

FIFE LAKE AREA UTILITY AUTHORITY (FLAUA)

Regular Meeting - Minutes

**Wednesday, March 15, 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 6:04 p.m.

ROLL CALL: President Tom Gray called Roll.

Present:

President Tom Gray, Vice President Marilyn Hayes, Treasurer Jodi Thayer, Secretary Leigh Gifford and Commissioners Tom Hempsted, Ron Broering, and Sandi Howell. A quorum was established.

New Commissioner Ms. Sandi Howell, representing Fife Lake Village was introduced to the Board.

Absent:

Commissioner Gerianne Street.

Others in Attendance:

Mr. Ray Ravary, Compliance Officer

Ms. Kay Held, Recording Secretary

APPROVAL OF AGENDA:

Board Action:

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

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

ACCEPTANCE OF MINUTES:

Acceptance of Regular Meeting Minutes of February 15, 2023:

Board Action:

Mr. Broering made a motion to accept the Minutes of the February 15, 2023, Regular Meeting as presented. Mr. Hempsted seconded the motion.

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

TREASURER'S REPORT:

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

The February, 2023, Treasurer's Report was distributed in advance of the meeting for Board review. An updated A/P was provided.

Treasurer Thayer also reported on the following:

Two months into the year the budget should be at 16.66% YTD. Income is at 25.79%. Total Expenses are at 11.12%.

The Insurance line item is high for this part of the year as we just paid the annual premium. Additionally, the annual rate increased. Licensing and Permits are at 45% YTD as they were paid in the first quarter. Natural Gas is high; expenditures will level off when the weather breaks.

A couple line items are low due to reimbursements received. LEIN monies have not yet been received; they aren't expected until June or July.

Board Action:

Mr. Broering made a motion to accept the Financial Report as presented. Ms. Hayes seconded the motion.

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

Payment of Bills: February, 2023, Bills Payable:

There was Board discussion regarding Bills Payable. The following expenses/invoices were clarified:

Regarding the MUM insurance policy renewal, this year's premium is at \$13,864, up from last year's annual premium of \$11,969.

There was a baseline premium increase of 9% due to an industry increase across the board for everyone. There is an additional 9% increase due to market conditions, social inflation, increase in reinsurance costs, and increased loss cost. This past year U.S. storm damage resulted in \$90 trillion in losses which affected the re-insurance placement market making premiums rise. The reinsurance increase was \$470; in 2022 FLAUA received a dividend of \$410.

The Board discussed FLAUA's Fuelman account and pros/cons of remaining in this program. Treasurer Thayer spoke with them regarding charges for the use of the fuel card. Correspondence received from Fuelman indicated there may be a \$10-12/month increase for the use of the card; we currently pay \$5/month. After review of records, FLAUA received a "volume discount" of 40 cents for the month. It costs the utility more to process the Fuelman invoice than is saved by the discount. There was Board consensus to cancel the Fuelman card and utilize the FLAUA debit card. Treasurer Thayer will notify Fuelman, cancelling our account with them effective April 1, 2023.

Board Action:

Mr. Broering made a motion to approve the February, 2023, bills as presented. Mr. Hempsted seconded the motion.

ROLL CALL VOTE:

Hayes-Y, Thayer-Y, Broering-Y, Gray-Y, Gifford-Y, Hempsted-Y, Howell-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 spoke with Charter today; they will provide service directly to the facility. As discussed last month, there will be no charge to run the line as the underground has already been dug.

Sewer videoing is due for our Asset Management Plan, specifically for the Hayes subdivision and Pickerel Lake. He will be pursuing bids.

There was Board discussion about Forest Area Credit Union (FAFCU). They have begun construction on their new building, and it appears they have sewer pipe at the construction facility. No application for hook-up has been received yet. President Gray will drop off an application.

Mr. Ravary has started working on solar power bids. He spoke with Great Lakes Energy and received a packet of information. Great Lakes Energy has vendors, with whom he will also speak.

He would like to get quotes to remove three dead trees near the power line. There are also three walnut trees that need to be removed. He may be able to negotiate an arrangement for someone to cut down all six trees in exchange for the free wood. They will need to be insured.

He purchased arc flash bibs and a hood/face shield kit. He will order the arc flash pants/coveralls next month.

He ordered two peristaltic pumps. The current Grundfos pumps need new diaphragms at the very least; they run \$1,500 each, and they may need check valves running another \$1,000. The pumps may be obsolete and difficult to locate replacement parts. He has been looking at pumps in the USA Blue Book and may be able to purchase two non-obsolete standard replacement pumps for \$1,000. They have less expensive repair parts. They are similar to peristaltic pumps he has used and repaired in the past.

