

FIFE LAKE AREA UTILITY AUTHORITY (FLAUA)

Regular Meeting - Minutes

Wednesday, May 17, 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, Treasurer Jodi Thayer, Secretary Leigh Gifford and Commissioners Ron Broering and Sandi Howell. A quorum was established.

Absent:

Commissioner Gerianne Street
Commissioner Tom Hempsted

Others in Attendance:

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

APPROVAL OF AGENDA:

Add Guest: Michelle Hayes

Board Action:

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

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

ACCEPTANCE OF MINUTES:

Acceptance of Regular Meeting Minutes of April 19, 2023:

Board Action:

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

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

Ms. Gifford and Mr. Broering abstained as they were absent from the April meeting.

TREASURER'S REPORT:

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

The April, 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:

Four months into the year the budget should be at 33.33% YTD. Income is at 43% YTD. Total Expenses are at 20.35% YTD.

As previously reported, the Insurance and Natural Gas line items are high as they are incurred early in the year.

Contracted Labor and Uncategorized Expense are in the negative due to receipt of checks from the three municipalities contributing ARPA funds to the fencing project at the plant. That credit went to the line items that the debit went into in 2022.

All other accounts are in line.

Board Action:

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

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

Payment of Bills: April, 2023, Bills Payable:

There was Board discussion regarding Bills Payable.

Clarifications:

\$220 Tractor Haven (Brad Birgy) troubleshooting backhoe & repair

\$2 A&D Service Fee (service fee on card)

\$5 Central Records (for accident report copy)

Compliance Officer Ravary is pursuing a refund on the above two small fees as FLAUA is a tax-exempt government entity and should not have been assessed these fees. He will submit our 501(c)(3) to them.

Treasurer Thayer reported quarterly payment of the USDA loan:

Principal amount: \$ 65,000.00

Interest amount: \$ 36,899.90

Total due 6/1/23: \$101,899.90

Mr. Ravary submitted an additional invoice for T&D Welding in the amount of \$200 for welding on the boat, trailer, jetter bracket.

He also notified the Board he utilized the debit card for a \$500 charge to Pioneer Diesel for filters for the Mahindra tractor.

Board Action:

Ms. Broering made a motion to approve the April, 2023, bills as amended. Ms. Hayes seconded the motion.

ROLL CALL VOTE:

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

GUESTS:

Property owner Ms. Michelle Hayes was present this evening. She introduced herself and explained to the Board she is requesting reimbursement of \$3,000 for 10 hours of contracted labor to locate her sewer connection. While she has spoken with the Compliance Officer and two Board Members about the situation, she explained it to the full Board.

Ms. Hayes indicated she owns two properties; one at 104 Maple and one at 110 Maple. The home at 104 Maple was previously removed and that connection capped. Her home at 110 Maple is the one with the active connection. She planned to replace the line from her home to the public connection due to tree root issues. Her called MissDig to get the properties marked; this was done. She is not certain if the original sewer markings from this request are accurate; they were not on the blueprint.

She also had Maverick Mechanical out twice. They ran 125' to get to a tree close to the road. This involved crossing the main electrical and gas lines.

On May 5, her contractor and FLAUA Mike LeFaivre were there and pulled the blueprint. It showed the 110 Maple connection to be where they assumed it should be, but it did not support the original MissDig markings. She asked about the possibility of going to her former 104 Maple connection. Mr. LeFaivre agreed. The print showed that to be 54'; however, no connection was found.

She met with Mr. Ravary, Mr. Gray and Ms. Thayer on-site. Her contractor took their direction on where to dig next, resulting in a broken AT&T phone line and a gas line. The actual connection for 104 Maple was found 21' from the manhole; a significant difference from where the blueprint showed.

She is not asking for reimbursement of expenses for work done on her private property; but is asking for reimbursement of the other costs because the blueprint is grossly incorrect, off by more than 30'. She understands Board Members did not

create this print. However, she is concerned if the prints are not accurate, other residents may run into similar problems in the future.

The Compliance Officer presented the map, which the Board reviewed. He remarked when Fleis & VandenBrink put in a new sub-station in 2016, they broke the original one, installed a new main, and another print was made. There was Board discussion and a belief the print for this site may be mismarked by 30' or more.

The Compliance Officer has called FLAUA's insurance carrier to see if this might be a liability claim and is awaiting a return call.

