

**Western Townships Utilities Authority**  
**REGULAR MEETING**  
Monday, October 26, 2009  
WTUA MIDDLE ROUGE CONFERENCE ROOM  
40905 Joy Road, Canton, MI 48187

The regular meeting of the Western Townships Utilities Authority Board of Commissioners was held on Monday, October 26, 2009 in the WTUA Middle Rouge Conference Room, 40905 Joy Road, Canton, Michigan 48187. The meeting was called to order at 3:05 p.m. by Chairperson, Philip J. LaJoy.

Present:

Tery Bennett  
Richard Reaume

Absent:

Mark Abbo  
Phil LaJoy

Also present were:

Aaron Sprague	WTUA
Cindy Cezat	WTUA
Jack Polhill	CH2MHILL/OMI
Sue Hillebrand	Northville Township

The first order of business was acceptance of the agenda: Following discussion and upon hearing no objections; it was

R-09-10-86      Resolved to accept the agenda as presented.

Ayes: Bennett, Reaume  
Nays: None  
Absent: Abbo, LaJoy

The next order of business was minutes of the regular meeting of September 28, 2009. Following discussion and upon motion by Reaume supported by Bennett it was

R-09-10-87      Resolved to accept the minutes of the regular meeting of September 28, 2009 as presented.

Ayes: Bennett, Reaume  
Nays: None  
Absent: Abbo, LaJoy

The next order of business was Treasurer's Report. Following discussion and upon motion by Reaume supported by Bennett; it was

R-09-10-88      Resolved to approve the schedule of disbursements for October, 2009 of \$2,936,070.87 and pre-approved payroll for November, 2009 of \$17,118.20.

Ayes: Bennett, Reaume,  
Nays: None  
Absent: Abbo, LaJoy

The next order of business was Operations and Maintenance Report for the month of September 2009. Following discussion and upon motion by Reaume supported by Bennett it was

R-09-10-89 Resolved to receive and file the Operations and Maintenance Report for the month of September 2009.

Ayes: Bennett Reaume

Nays: None

Absent: Abbo, LaJoy

The next order of business was Directors Report for the month of October 2009. Following discussion and upon motion by Reaume supported by Bennett; it was

R-09-10-90 Resolved to receive and file the Directors Report for the month of October 2009.

Ayes: Bennett, Reaume

Nays: None

Absent: Abbo, LaJoy

The next order of business was Lower Rouge EQ Basin Expansion Quarterly Report Update: Following discussion and upon motion by Reaume supported by Bennett; it was

R-09-10-91 Resolved to receive and file the quarterly update for the Lower Rouge EQ Basin Expansion.

Ayes: Bennett, Reaume

Nays: None

Absent: Abbo, LaJoy

The next order of business was Fiscal Year 2008/2009 Audit Engagement letter: WTUA is preparing for the annual audit for the 2008/2009 fiscal year. The audit will be conducted in December. Following discussion and upon motion by Reaume supported by Bennett; it was

R-09-10-92 Resolved to concur with the Director of Operations that;  
Whereas, Public Act II of 1968 requires an annual audit of the Authority's financial statements; and  
Whereas, Plante & Moran has offered to provide such a service under generally accepted standards; and  
Whereas, Plante & Moran has agreed to perform such work and send directly to the State of Michigan an electronic copy of the financial report with Plante & Moran's official letter of comments, recommendations and their auditing procedures; and

Therefore be it resolved that Plante & Moran is authorized to perform such work as outlined in their letter of October 12, 2009, at a cost not to exceed \$13,700.00; and

Further, that the Director of Operations sign the engagement letter on behalf of the Authority.

Ayes: Bennett, Reaume

Nays: None

Absent: Abbo, LaJoy

The next order of business was SCADA Server Split; Middle and Lower Rouge: WTUA replaced the Instrumentation and Controls (I&C) equipment for both facilities a couple years ago. At the time of the upgrade, the choice was made to house the server functionality at both facilities on the operator interface workstations, rather than providing dedicated servers. This was done primarily to reduce the cost of the project. However, as the current servers/workstations increase in age, and as functionality issues have arisen, Motor City Electric Technologies (MCET) recommended undergoing a server/workstation split. In my opinion, MCET is the best qualified contractor to evaluate and perform such work, as they have been the I&C subcontractor for both the Lower Rouge Expansion and Middle Rouge Screw Pump Replacement Projects. Their staff has received extensive training on the Bristol Babcock hardware and software and has a good understanding of the existing equipment and programming. Following discussion and upon motion by Reaume supported by Bennett; it was

R-09-10-93 Resolved to concur with the recommendation of the Director of Operations to accept the proposal from Motor City Electric Technologies of Detroit, Michigan for the Lower Rouge and Middle Rouge OEServer and Workstation Split for a total lump sum cost of \$15,019.00; and

Further, that the CIP be amended to include this as a 2009 capital project, with a budget of \$15,019.00 and;

Finally, that the WTUA Chairman sign the Purchase Order allowing the work to commence.

