



Minutes

**YPSILANTI COMMUNITY UTILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
Wednesday, April 24, 2024 – 3:00 p.m.
YCUA Administration Building
2777 State Road
Ypsilanti, MI 48198-9112**

Members Present: Larry J. Doe, Gloria C. Peterson, and David Ostrowski.

Members Absent: Michael Bodary and Jon R. Ichesco.

1. **CALL TO ORDER:** Ms. Peterson 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 April 24, 2024, meeting as presented. Support by Ostrowski. In favor: Doe, Ostrowski, and Peterson. Opposed: None. (Motion carried.)
3. **NEW BUSINESS:**
 - A. **Request to Approve - Resolution 24-03 Authorizing Expenditure of Excess Bond Proceeds of Ypsilanti Community Utilities Authority Water Supply System Bonds, Series 2022 (City of Ypsilanti) in the amount of approximately \$1,500,000.00 – Tom Colis and Luther Blackburn**

Mr. Blackburn stated these are the bonds purchased for the US-12/M-17 project which is nearing completion. Mr. Blackburn explained redesigned work along with a relocation of water main led to less construction on Michigan Avenue resulting in approximately \$1,200,000.00 remaining from the final proceeds. Mr. Blackburn stated with approval from the Commissioners, he would go to City Council on May 16, 2024, to request approval to utilize these funds for the Shadford Tower Project. Mr. Blackburn explained the Shadford Tower project is costing just over \$1,000,000. leaving approximately \$200,000.00 which could be used for other City projects such as water meters or future water main projects.

Motion by Doe to approve Resolution 24-03 Authorizing Expenditure of Excess Bond Proceeds of Ypsilanti Community Utilities Authority Water

Supply System Bonds, Series 2022 (City of Ypsilanti) in the amount of approximately \$1,500,000.00. Support by Ostrowski.

Mr. Doe inquired where the money for the Shadford Tower project would have come from without these funds. Mr. Blackburn advised the funds would have come from the Restricted Fund.

Ms. Peterson inquired for further questions. There were none.

In favor: Doe, Ostrowski, and Peterson. Opposed: None. (Motion carried.)

B. Request to Approve – Resolution 24-04 Authorizing Matching Funds Certification/Application with Senator Stabenow and Senator Peters – Luther Blackburn

Motion by Ostrowski to approve Resolution 24-04 Authorizing Matching Funds Certification/Application with Senator Stabenow and Senator Peters. Support by Doe.

Mr. Blackburn advised this Resolution refers to a variety of letters, which the Commissioners have been copied on, written to both Senator Stabenow and Senator Peters to request funding support for a variety of water systems projects. Mr. Blackburn explained the projects include Sugarbrook Phase 2, Textile and Clark Road water stations and water meters for both the City and Township. Mr. Blackburn stated the Resolution formalizes the funding requests including a statement that YCUA is capable of providing the twenty percent matching requirement if funds are granted. Mr. Blackburn stated YCUA's application does not guarantee approval of any requested funding.

Ms. Peterson inquired for further questions. There were none.

In favor: Doe, Ostrowski, and Peterson. Opposed: None. (Motion carried.)

C. Request to Approve – Authorization to Purchase Equipment re: Primary Mechanism #3 Repairs in the Amount of \$288,000.00 (O & M Expense Account No. 592-550-727.000) – Scott D. Westover / Ryan Stetler

Motion by Ostrowski to approve Authorization to Purchase Equipment re: Primary Mechanism #3 Repairs in the Amount of \$288,000.00 (O & M Expense Account No. 592-550-727.000). Support by Doe.

Mr. Westover stated in the packet there is a memo dated April 17, 2024, and attached to the memo is a quote from Ovivo for replacement of the equipment for the repair of primary mechanism #3. Mr. Westover stated as

Midwest Power Systems removed the damaged equipment to install the new equipment, they found the equipment that was intended to be reused in the repair to be significantly more deteriorated than expected. Mr. Westover stated the quote covers replacing the remainder of the mechanism.

Mr. Stetler shared several pictures documenting the condition of the primary mechanism #3 equipment as Midwest Power Systems dismantled the equipment.

Mr. Blackburn then stated he sent notification of a purchase order to the vendor last week due to tank #3 being out of service combined with tank #1 also having issues. Mr. Blackburn explained that with these tanks out of service, the hydraulic capacity of the plant could be compromised during severe weather. Mr. Blackburn stated the vendor has advised 3-4 weeks to put the order together and 12-14 weeks for shipment. Mr. Blackburn stated YCUA would like to complete this work on tank #3 by this fall.

Mr. Ostrowski inquired how long tank #3 has been in service and what other repairs have been completed. Mr. Westover advised the equipment is original and he is unaware of any major repairs or replacements to any components of the mechanism since it was placed in service in 1982.

Ms. Peterson inquired if the parts were backordered. Mr. Westover stated each part must be individually made.