The broken gas line was not marked; it has been repaired.

Ms. Hayes did not expect an answer today as she appreciates the Board will need to discuss the matter. The Board is going to review the situation, make a determination, and advise her.

COMMITTEE REPORTS:

Personnel Committee:

No meeting. No report.

The Personnel Committee will schedule and hold the Compliance Officer Annual Review by the end of May.

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:

New part-time employee Mr. Mike LeFaivre was introduced to the Board. He will be working with Compliance Officer Ravary. Part-time employee Jeremiah Bacon is no longer employed with FLAUA.

Irrigation has begun. There is an issue with one of the deep well pumps; it needs to be repaired. An irrigation head in field four was broken and repaired. There is another leak at Valve 1. He suspects the reason for multiple failures may be the hammering of the pumps.

He called Mr. Brad Muma of Performance Engineering and is awaiting a call-back. He would like authorization from the Board to investigate the cause of these failures. It may be as simple as installing some type of bladder to absorb the shock.

Mr. Brad Birgy bid \$1,500 for replacement/repair of the backhoe kingpins (see his Compliance Officer Report for detail). They are in serious need of replacement. Mr. Ravary would like Board authorization for this.

Board Action:

Ms. Gifford made a motion to authorize repair of the backhoe kingpins by Tractor Haven/Brad Birgy at a cost \$1,500. Mr. Broering seconded the motion.

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

Mr. Ravary reported he started to repair the Ferric Chloride pump. One pump is running, one is leaking. He needs to redo the pipe section.

The gate remote issue was resolved. All of the wood is gone with the exception of the long spruce logs. He will be renting a wood chipper again to finish off the brush piles.

Spencer Recycling picked up all remaining scrap steel. They may be able to take the wood if we load it.

He called Kennedy Pump regarding the deep well and three dry well pumps to be rebuilt. They will be out on June 12 to look at the deep well. They are also now our Kaeser blower representative. He has been getting faults on the temperature differentials and cannot make the adjustments. In order to save travel costs, he would like Kennedy to look at both issues.

Todd from T&D welding will be out to do some welding on the other pontoon and one of the trailers. This is outlined in detail in the Compliance Officer report.

Mr. Ravary stated due to being short-handed, last summer's fence project and his workplace injury, there are numerous smaller tasks that have fallen behind. He would like to hire an individual to perform less critical but time consuming tasks so that his efforts can be focused more heavily on the operational matters. He anticipates needing labor support for 60 hours per week; Mr. LeFaivre will be working 30-40 hours per week. This second position would be seasonal as work slows down in the winter. There was Board consensus to authorize Compliance Officer Ravary to hire a second part-time staff; this includes procuring the required drug test.

Regarding the smoke testing and rate study, they aren't ready to do this yet. He has spoken with NMC and will speak with them in the fall when their program officially starts.

He received two bids for tree cutting:
\$3,500 Lone Eagle
\$2,700 Helsel's

They will drop the tree, leave the wood and FLAUA will chip the wood.

Board Action:

Ms. Broering made a motion to authorize Helsel's Tree Service to cut down seven trees at the plant at a cost of \$2,700. Ms. Hayes seconded the motion.

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

Sewer line videotaping and cleaning Lakeview Woods & Cedar Ridge is due on the Asset Management Plan. Mr. Ravary received the following bids:

Matt's: \$9,785
A1/GFL cannot guarantee a price but estimated \$4,600-\$5,200 range

Board Action:

Ms. Hayes made a motion to authorize sewer line videotaping and cleaning of Lakeview Woods and Cedar Ridge subdivisions by GFL at an estimated cost of \$4,650 - \$5,200. Mr. Broering seconded the motion.

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

Mr. Ravary researched cellular and internet service providers and costs. He hasn't been happy with the AT&T service for quite some time. There is a new line in for Spectrum. He would like authorization to change the service to Spectrum.

Rates are:
AT&T: \$112.75/month for cell and internet
Spectrum: \$99.97 for cell and internet

There was Board consensus for Mr. Ravary to arrange new service with Spectrum. The phone number will remain the same. The FLAUA email address will change.

CITIZEN COMMENT: None.

NEW BUSINESS:

Workman's Comp Audit:

Treasurer Thayer stated because we had increased labor for the fencing project last summer, our original Work Comp charge was \$1,675. There was an audit with an additional \$397; however, we received a credit of \$7. Our additional Work Comp Audit fee is \$390. This amount was included in the list of bills to approve.

