



Minutes

**YPSILANTI COMMUNITY UTILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
Wednesday, March 22, 2023 – 3:00 p.m.
YCUA Administration Building
2777 State Road
Ypsilanti, MI 48198-9112**

Members Present: Michael Bodary, Keith P. Jason, Larry J. Doe, Jon R. Ichesco, and Gloria C. Peterson.

Members Absent: None.

1. **CALL TO ORDER:** Mr. Bodary called the meeting to order at 3:00 p.m.
2. **MINUTES OF THE PREVIOUS MEETING:** Motion by Doe to receive and file the minutes of the February 24, 2023, meeting as presented. Support by Ichesco. In favor: Bodary, Doe, Ichesco, and Peterson. Opposed: None. Jason – abstained due to being absent from the February Meeting (Motion carried.)
3. **NEW BUSINESS:**
 - A. **Request to Approve - YCUA Resolution No. 23-02 re: Retirement for Sherry Easterday – Luther Blackburn**

Motion by Jason to approve YCUA Resolution No. 23-02 re: Retirement for Sherry Easterday. Support by Doe.

Mr. Blackburn advised the Board that Ms. Easterday was a Customer Service Billing/Cash Receipts Clerk and has requested retirement as of February 25, 2023. Mr. Blackburn explained that Ms. Easterday has 23+ years of service at the Authority. Mr. Blackburn indicated that she has been an invaluable member of the YCUA team. Finance Director Dwayne Harrigan also commended Ms. Easterday for her service.

Mr. Bodary commented that the Board congratulates Ms. Easterday and hopes she enjoys her retirement.

In favor: Bodary, Jason, Doe, Peterson, and Ichesco. Opposed: None. (Motion carried.)

B. Request to Approve – Annual Comprehensive Financial Report For Fiscal Year 2021 – 2022 – Luther Blackburn

Motion by Doe to approve Annual Comprehensive Financial Report For Fiscal Year 2021 – 2022. Support by Ichesco.

Mr. Blackburn advised the Board that the Annual Comprehensive Financial and Single Act Audit Compliance Reports were reviewed by the Finance Committee and have been submitted to the State of Michigan. Mr. Blackburn noted that such reports would have traditionally been brought to the Board prior to submittal to the State, but due to internal logistics, the reports were delayed. The delay is not an indication of any issues with the accuracy of the reports, but issues with the timeliness of getting materials to the auditors.

Nate Baldermann of Rehmann Robson then addressed the Board and elaborated on the report. Mr. Baldermann indicated that the report reflects an unmodified or clean report, which is desired by the Authority, and indicates that one can rely on the information within the report. Mr. Baldermann discussed the implementation of GASB 87 regarding the management of leases. Mr. Baldermann also discussed the implementation of new auditing standards which resulted in slight changes in the language of the opinions within the report from last year.

Mr. Baldermann explained that a Single Audit was also conducted and is included in a separate report. The only program tested in the Single Act Audit was the Clean Water State Revolving Fund. There were no findings from this year and the findings from last year were followed up on and have been cleared.

Lastly, Mr. Baldermann discussed the communications letter which includes comments on suggested improvements. These suggestions did not rise to the level of being significant or material.

Mr. Harrigan then reviewed a PowerPoint presentation regarding the Authority's financials. Mr. Harrigan noted that revenue rebounded by 3 million and operating losses decreased to 1 million. He further covered our pension and OPEB liabilities along with the impacts of reduced water consumption. Lastly, Mr. Harrigan covered the impact of unrecognized revenue and its impact on our financials.

Mr. Doe inquired as to the status of any losses in our investments. After clarification, Mr. Harrigan indicated that the conservative nature of the MERS fund has limited losses. Mr. Harrigan stated that he believes the fund is down about 8-9% as of December 31, 2022.

Mr. Blackburn thanked Mr. Harrigan and his team for their work. Mr. Blackburn also noted that expenses have been held fairly flat in light of record inflation along with a steady decline in consumption. Mr. Bodary agreed with Mr. Blackburn and acknowledged that consumption is out of our control. Mr. Bodary then thanked Mr. Harrigan, Mr. Baldermann, and his team for their work. Lastly, Mr. Harrigan thanked the Departmental Directors for their assistance.

