

FIFE LAKE AREA UTILITY AUTHORITY (FLAUA)

Regular Meeting - Minutes

**AMENDED**

**Wednesday, August 16, 2023, 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 6:00 p.m.

**ROLL CALL:** President Tom Gray called Roll.

**Present:**

President Tom Gray, Vice President Marilyn Hayes, Secretary Leigh Ann Gifford, Treasurer Jodi Thayer and Commissioner Tom Hempsted. A quorum was established.

**Absent:**

Commissioner Ron Broering  
Commissioner Sandi Howell  
Commissioner Gerianne Street

**Others in Attendance:**

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

**APPROVAL OF AGENDA:**

Add to Communications:  
Grand Traverse County Treasurer, Vans Lane Property

Remove from New Business:  
Modified P&L Report under New Business – this was distributed and reviewed at the July meeting.

**Board Action:**

Ms. Hayes made a motion to approve the Agenda as amended. Ms. Thayer seconded the motion.

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

**ACCEPTANCE OF MINUTES:**

**Acceptance of Regular Meeting Minutes of July 19, 2023:**

**Board Action:**

Ms. Hayes made a motion to accept the Minutes of the July 19, 2023, Regular Meeting as presented. Ms. Thayer seconded the motion.

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

**NOTE: COMMISSIONER STREET ARRIVED AT 6:03 p.m.**

**TREASURER'S REPORT:**

**Treasurer's Report – Financial Report of July, 2023, and Payment of Bills:**

The July, 2023, Treasurer's Report was distributed in advance of the meeting for Board review.

Treasurer Thayer also reported:

Seven months into the year the budget should be at 58.6% YTD.

Gross Profit is at 69.94% YTD.  
Total Expenses are at 49.53% YTD.

As previously reviewed, higher line items are those that were paid in full in the first quarter of the year.

**Board Action:**

Ms. Gifford made a motion to accept the Financial Report as presented. Mr. Hempsted seconded the motion.

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

**Payment of Bills: July, 2023, Bills Payable:**

There was Board discussion regarding Bills Payable.

An updated A/P was distributed to the Board.

President Gray questioned the Seed World expense for \$473.06; it was for Diquat to treat the pond per Compliance Officer Ravary.

There were some small charges to Beacon and Bridge for fuel for equipment and gas cans.

**Board Action:**

Ms. Hayes made a motion to approve the Bills Payable as presented. Ms. Gifford seconded the motion.

ROLL CALL VOTE:

Street-Y, Hayes-Y, Thayer-Y, Gray-Y, Gifford-Y, Hempsted-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. Mr. Ravary also discussed the following:

He asked for approval for repair of the FLAUA truck's two front quarter panels, which are in poor condition. The truck is a 2014 Ford with only 65,000 miles. The bed/box of the truck is currently being replaced due to this winter's collisions and is covered by insurance, less the deductibles (two separate claims).

There was Board discussion. The truck is mechanically sound and has been well-maintained. Repairing the exterior will extend the life of the vehicle.

**Board Action:**

Ms. Thayer made a motion to approve an out of pocket repair expense of approximately \$1,632 to replace the two front quarter panels of the FLAUA truck while the insurance repairs are being made. Ms. Hayes seconded the motion.

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

The Board reviewed information regarding the submersible pump that was previously discussed. This concern has been clarified as it was previously thought it had been placed in an improper location. This was investigated and there was no error in the pump's placement.

Mr. Ravary reported he has received two applications for connections to the sewer system from Forest Area Federal Credit Union and Mr. Thomas Runkel. Applications for each property have been submitted and applicable fees paid.

**Board Action:**

Ms. Hayes made a motion to approve the following two property tie-ins: Forest Area Credit Union and Thomas Runkel. Ms. Gifford seconded the motion.

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

Mr. Ravary received a call from Kennedy Pump, who has taken apart the deep well pump. They found problems with the motor and will rewind it. There will be an additional expense. Kennedy will provide a list of parts needed so we can drill to put in the drains for the lift station pumps.

The Board and Mr. Ravary discussed other pumps, the extensive number of hours they need run in order to operate the system. Mr. Ravary impressed upon the Board the importance of performing maintenance on this integral equipment. He continues with preventative maintenance.