Ayes: Bennett, Reaume

Nays: None

Absent: Abbo, LaJoy

The next order of business was Debt Service Account: Currently all the debt service funds have been co-mingled with the normal operating funds in the operating account, as the funds are generally held for a short period before they are wired out for bond payments. The Bond contracts require that a separate bank account be used for the debt service funds. Cindy Cezat (WTUA Accountant) compared the earnings at Huntington National Bank (Bond Paying Agent for the 2009 Bonds) with JP Morgan Chase (current Bank used for operating funds). The Chase account is paying a 0.75% for balances over \$1,000,000 vs Huntington, which would pay 0.40%.

Since the Chase account is paying a higher interest rate, it appears to be a better choice at this time and can be used for any of the bond issues. The monthly service fees would also be waived since our checking account is with Chase. Should Huntington have better rates at the time the funds are held, the 2009 Bond funds can be put into the 2009 Debt Service Trust Account that Huntington has set up as Paying Agent for the 2009 bonds. Following discussion and upon motion by Reaume supported by Bennett; it was

R-09-10-94 Resolved to concur with the recommendation of the Director of Operations to approve the opening of a debt service account with JP Morgan Chase Bank; and

Further, that the Board members and the Director of Operations sign the necessary paperwork to open the account; and;

Further, that the new JP Morgan Chase Bank account be added to the telephone wire transfer pins; and

Finally, that the Director of Operations be authorized to direct the investment of funds in the 2009 Bond Debt Service Trust Account with Huntington National Bank.

Ayes: Bennett, Reaume

Nays: None

Absent: Abbo, LaJoy

The next order of business was Lower Rouge Expansion; Change Order No. 7: To date the Lower Rouge Expansion Project has been progressing slowly. WTUA, through Wade Trim Associates (WTA) has negotiated the seventh Change Order for the project. This Change Order includes 12 items representing an increase of \$63,194.44 (0.27% of the contract amount), and brings the total of Change Orders to date of \$560,090.43 (2.48% of the original contract amount). The majority of the changes result from conflicts experienced during rework of the existing facilities. The project is over 90% complete. Following discussion and upon motion by Reaume supported by Bennett; it was

R-09-10-95 Resolved to concur with the recommendation of the Director of Operations to approve Change Order No. 7 to the Lower Rouge Expansion Project, increasing the Contract price by \$63,194.44 to a new Contract price of \$23,129,090.43; and

Further, that the Director of Operations be authorized to execute Change Order No. 7 on behalf of the Authority.

Ayes: Bennett, Reaume

Nays: None

Absent: Abbo, LaJoy

The next order of business was WTUA Amended Budget; Fiscal Year 2009/2010: WTUA executed the bond purchase agreement with Raymond James and Associates and Robert W. Baird & Co., on September 30, 2009 for the Series 2009 Bonds, which will be used to refund all of the callable bonds of the 2001 Bond Issue (\$49,975,000) on January 1, 2010. As a result of this new issue, an amendment needs to be done to the debt service budget for the interest expense. Following discussion and upon motion by Reaume supported by Bennett; it was resolved that

R-09-10-96

Whereas, the Michigan uniform Budgeting and Account Act, Act 621 of the Public Acts of 1978, requires that the budget appropriations be amended during the year to reflect necessary changes in order to maintain a balanced budget; and

Whereas, an amended budget has been prepared; and

Therefore be it resolved that the amended departmental budget for the Western Townships Utilities Authority for the fiscal year ended September 30, 2010 is hereby approved in the amounts as presented on page 1 of the Amended Budget Document.

Ayes: Bennett, Reaume

Nays: None

Absent: Abbo, LaJoy

The next order of business was public comments: There were none.

The next order of business was Commissioners' Comments: There were none.

There being no further business to come before the Board, the regular meeting was adjourned at 3:38 p.m.

Respectfully submitted,

Terry G. Bennett  
Alternate Chairperson