In favor: Jason, Ichesco, Doe, Peterson, and Bodary. Opposed: None.
(Motion carried.)

C. Request to Approve – Award of Contract re: 2023 WWTP Site Drainage Improvements in the Amount of \$198,915.00 (O & M Expense Account No. 550-815) – Scott D. Westover

Motion by Jason to approve Request to Approve – Award of Contract re: 2023 WWTP Site Drainage Improvements in the Amount of \$198,915.00 (O & M Expense Account No. 550-815). Support by Ichesco.

Mr. Westover advised the Board that the tabulations of bids for this project are included in the Board Packet. Mr. Westover advised that page 3 of the document demonstrates the damage to the ceiling and piping in the underground tunnels. Mr. Westover stated that stopping the intrusion of water prior to repairing the pipes is necessary. The project will include excavation, a waterproof membrane, and some drainage piping.

Mr. Westover recommended the contract be awarded to TSP Services, Inc., based on their lump sum bid.

In favor: Bodary, Jason, Doe, Ichesco, and Peterson. Opposed: None.
(Motion carried.)

D. Request to Approve – Award of Contract re: 2023 Road Repairs Phase 1 in the Amount of \$404,940.00 (O & M Expense Account No. 902-161) – Scott D. Westover

Motion by Ichesco to approve Request to Approve – Award of Contract re: 2023 Road Repairs Phase 1 in the Amount of \$404,940.00 (O & M Expense Account No. 902-161). Support by Peterson.

Mr. Westover advised the Board that these bids were opened on March 8th and the low bidder was Best Asphalt. Best Asphalt successfully performed the 2nd phase of road repairs in 2022 and Mr. Westover recommends approval of the contract. Mr. Doe inquired as to the reason for the rise in costs for this work. Mr. Westover advised that a significant increase was recognized between phases 1 and 2 from last year. Mr. Westover stated the cost per repair location actually decreased. The

increase in the cost of cement, which is in short supply has resulted in a significant price increase. Mr. Westover further indicated that he is not familiar with the breakdown between water and sewer repairs.

Mr. Shaffer advised that last January and February there were more breaks than usual. Mr. Shaffer further stated that root intrusion from aging laterals has resulted in numerous repairs, and estimates that 7 out of 10 are probably sewer related.

In favor: Bodary, Jason, Doe, Ichesco, and Peterson. Opposed: None.
(Motion carried.)

E. Request for Final Acceptance – Creekside Village South as a Public Utility – Scott D. Westover

Motion by Doe to approve Request for Final Acceptance – Creekside Village South as a Public Utility. Support by Jason.

Mr. Westover indicated that included within the Board Packet is a recommendation letter from the Township Engineer recommending final acceptance. The project is located southeast of Tuttle Hill Road and Merritt Road. Mr. Westover stated that although the project dates back to the late 90s and has taken some time to be built out, we are finally ready to take over the water and sewer as public utilities.

In favor: Bodary, Jason, Doe, Ichesco, and Peterson. Opposed: None.
(Motion carried.)

F. Request to Approve – Award of Bids re: Wastewater Treatment Plant (WWTP) Bulk Chemicals Purchase in the Approximate Amount of \$150,000 (O & M Expense Account No. 550-736) - Sreedhar Mullapudi

Motion by Ichesco to approve Request to Approve – Award of Bids re: Wastewater Treatment Plant (WWTP) Bulk Chemicals Purchase in the Approximate Amount of \$150,000 (O & M Expense Account No. 550-736). Support by Doe.

Mr. Mullapudi advised the Board that the packet includes the bid tabulation for sodium hydroxide and sodium hypochlorite. Mr. Mullapudi stated the last bid for these chemicals only secured fixed pricing through the 4th quarter of 2022. Prices have since increased on a month-to-month basis and thus new bid prices were sought. Mr. Mullapudi recommended the award of the contract to JCI Jones, Inc which is the current provider. Mr. Mullapudi further noted an increase of 25% for sodium hydroxide and a 7% increase for sodium hypochlorite.

