

Western Townships Utilities Authority
REGULAR MEETING
Monday, August 25, 2008
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, August 25, 2008 in the WTUA Middle Rouge Conference Room, 40905 Joy Road, Canton, Michigan 48187. The meeting was called to order at 3:22 p.m. by Alternate Chairperson, Terry G. Bennett.

Present:

Terry G. Bennett
Richard Reaume
Richard Henningsen

Absent:

Thomas Yack
Mark Abbo

Also present were:

Aaron Sprague WTUA
Cindy Cezat WTUA
Jack Polhill CH2MHILL OMI

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

R-08-08-71 Resolved to accept the agenda as presented.

Ayes: Bennett, Reaume, Henningsen

Nays: None

Absent: Yack, Abbo

The next order of business was minutes of the regular meeting of July 28, 2008. Following discussion and upon motion by Henningsen supported by Reaume; it was

R-08-08-72 Resolved to accept the minutes of the regular meeting of July 28, 2008 as presented.

Ayes: Bennett, Reaume, Henningsen

Nays: None

Absent: Yack, Abbo

The next order of business was minutes of the study session of August 12, 2008. Following discussion and upon motion by Henningsen supported by Reaume; it was

R-08-08-73 Resolved to accept the minutes of the study session of August 12, 2008 as presented.

Ayes: Bennett, Reaume, Henningsen

Nays: None

Absent: Yack, Abbo

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

R-08-08-74 Resolved to approve the schedule of disbursements for August 2008 of \$1,202,839.77 and pre-approved payroll for September of \$17,662.38.

Ayes: Bennett, Reaume, Henningsen

Nays: None

Absent: Yack, Abbo

The next order of business was Operations and Maintenance Report for the month of July 2008. Following discussion and upon motion by Henningsen supported by Reaume ; it was

R-08-08-75 Resolved to receive and file the Operations and Maintenance Report for the month of July 2008.

Ayes: Bennett, Reaume, Henningsen

Nays: None

Absent: Yack, Abbo

The next order of business was Directors Report for the month of August 2008. Following discussion and upon motion by Henningsen supported by Reaume ; it was

R-08-08-76 Resolved to receive and file the Directors Report for the month of August 2008.

Ayes: Bennett, Reaume, Henningsen

Nays: None

Absent: Yack, Abbo

The next order of business was Financial Statements For Nine Months Ended June 30, 2008: Following discussion and upon motion by Henningsen supported by Reaume; it was

R-08-08-77 Resolved to receive and file the financial statements for nine months ended June 30, 2008.

Ayes: Bennett, Reaume, Henningsen

Nays: None

Absent: Yack, Abbo

The next order of business was WTUA Proposed Budget (Fiscal Year 2008/2009): Article X of the WTUA Articles of Incorporation states "...The Commission shall prepare, adopt and submit to the legislative bodies of the constituent municipalities, an annual budget covering the proposed expenditures to be made for the organizing and operating of such Authority, and for the next fiscal year beginning October 1st; such budget to be submitted on or before September 1st of each calendar year." Following discussion and upon motion by Henningsen, supported by Reaume ; it was Resolved that

R-08-08-78 Whereas, the Michigan Uniform Budgeting and Accounting Act, being Act 621 of Public Acts of 1978, requires that the Western Townships Utilities Authority adopt a budget for each fiscal year, said budget to include an estimate of all proposed expenditures and a proposed means of financing such expenditures; and

Whereas, the Authority has prepared a budget for the fiscal year ending September 30, 2009;

Therefore, be it resolved that the budget for the Authority for the fiscal year ending September 30, 2009 is hereby approved in the amounts as presented on page 1 of the Budget Document; and

Further, that the quarterly reporting to the Board include the line item detail as presented in the Supplemental Information of the Budget Document; and

Be it further resolved that the Director of Operations of the Authority is hereby authorized to submit this budget for approval during the September 2008 meetings of the Board of Trustees of each of the Charter Townships of Canton, Northville and Plymouth.