Annual Draft Audit Approval:

The Annual Audit showed no issues and no discrepancies. It is public and published on the website once it is approved. President Grey reminded people they should do more than simply look at the line items but interpret the data to

understand the depreciation as well as the commitments paid to the USDA. The FLAUA meets its monthly requirement to specific accounts in order to pay the quarterly USDA principal and interest payments.

Board Action:

Mr. Broering made a motion to approve the 2022 audit, ending 12/31/22 as conducted by Gabridge. Ms. Hayes seconded the motion.

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

Treasurer Thayer will contact Gabridge tomorrow to advise them of the Audit approval, request five bound copies, and request they complete their report to the State of Michigan by June 1 as required.

Review Modified P&L:

Treasurer Thayer advised the Board that we make the USDA payments in June and December; therefore, it makes more sense to present the Modified P&L Report in January and July rather than quarterly.

Board Action:

Ms. Thayer made a motion to revise the Organizational Calendar to include presentation and review of the Modified P&L Report in January and July to reflect loan payments. Mr. Broering seconded.

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

OLD BUSINESS:

Silversmith Data Proposal:

The Silversmith Data representative delivered a presentation to the Board at last month's meeting, with the Board reviewing materials since that time.

Compliance Officer Ravary stated the following costs:

Initial cost of \$2,750

Annual hosting fee of \$1,250

Additional \$3,150 for a GPS device and tablet (optional)

The Silversmith Data system would take the place of the current Trimble. There is no cost on the Trimble but there is a shared \$1,500 cost with the Village for the GIS system, which we would no longer need and the Village does not use.

The Township Supervisor has expressed an interest in the Silversmith Data system; there are numerous applications the Village and Township could utilize such as road evaluations, tracking signage, electrical lines, street lights, etc. Vice President Hayes asked Mr. Ravary if he could coordinate a Silversmith presentation at the Village.

Board Action:

Mr. Broering made a motion to approve the purchase of the Silversmith Data Asset Status Tracker (AST) software service agreement at an initial cost of \$2,750 (initial set up \$1,500 and annual fee of \$1,250) and annual hosting fee of \$1,250 to replace the current Trimble and GIS software systems. Ms. Thayer seconded the motion.

ROLL CALL VOTE:

Howell-Y, Street-Y, Hayes-Y, Thayer-Y, Broering-Y, Gray-Y, Gifford-Y. Motion carried.

President Gray signed the agreement.

COMMUNICATIONS: None.

CITIZEN COMMENT: None.

ORGANIZATIONAL CALENDAR:

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

Annual/Quarterly Compliance Officer (due in May – Personnel Committee):

Review will be completed by the end of May.

USDA Loan/Interest Payment:

Previously addressed under Payment of Bills.

Recording Secretary Annual Review:

Recording Secretary Kay Held begins her 10th year with FLAUA at this meeting. The Board continues to be pleased with her work; there are no concerns. Ms. Held has no concerns either.

President Grey suggested a rate increase for Ms. Held. Her last increase was October, 2018, and the rate of inflation has increased significantly. Board Members proposed increasing her rate for Regular Meetings from \$150 to \$200 and Special Meetings \$75 to \$100.

Ms. Held and the Board have spoken about the ongoing FLAUA Policies project she is revising. As discussed in the past, updating this project turned out to be a complex one due to the original version having originated and been previously revised in multiple programs and formats. Therefore, she is inputting it as new, in its entirety. There was past and current Board discussion that originally it was thought to be a simple editing project, proposed at a fee of two-three meeting rates. The Board and Recording Secretary have recognized this project became much more than that and will revisit compensation once it is completed.

Board Action:

Mr. Broering made a motion to increase her rate for Regular Meetings from \$150 to \$200 and Special Meetings \$75 to \$100. Ms. Gifford seconded the motion.

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

This increase is effective today, 5/17/23.

OUTSTANDING TASK LIST:

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

BOARD COMMENT:

Vice President Hayes asked that all reports be provided to her by the Friday before the Regular Meetings (held on the third Wednesday of the month).

ADJOURNMENT:

Board Action:

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

VOTE: YEAS: All. NAYES: None.

The meeting adjourned at 7:34 p.m.

Submitted by: Kay Z. Held, Recording Secretary