Members Present: Brenda L. Stumbo, Larry J. Doe, Philip W. Wagner and Mark Namatevs

Members Absent: Edward B. Koryzno, Jr.

1. **CALL TO ORDER:** Brenda L. Stumbo called the meeting to order at 3:05 p.m.

2. **MINUTES OF THE PREVIOUS MEETING:** Motion by Doe to receive and file the minutes of the June 22, 2004 meeting. Support by Wagner. In favor: All. Opposed: None. (Motion carried.)

3. **NEW BUSINESS:**

   A. **Authorization to Approve Credit Card/Electronic Payment Option** - Larry R. Thomas

   Mr. Thomas directed the Board’s attention to a memo from Cathy Moorman, Customer Service Manager, regarding YCUA offering credit cards as a payment option for its customers. Mr. Thomas advised the Board that YCUA would be able to offer this service through a third-party service provider, who then charges the customer a convenience fee, leaving YCUA with minimal additional expense. He indicated that Ms. Moorman researched several companies that offer this service. Mr. Thomas then directed the Board’s attention to a spreadsheet attached to her memo, comparing the various options for three of the companies. He pointed out that any customer who uses a credit card for payment of water and sewer bills will be charged a convenience fee of $4.95.
Mr. Thomas explained that many of YCUA’s customers have asked to use credit cards for paying their water and sewer bills. He further advised that entering into an agreement with NCO would allow for this payment option with minimal cost to the Authority.

Larry J. Doe inquired as to whether the purpose of the convenience fee is to offset the fees charged by the credit card companies. Mr. Thomas responded that it is.

Mr. Thomas recommended approval of the request for authorization to enter in an agreement with NCO to provide third-party credit card services for YCUA and its customers.

Motion by Doe to accept Mr. Thomas’s recommendation for approval of the request for authorization to enter in an agreement with NCO to provide third-party credit card services for YCUA and its customers. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

B. Request to Purchase – Financial Software System - Larry R. Thomas

My Thomas reminded the Board that the Authority is in the process of installing a new utility billing system. He indicated that, in an effort to eliminate the usage of the current Pentamation software, YCUA has sent its RFPs to service providers for financial software. Mr. Thomas also explained that, with the addition of this software, the Authority would be able to eliminate the need to use Pentamation. He pointed out that seven RFPs were forwarded to providers of this type of software. Mr. Thomas explained that YCUA received two responses: Pentamation responded that they were not interested and the other response was from Civic Systems. He further advised that this is the company that has provided the software for its utility billing system. Mr. Thomas explained that Civic Systems is able to meet all of the needs requested and would allow us to increase efficiencies and streamline processes in its accounting department. He further advised that this information was presented to its Finance Committee on July 20th and they have recommended proceeding with this purchase.

Mr. Thomas stated that this item is budgeted in the next fiscal year’s draft budget as capital acquisition. He acknowledged that if YCUA waits until September, it would be in a position of needing to extend its agreement with Pentamation for their maintenance services at $15,000. Mr. Thomas confirmed that by moving ahead at this time, YCUA would not extend the maintenance service agreement with Pentamation.
Mr. Thomas recommended approval of the request for authorization to purchase financial software system specified in YCUA’s RFP from Civic Systems, with the final price of the software to be within the amount budgeted in the draft budget.

Motion by Namatevs to accept Mr. Thomas’s recommendation for approval of the request for authorization to purchase financial software system specified in YCUA’s RFP from Civic Systems, with the final price of the software to be within the amount budgeted in the draft budget. Support by Doe. In favor: All. Opposed: None. (Motion carried)

C. Authorization to Approve – Van Buren Wastewater Conveyance and Disposal Agreement - Perry M. Thomas

Philip W. Wagner recommended a motion to table the authorization to approve the Van Buren Wastewater Conveyance and Disposal Agreement pending more information.

