

FIFE LAKE AREA UTILITY AUTHORITY (FLAUA)

Regular Meeting - Minutes

Wednesday, December 15, 2021, 6:00 p.m. 231-879-3565
Fife Lake Township Hall, 134 Morgan Street, Fife Lake, MI 49633

CALL TO ORDER: President Tom Gray called the meeting to order at 6:02 p.m.

ROLL CALL: President Gray called Roll.

Present: President Tom Gray, Vice President Marilyn Hayes, Treasurer Jodi Thayer, Secretary Leigh Gifford and Commissioners Ron Broering, Tom Hempsted, David Gill and David McGough. A quorum was established.

Absent: Commissioner Jim Gifford.

Others in Attendance:

Mr. Ray Ravary, Compliance Officer
Ms. Kay Held, Recording Secretary

APPROVAL OF AGENDA: Addition:

New Business: Election of Officers

Board Action:

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

ACCEPTANCE OF MINUTES:

Acceptance of Regular Meeting Minutes of November 17, 2021:

Amendment: Correct footer date from 10-20-21 to 11-17-21.

Board Action:

Ms. Hayes made a motion to accept the Minutes of the November 17, 2021, Regular Meeting as amended. Mr. Hempsted seconded the motion.

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

Mr. Broering abstained as he was absent at the November meeting.

TREASURER'S REPORT:

Treasurer's Report – Financial Report of November, 2021, and Payment of Bills:

The November, 2021, Treasurer's Report was distributed in advance of the meeting for Board review. Treasurer Thayer also reported:

Year, to date, Revenue is currently at 103% of budget.

Re: The Van's Lane settlement ~ Treasurer Thayer spoke with the Grand Traverse County Treasurer who recommended FLAUA place 10% of the lien amount on the tax roll per year. Ms. Thayer will draft a letter to notify the customer and property owner that the entire amount remains due as well as the percentage placed on the annual tax roll. There was Board consensus in this matter. Treasurer Thayer will verify with the attorney that the settlement was recorded.

Board Action:

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

Payment of Bills: November, 2021, Bills Payable: An updated A/P report was distributed at the meeting. There was Board discussion regarding Bills Payable.

The following invoices/payments were verified:
Hammersmith Company for \$365 and \$23.05; compressor rental and hose fitting
Amazon for \$630.70 on debit card; OHM meter
Advantage Electric for \$3,782.16; insurance claim work
Industrial Chem Labs for \$469.24; degreaser
PVS Technologies for \$2,006; ferric chloride
State of Michigan (Operating Funds) for \$306 (paid 11/23/21); Compliance Officer will clarify this.

The MissDig fees of approximately \$1,600 were verified:
\$1,020 membership fee
\$103.04 maintenance fee for codes
\$77 maintenance fee for remote member access account
\$250 education and awareness fee
\$140 for the 2nd of 3 annual adjustment fees for necessary enhancements

Board Action:

Mr. Broering made a motion to approve the November, 2021, bills as presented. Mr. Gill seconded the motion.

ROLL CALL VOTE:

Hayes-Y, Thayer-Y, Broering-Y, Gray-Y, L. Gifford-Y, McGough-Y, Gill-Y, Hempsted-Y. Motion carried.

Mr. Ravary notified the Board of an expenditure of \$180 at Menards. Realizing he did not have the company card with him, he paid the total out of his personal funds. The Board asked him to submit receipt for reimbursement.

GUESTS: None.

COMMITTEE REPORTS:

Personnel Committee: No meeting. No report.

Part-time employee Mr. Jacob Shively has had car problems and missed work several times; however, Mr. Ravary would like to give him more time. Mr. Chris Houghton stated he will be working more so that Mr. Ravary can show him additional functions. The Board emphasized the need for employee readiness in the event of the absence of the Compliance Officer.

Steering and Operations Committee: No meeting. No report.

Compliance Officer/FVOP Report: The Compliance Officer Report was distributed in advance of the meeting and discussed among the Board. Mr. Ravary also reported the following:

Today on rounds there were generator problems. The block heater was out, kicking out a GFI. Mr. Mike Graham said they last about four years and advised Mr. Ravary what was needed. He purchased a new one.

The Mahindra tractor was returned yesterday (12/14/21). Quite a few seals had to be replaced due to a problem with the rear pump. Compliance Officer Ravary will review what is under warranty.

The pond condition is low; it is still muddy where water comes in, but he doesn't believe it is at risk to plug up.

The solar beam is not rotating. He will check and/or replace the battery; it doesn't seem to be holding the charge.

CITIZEN COMMENT: None.