Mr. Ravary's report covered numerous other items he continues to work on at the main plant and stations.

**CITIZEN COMMENT:** None.

**NEW BUSINESS:** None.

**OLD BUSINESS:**

**110 Maple Tie-in – Michelle Hayes:**

Resident Michelle Hayes was in attendance at this evening's meeting regarding a previously discussed tie-in problem where the leads were not correctly identified in the prints.

Treasurer Thayer received an email from the Adjuster at Tokyo Marine who denied the claim due to governmental immunity. She forwarded the information to Claimant Michelle Hayes.

There was Board discussion reiterating the activity at the scene at 110 Maple Street. An FLAUA representative was onsite while Ms. Hayes' contractor was attempting to find the location. Compliance Officer Ravary provided information to the Board as well. There were several issues with the print locations, physical location, contractor efforts and ultimately locating the correct tie-in location.

The Board agreed the lead was mismarked on the plans. There was discussion about the prospect of pursuing damages from Fleis & VandenBrink; however, the Board weighed out the cost of legal expenses in pursuing this.

The FLAUA acknowledges partial fault in that the site was not accurately marked; however, they were utilizing the prints they were provided.

Ms. Hayes' original request for reimbursement was for \$3,000.

**Board Action:**

Ms. Thayer made a motion to approve payment as requested by Ms. Michelle Hayes in the amount of \$3,000 for the additional costs incurred during her 110 Maple tie-in due as prints were incorrectly marked. Ms. Street seconded the motion.

ROLL CALL VOTE:

Hempsted-Y, Street-Y, Hayes-Y, Thayer-Y, Gray-Y, Gifford-Y. Motion carried.

The funds will be drawn from Uncategorized Expenses.

Resident Ms. Michelle Hayes thanked the Board for their cooperation in this matter.

**COMMUNICATIONS:**

**Grand Traverse County Treasurer, re: Vans Lane Property:**

Treasurer Thayer informed the Board she received a letter from the Grand Traverse County Treasurer regarding the Vans Lane/Wilson property.

The County is setting an inspection deadline for the 10944 Vans Lane property. Real estate with 2021 or previous years' unpaid property taxes will be subject to property inspection and posting beginning September 4, 2023. FLAUA received this notice as we have a lien on the property.

As previously confirmed, FLAUA received a payment of \$950 from the County.

Delinquent taxes to date are for 2021, \$3,247.76 if paid by 8/31/23. For 2022, \$2,554.76 if paid by 8/31/23. That is a total of \$5,802.72 (if paid by 8/31/23).

Treasurer Thayer's understanding is the resident only needs to pay the 2021 amount to be cleared and the process repeats next year. If the taxes and accumulating fees are not paid by 3/31/24, the property would go into foreclosure.

If it goes into foreclosure, Ms. Thayer understands FLAUA's lien would be wiped out as the County would then own the property through foreclosure.

There was Board discussion regarding this situation and possible outcomes.

**CITIZEN COMMENT:** None.

**ORGANIZATIONAL CALENDAR:**

Each item on the Organizational Calendar for this month was reviewed and discussed.

**OUTSTANDING TASK LIST:**

The Outstanding Task List was reviewed. New items were added for individual or Board follow-up.

The Board discussed the process to conduct a rate review. Treasurer Thayer and Compliance Officer Ravary are preparing the required documents for MI Rural Water Association to conduct the review. There was preliminary discussion regarding a rate increase, which will depend on the outcome of the study.

Ms. Thayer will reach out to USDA to find out if they have any requirements.

**BOARD COMMENT:**

Compliance Officer Ravary inquired of Ms. Hayes and Mr. Hempsted whether the Village might be considering participation in the SilverSmith Asset Tracking program FLAUA has recently purchased. They have not reviewed it yet or scheduled a presentation with the representative.

**ADJOURNMENT:**

**Board Action:**

Ms. Gifford made a motion to adjourn the meeting. Mr. Hempsted seconded the motion.

VOTE: YEAS: All. NAYES: None.

The meeting adjourned at 6:58 p.m.

**Submitted by: Kay Z. Held, Recording Secretary**