

FIFE LAKE AREA UTILITY AUTHORITY (FLAUA)

SPECIAL MEETING

MINUTES

Thursday, October 2, 2014

6:00 p.m. Fife Lake Village Hall, Fife Lake, MI

CALL TO ORDER: The meeting was called to order at 6:04 p.m. by Ms. Jodi Velez, acting Interim President.

ROLL CALL: Roll was called by acting Interim President, Jodi Velez.

Present: Jodi Velez-Vice President, Lori Ann Rognlie-Secretary, Tom Gray-Treasurer, and Commissioners: Ron Broering, Ricky Hulwick, Lisa Leedy, William Saba, and Brandon Gwizdala.

Absent: None.

Others in Attendance: Members of the Public.

APPROVAL OF AGENDA:

Ms. Velez was in receipt of a letter from Fife Lake Township; however, Board Members clarified that the Agenda of a Special Meeting cannot be amended. Said topic from Fife Lake Township is relevant to the Plant Assessment section of the New Business portion of the Agenda and will be discussed at that time.

Board Action:

Mr. Broering made a motion to accept Agenda as presented. Mr. Gray seconded the motion. Vote: YEAS: All. NAYES: None. Motion carried.

PUBLIC COMMENT

There was no public comment.

NEW BUSINESS:

Plant Assessment

Ms. Velez reported she met with Superintendent Mr. John Koch Monday, 9-29-14. Mr. Koch relinquished his FLAUA issued building and vehicle keys, cell phone, credit card, and Fuelman card. He also presented a letter to FLAUA stating he could no longer continue to work with the organization without more job security or a contract.

While this correspondence did not specifically state Mr. Koch's resignation, when asked by Ms. Velez, he stated he would not be into work the next day or at today's Special Meeting, and asked for the correspondence to be presented to the Board. As of today 10-2-14, he has not returned to work, and Mr. Joe Burfield, backup Operator, has been on-call since 9-29-14 and has been doing rounds.

Ms. Rognlie believes Mr. Koch has essentially resigned as his FLAUA property was returned and he has failed to show for work. She impressed upon the Board the immediate concern is to determine needs for plant security, ensure coverage with another Operator, and move forward. Numerous Board Members requested a copy of Mr. Koch's correspondence.

Treasurer Gray discussed the need to facilitate final payroll to Mr. Koch and provide direction to Forest Area Services (FAS). There was much discussion among the group regarding sick time that was carried over from prior employment agreement, and hours worked on time sheet turned in on 9-29-14. The group discussed all hours in question and agreed upon the following monies owed Mr. Koch (see motion below).

Board Action: Ms. Leedy made a motion to pay Mr. John Koch 31 hours to fulfill FLAUA's obligation for sick time (as vacation and comp time pay were approved at prior meeting). Additionally, Mr. Koch is to be paid 9.5 hours of regular pay for hours worked through 9-29-14. This will fulfill all financial obligations to Mr. John Koch. Ms. Rognlie supported the motion.

Additional discussion followed regarding the On-Call Stipend for September, 2014, also due Mr. Koch. Ms. Leedy amended her motion to also facilitate payment of the September 2014, \$600 On-Call Stipend. Ms. Rognlie supported this motion as well.

ROLL CALL VOTE: Velez-Y, Rognlie-Y, Gray-Y, Broering-Y, Hulwick-Y, Leedy-Y, Saba-Y, Gwizdala-Y. Motion carried.

Correspondence from Ms. Linda Forwerck, Fife Lake Township Supervisor:

FLAUA received correspondence from Ms. Linda Forwerck, Fife Lake Township Supervisor, expressing concerns about the performance evaluation of Superintendent John Koch and subsequent resignation of Commissioner Robert Sturdavant. This correspondence noted multiple requests for information regarding this employee's evaluation process. The Board discussed the confidential nature of this information in that it is part of the employee's personnel record. Additionally, the employee had requested Closed Sessions during FLAUA meetings to conduct the evaluation process. Records of Closed Sessions are not made available outside of the FLAUA Board. Additionally, the employee has since resigned from his position with FLAUA. Ms. Velez, as acting Interim President, will prepare a response to Ms. Forwerck indicating as such.

ACTION PLAN:

Security:

Ms. Velez believes all FLAUA keys in possession of Mr. Koch were relinquished to her. Ms. Velez has a set of keys. Mr. Joe Burfield, Relief Operator, has a set and was given the Superintendent's cell phone. Another set of keys is in Treasurer Gray's possession. Members discussed re-keying gates/padlocks, exterior plant doors and the second building, as well as the A-3 location fence. The Board does not believe it necessary to re-key every A and B station as concern for any damage by former employee is minimal and would be prosecutable.

