

Western Townships Utilities Authority
REGULAR MEETING
Monday, December 19, 2005
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, December 19, 2005 in the WTUA Middle Rouge Conference Room, 40905 Joy Road, Canton, Michigan 48187. The meeting was called to order at 3:08 p.m. by the Chairperson, Thomas J. Yack.

Present:

Thomas J. Yack
Richard Reaume
Mark Abbo

Absent:

Also present were:

Aaron Sprague WTUA
Cindy Cezat WTUA
Jack Polhill OMI

The first item of business was public comment, non-agenda items: There was none.

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

R-05-12-116 Resolved to accept the agenda as presented.

Ayes: Yack, Reaume, Abbo
Nays: None
Absent: None

The next order of business was minutes of the regular meeting of November 21, 2005. Following discussion and upon motion by Abbo supported by Reaume; it was

R-05-12-117 Resolved to accept the minutes of the regular meeting of November 21, 2005 as presented.

Ayes: Yack, Reaume, Abbo
Nays: None
Absent: None

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

R-05-12-118 Resolved to approve the schedule of disbursements for December 2005 of \$8,393,398.40 and pre-approved payroll for January 2006 of \$20,182.84.

Ayes: Yack, Reaume, Abbo
Nays: None
Absent: None

The next order of business was Operations and Maintenance Report for the month of November 2005. Following discussion and upon motion by Abbo supported by Reaume; it was

R-05-12-119 Resolved to receive and file the Operations and Maintenance Report for the month of November 2005.

Ayes: Yack, Reaume, Abbo

Nays: None

Absent: None

The next order of business was Directors Report for the month of December 2005: Following discussion and upon motion by Abbo, supported by Reaume, it was

R-05-12-120 Resolved to receive and file the Directors Report for the month of December 2005.

Ayes: Yack, Reaume, Abbo

Nays: None

Absent: None

The next order of business was Financial Statements for the Year Ended September 30, 2005: Following discussion and upon motion by Abbo, supported by Reaume, it was

R-05-12-121 Resolved to receive and file the financial statements for the nine months ended September 30, 2005 and the Capital Improvement Plan Status report be received and filed also.

Ayes: Yack, Reaume, Abbo

Nays: None

Absent: None

The next order of business was 457 Pension Plan Restatement: Recent legislation and IRS guidelines have required changes to be made to WTUA's 457 Plan. Plante and Moran has prepared the restated plan implementing the required changes. This reinstatement modifies the following sections of the 457 Plan.

Section 3.3 – Election to Defer Compensation – Addresses the option for a former eligible employee to contribute severance payments no later than 2 ½ months following termination of employment.

Section 7.4 – Unforeseeable Emergency Distributions – Addresses the criteria for an event qualifying a distribution for an “unforeseeable emergency”.

Section 7.5 – Distribution of Small Account Balance – Addresses mandatory cash-out distributions.

Following discussion and upon motion by Abbo, supported by Reaume, it was

R-05-12-122 Resolved to accept the Western Townships Utilities Authority Eligible 457 Plan as of January 1, 2006; and

Further. to authorize the Chairman and Secretary to sign the restated Plan and Resolution respectively.

Ayes: Yack, Reaume, Abbo

Nays: None

Absent: None

The next order of business was OMI Out of Scope Work; Lower Rouge I&C Upgrade: WTUA has entered into an agreement with Aggressive Systems, Inc. (ASI) for the removal and replacement of the instrumentation and controls (I&C) equipment at both the Middle Rouge and Lower Rouge facilities. Due to the requirement of the 24/7 manual operation once the demolition work begins and the new system is up and running, OMI staff will incur approximately 30 hours of overtime per week of down time. This level of effort on their part is clearly outside of the scope of work of the existing agreement between OMI and WTUA. Following discussion and upon motion by Reaume, supported by Abbo, it was

R-05-12-123 Resolved to concur with the recommendation of the Director of Operations to reimburse Operations Management International, Inc., (OMI) for costs anticipated to be incurred from overtime required in association with the upgrade to the Lower Rouge Instrumentation and Controls; and

Further, that this reimbursement will be in accordance with the existing agreement between WTUA and OMI (cost plus 16%) for the actual overtime hours worked, for a cost not to exceed \$9,000.00.

Ayes: Yack, Reaume, Abbo

Nays: None

Absent: None

The next order of business was Design Budget for the Middle Rouge Screw Pump Replacement: WTUA utilizes six (6) enclosed flight screw pumps to lift flows tributary to the Middle Rouge facility. One of the screw pumps is currently not operational and a second is not capable of handling the flows it was designed for. As such, we have budgeted for replacement of two of these pumps for calendar year 2006. Contributing factors to the short life exhibited by these pumps are likely the grit content (which is likely to have worn off the protective coating on the flights of the pumps) and the existing odor control system (which exposes all six pumps to continuous contact with highly corrosive sewer gasses). As such, WTUA needs to evaluate alternatives for their replacement, as apposed to simply replacing these pumps with new screw pumps and likely have a similar life expectancy. WTUA and Stantec (formerly Ayres, Lewis, Norris & May, Inc.), have worked together to identify some alternatives. In order to evaluate the long-term operational and financial impacts of these alternatives, as well as prepare the bid documents.

Stantec has provided a budgetary proposal of \$99,536. The proposed work is analysis of alternatives (alternative pumping method or materials) including life-cycle costs and preparation of bid documents (plans and specifications) for the elected alternative. Following discussion and upon motion by Abbo, supported by Reaume, it was

R-05-12-124 Resolved to concur with the recommendation of the Director of Operations to enlist the services of Stantec Consulting of Michigan (formerly Ayres, Lewis, Norris & May, Inc.) for alternative analysis and preparation of bid documents for the replacement of two screw pumps at the Middle Rouge facility; and

Further, that a budget for these services be established for a not to exceed amount of \$99,536; and

Finally, that the Capital Improvement Program be amended to reflect an increase in the Engineering Design of the 2006 EFSP Replacement from \$20,000 to \$99,536.

Ayes: Yack, Reaume, Abbo

Nays: None

Absent: None

The next order of business was YCUA Plant Expansion Update. Following discussion and upon motion by Reaume supported by Abbo, it was

R-05-12-125 Resolved to receive and file the update report on the YCUA expansion project from the Director.

Ayes: Yack, Reaume, Abbo

Nays: None

Absent: None

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

The next order of business was Commissioners' Comments: Chairman Yack discussed the annual evaluation of the Director of Operations and asked that the Vice-Chairperson and Treasurer return their comments to him.

There being no further business to come before the Board, the regular meeting was adjourned at 3:45 p.m.

Respectfully submitted,

Thomas J. Yack,
Chairperson