal time to make this change, while YCUA is renegotiating its contract with the Great Lakes Water Authority including a capacity modification for peak hour and max day. He indicated that this is an advantage to the Authority and incorporates a 0% water increase and a 2% sewer increase combined.

Ms. Stumbo thanked everyone for all their hard work on this process, especially with GLWA. Mr. Castro interjected that appreciation also goes out the water distribution department for their efforts, pulling from GLWA when everyone is sleeping and from YCUA's storage when everyone is using the system.

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 \$3,023,509.73. Support by Bodary. In favor: All. Opposed: None. (Motion carried.)
7. **PUBLIC COMMENTS:** Hamid Rahbarnoohi, YCUA's new Superintendent of Wastewater Operations and Compliance, introduced himself to the Board and elaborated on his background of 21 years in the wastewater industry.

8. **ADJOURNMENT:** Motion by Doe to adjourn the meeting at 4:18 p.m. Support by Jason. In favor: All. Opposed: None. (Motion carried.)



Respectfully submitted,

JON R. ICHESCO, Secretary - Treasurer