Board Action:

Ms. Leedy made a motion to have master locks replaced for gate, fence, and ancillary & exterior building doors. Mr. Saba seconded the motion. ROLL CALL VOTE: Rognlie-Y, Gray-Y, Broering-Y, Hulwick-Y, Leedy-Y, Saba-Y, Gwizdala-Y, Velez-Y. Motion carried.

Mr. Gray will change out the locks rather than contract a locksmith. Once re-keyed, an inventory list will be prepared for insurance purposes. There will be three complete sets of keys. Mr. Burfield and Ms. Velez will each have a set in their possession, as well as a spare set available (Mr. Gray will hold third set at this time). There are no concerns about re-keying the FLAUA work truck.

Laptop Computer:

Ms. Velez reported there was a computer problem with the Administrator Sign-on and Ms. Leedy reported there was a problem with the virus protection software/update. Ms. Leedy had it restored at Mad Mike's. There remains a problem with the internet connection and the driver for that may have been lost; Ms. Leedy will look into re-establishing the internet connection.

Ms. Velez noted a scheduled SIMS downloadable program from Michigan Rural Water Association (MRWA), which is a requirement of the United States Department of Agriculture (USDA). Ms. Leedy had spoken with Mr. Eli Bromley with MRWA; however, she was not comfortable with his knowledge of the program/process and having sensitive data loaded onto FLAUA computer without more information.

Mr. William Fisk addressed the Board, indicating he had previously approached Mr. Bromley with MRWA based on referral by Mr. Blake Smith, our USDA contact. The data entails all contacts and secure information required by USDA; however, he was also uncomfortable with having the SIMS software loaded onto an unsecure laptop.

Ms. Leedy noted the laptop is now secure and being backed up; she inquired of the Board how they wished to proceed. The USDA requires this information to be in place in the near future. Ms. Velez will contact Mr. Eli Bromley of the MRWA to get more specifics on how this program is to be downloaded.

Ms. Velez asked if FLAUA computer password had been changed. Ms. Leedy stated passwords were changed on September 11. Emails prior to September 10 had been deleted; she attempted to recover those emails with AT&T. She is exploring the option of storing emails on the computer and having them backed up. She noticed an email dated September 9 regarding a noncompliance issue with a deadline of September 20; however, is uncertain as to what it pertained. She suggested Janice Heuer with the Department of Environmental Quality (DEQ) be contacted about this.

Ms. Velez asked Mr. Burfield if he was able to contact Miss Dig, he could not access them through the FLAUA site but can through the Miss Dig site. Miss Dig sends notices of excavation planned and, if in our area, that we flag our utilities or respond if it is not in our area. These notices need to be monitored.

Mr. Gray asked Mr. Burfield when monthly reports are due; he stated at this time he is unaware when discharge and monthly reports, etc., are due. Ms. Leedy has spoken with Mr. Blair Selover, the Regional Manager with Fleis & VandenBrink Operations, who indicated that under our contract with them he would help sort this out to get the reporting back on track. He will also look into the above-mentioned "non-compliance" email of 9/9 noted above.

There was discussion among the Board and Mr. Burfield about gathering and reporting data as well as licensing requirements. Mr. Burfield holds a B Wastewater License. FLAUA needs to have an L-2 licensed operator on the discharge permit. Ms. Leedy will meet with Mr. Blair Selover (F&V Operations) to determine process moving forward for license holder while ensuring we meet F&V and DEQ standards. Mr. Selover will be in town Friday for an ultrasonic flow meter training that is part of our redevelopment project.

Mr. Broering suggested we get F&V's input on our procedures on critical items to meet grant requirements. Mr. Fisk noted that much of the inflow meter data will be put into TC Analytical data reports. This was not being followed by former Superintendent, with no entry in September.

Mr. Gray asked Mr. Burfield what time commitment he can offer while FLAUA is without a full-time Superintendent/Operator. He believes he can be available for our needs with the exception of two-man jobs.

Mr. Gray suggested the Board consider our direction on hiring a new Superintendent or a management firm that can offer all services. Ms. Rognlie suggested the Personnel Committee meet to define needs, explore options, and make a presentation to the Board. The issue at hand today is that we do not have a licensed operator in place. Ms. Leedy noted the MRWA may step in to be a license holder in this type of situation. Our permit will need to be amended.

The Board discussed whether Fleis & VandenBrink could come in to run our system. Ms. Leedy stated they could provide two part-time operators and come in on projects at \$65/hour. However, FLAUA would still have a need for someone onsite for daily operations. She is unsure if their license will cover our system and will check into this. Ms. Leedy suggested the option of hiring a part-time person to help take the load off Mr. Burfield.