NEW BUSINESS:

Review & Approval of 2022 Budget:

Treasurer Thayer distributed the proposed 2022 Budget to the Board. She noted the following:

Adjustments:

She did not increase the Income category; it is projected based on service to users. Additional revenue is due to connection fees and hook-ups.

Treasurer Thayer changed the following accounts:

Postage up to \$2,800

Accounting Fees increased to \$13,000

Decreased Professional Fees to \$21,180 to balance Accounting / Professional Fee accounts

Cell Phone increased to \$1,300

Internet increased to \$500

Uniforms increased by \$350. (Took funds out of Testing Fees).

QuickBooks Payment Fees increased to \$4,700 as more online payments are anticipated in the next year.

Uncategorized Expense is at \$29,550 and provides some leeway to make adjustments in other categories. She removed smaller categories that can be managed elsewhere; i.e., Returned Payment Fees, Bank Service Charges, Late Charges Fees. These were minor and can be accounted for in other categories.

She noted Legal Fees were \$4,407 which seems low due to the lawsuit expenses. She believes some of the legal fees were recorded under Professional Fees.

The bottom line remains the same: \$370,000 Income, \$370,000 Expenses.

Board Action:

Ms. Hayes made a motion to approve the proposed 2022 Budget. Mr. Broering seconded the motion.

ROLL CALL VOTE: Hempsted-Y, Gill-Y, McGough-Y, Hayes-Y, Thayer-Y, Broering-Y, Gray-Y, L. Gifford-Y. Motion carried.

Election of Officers:

Board Action:

Ms. Thayer made a motion to nominate Mr. Tom Gray for the Board position of President. Mr. Broering seconded the motion. Mr. Gray accepted the nomination.

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

Board Action:

Mr. McGough made a motion to nominate Ms. Marilyn Hayes for the Board position of Vice President. Mr. Broering seconded the motion. Ms. Hayes accepted the nomination.

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

Board Action:

Ms. Hayes made a motion to nominate Ms. Jodi Thayer for the Board position of Treasurer. Mr. Broering seconded the motion. Ms. Thayer accepted the nomination.

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

Board Action:

Mr. Gill made a motion to nominate Ms. Leigh Gifford for the Board position of Secretary. Mr. Broering seconded the motion. Ms. Gifford accepted the nomination.

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

OLD BUSINESS:

Asset Management Plan:

There was Board discussion about long-term needs. Compliance Officer Ravary will have an updated Asset Management Plan next meeting.

Approximately three years ago the Board approved fencing along Vans Lane; however, has not had enough manpower to implement this. The Board is hopeful that some ARPA (American Rescue Plan Act) funds will be awarded from the Township and may be put towards this fencing. It is anticipated the cost will be approximately \$30,000; the current fencing is 40 years old. Compliance Officer Ravary will provide a quote to the Board to include in a formal ARPA request to both, Fife Lake and Springfield Townships.

Additional discussion included needs that FLAUA anticipates or are required based on the Asset Management Plan:

- 1,900' of pipe needed for CCTV \$7,000
- Fencing \$30,000
- Manhole Assessment \$11,000
- Sewer cleaner replacement \$55,000
- Finished lagoon \$2.7 million
- Numerous Types of Valves on Industrial and Pickerel Lake; likely \$10,000 each site

Outstanding Task List Discussion:

The Outstanding Task List was reviewed. New items were added for individual and Board follow-up. Additional follow-up/resolution includes:

Treasurer Thayer has been investigating audit and reporting requirements. There has been some communication with USDA. She is waiting to hear whether annual audit requirements are permanent; the Board believes it will be required as long as we are making USDA payments. Fiscal year reporting requirements include submitting annual budget, list of officials, current sewer rate, list of current customers and insurance verification 30 days from end of fiscal year. An audit is required 150 days from start of new fiscal year.

There was Board discussion about the FLAUA truck and its current condition. Overall it is in good shape; however, in need of rust repair. The Board discussed possible consideration for leasing next vehicle.

COMMUNICATIONS: None.

CITIZEN COMMENT: None.

BOARD COMMENT:

Condolences were given to Commissioner Gifford on the passing of her father.

Compliance Officer Ravary would like to purchase an AED for the plant for both his safety and anyone else onsite. He estimates the cost to be \$600-700. Board discussion followed.

Board Action:

Mr. Gill made a motion to authorize Mr. Ravary to purchase an AED for the shop and to explore a source for appropriate training. Mr. Broering seconded the motion.

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

Compliance Officer Ravary informed the Board he procured 35 gallons of appropriate weed killer at no expense (value \$1,000).

ADJOURNMENT:

Mr. Broering made a motion to adjourn the meeting. Mr. Gill seconded the motion. The meeting adjourned at 7:19 p.m.

Submitted by: Kay Z. Held, Recording Secretary