

FIFE LAKE AREA UTILITY AUTHORITY (FLAUA)

Regular Meeting
Minutes

DRAFT COPY

Thursday, February 18, 2016, 6:00 p.m. 231-879-3565
Fife Lake Village Hall, 616 East Bates Street, Fife Lake, MI 49633

CALL TO ORDER: President William Fisk called the meeting to order at 6:05 p.m.

ROLL CALL: President Fisk called Roll.

Present: William Fisk-President, Lori Ann Rognlie-Secretary, Treasurer-Jodi Velez, and Commissioners Lisa Leedy, Brandon Gwizdala, Jonathan Rose, and Leigh Gifford.

Absent: Commissioners Ron Broering and Tom Gray.

Others in Attendance:

Mr. Paul Olson, Municipal Underwriters of Michigan (MUM)
Mr. Ray Garchow, FLAUA Employee

APPROVAL OF AGENDA:

President Fisk made the following requests for amending the Agenda:

- Move Mr. Paul Olson of Municipal Underwriters of Michigan (MUM) earlier in the meeting in consideration of his drive time and weather.
- During the Compliance Officer / Committee Reports, discuss a need for purchase of an air quality meter at the plant.
- During the Personnel Committee Report, discuss recommendations for employee wage increases.
- In the Unfinished Business section, note that Rules & Regulations (R&R) changes will be discussed next month.

Board Action: Ms. Leedy made a motion to approve the Agenda as amended. Mr. Rose supported the motion.

VOTE: YEAS: All. NAYES: None. Motion carried.

Mr. Paul Olson, Municipal Underwriters of Michigan (MUM) – Insurance Renewal, 2016

Mr. Olson delivered his presentation and distributed a Summary of Coverage. He reviewed aspects of our current policy including general liability, wrongful acts, fleet liability, inland marine coverage, crime coverage, public official bond, employee blanket bond, business electronic equipment, Workers' Compensation, etc. Specific coverage amounts were outlined in the policy.

The premium for 2016 is quoted at \$8,969 as compared to last year's premium of \$8,579, equating to a 3% increase. We received a 1.3% refund from the dividend program last year; this year we will be receiving a 4% dividend in May, essentially offsetting the premium increase. There was Board discussion regarding coverage.

Ms. Rognlie inquired about the possibility of a Worker's Comp audit. This is a payroll-driven, paper audit.

March 1, 2016, is the due date for the liability coverage and Worker's Compensation plans; Treasurer Velez reported the Work Comp bill has already been paid.

Mr. Fisk noted that once the reconstruction of the plant is completed, there may need to update the policy.

Note: Compliance Officer Ray Ravary arrived at 6:20 p.m.

ACCEPTANCE OF MINUTES:

Acceptance of Minutes, Regular Meeting, 1-21-16:

Board Action: Ms. Leedy made a motion to accept the Minutes of the Regular Meeting of 1-21-16 as presented. Ms. Rognlie seconded the motion. VOTE: YEAS: All. NAYES: None. Motion Carried.

OFFICERS REPORTS

Treasurer's Report: Financial Report – January 31, 2016, and Payment of Bills

The Financial Report was previously distributed to the Board. The updated A/P Aging Report was distributed at the meeting. Treasurer Velez noted the following:

Regarding expenses for the credit union, one was a \$5.34 service charge, which was refunded. Two others were overdraft transfers (\$8.00), which were reimbursed to FLAUA by H&R Block due to an accounting oversight.

The Truck Repair budget is currently at 186% of budget due to the purchase of new tires. Ms. Velez will confer with H&R Block to reclassify these expenses among Equipment Maintenance vs. Truck Maintenance. Otherwise, accounts are in line to date.

Mr. Fisk noted an erroneous charge to the Chemical Bank depository account; we were credited the \$7 fee by Chemical Bank.

Board Action: Ms. Leedy made a motion to accept the Financial Report as presented. Ms. Rognlie seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried.

Bills Payable:

Board Action: Ms. Leedy made a motion to pay the Bills Payable including the PAR Plan insurance bill. Mr. Rose seconded the motion. ROLL CALL VOTE: Rose-Y, Leedy-Y, Gwizdala-Y, Gifford-Y, Fisk-Y, Velez-Y, Rognlie-Y. Motion carried.

President's Report: The President's Report was previously distributed to the Board. Mr. Fisk noted: We received approval from the Office of The USDA Office of the General Counsel who reviewed the three (3) construction bid contracts. He reiterated the importance of the Board's efforts in achieving compliance requirements set forth by the entities involved in this project. Moreover, how it has made the difference in procuring the largest awarded percentage of grant ever awarded by the USDA/RD.

Secretary's Report: This was moved to Unfinished Business in the Agenda amendment.