Mr. Fisk suggested communicating with Mr. Blair Selover (F&V Ops) as he may have some viable suggestions to meet daily needs, rounds, and ability to respond to issues. He manages numerous operations, has 25+ years' experience in the industry, and can be a valuable resource.

Board Action:

Mr. Broering made a motion for Ms. Leedy and Mr. Gray to contact Mr. Blair Selover of Fleis & VandenBrink Operations to discuss procuring an on-site operator and whether they can give their authority to utilize their license during this interim situation. Mr. Hulwick seconded the motion. Vote: YEAS: All. NAYES: None. Motion carried.

Board Action:

Ms. Leedy motioned to provide Mr. Joe Burfield a daily On-Call Stipend of \$20 since taking on increased responsibility in the absence of a full-time Superintendent, effective September 30, 2014. This is the same dollar amount paid to previous Superintendent. Mr. Hulwick seconded the motion. ROLL CALL VOTE: Gray-Y, Broering-Y, Hulwick-Y, Leedy-Y, Saba-Y, Gwizdala-Y, Velez-Y, Rognlie-Y. Motion carried.

PUBLIC COMMENT:

Mrs. Ellen Hart, 11782 East State Street, Fife Lake, MI 49633.

Mrs. Hart inquired of the Board who will be conducting the daily observation of the stations to protect the homes of the community in the absence of Mr. John Koch. The Board replied Mr. Joe Burfield, Relief Operator will be doing so in the meantime.

TRUSTEE COMMENTS:

Mr. Gray expressed thanks to Mr. Joe Burfield, Relief Operator, for taking on the added responsibility of overseeing plant operations in the absence of a Superintendent at this time.

Commissioner Broering expressed thanks to Vice President Velez for acting as Interim President after the resignation of President William Fisk.

Ms. Rognlie expressed thanks to Mr. William Fisk and Ms. Lisa Leedy for the intensive work done regarding the problems at the plant and involvement with USDA, DEQ, MRWA, F&V, and interaction with the Board. Also thanks to Ms. Velez and Mr. Gray, as well as the entire Board.

Ms. Leedy made a request to Mr. William Fisk to return to the Board in his prior role as President.

The USDA would like consistency through the remainder of this project. She believes his work was invaluable to the progress we achieved thus far and, while members of the Board are taking on more responsibilities, it is taxing on all parties. Other Board Members asked him to reconsider. Mr. Fisk appreciated the sentiments and believes this project and this Board can succeed if it operates as a cohesive team. He agreed to consider the possibility of returning to the Board.

ADJOURNMENT:

Board Action: Mr. Gray made a motion to adjourn the meeting. Mr. Broering seconded the motion. Meeting adjourned at 7:12 p.m.

Submitted by:

Kay Z. Held
Recording Secretary

John T. Koch
1461 Woodlawn Avenue
Clare, MI 48617
989-802-1122
johntkoch@yahoo.com
October 1, 2014

Jodi Velez
FLAUA Board
Fife Lake, MI

Dear Jodi and FLAUA Board:

As a superintendent and operator I have made great improvements to the wastewater system in the Fife Lake area over the last year. I have upgraded it from what it was to a professional system that the public can be proud of. I have taken a system that was on the verge of a complete collapse and brought it to a point where it's sustainable until we can upgrade. I have done this with very limited tools and resources at my disposal while trying to control costs so that funds are not wasted for repairs that may be discarded after the upgrade. There is still lots of work to be done and I have been working diligently to achieve everyone's goals. There have been several board members that have ambushed me for their own political game and/or personal grudges. All you need to do is look around the room and you will be able to find common denominators as to who's causing trouble for myself and this Board. They have done it on previous boards and they're doing it now to the FLAUA Board. I have been manipulated by some board members and the engineers for their own personal gain.

When the board offered me my first contract in 2013, I was a salaried employee and if I worked over 40 hours I was supposed to take time off the following week. This didn't work well because I had no coverage during the week so I started to receive comp time. I started receiving comp time with the Board's approval but the Board didn't realize that comp time, by Federal law, must be paid at time and one half. This is when I believe problems began to emerge. At this point an internal controversy began within the Board. A few Board members apparently had personal grudges against other Board members and made a point of pushing to get comp time for me because they knew that the other Board members were against it. In their determination to make a point, they pushed this issue and consequently put me in the middle of a situation that I did not want to be in. I only wanted guidance regarding policy as to how to handle the no coverage problem. Instead, these Board members flip-flopped around, started scrutinizing every little detail of my job and went above and beyond their positions as Board members to control everything. As a result, they personally attacked my time management skills, work ethics and technical skills after I received a satisfactory evaluation from the Personnel Committee. When creating my contract for 2014-15 they decided that they would evaluate me again with a very critical evaluation with false information that I listed above. They then based my new contract on their opinion of my work. Because they don't understand the day to day workings of a public sewer system, they tried to get me to quit with their false statements and a contract that took away my health insurance, sick time and included no pay increase while at the same time micromanaging me daily. The same Board members treated me like a convict and also verbally abused me with their condescending

