

Western Townships Utilities Authority
REGULAR MEETING
Monday, August 26, 2019
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 26, 2019 in the WTUA Middle Rouge Conference Room, 40905 Joy Road, Canton, Michigan 48187. The meeting was called to order at 3:02 p.m. by the Chairperson, Robert Nix.

Present:

Robert Nix
Pat Williams
Kurt Heise

Absent:

Also present were:

Aaron Sprague
Suzanne Reel
Jack Polhill

WTUA
WTUA
OMI/JACOBS

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

R-19-08-57 Resolved to accept the agenda as presented.

Ayes: Nix, Williams, Heise
Nays: None
Absent: None

The next order of business was the Minutes of the study session of July 22, 2019. Following discussion and upon motion by Heise, supported by Williams; it was

R-19-08-58 Resolved to accept the Minutes of the study session of July 22, 2019.

Ayes: Nix, Williams, Heise
Nays: None
Absent: None

The next order of business was the Minutes of the regular meeting of July 22, 2019. Following discussion and upon motion by Heise, supported by Williams; it was

R-19-08-59 Resolved to accept the Minutes of the regular meeting of July 22, 2019.

Ayes: Nix, Williams, Heise
Nays: None
Absent: None

The next order of business was Approval of WTUA Bills. Following discussion and upon motion by Heise, supported by Williams; it was

R-19-08-60 Resolved to approve the schedule of disbursements for August 2019 of \$796,968.69 and pre-approved payroll for September 2019 of \$22,112.84.

Ayes: Nix, Williams, Heise
Nays: None
Absent: None

The next order of business was the Operations and Maintenance Report for the month of July 2019. Following discussion and upon motion by Heise supported by Williams, it was

R-19-08-61 Resolved to receive and file the Operations and Maintenance Report for the month of July 2019.

Ayes: Nix, Williams, Heise
Nays: None
Absent: None

The next order of business was the Directors Report for the month of August 2019: Following discussion and upon motion by Heise supported by Williams; it was

R-19-08-62 Resolved to receive and file the Directors Report for the month of August 2019.

Ayes: Nix, Williams, Heise
Nays: None
Absent: None

The next order of business was Financial Statements for the Nine Months Ended June 30, 2019: Following discussion and upon motion by Heise supported by Williams; it was

R-19-08-63 Resolved to receive and file the financial statements for the nine months ended June 30, 2019.

Ayes: Nix, Williams, Heise
Nays: None
Absent: None

The next order of business was WTUA Proposed Annual Budget (Fiscal Year 2019-2020) and Opt-Out of P.A. 152 of 2011, amended by P.A. 270 of 2013: 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." Section 7.5 of the 2000 WTUA Finance and Service Agreement with the Charter Townships of

Canton, Northville and Plymouth states “WTUA shall annually submit a budget to each of the Townships for its approval in August of each year”. Version 1 of the Proposed Annual Budget which was used for both the Finance Committee review and the Board Study Session was presented to each Township and approved on the following dates: Canton Township – August 13, 2019; Northville Township – August 15, 2019; and Plymouth Township – July 23, 2019. A couple changes were made to the budget since the study session, the sewage treatment charges were lowered after receiving updated flow and rate information and the janitorial costs were updated for Lower and Middle Rouge to fix an error. The YTD and projected figures for the current fiscal year were updated as well, which is for informational purposes only. Public Act 152 of 2011 set limits to the amount that public employers may contribute to medical benefit plans. The limits for medical plan coverage years beginning after January 1, 2019 are \$6,685 for single, \$13,980.75 for two person plans and \$18,232.31 for family plans. With the change in rate structure by BCBS in 2014 where rates are based upon the age of all covered persons, the premiums will NOT be under these caps. Following discussion and upon motion by Williams supported by Heise; it was

R-19-08-64 Whereas, WTUA is required to 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

Whereas, the Authority has prepared a budget for the fiscal year ending September 30, 2020; and

Whereas, the Authority has presented and received approval from each of the member Townships; and

Therefore, be it resolved that the budget for the Authority for the fiscal year Ending September 30, 2020 is hereby approved in the amounts as presented on page 1 of the Proposed Annual Budget; and

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

Finally, that the Authority opt out of Public Act 152 of 2011, for the fiscal year October 1, 2019 through September 30, 2020.

Ayes: Nix, Williams, Heise

Nays: None

Absent: None

The next order of business was Capital Improvement Program; August 2019: The Capital Improvement Program (CIP) is reviewed and updated on an annual basis. The upcoming projects for 2020 were discussed at the WTUA Budget Study Session held on July 22, 2019. No changes were made since the draft version presented at the Board Study Session. WTUA bills

the townships annually in January of each year (2018-2022) for Capital Improvement projects and will do a 5-year lookback in 2023 to reconcile what was spent versus what WTUA billed.: Following discussion and upon motion by Williams supported by Heise; it was

R-19-08-65 Resolved to concur with the recommendation of the Director of Operations to adopt the WTUA Capital Improvement Program for 2020 as presented; and
Further, to revise/establish the capital budget for 2019 and 2020 based upon this program.

Ayes: Nix, Williams, Heise

Nays: None

Absent: None

The next order of business was Middle Rouge HVAC Replacement: The heat exchanger for HVAC #1 at Middle Rouge has failed and needs to be replaced. This HVAC unit was installed in 2003 and has needed an increasing number of repairs over the past 2-3 years. As such, in addition to getting pricing on a replacement of the heat exchanger, we also requested pricing on replacement units from three (3) vendors. R&S Heating & Cooling submitted the lowest cost for a replacement unit at \$12,163. This cost is for a unit with an aluminized steel heat exchanger with a 10 year warranty (five year warranty on the compressor). R&S also submitted pricing for a unit with a stainless steel heat exchanger with a 20 year warranty (five year warranty on the compressor) for \$12,572. Both prices include a smoke detector, as required by ordinance and are below those submitted by Colonial Heating & Cooling and Denmark Heating & Cooling. R&S supplied and installed the last HVAC unit we replaced. Following discussion and upon motion by Williams supported by Heise; it was

R-19-08-66 Resolved to concur with the recommendation of the Director of Operations to purchase a new Rheem HVAC unit from R&S Heating & Cooling (Livonia) for a cost of \$12,572.

Ayes: Nix, Williams, Heise

Nays: None

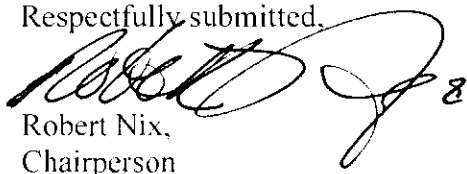
Absent: None

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 3:25 p.m.

Respectfully submitted,



Robert Nix,
Chairperson