COMMITTEE REPORTS:

Compliance Officer/FVOP Report:

The Compliance Officer's Report was previously distributed to the Board. Mr. Ravary also reported on the following:

The air-monitoring meter is no longer functioning; it is obsolete. He has researched costs, models, and service. He reiterated the urgency of moving the project forward due to the age and condition of the plant and equipment.

Board Action:

Ms. Leedy made a motion to approve up to \$900 for Mr. Ravary to purchase an air-monitoring meter, with the contingency he get a second quote from another company on a comparable unit to ensure the price is within reason. Ms. Rognlie seconded the motion.

ROLL CALL VOTE: Leedy-Y, Gwizdala-Y, Gifford-Y, Fisk-Y, Velez-Y, Rognlie-Y, Rose-Y. Motion carried.

Mr. Ravary also reported the quarterly well sample was done today, most well lock boxes are now painted, the head for the generator is back, the phone has been repaired, and the MIOSHA consultant appointment has been rescheduled.

Personnel Committee: Minutes of the Personnel Committee Meeting of February 4, 2016, were previously distributed to the Board.

Ms. Velez reported on the Fleis & VandenBrink (F&V) staff evaluation and FLAUA employee evaluations. The evaluations were outstanding, with specific feedback about the synergy of the staff. Subsequently, the Committee recommended wage increases for plant personnel. Board discussion followed on proposed wage increases and related budget amounts.

Board Action:

Ms. Leedy made a motion to accept the recommendation of the Personnel Committee to authorize an increase of \$1.50 per hour for Mr. Ray Ravary, effective February 21, 2016. Ms. Rognlie seconded the motion.

ROLL CALL VOTE: Gwizdala-Y, Gifford-Y, Fisk-Y, Velez-Y, Rognlie-Y, Rose-Y, Leedy-Y. Motion carried.

Board Action:

Ms. Leedy made a motion to accept the recommendation of the Personnel Committee to authorize an increase of \$1.00 per hour for Mr. Ray Garchow, effective February 21, 2016. Ms. Rognlie seconded the motion.

ROLL CALL VOTE: Gifford-Y, Fisk-Y, Velez-Y, Rognlie-Y, Rose-Y, Leedy-Y, Gwizdala-Y. Motion carried.

Board Action:

Ms. Leedy made a motion to accept the recommendation of the Personnel Committee to authorize an increase of \$1.00 per hour for Mr. Jamie Stocking, effective February 21, 2016. Ms. Rognlie seconded the motion.

ROLL CALL VOTE: Fisk-Y, Velez-Y, Rognlie-Y, Rose-Y, Leedy-Y, Gwizdala-Y, Gifford-Y. Motion carried.

Steering Committee: Ms. Leedy reported on the following:

Jonathan Rose is now on the Steering Committee, replacing Ricky Hulwick.

We are now ready to seek approval from the FLAUA Board to seek construction bids. The attorneys and all three constituent municipality Boards will receive the same bid documents for review.

She outlined how the bid process is executed, legal and licensing requirements of contractors, the role of the engineers, USDA compliance requirements, pre-bid meeting, bid opening and reviews, Steering Committee/Engineering meeting, Special Board meeting to review/accept recommendations of engineers, municipalities to approve, close bond, Letters of Intent, etc. There are three separate bid packages to achieve best pricing and execute the project. There is the potential for one company or several companies to receive bid approval.

Board Action:

Ms. Leedy made a motion to authorize the Fife Lake Area Utility Authority (FLAUA) to go out for construction bids and set a construction schedule. Ms. Rognlie supported the motion.

ROLL CALL VOTE: Velez-Y, Rognlie-Y, Rose-Y, Leedy-Y, Gwizdala-Y, Gifford-Y, Fisk-Y. Motion carried.

Ms. Leedy also reported that pursuit of the Disadvantaged Status is at a standstill at this time due to major changes at the DEQ.

SPECIAL ORDERS: Municipal Underwriters of Michigan (MUM); this was moved to earlier in the meeting per Agenda amendment.

UNFINISHED BUSINESS:

President Fisk and Secretary Rognlie noted there will be some minor changes to the Rules & Regulations, which are mandated by state statute, specifically in the accounting section regarding the previously discussed property ownership & billing issue. We will be discussing this and a prospective Resolution at the next Regular Meeting.

NEW BUSINESS: None.

CITIZEN COMMENT: None.

BOARD COMMENT:

Ms. Rognlie congratulated the Board on authorizing the bid process. Ms. Leedy expressed thanks to everyone who has put their time into this process, reiterating that we received three times the amount of grant monies most communities our size receive. President Fisk noted we have saved the community a significant amount of money through the efforts put forth during this process.

ADJOURNMENT:

Ms. Gifford made a motion to adjourn the meeting. The meeting adjourned at 7:28 p.m.

Submitted by:

Kay Z. Held, Recording Secretary