In favor: Bodary, Jason, Doe, Ichesco, and Peterson. Opposed: None.
(Motion carried.)

G. Request to Approve – Snow Road Pump Station Pump #4 Rebuild in the Amount of \$53,930 (Restricted Funds Account No. 901-594) – Ryan Stetler

Motion by Peterson to approve Request to Approve – Snow Road Pump Station Pump #4 Rebuild in the Amount of \$53,930 (Restricted Funds Account No. 901-594). Support by Ichesco.

Mr. Stetler advised the Board that included in the Board Packet is a quote from Kennedy Industries for the disassembly, inspection, and repair of pump #4 at the Snow Rd Pump Station. Mr. Stetler advised the Board that on February 13, 2022, a massive amount of debris entered the pump station and made its way into the pump. Soil and large rocks entered the pump and rendered it inoperable. Mr. Stetler further noted that pump #4 was online during the collapse.

Mr. Bodary inquired as to what can be done to prevent a reoccurrence. Mr. Stetler responded that the collapsed pipe was replaced with 56' of ductile iron pipe and that a future coating on this pipe is needed. Mr. Westover further stated that coating is necessary on this pipe as this type of pipe is also susceptible to corrosion. Mr. Bodary replied that he encouraged such work to be completed in the next few years.

In favor: Bodary, Jason, Doe, Ichesco, and Peterson. Opposed: None.
(Motion carried.)

H. Fund Balance Report – Dwayne Harrigan

Informational only; no motion from the Board required.

I. Financial Report – Authority Net Assets – Dwayne Harrigan

Informational only; no motion from the Board required.

J. Usage Report – Consumption Report – Luther Blackburn

Mr. Blackburn advised the Board that the month-to-month comparison shows that water consumption is down 7% and sewer consumption is down 3.9%. He indicated that the year-to-date comparison shows that water consumption is down 3.1% and sewer consumption is down 17.9%.

Informational only; no motion from the Board required.

K. Attorney's Report – Matthew T. Jane

Mr. Jane advised the Board that he has been working with Mr. Blackburn on the Tower Leases. Mr. Jane further stated that he would be working with Mr. Blackburn on a new contract with WTUA.

Informational only; no motion from the Board required.

L. Executive Director's Report – Luther Blackburn

Mr. Blackburn advised the Board that an opportunity exists with the Authority's current mature relationship with WTUA. Mr. Blackburn indicated that he would be working with Mr. Jane to achieve some mutually agreeable changes in an effort to reflect current practices.

Mr. Blackburn advised the Board that this meeting would be Mr. Shaffer's last meeting.

Mr. Blackburn indicated that he would like to bring back the historical practice of the traditional in-person format of Board Meetings with Directors attending in person. Mr. Blackburn indicated that the hybrid format would still be practiced for residents, staff, or anyone that needs to attend virtually. Mr. Doe acknowledged his support. Mr. Ichesco indicated that he believed communication in person works better. Ms. Peterson acknowledged her support. Mr. Bodary stated his support and the importance of having retirees and staff available to attend in person.

Mr. Doe inquired about the costs of the Snow Rd repairs. Mr. Blackburn and Mr. Stetler responded that another pump is still scheduled for work, but their estimate is just above 1 million dollars.

Mr. Doe inquired as to the availability of insurance for such events. Mr. Blackburn responded that he was unaware of such insurance but a more proactive approach to capital improvement is required.

Mr. Bodary then inquired about the status of the City's infrastructure considering recent projects. Mr. Shaffer and Mr. Knapp concurred that the City's infrastructure is in generally good shape and that it would be in our best interest to focus on the Township.

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 \$5,117,056.04. Support by Doe. In favor: Doe, Ichesco, Jason, Peterson, and Bodary. 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 3:44 p.m. Support by Ichesco. In favor: Ichesco, Doe, Peterson, and Bodary. Opposed: None. (Motion carried.)



Respectfully submitted,

MICHAEL BODARY, Chair