Ayes: Bennett, Reaume, Henningsen

Nays: None

Absent: Yack, Abbo

The next order of business was WTUA Capital Improvement Program; August 2008. In August of 2003, the first Capital Improvement Program (CIP) for WTUA was approved. The CIP is reviewed and updated on an annual basis. The changes in the updated CIP were discussed at the WTUA Budget Study Session held on August 12, 2008. Following discussion and upon motion by Henningsen, supported by Reaume; it was

R-08-08-79 Resolved to concur with the recommendation of the Director of Operations to adopt the WTUA Capital Improvement Program dated August 2008 as presented, including approval to make no changes to the following assumptions as listed on page 4 of the CIP: percentage of critical items to be reserved, location of replacement funds, Township allocation for replenishment of funds and timing of replenishment of funds.

Ayes: Bennett, Reaume, Henningsen

Nays: None

Absent: Yack, Abbo

The next order of business was MMRMA Insurance Policy Renewal. WTUA has been afforded insurance coverage through the MMRMA State Pool since 1991. The current policy expired on July 1, 2008. The cost of our premium for our new policy would increase slightly from \$106,039 per year to \$106,986 (an increase of \$947.00) for \$15 million in liability coverage. This figure does not include sewage back-ups, as it is no longer available. Following discussion and upon motion by Henningsen, supported by Reaume; it was

R-08-08-80 Resolved to concur with the recommendation of the Director of Operations to approve the attached insurance policy renewal with MMRMA for the 2008/2009 coverage period at an annual premium of \$106,986; and

Further, that the Director of Operations sign the policy on behalf of the Authority as the member representative.

Ayes: Bennett, Reaume, Henningsen

Nays: None

Absent: Yack, Abbo

The next order of business was OMI Service Contract Renewal/Amendment. Since 1994 OMI has been providing contract operations and maintenance services to WTUA. The contract has a renewal clause at the end of the five (5) year term, which runs in sync with our fiscal year (i.e. Oct. 1 – Sept. 30). In 2006 the renewal period was increased to a ten (10) year renewal term, commencing October 1, 2006. This renewal period, OMI has requested an increase of three (3%) percent. This is slightly higher than the default formula specified in the contract, should WTUA and OMI not mutually be able to agree on a rate increase. The default formula (2.6%) is based on the Employment Cost Index-Midwest; Total Compensation (2.6%) and the CPI-City of Detroit Average (2.4%). The total monthly payment will increase from \$35,853.88 to \$36,929.49; annually would increase from \$430,246.50 to \$443,153.88.

Also, at the May 19, 2008 regular meeting, the Board approved amending the contract with OMI to include janitorial services for both the Middle Rouge and Lower Rouge facilities for a monthly fee not to exceed \$550.00 per month. Currently Coverall Janitorial Services has been cleaning the facilities until their contract ends, which is the end of August 2008. The revised contract contains the amendment to include janitorial services. Following discussion and upon motion by Henningsen, supported by Reaume; it was

R-08-08-81 Resolved to concur with the recommendation of the Director of Operations to amend the current OMI Service Contract, effective October 1, 2008; which would be the 3rd year of the ten (10) year term, to show the changes as follows:

- 1.) An increase of three (3%) percent; and
- 2.) Contract amendment to include janitorial services for both the Middle Rouge and Lower Rouge facilities for a monthly fee not to exceed \$550.00 per month; and

Further, that upon review by the WTUA Attorney and completion, the amendment to the service contract be executed by the WTUA Chairman.

Ayes: Bennett, Reaume, Henningsen

Nays: None

Absent: Yack, Abbo

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

R-08-08-82 Resolved to receive and file the report on the YCUA expansion project from the Director of Operations.

Ayes: Bennett, Reaume, Henningsen

Nays: None

Absent: Yack, Abbo

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 3:53 p.m.

Respectfully submitted,

Terry G. Bennett
Alternate Chairperson