

FIFE LAKE AREA UTILITY AUTHORITY (FLAUA)

Regular Meeting - Minutes

Thursday, December 20, 2018, 6:00 p.m. 231-879-3565
Fife Lake Village Hall, 616 East Bates Street, Fife Lake, MI 49633

CALL TO ORDER: President Tom Gray called the meeting to order at 6:01 p.m.

ROLL CALL: President Gray called Roll.

Present: President Tom Gray, Vice President Marilyn Hayes, Treasurer Jodi Velez, and Commissioners Dave McGough, David Gill, and Cathy Sorrow.

Absent: Secretary Leigh Gifford and Commissioners Jim Gifford and Ron Broering.

Others in Attendance: Compliance Officer Ray Ravary.

APPROVAL OF AGENDA:

Note: Election of Officers will be held at the January, 2019 meeting.

Board Action: Ms. Velez made a motion to approve the Agenda as presented. Ms. Hayes seconded the motion.
VOTE: YEAS: All. NAYES: None. Motion carried.

ACCEPTANCE OF MINUTES:

Acceptance of Regular Meeting Minutes of November 22, 2018:

Ms. Hayes made a motion to accept the Minutes of the November 22, 2018, Regular Meeting as presented. Ms. Velez seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried.

Messrs. Gill and Gray abstained from the vote as they were absent at the November meeting.

TREASURER'S REPORT:

Treasurer's Report – Financial Report of November 30, 2018, and Payment of Bills:

The Treasurer's Report was distributed in advance of the meeting. An updated A/P report was distributed at the meeting. Treasurer Velez also reported on the following:

Regarding \$400 for truck parts, Mr. Ravary will talk to Ms. Charity Sawyer of H&R Block to make sure they are recorded in the appropriate account.

Regarding \$108 to Skim Oil, Inc., under Total Administrative Expenses, (page 3 of 11 in the financial report) the report states "ask Ray." Mr. Ravary will also check with Ms. Sawyer to find out her question and ensure it is journaled in the proper category.

Board Action: Mr. Gill made a motion to approve the Financial Report as presented. Ms. Sorrow seconded the motion.
VOTE: YEAS: All. NAYES: None. Motion carried.

Payment of Bills: There was Board discussion regarding Bills Payable.

Board Action: December, 2018, Bills Payable:

Ms. Hayes made a motion to approve the December, 2018, bills as presented. Ms. Sorrow seconded the motion.
ROLL CALL VOTE: Hayes-Y, Velez-Y, Gray-Y, Sorrow-Y, McGough-Y, Gill-Y. Motion carried.

GUESTS: None.

COMMITTEE REPORTS:

Personnel Committee: No meeting, no report.

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 with the Board. Additionally:

Mr. Ravary made a request for authorization to purchase ferric chloride as we are at a low amount. We will need to purchase approximately 1,000 gallons. Mr. Ravary explained our usage and needs for it. He will try to split the load with someone else to avoid paying the full delivery fee.

Board Action:

Ms. Sorrow made a motion to authorize Compliance Officer Ray Ravary to purchase the necessary ferric chloride for the plant, approximately 1,000 gallons. Mr. Gill seconded the motion.

ROLL CALL VOTE: Velez-Y, Gray-Y, Sorrow-Y, McGough-Y, Gill-Y, Hayes-Y. Motion carried.

Mr. Ravary needs assistance re-formatting and re-typing the FLAUA packet consisting of the User Agreement, Sewer Application, and Deferred Monthly Charge Policy. He suggests contracting Recording Secretary Kay Held to reformat and retype these documents. It will be posted on the website upon completion.

Board Action: Ms. Velez made a motion to pay Recording Secretary a \$300 project rate to reformat/retype the FLAUA Sewer User Agreement, Deferred Monthly Charge Policy, and Sewer Application (connect and disconnect). Ms. Hayes seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried.

Ray will send an electronic copy of the current document for Kay to work from.

Mr. Ravary requested the purchase of a tablet as he has been using his personal cell phone, which is not adequate for his needs. He has researched two tablets and pricing. One can be purchased from our telephone service provider and added to our service for an additional \$20/month.

Board Action: Ms. Velez made a motion to approve the purchase of a Tablet for approximately \$800 plus insurance, and a \$20 monthly hot spot fee. Ms. Hayes seconded the motion. VOTE: YEAS: All. NAYES: None.

Mr. Ravary reported there is a Confined Space Entry class in Suttons Bay in January. He would like to send part-time employees Chris Houghton and John Vredevelt, as additional training of this nature can only be beneficial. The cost is \$150 per employee.

