

FIFE LAKE AREA UTILITY AUTHORITY (FLAUA)

Regular Meeting

**Wednesday, October 18, 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 6:01 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 Commissioners Tom Hempsted and Sandi Howell. A quorum was established.

Absent:

Commissioner Ron Broering
Commissioner Gerianne Street

Others in Attendance:

Employee Terry Terbeek, in the absence of Compliance Officer Ray Ravary
Ms. Kay Held, Recording Secretary

APPROVAL OF AGENDA:

Board Action:

Ms. Thayer made a motion to approve the Agenda as presented. Mr. Hempsted seconded the motion.

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

ACCEPTANCE OF MINUTES:

Acceptance of Regular Meeting Minutes of September 20, 2023:

Board Action:

Ms. Hayes made a motion to accept the Minutes of the September 20, 2023, Regular Meeting as presented. Ms. Gifford seconded the motion.

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

TREASURER'S REPORT:

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

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

Treasurer Thayer also reported:

Budget YTD nine months into the year should be at 75%.

Gross Income is at 87.98 % YTD.

Total Expenses are at 62.46% YTD.

Payroll is higher; however, that was anticipated. Natural gas is higher.

As previously discussed, the Truck Repair line item was in the negative. This is due to a payment from the insurance company that was credited to the Truck Repair account; however, should have been posted to the Reimbursements line item. Additionally, two deductible fees were paid out.

Labor expenses are being monitored. Funds are available from other accounts if necessary to rebalance the budget. For example, Engineering Fees are at 8.75% YTD; funds may be moved from that line item.

President Gray noted monthly income versus monthly expenses average approximately \$36k and \$24k, respectively. This does not include the \$11k every month that is transferred to an account to comply with the USDA required commitment. Therefore, the monthly bottom line averages +\$500. This needs to be considered when planning a rate adjustment. Plant and equipment repairs remain ongoing due to the nature of the operation and wear & tear on equipment.

Treasurer Thayer stated the P&L statement shows the principal bond payment YTD. The December interest payment is not shown; however, it is budgeted for. Total income after the bond payment is \$4,819.15 after nine months.

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: September, 2023, Bills Payable:

There was Board discussion regarding Bills Payable. An updated A/P was distributed to the Board.

Treasurer Thayer noted the Kennedy Industries invoice for \$1,451 on the Bills Payable is not for pump repair. It is for a Kaiser ventilator for the blower and is listed on the Updated A/P list.

She also noted an invoice from Kennedy Industries dated 6/27/23 and stamped received on 10/16/23 for \$5,995 for Field Technician Services on 6/19/23 and 6/20/23. There was Board discussion. These fees were for oil changes.

Board Action:

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

ROLL CALL VOTE:

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

GUESTS: None

COMMITTEE REPORTS:

Personnel Committee: No meeting. No report.

Part-time employees Mr. Michael LeFavre and Mr. Terry Terbeek are due their 90-day evaluations by Compliance Officer Ravary. He will forward completed reviews to the Board. This item will be added to the November Agenda.

Steering and Operations Committee: No meeting. No report.

Compliance Officer/FVOP Report: The Compliance Officer Report was distributed in advance of the meeting. His report this month was extensive. In his absence, the Board discussed Compliance Officer Ravary's monthly report.

Employee Mr. Terry Terbeek attended on Mr. Ravary's behalf to discuss his report and answer any questions.

Mr. Terbeek updated the Board on the plans for Kennedy to put together the pump and lower it. He believes Mr. Ravary will be able to perform the remaining service.

They also discussed sprinklers, hay cutting and other items outlined in Mr. Ravary's report.

Generator cables should be completed soon; Mr. Terbeek was not certain if that was completed today.

Ms. Gifford has received keys to the Boat Wash Station for Mr. Ravary to use in pumping the system, which FLAUA has previously committed to doing. Commissioner Hempsted stated the Village Clerk will also need keys for winterizing the system. Mr. Hempsted will deliver keys to Village Clerk Jayme Werner.

