

FIFE LAKE AREA UTILITY AUTHORITY (FLAUA)

Regular Meeting - Minutes

Wednesday, June 21, 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, Treasurer Jodi Thayer and Commissioners Tom Hempsted, Gerianne Street and Sandi Howell. A quorum was established.

**Absent:**

Secretary Leigh Ann Gifford  
Commissioner Ron Broering

**Others in Attendance:**

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

**APPROVAL OF AGENDA:**

Remove: Modified P&L – to be on July’s Agenda

**Board Action:**

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

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

**ACCEPTANCE OF MINUTES:**

**Acceptance of Regular Meeting Minutes of May 17, 2023:**

Corrections:

- Page 1 - Correct page footer date from April 19, 2023 to May 17, 2023
- Page 5 – Under Organizational Calendar, correct the month reviewed from April to May

**Board Action:**

Ms. Hayes made a motion to accept the Minutes of the May 18, 2023, Regular Meeting as amended. Ms. Thayer seconded the motion.

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

Ms. Street and Mr. Hempsted abstained as they were absent from the May meeting.

**TREASURER’S REPORT:**

**Treasurer’s Report – Financial Report of May, 2023, and Payment of Bills:**

The May, 2023, Treasurer’s Report was distributed in advance of the meeting for Board review. Treasurer Thayer also reported on the following:

Five months into the year the budget should be at 41% YTD.  
Gross Profit is at 52.17% YTD. Total Expenses are at 38.9% YTD.

**Board Action:**

Ms. Hayes 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: May, 2023, Bills Payable:**

There was Board discussion regarding Bills Payable.

**Clarifications:**

The USA BlueBook invoice for \$755.06 was for the Ferric Chloride pumps.

The GFL Trash invoice for \$5,409 was for sewer cleaning and videotaping. Their estimated bid range was \$4,600-\$5,200, an expense range that was previously approved.

Compliance Officer Ravary contacted President Hayes informing him there were longer runs between houses in the Hayes subdivision than they were aware of. There will be an additional invoice for the remainder of the cleaning and videotaping.

The entire system was done last time, with the exception of the Cedar Ridge and Lakewood subdivisions as they were new at the time and didn't qualify for the USDA monies. However, sewer cleaning and videotaping is required every five years under the Asset Management Plan, and these two sub-divisions are now required to be cleaned and taped.

This GFL amount was mistakenly posted under the Trash Removal line item; it needs to be posted under a different account. Treasurer Thayer will follow-up with Ms. Emily Escajeda at H&R Block to facilitate a correction.

The Board discussed several H&R Block fees for the Downey issues regarding a request for account reconciliation. There were multiple, lengthy calls to H&R Block regarding this resident's complaints regarding FLAUA bills. It appears the issue has been resolved. The Board also discussed several larger H&R Block fees and their subject matter.

**Board Action:**

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

**ROLL CALL VOTE:**

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

**GUESTS:**

New employee Mr. Terry Terbeek introduced himself to the Board and gave a brief history of his background and experience. He retired from the city of East Grand Rapids and has relevant experience in water and sewer service.

**COMMITTEE REPORTS:**

**Personnel Committee:**

**Compliance Officer Review:**

The Personnel Committee met to provide the Compliance Officer's Annual Review. There was a discussion of requirements, performance and review of industry standards as well as a review of the budget showing it will support their recommendation.

Treasurer Thayer reported the current budgeted amount for Wages for fiscal year 2023 is \$73,150. The Wages line item for reimbursement received from the three municipalities that make up the Utility for wages incurred in replacing the plant fencing was credited; the budget should be adequate.

However, a budget of \$73,150 will not be sufficient to cover Wage and Payroll expenses with the current positions filled at 40 hours weekly at the \$30/hour rate (\$62,400 annually), 30 hours weekly at the \$18/hour rate for two part-time employees (\$28,080 annually) and two hours weekly at the \$20/hour rate (\$2,080 annually). Total wages for the year would run \$92,480.

Currently, the two part-time employees are working 40-60 hours/week, more than originally planned for 2023. We will need to monitor this for the remainder of 2023 and adjust accordingly for 2024 to avoid a shortfall.

Treasurer Thayer stated the Uncategorized Expense is budgeted at \$30,000. We would not commit this entire amount to Payroll in making budget adjustments. Contract Services are budgeted at \$22,500. To date, 10% of those funds have been expensed, leaving \$20,000 with which to work.

She reported the recommendation of the Personnel Committee to increase Compliance Officer Ravary's hourly rate to \$30/hour with four weeks of vacation, effective June 1, 2023, until further review or action by the Board. It is also recommended the Wage budget line item be closely monitored the remainder of 2023 and the part-time employees be scheduled to stay within budget parameters.

There were some weeks where two part-time employees were working 30 hours each, which is more than what was allowable. It is expected these hours will significantly reduce in the fall.

**Board Action:**

Mr. Hempsted made a motion to accept the recommendation of the Personnel Committee to increase the Compliance Officer's hourly wage to \$30 with four weeks' vacation, effective June 1, 2023. The Treasurer will monitor the budget closely to determine if this line item needs to be adjusted. Ms. Hayes seconded the motion.

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

Mr. Ravary currently has approximately six weeks of vacation accumulated. He can carry over two weeks into another year as previously negotiated.

**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:

They did some wood chipping, had seven large trees taken down and had most of that lumber removed. There are still one or two more days of wood chipping to do.

The pontoon for pulling the pond air diffusers is completed.

Mr. Ravary explained the work being done on the Kennedy pumps. A3 couldn't be changed as a crane is needed to get the pump out. A4 and A5 were changed; the pump on A4 is bad and this is a critical station. He needs to purchase or rent a pump as it takes 2-3 months to rebuild. He is working with Kennedy on this.