Board Action: Ms. Sorrow made a motion to authorize Confined Space Entry training for two part-time employees, Chris Houghton and John Vredevelt, at \$150 each plus mileage. Mr. Gill seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried.

Mr. Ravary reports the hydraulic pump is back; however, it needs a spiral clip, which is now obsolete. He attempted to utilize other parts, without success. This pump is essential for the operation of the jetter. He spoke with Grand Traverse Hydraulic, and they can provide an appropriate pump for \$585.

Board Action: Ms. Velez made a motion authorizing Mr. Ravary to purchase a hydraulic pump for operation of the jetter in the amount of approximately \$585. Mr. Gill seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried.

Mr. Ravary has been rebuilding the sprinkler heads and needs to purchase some rebuild kits. They are \$50-60 per kit and are within his spending authority.

Mr. Ravary reported vac truck prices are \$280/hour plus travel time. Due to freezing conditions, he recommends we wait until Spring to do this.

Integrated Controls Engineering (ICE) has finally begun to put flood lights and door panel lights at Pickerel Lake and Vans Lane.

An aerator has moved again. This needs to be corrected and has been an ongoing issue. It has not been fixed properly. There is a serious disconnect between Fleis and VandenBrink (F&V) (the engineer) and Triple Point Lagoons (the manufacturer) regarding who is responsible for getting this system in operating order. The Board needs to get more involved with these parties as they have alluded to operator error for the problem. It has not worked properly since its installation.

CITIZEN COMMENT: None.

NEW BUSINESS:

Budget Approval for 2018 Adjustments and 2019 Proposed Budget:

This information was previously distributed to the Board for review and was discussed at this evening's meeting.

ADJUSTMENTS FOR 2018 Budget: In balancing the 2018 Budget:

Regarding the Natural Gas line item, the new budget amount is \$1,600/year. Per prior discussion, this was not budgeted for as we did not previously have natural gas. Wages were reviewed regarding current year projected vs. year to date vs. future year projected amount. The Wages line has been adjusted to \$60,000. As we are now paying less for Professional Fees, budgeted monies will be transferred from that line item. A line item for Employee Medical expenses was created.

Board Action: Mr. Gill Made a motion to accept the Adjusted 2018 Budget as presented. Ms. Hayes seconded the motion. VOTE: YEAS: All. NAYES: None.

PROJECTED 2019 BUDGET:

The 2019 Projected Budget was previously distributed to the Board for review. Approval of this was tabled until the January, 2019 meeting.

The Board again discussed the Bond payment and interest payment are not yet demonstrated as a line item in the 2019 Budget. The interest is shown; however the payment is not.

APPROVAL OF 90-DAY SEWER CONNECTION LETTER:

Ms. Velez read aloud the revised 90-day Sewer Connection Letter.

Board Action: Ms. Hayes made a motion to accept the revised 90-day Sewer Connection Letter. Ms. Sorrow seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried.

Letters will be sent by certified mail by December 31, 2018.

OLD BUSINESS:

Cummins Generator:

Mr. Gray spoke with Ben Kladder (F&V) who suggested he speak with the Bridgeway-Cummins Rep, Bruce Otte, who stated the warranty can be extended to three years from Date of Service December 1, 2016 through December 1, 2019. They still have the customer listed as the Village of Fife Lake. President Gray expressed for the third time it needs to be corrected to FLAUA. He reviewed usage stats with Bruce Otte today.

There was Board discussion and consensus that this matter now needs to be escalated to our Attorney as no acceptable warranty offer has been made on this \$70,000 piece of equipment with which we have had problems since early after start-up (re: antifreeze leak). Mr. Ravary will provide President Gray with a timeline and detail of usage, starts, all problems, and services that have been provided to date to provide to our attorney for generation of a letter to Bridgeway-Cummins.

Valves: President Gray will contact Ben Kladder of F&V to accept their offer of five new valves from Etna. FLAUA will install them.

Outstanding Task List Discussion:

The Outstanding Task List from last month was discussed. New items were added for individual and Board follow-up.

COMMUNICATIONS: None.

CITIZEN COMMENT: None.

BOARD COMMENT: Ms. Velez is working on getting audit materials ready. She will let members know if she needs anything.

ADJOURNMENT: Ms. Velez made a motion to adjourn the meeting. Ms. Hayes seconded the motion. The meeting adjourned at 7:40 p.m.

Submitted by: Kay Z. Held, Recording Secretary