Motion by Wagner to table the authorization to approve the Van Buren Wastewater Conveyance and Disposal Agreement pending more information. Support by Doe. In favor: All. Opposed: None. (Motion carried)

D. Authorization to Approve – Recommendation on Sewer Use Ordinance Revision (Local Limits) - Perry M. Thomas

Mr. Thomas advised the Board that YCUA has recently reevaluated its sewer use limits for toxic and compatible pollutants. He indicated that the Authority needs to make some revisions to its sewer use ordinance, which regulates the amount of polluting material industrial users can discharge into the sewer system. Mr. Thomas also explained that YCUA’s limit for beryllium needs to be decreased from 5 micrograms per liter to 1.7 micrograms per liter. He pointed out that the Authority needs to add an additional toxic, bis (2-ethylhexyl) phthalate as well as upper limits to its compatible pollutant limits. Mr. Thomas explained that, at the present time, the ordinance contains only a surchargeable limit for compatible pollutants. He further advised that, if an industrial user exceeds the surchargeable limit, YCUA would bill the industrial user for the cost of treating the excess compatible pollutant. Mr. Thomas explained that YCUA has no absolute upper limit for compatible pollutants. He further advised that the change the Authority is recommending is to leave the existing surchargeable limits in place and add upper limits for all compatible pollutants.
Mr. Thomas stated that the Authority is required to periodically assess its local limits to certify that YCUA is protecting the wastewater plant and its discharge stream from harm due to discharges from its industrial users. He acknowledged that these recommendations are the result of that assessment.

Mark Namatevs inquired as to how often YCUA tests the discharge of significant industrial users and whether it done randomly or scheduled. Mr. Thomas responded that the frequency of the testing is determined based on the volume of their flow.

Mr. Thomas recommended approval of the request to make a recommendation to the City Council an amendment of their Sewer Use Ordinance I-54 and to the Township Board of Trustees to amend their Sewer Use Ordinance 2001-280 to implement the revisions of the local limits.

Motion by Wagner to accept Mr. Thomas’s recommendation for approval of the request to make a recommendation to the City Council and Township Board of Trustees to amend their respective sewer use ordinances. Support by Doe. In favor: All. Opposed: None. (Motion carried)


Mr. Thomas directed the Board’s attention to the third quarterly financial report. He then proceeded to give a detailed report of the information contained in the report and answered questions from the Board.

Informational only; no motion from the Board required.

F. Fund Balance Report - Larry R. Thomas

Mr. Thomas directed the Board’s attention to the Fund Balance Report. He then proceeded to give a detailed report of the information contained in the report and answered questions from the Board.

Informational only; no motion from the Board required.

G. Request to Approve – Temporary Removal of Board Restriction on City Division Lease Funds - Larry R. Thomas

Mr. Thomas advised the Board that, due to the delay that YCUA recently experienced with the State of Michigan on its DWRF loan for the City Division water main replacement projects, the City Division has not maintained a ninety-day requirement for its O & M fund. He indicated that
there have been no cash flow problems, and, as of July 16th, the ninety-day requirement is again satisfied. Mr. Thomas also explained that, in case YCUA does have difficulty in the timing of its DWRF disbursements for the rest of the project, he recommends that the Board remove the restriction on the City Division lease funds requiring that they be used only for the wastewater treatment plant project and allow this fund to be used to fund O & M if the O & M cash balance falls below ninety days. He pointed out that he does not anticipate that this will be a problem for the remainder of the DWRF project, but that he does believe it would be prudent to remove this restriction until this project has been completed. Mr. Thomas explained that removal of this Board restriction would decrease the possibility of non-compliance with the ninety-day O & M requirement.

Mr. Thomas indicated that he spoke previously with Edward B. Koryzno, Jr. regarding this issue and that Mr. Koryzno concurs with the recommendation.

Mr. Thomas recommended approval of the request for temporary removal of Board restriction on City Division lease funds such that they may be used to fund the ninety-day O & M requirement if necessary.

Motion by Doe to accept Mr. Thomas’s recommendation for approval of the request for temporary removal of Board restriction on City Division lease funds such that they may be used to fund the ninety-day O & M requirement if necessary. Support by Wagner. In favor: All. Opposed: None. (Motion carried)


Mr. Thomas directed the Board’s attention to the Financial Report – Net Assets Report. He then proceeded to give a detailed report of the information contained in the report and answered questions from the Board.

Informational only; no motion from the Board required.


Mr. Thomas directed the Board’s attention to the Usage Report – Consumption Report. He then proceeded to give a detailed report of the information contained in the report and answered questions from the Board.

Informational only; no motion from the Board required.

J. Community Development Projects - T. Michael Jessee
There were no community development projects for the month.

K. Director’s Report – Larry R. Thomas

Mr. Thomas invited the Board to attend the WTUA Board’s tour of the wastewater plant construction on Thursday, August 12, 2004 at 2:00 p.m.

