

FIFE LAKE AREA UTILITY AUTHORITY (FLAUA)

**Regular Meeting
Minutes**

**Thursday, July 20, 2017, 6:00 p.m. 231-879-3565
Fife Lake Village Hall, 616 East Bates Street, Fife Lake, MI 49633**

CALL TO ORDER: Treasurer Jodi Velez called the meeting to order at 6:03 p.m.

ROLL CALL: Treasurer Velez called Roll.

Present: Jodi Velez-Treasurer, Leigh Gifford-Secretary, and Commissioners Linda Forwerck, Marilyn Hayes, Jim Gifford, Jonathan Rose, and Ron Broering.

Absent: Lisa Leedy-President and Tom Gray-Vice President.

Others in Attendance:

Mr. Ray Ravary, FLAUA Compliance Officer.
Members of the Public.

APPROVAL OF AGENDA: Corrections to Agenda:
Construction Draw Request #14 should Read Construction Draw Request #23 for SAW Grant, not #14 (USDA).
Minutes should be listed on Agenda as June 15, 2017, not May 15, 2017.

Board Action:

Mr. Rose made a motion to approve the Agenda as amended. Ms. Hayes seconded the motion.
VOTE: YEAS: All. NAYES: None. Motion carried.

SPECIAL ORDERS: None.

ACCEPTANCE OF MINUTES:

Corrections to Minutes of June 15, 2017:

- Jonathan Rose should be listed as Absent at the June meeting.
- Acceptance of the Minutes should be corrected to read "June 15, 2017" not May 17, 2017.
- Jonathan Rose should not be listed in Roll Call Vote on the Construction Draw Request #13.
- Footer should be corrected to read "June 15, 2017" not May 17, 2017.
- Jonathan Rose did not motion for adjournment of meeting as written.

Acceptance of Regular Meeting Minutes of June 15, 2017:

Ms. Hayes made a motion to accept the Minutes of the June 15, 2017, Regular Meeting as amended. Mr. Rose seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried.

Mr. Broering abstained from the vote as he was not present at the June meeting.

TREASURER'S REPORT:

Treasurer's Report – Financial Report of June 30, 2017, and Payment of Bills:

The Treasurer's Report was distributed at the meeting.

Regarding the updated A/P Report:

There was an overpayment on the Elias & Josiah Hall account. This was a tax and was subsequently sent to and paid by the County. The customer had also paid. We reimbursed the Hall's for duplication of payment.

Treasurer Velez reviewed percent-to-budget on several line items for Board information.

Regarding Contract Services, Ms. Velez will look for clarification regarding QuickBooks payment.

Ms. Forwerck inquired about the Accounting fees under Professional Fees on the P&L regarding Budget vs. Actual. Ms. Velez clarified the breakout of specific Professional Fees and sub-categories (sub-categories are reported under Professional Fees heading).

Board Action:

Mr. Broering made a motion to accept the Financial Report as presented. Ms. Gifford seconded the motion.
VOTE: YEAS: All. NAYES: None. Motion carried.

Payment of Bills:

Board Action:

Mr. Broering made a motion to pay the bills as presented. Mr. Rose seconded the motion.
ROLL CALL VOTE: Broering-Y, Rose-Y, Forwerck-Y, L. Gifford-Y, M. Hayes-Y, J. Gifford-Y, Velez-Y. Motion carried.

Construction Draw Request #23 (SAW Grant):

Ms. Velez consulted with Fleis & VandenBrink (F&V) to devise final requests for in-kind services, Ray Ravary's work, and attorney fees we pay out of our operating funds, as these needed to be submitted by June 30.

Last month's draw reimbursed us for purchase of the Mahindra tractor. It was put into our Equipment Fund.

The Construction Draw Request #23 (SAW Grant) is \$19,038.60 and is the final draw available to us. We need to pay our asset management accountant (Umbaugh) the second half of their fee (\$4,000) out of this amount. The balance of this draw will be transferred into the Operating Account.

The total SAW Grant funds distributed were \$651,643. Ms. Velez will report the total Grant/Loan funds received by USDA at the meeting next month.

Mr. Broering inquired about F&V consultation. Their services ended May 1, 2017. We remain in a contract agreement with them on an as-needed basis should we require their assistance; however, they are no longer providing monthly services. Ms. Velez will look into the length of this agreement.