He is awaiting a bid from Kennedy for work on all 14 stations where they can drill a hole in the base of the pumps and open two ports for draining and filling.

Kennedy assessed the temperature differential problem. They will troubleshoot the blower. They looked at the deep well pump and need to pull that by crane to have it rebuilt.

The Forest Area Federal Credit Union forced main tie-in is complete.

The parking lot at the plant has been sealed; lines will be painted shortly.

Cleaning and televising of the Lakewood and Pickerel Lake subdivisions has been completed. Pickerel Lake prints showed four extra manholes that were never installed and didn't show the connection of a home to the system by a force main. He called the original engineering firm and the subdivision developer. The information is now accurate. Lines in both subdivisions look good.

They did some test painting on the old barn and called Rust-Oleum for some tips as the heavy oxidation of the siding is creating problems with paint adhesion. They suggested cleaning it with vinegar and water to see remove the oxidation. He will attempt this.

He is working on plans for an implement shed. Equipment currently sitting outside would be housed in this building. It will need a concrete pad/foundation. He expects the cost to be \$1,200-1,400 for concrete and would like Board approval for this material purchase. The Board inquired about this building. Mr. Ravary plans to construct it and has many of the materials. He will also need to purchase the steel.

The Board would like to know the estimate of the project materials prior to approving purchase of the concrete. There was discussion about considering a three-sided, open front structure with an angled overhang roof to protect the equipment versus a fully-enclosed four-sided structure as well as possibly having a dirt or gravel floor.

They started working on the Solar Bee and got the pontoon in. Work on the other pontoon is done and it is in the other pond.

Mr. Tim Birgy, who has the farming contract with FLAUA, mowed and bailed 38 bales from three fields at \$150/bale. Seeding is done and they are watering. There is an ongoing problem with moles in the other three fields. The dirt mounds they are creating are breaking parts on Mr. Birgy's equipment. Mr. Ravary will look into some live traps and eliminating the grubs the moles are after.

The pond is pumping down nicely. He is going to purchase equipment to spray it instead of hiring it out. Overall, this is a cost-savings.

There have been some problems with irrigation lines breaking; this has been resolved.

He is actively working on eradication of Autumn Olive.

The Ferric Chloride pumps are working well; one is having pressure issues that he will troubleshoot.

The DMR (Discharge Management Report) is completed and submitted. There were violations due to high Ammonia and Total Inorganic Nitrogen. He had pond samples tested for BOD (biological oxygen demand) and is speaking with Triple Point Lagoons about a resolution. They provide a free consultation on problems like this. They provided a bid on coarse bubbler repair parts and replacement sleeves for the fine bubble membrane for when the diffusers are pulled for cleaning. That may be the issue for the treatment problem. Triple Point stated we are at the end of the five-year life of the membranes on the aerator arms. Replacing all of the arms and the course bubblers is approximately \$7,000. He suggested we do a couple this year and some next year. He explained the function and wear of the course bubbler and arms to Board Members. He would like approval for this parts purchase and estimates an approximate \$2,000 expenditure. There was Board consensus for him to proceed.

Mr. Ravary is working with Federal and State Representatives on grants regarding legislative changes to put non-profit Authorities on the same footing as Municipalities for grant funding. We do not qualify for many grants because we are not a municipality. There are for-profit Authorities, but he believes the non-profit Authorities such as FLAUA were overlooked. He has been in contact with our State Representative and Senators' staff, as well as the U.S. House of Representative about changes so we can qualify.

The Farm Contract with Mr. Tim Birgy is up for renewal; Mr. Ravary suggested the Board add this to the July Agenda. He recommends renewing this contract with Mr. Birgy.

He needs new belts on the zero turn mower.

After unintentionally leaving his phone on the truck bumper, he located it in the middle of the road. However, an oncoming motorist intentionally ran over it in front of him. At present, the phone is operational with only a few deficits.

New part-time employees Messrs. Michael LeFaivre and Terry Terbeek are working out very well, and they are getting a lot of work done. Mr. Ravary is grateful to have them on the payroll.

**CITIZEN COMMENT:** None.

**NEW BUSINESS:**

**Review Modified P&L:**

Tabled to July meeting per the Organizational Calendar.

**OLD BUSINESS:**

Treasurer Thayer provided bound copies of the 2022 FLAUA Audit for distribution to the plant, President, H&R Block and Treasurer.

**110 Maple Tie-in:**

The Compliance Officer spoke with resident Ms. Michelle Hayes and advised her that the Board will be discussing her issue. He needs to send the information to the insurance company. He realized his email sat in the Draft folder as opposed to being sent. He will send it and await a response. This item was tabled to next month's Agenda.

**COMMUNICATIONS:** None.

**CITIZEN COMMENT:** None.

**ORGANIZATIONAL CALENDAR:**

Each item on the Organizational Calendar for this month was reviewed and discussed. There were no updates.

**OUTSTANDING TASK LIST:**

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

Regarding the Vans Lane settlement tax payment issue:

Treasurer Thayer visited the County Treasurer, and a \$950 charge/\$950 payment shows. This was billed on delinquent taxes 2021 and 2022. The County Treasurer paid it out to Fife Lake Township. She has a message to FLT Treasurer Cathy Sorrow to see if that payment was passed on to FLAUA. The Township would have received a large payment consisting of multiple payments. Treasurer Sorrow should have an itemization of what the large payment covers. If the resident fails to pay for one more year, it goes to the Sheriff's Sale.

**BOARD COMMENT:** None.

**ADJOURNMENT:**

**Board Action:**

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

VOTE: YEAS: All. NAYES: None.

The meeting adjourned at 7:08 p.m.

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