Mr. Doe inquired as to the number of tanks at the plant. Mr. Blackburn explained there are six tanks on the west side which were never touched during plant expansion when four more tanks were added. Mr. Stetler advised Ovivo, who purchased the company which did the original manufacturing, provided the evaluation of the tank in its current condition. Mr. Doe then inquired of the total cost to repair tank #3. Mr. Stetler stated it would be approximately \$480,000. Mr. Doe inquired of the status of the other five original tanks. Mr. Stetler advised the remaining original tanks will also need similar repair work. Mr. Westover stated each tank would require approximately \$500,000 of materials and \$200,000 of installation/labor with tank #1 being next as it is also out of service.

Mr. Blackburn explained the initial approach with tank #3 was to complete the minimal repairs necessary to return the tank to service as the work was unplanned. Mr. Blackburn stated the remaining five tanks will need rehabilitation in the next three to five years.

Ms. Peterson inquired for further questions. There were none.

In favor: Doe, Ostrowski, and Peterson. Opposed: None. (Motion carried.)

D. Request to Approve – Award of Contract re: IT Managed Service Provider in the Not-to-Exceed Amount of \$100,000 (O & M Expense Account No. 592-590-801.000) – Stewart Carroll

Motion by Doe to approve Authorization to Purchase Equipment re: Primary Mechanism #3 Repairs in the Amount of \$288,000.00 (O & M Expense Account No. 592-550-727.000). Support by Ostrowski.

Mr. Carroll stated in the packet there is a memo dated April 17 in regards to the RFP for IT Managed Service Provider issued by YCUA in January. Mr. Carroll explained the selected vendor would provide a variety of IT services which YCUA is not able to provide in-house including intrusion prevention, firewall, security services, upgrades and patching.

Mr. Carroll explained since 2015 YCUA has used All Covered for IT services. Mr. Carroll explained All Covered had bought out IDSI which was a local Michigan company. Mr. Carroll stated over the years, All Covered has lost their local presence for a variety of reasons and no longer has a local presence as All Covered was acquired by Konica Minolta.

Mr. Carrol stated nineteen proposals were received and reviewed by IT staff and the Executive Director who all concluded the proposal from DewPoint would best meet YCUA needs. Mr. Carrol stated DewPoint is a local Michigan company with offices in Lansing and Grand Rapids. Mr. Carroll recommended approval of the contract with a renewal on an annual basis for two additional years.

Mr. Doe inquired if this was the low bid. Mr. Carroll advised this vendor was not the low bidder. Mr. Doe inquired what the low bid was. Mr. Carroll advised there was a range of costs and services vendors proposed with monthly costs between \$3,000. and \$36,000. Mr. Carroll advised YCUA currently pays approximately \$9,000. per month and DewPoint's proposal is approximately \$7,800. per month.

Mr. Blackburn explained this was not a bid for specific services, it was a request for proposals. Mr. Blackburn stated the lower bids had a variety of services offered and did not offer the full range of services required by YCUA which would then require YCUA to bring in a second provider.

Mr. Doe questioned if the proposal stated YCUA's needs. Mr. Carrol stated it did and some vendors submitted proposals that did not quote all of the services YCUA required. Mr. Ostrowski inquired if YCUA had done a background check to confirm DewPoint is capable of providing these services. Mr. Carroll stated he had checked multiple references

provided by DewPoint including consulting with City Manager's of Ypsilanti and Brighton who both provided good reviews stating DewPoint was providing their services as required.

Mr. Doe inquired about the cost of the current provider. Mr. Carrol stated YCUA is paying the current provider approximately \$15,000 more annually than the proposed fee with DewPoint.

Ms. Peterson inquired for further questions. There were none.

In favor: Doe, Ostrowski, and Peterson. 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 – Luther Blackburn

Mr. Blackburn advised the Board the March month-to-month comparison shows water sales are down 4.8% and sewer sales are down 24.4%. Mr. Blackburn stated the year-to-date comparison shows water sales are down 1.5% and sewer sales are up 5.6%.

Mr. Doe inquired if water usage is down with sewer usage up, is there leakage in the water system. Mr. Harrigan explained sewer usage does not correlate to water consumption as WTUA sewer input eliminates any relationship between water usage and sewer usage.

Informational only; no motion from the Board required.

H. Attorney's Report – Matthew T. Jane

Mr. Blackburn advised Mr. Jane was not in attendance and he had previously advised he has nothing to report.

Informational only; no motion from the Board required.

I. Executive Director's Report – Luther Blackburn

Mr. Blackburn thanked the YCUA lab and service center members for their participation in the Brick Elementary STEM day earlier today. Mr. Blackburn stated staff brought displays and lab exercises along with a vector truck, front end loader and TV truck. Mr. Blackburn stated he appreciated the excellent job staff did interacting with the students and sharing their work in the water business.

Mr. Blackburn then updated the Commissioners on the Shadford Tower project stating the project is coming to completion with the sandblasting wrapping up and the exterior painting beginning shortly.

4. **OLD BUSINESS:** There was no Old Business for the month.
5. **OTHER BUSINESS:**
6. **STATEMENTS AND CHECKS:** Motion by Doe to pay the current month's bills in the amount of \$4,901,142.17. Support by Ostrowski. In favor: Doe, Ostrowski, and Peterson. 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 3:25 p.m. Support by Ostrowski. In favor: Doe, Ostrowski, and Peterson. Opposed: None. (Motion carried.)

Respectfully submitted,

MICHAEL BODARY, Chair