Board Action:

Mr. Broering made a motion to approve payment of Construction Draw Request #23 of the SAW Grant in the amount of \$19,038.60. Mr. Rose seconded the motion. This is the final disbursement.
ROLL CALL VOTE: Rose-Y, Forwerck-Y, L. Gifford-Y, M. Hayes-Y, J. Gifford-Y, Velez-Y, Broering-Y. Motion carried.

COMMITTEE REPORTS:

Personnel Committee: No report.

Steering Committee / Operations Committee: Ms. Velez indicated we are completing SAW and USDA documentation.

Compliance Officer/FVOP Report: The Compliance Officer Report was previously distributed to the Board.

Mr. Ravary reported that yesterday the new Mahindra tractor caught on fire resulting in severe damages. Mr. Ravary was not injured. The fire department initially believes it was an electrical fire in the dash. The Mahindra and Pioneer Diesel representatives were here today to investigate. It is unknown at this time whether the tractor will be repaired or replaced. Our insurance carrier was notified by our Emergency Action Plan, and Mr. Ravary spoke with Mr. Paul Olson. The tractor is at Pioneer Diesel at this time in the event our insurance company needs to send an Adjuster.

Northern Fire & Safety was contacted to replace the five fire extinguishers used on the fire and has ordered six additional extinguishers to be placed in each vehicle/equipment/building. Mahindra will pay to replace the extinguishers that were discharged. Northern Fire & Safety will bill us for six new extinguishers.

Mr. Ravary requested we install SCADA fire detection equipment in the plant so that, in the event of a fire, notification can be made if no one is in the building. He is researching costs.

Mr. Ravary reported the resident from 11200 Lakeshore inquired about tying into our system. This would require extension of the sewer system. He requested a meeting of the Operations Committee to discuss this inquiry.

Mr. Ravary requested additional bases be purchased for use with the mobile crane when pulling out baskets. This is a safety concern without these bases. They are \$250 each; he would like to purchase two.

Board Comment:

Ms. Gifford made a motion to authorize Mr. Ravary to purchase two bases for the mobile crane to be used as needed, up to \$500. Mr. Gifford seconded the motion.

ROLL CALL VOTE: Forwerck-Y, L. Gifford-Y, M. Hayes-Y, J. Gifford-Y, Velez-Y, Broering-Y, Rose-Y. Motion carried.

CITIZEN COMMENT:

Ms. Sharon Brown, 10992 Vans Lane, Fife Lake, MI:

Ms. Brown spoke to Michigan Public Utility Commission regarding her concerns that residents impacted by the new system were not properly notified of fees they will incur. The Commission advised her it does not oversee the sewer issues and instructed her to go to the governing bodies of the FLAUA (Village and Township Boards). She stated she already has letters of support from them and will be informing them of her contact with the Michigan Public Utility Commission.

She expressed concern about private emails and conversations between FLAUA Board members and its attorneys on private email resulting in a lack of transparency in communication with the public. She would like to know how that information is being relayed to the public. Ms. Velez replied that FLAUA does not have a dedicated email system for the Board. Ms. Velez will discuss this matter with FLAUA's attorney.

NEW BUSINESS: None.

OLD BUSINESS: None.

COMMUNICATIONS:

Our accounting service inquired whether we have a Non-Sufficient Fund (NSF) check return policy and how we would like NSF fees handled. There have been two NSF fees this year, each with a \$10 fee charged us by QuickBooks. If there is an NSF check returned, resulting in late receipt of payment, a late fee would be incurred. Treasurer Velez asked Secretary Gifford to explore whether there is an existing policy for passing on fees for Non-Sufficient Funds before we create a policy. This will be addressed at the next meeting.

Mr. Broering received a call regarding an odor problem at the plumbing station across from the motel and on Pierce Street. Mr. Ravary indicated there have been odor issues at A3, A4 and A6 stations. Mr. Ravary noted there are charcoal filters that could potentially resolve this issue. He would like to discuss how to correct this with the Operations Committee.

CITIZEN COMMENT: None.

ADJOURNMENT: Mr. Broering made a motion to adjourn the meeting. The meeting adjourned at 6:45 p.m.

Submitted by: Kay Z. Held, Recording Secretary