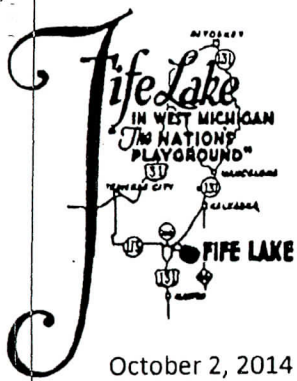
statements. I also have been personally sexually harassed by one Board member and feel that this is also why I am being targeted.

The Operation's Group from F&V have been very critical towards me. Exactly what I would say if I was trying to take over operations of a small wastewater treatment plant that has just received a large amount of funds. Engineers do not appreciate good operators because they hold the Engineers accountable for doing their job and doing it correctly. Other communities have been put in the same position that Fife Lake area is heading towards at this point. The Engineers come in and buddy up with some easily influenced, non-informed board members who know very little about maintaining and operating a sewer system. They do their best to make an operator such as myself look bad when in fact, the operator is doing a good job with limited funding and resources. Without a good operator in charge to keep the engineers in check you will end up spending way more money with the engineers with a system that may require additional funds to make it operator friendly. Although engineers are a necessity for the grant/loan process they don't have the practical operation experience that a good operator has. As an operator my only goals are to look out for the residents of the Fife Lake area, report to the Board and operate a friendly system that everyone can be proud of. The board should not be doing the Superintendent's job they should be doing their job which is to make policy and financial decisions for the Fife Lake Area Utility Authority. **That is how a team works together.**

It is obvious that there is much dissension between Board Members especially when you look back at the last meeting when several Board members said that they would resign if I did not sign the unfair contract and then did resign after I signed the unfair contract. I would be happy with a fair and equitable salary with the benefits that were promised when I took the job. I would also expect the same commitment from the Board that you expect from me. Being put back on the front line as an Operator/Superintendent so that I can provide input as to how the system is designed and developed is also something that needs to happen in order to make this project a success. This is what I was hired for. The decision is ultimately yours to make but do not be fleeced by micromanaging and manipulating people and engineers that are in this for their own personal gains. Some engineering firms do not want to be your partner they are there for the money and only the money. As an operator I have a vested interest in making sure that the Fife Lake area is protected and that the system is sustainable and practical for years to come while continuing the uninterrupted professional service that you have seen from me over the last year.

Respectfully Submitted,

John T. Koch



Fife Lake Township

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October 2, 2014

Jodi Velez, Vice President
FLAUA
Fife Lake, MI 49633

Dear Jodi and Sewer Authority Board Members:

I read the notice for your special meeting tonight at 6:00 p.m. I am unable to attend your meeting as I have a prior commitment downstate.

Fife Lake Township received Bob Sturdavant's resignation letter (copy attached) which states **"It has been identified through the employee review, by an independent consultant, subcontractors and personal experience that we are allowing substandard reporting, poor fiscal responsibility and lack of compliance to policy and practices."** Fife Lake Township's reporting member to our township board has not brought these concerns to our attention. Therefore, if there are existing problems that we have not been made aware of, it is of concern to me as township supervisor.

As one of the three municipalities that the FLAUA is incorporated through, I am asking for a more thorough report as to what actually is going on. If there was an evaluation of this FLAUA employee, I would like 1) a copy of that evaluation for Fife Lake Township, 2) how the evaluation was actually conducted, 3) who actually conducted it. 4) Who is the independent consultant, 5) the subcontractors, 6) how were their comments gathered and in what form, written or oral? 7) Was this done through an open and transparent process with employee input? 8) Was the employee given time to respond to this evaluation, 9) is there a copy of the employee's response on record.

If this review was not conducted in an open evaluation, I would highly recommend an open process be conducted in a professional manner.

Please respond before the next FLAUA meeting to Linda Forwerck, Supervisor at Fife Lake Township, 134 Morgan Street, P.O. Box 87, Fife Lake, MI 49633.

Sincerely,

Linda Forwerck, Supervisor
Fife Lake Township