His report states he does not have prints for the Ferric Chloride pumps and other systems; he has been developing prints for the plant and will get them digitized for ease in updating.

He phoned MI Rural Waters regarding the smoke test and rate study. He also contacted NMC Waters Program; they are backed up right now with training and qualification testing.

Someone is coming out tomorrow from Grand Rapids to calibrate flow meters; they are off by 3 million gallons (of 13 million gallons). More is coming in than going out. He believes the issue is the meter. The cost is \$500; other places wanted \$1,200-1,700.

He procured information on cables for the generators.

He called Kennedy for a new bid on the rebuild of pumps that was discussed last year; they will get back with him. The costs will have increased.

He only received past bid packets from Fleis & VandenBrink in the records they provided; they did not include prints as we had requested.

He will have Silversmith pricing at the next meeting regarding loading GPS data to a tablet and subsequently selling the Trimble system.

The outboard motor is running.

The Board discussed the Michigan Infrastructure Council program's Asset Management classes. Mr. Ravary has been completing this training after nomination from the Township Supervisor. It is highly recommended that upper management of the FLAUA also be invested in this program. It is funded through scholarships from the Michigan Treasury Department. There are several modules covering a broad spectrum of topics from technical to administrative and public relations. Treasurer Thayer asked him to email the information to her.

Mr. Ravary suggested the Village should also consider a participant in the program.

CITIZEN COMMENT: None.

NEW BUSINESS:

Solar Energy Consideration:

Discussed above during Compliance Officer Report.

MUM and No-Fault Insurance Policies:

Discussed above during Bills Payable portion.

OLD BUSINESS: None.

COMMUNICATIONS: None.

CITIZEN COMMENT: None.

ORGANIZATIONAL CALENDAR:

Each item on the Organizational Calendar for February was reviewed and discussed. The Calendar was updated with any changes.

Turnover Recording Secretary Prior Year Meeting Packets for Permanent Record at Plant:

Recording Secretary Kay Held delivered the 2022 files to Compliance Officer Ray Ravary for permanent record at the plant.

Workman's Comp Audit:

Awaiting questionnaire from Mr. Paul Olson.

Appoint Representative to MI Rural Waters Assn.:

Ms. Thayer was previously appointed Representative to MI Rural Waters Assn. effective March, 2022. No renewal information has been received; she offered to remain in this role and will take the necessary steps to renew as FLAUA Representative.

LEP (Limited English Proficiency) Plan:

There has been no change in the community makeup from last year's assessment.

State of Michigan Governmental Service:

This heading was erroneously noted as a separate Agenda item. It is part of the LEP (Limited English Proficiency) Plan heading above, not a separate item.

Review FLAUA Policies & Resolutions, By-Laws, and FLAUA REU Chart:

There was Board discussion. We have resolutions and policies in place; no new requirements have been added. These are all currently in order.

Mr. Broering inquired whether bonding attorneys follow-up on the sewer package that we were required to complete for the renovation project. Ms. Thayer commented she completes the USDA questionnaire annually for information which includes:

- Number of gallons treated
- Number of users and how it computes to REUs
- Board Member information
- Prior year budget
- Modified budget (P&L after making payment to them)

This information is reviewed to determine if our rates with the current amount of users will support our debt to them. Note- this is a separate task from what is required in the audit procedures.

She continued that last year, Compliance Officer Ravary spoke with a representative in Traverse City who told him FLAUA should be increasing its rates. Ms. Thayer followed up with him stating he had never made such a statement to her after supplying the audit information. He believed we had raised them. She informed him there has not been a rate increase since receipt of the loan. He returned a reply to her that we were fine. This has been previously discussed in prior meetings, and she has record of email correspondence. The FLAUA will make determinations for any rate increase.

Regarding the Asset List, this is part of the audit with Gabridge. To date, she & Ms. Emily Escajeda of H&R Block have provided everything they have asked. Treasurer Thayer reiterated to Gabridge that we would like the audit completed by the end of April for May approval rather than last year's last minute completion from the auditor. The entire audit was completed remotely and online.

OUTSTANDING TASK LIST:

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

BOARD COMMENT:

President Gray inquired how part-time staffer Mr. Jeremiah Bacon is working out as a support person. Compliance Officer Ravary stated he has been reliable, responsive and on time. However, he still needs a backup person to become trained and licensed. He is looking for candidates through the NMC Waters Program.

Mr. Ravary reported he has been working on SOPs of every process, which will ultimately be input into the computer. This is a large project.

ADJOURNMENT:

Board Action:

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

VOTE: YEAS: All. NAYES: None.

The meeting adjourned at 6:54 p.m.

Submitted by: Kay Z. Held, Recording Secretary