Compliance Officer Ravary's report asks for the Board to approve a request for a sewer tie-in. The application and fee are expected shortly. This would be to facilitate the process before the winter weather hits and not have to wait until the next Board meeting; however, would not be allowed until receipt of the application and funds.

Board Action:

Ms. Gifford made a motion to approve sewer tie-in once the application and fee have been received for the property referenced in the Compliance Officer's report. Ms. Hayes seconded the motion.

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

CITIZEN COMMENT: None.

NEW BUSINESS:

RFQs Auditor, Accounting, Engineering & Attorney:

No RFQ is required for the Engineer and Attorney as they are Of Record and not on a contractual basis. Performance Engineering is the FLAUA Engineer of Record and Michael Figliomeni of McCurdy, Wotila and Porteous, PC is the Attorney of Record.

Treasurer Thayer reported the RFQs for Accounting and Auditor were published in the Record Eagle on 10/7/23 and 10/18/23. She read the posting aloud. The contracts are for fiscal years ending 2023 through 2025. Sealed bids were requested, due by November 15, 2023.

She explained to the Board publishing requirements and dates available. She needed to pay the Record Eagle via her personal credit card and has submitted that for reimbursement. It was in the Bills Payable.

She sent a photo of the posting to current providers H&R Block, Baird, Cotter & Bishop and Gabridge in the event they did not see the posting.

Rate Review:

Ms. Thayer reported she and Mr. Ravary are attempting to coordinate a meeting with a representative from MI Rural Water who had suggested meeting the last week of September to discuss the Rate Review. However, neither Ms. Thayer nor Mr. Ravary has heard back from her. Ms. Thayer will follow-up.

This item was Tabled to the November meeting.

Mr. Ravary provided verbiage for an informational notification to system users on their monthly invoice. Once the Rate Study is approved, Ms. Thayer will modify the content so that it can be printed in the space available and direct users to the website for detailed information.

The Board's timeline is to meet with MI Rural Water in November, provide user notifications in December and implement the rate increase in January.

OLD BUSINESS:

Motor Vehicle Driving Policy:

The sample Motor Vehicle Driving Policy was not yet received by the Board from Mr. Ravary. This item was tabled to the November meeting.

COMMUNICATIONS: None.

CITIZEN COMMENT: None.

ORGANIZATIONAL CALENDAR:

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

Ms. Thayer informed the Board the total account delinquency from the Vans Lane resident whose lien is ongoing is \$1,610; this includes the annual \$950 lien amount. The total account delinquency amount in Fife Lake Township is \$16,650.75; \$1,395 for Springfield Township.

Treasurer Thayer was investigating why Operating Supplies line was at 64% and whether anything was errantly posted into this line item. It is now up to 98%; the assumption is Kennedy pump and repair bills, Ferric Chloride. Operating Supplies account was budgeted at \$18,500 (\$18,195 spent YTD). Equipment Repair & Maintenance was budgeted at \$14k; only \$3,500 has been charged (25%). H&R Block doesn't necessarily know which bills should go to Equipment Maintenance vs. Operating Supplies, which likely accounts for the discrepancy. Ms. Thayer will review with Ms. Escajeda at H&R Block.

Treasurer Thayer received a response from Springfield Township and confirmed with the Treasurer that Kalkaska County has paid us due back taxes.

Small fees were previously incurred for requesting copies of accident report(s). To recoup fee reimbursement, FLAUA needs to provide IRS forms indicating our 501(c)(3) status. Treasurer Thayer is still awaiting a response. The fees are minor; however, it will also be important for the 501(c)(3) status to be on file. She will continue to follow-up on this.

OUTSTANDING TASK LIST:

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

BOARD COMMENT: None.

ADJOURNMENT:

Board Action:

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

VOTE: YEAS: All. NAYES: None.

The meeting adjourned at 6:41 p.m.

Submitted by: Kay Z. Held, Recording Secretary