4. OLD BUSINESS:

A. Authorization to Proceed – Road Cut Repairs - T. Michael Jessee (Tabled Item)

Motion by Doe to remove from table the request for authorization to proceed with road cut repairs. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

Mr. Jessee advised the Board that the Authority has many road cuts that must be repaired. He indicated that it is typical to have to cut a road during the process of water and sewer main repairs. Mr. Jessee also explained that, although in the past YCUA has attempted to do road repairs with its staff, current requirements of the Washtenaw County Road Commission and the City of Ypsilanti DPW repairs are beyond YCUA equipment capabilities. He pointed out that YCUA does not have proper equipment. Mr. Jessee explained that last year, the county proceeded with making repairs on YCUA’s road cuts.

He further advised that this year, the Authority contacted three companies: Bostwick Company of Ann Arbor, T & M Asphalt Paving, and Barrett Paving Materials. Mr. Jessee stated that two responses were received with the low bid from Bostwick Company in an amount not to exceed $156,887.50. He explained that contracting this work will insure road restoration is in compliance with the Washtenaw County Road Commission and City DPW regulations. Mr. Jessee pointed out that, as these are repair activities associated with emergency repairs, this is covered in the regular O & M budget.

Mr. Jessee recommended approval of the request to grant a contract to Bostwick Company in an amount not to exceed $156,887.50 to be funded from the O & M budget.

Motion by Namatevs to accept Mr. Jessee’s recommendation for approval of the request to grant a contract to Bostwick Company in an amount not to
exceed $156,887.50 to be funded from the O & M budget. Support by Doe.
In favor: All. Opposed: None. (Motion carried)

5. OTHER BUSINESS:

T. Michael Jessee advised the Board that, on June 21, 2004, SBG Construction Company was on Martz Road doing dewatering to extend a water main from the Rosewind Subdivision going east toward the Tremont Phase when a major main break occurred where a cap blew off the end of a main and removed a fire hydrant from its position. He stated that YCUA was not equipped to do the repairs and, therefore, contracted SBG on an emergency basis in the amount of $23,232. Mr. Jessee recommended approval of the request to issue payment to SBG Construction Company in the amount of $23,232.

Philip W. Wagner inquired as to whether not utilizing a well to collect the salt water and installing a self-draining hydrant constituted an EPA or MDEQ violation. Mr. Jessee responded that he was not aware of any regulations relative to the same. Brenda L. Stumbo asked Mr. Jessee to look further into the issue.

Ms. Stumbo inquired as to YCUA’s recourse if the contractor did not install the water main to the Authority’s specifications. Mr. Jessee responded that the issue has been presented to OHM and that YCUA is awaiting their response. He indicated that the contractor might be invoiced but that he is unsure if the Authority can collect without putting a lien on the property.

Robert Czachorski interjected that, at the next Board meeting, a full report on the issue will be presented in response to Mr. Jessee’s request. He added that it is possible that the well may have removed sediment that weakened the thrust block that, in turn, caused the cap to blow off. Mr. Czachorski also indicating that OHM’s inspection records do not reflect an Inspector’s Daily Report for that work, which could mean that the contractor did not notify the engineers that work was being done that day. He stated that, during the follow-up punch list inspection, OHM did note that the valve and 30 feet of water main was missing and, in theory, before the project was signed off on, that item should have been completed. Mr. Czachorski advised that he was not yet prepared to make a report as to whether the project was signed off on or why or how. Brenda L. Stumbo commented that she hoped YCUA would not be charged for the research relative to this issue and Mr. Czachorski stated that he assumed that was the case. Larry R. Thomas stated that Greenfields has been put on notice that this issue is under investigation. Ms. Stumbo added that since YCUA had the relationship with the developers, any correspondence should come from the Authority and not OHM.

Motion by Doe to accept Mr. Jessee’s recommendation for approval of the request to issue payment to SBG Construction Company in the amount of $23,232. Support by Namatevs.
In favor: All.  Opposed: None.  (Motion carried)

6. STATEMENTS AND CHECKS: Motion by Doe to pay the bills in the amount of $4,224,254,61 plus an addendum in the amount of $3,944,333.79.  Support by Namatevs.  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 4:02 p.m.  Support by Stumbo.  In favor: All.  Opposed: None.  (Motion carried.)

Respectfully submitted,

LARRY J. DOE, Secretary/Treasurer