

**FIFE LAKE AREA UTILITY AUTHORITY (FLAUA)**

**Regular Meeting**

**Wednesday, September 20, 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 6:03 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:**

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

**APPROVAL OF AGENDA:**

**Board Action:**

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

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

**ACCEPTANCE OF MINUTES:**

**Acceptance of Regular Meeting Minutes of August 16, 2023:**

Amendment:

Page 1, under Treasurer's Report – First reference to "Financial Report of June, 2023" should be corrected to "July, 2023."

**Board Action:**

Ms. Hayes made a motion to accept the Minutes of the August 16, 2023, Regular Meeting as amended. Ms. Gifford seconded the motion.

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

**TREASURER'S REPORT:**

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

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

Treasurer Thayer also reported:

Eight months into the year the Budget vs. Actual is at 66.66% YTD.

Gross Profit is at 79.02% YTD.

Total Expenses are at 55.42% YTD.

Higher line items include Fuel, Natural Gas and Cell Phone/Internet. These are each smaller line items and are not out of line as compared to last year's expenditures.

Treasurer Thayer stated the Truck Repair line item is reported at -477%. She will investigate this to see what may have been errantly posted to this category.

**Board Action:**

Mr. Hempsted 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: August, 2023, Bills Payable:**

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

The bill from Industrial Chemical Labs is for degreaser.

The Great Lakes Energy bill should drop as there has been no irrigation in September.

The debit card shows a \$4.99 fee on 8/15/23 for Prime Video Channels. It is unknown what this charge represents. Mr. Ravary will check emails to see if something was somehow applied through Amazon. He will contest/cancel if this is a recurring fee for something.

**Board Action:**

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

ROLL CALL VOTE:

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

**GUESTS:** None.

**COMMITTEE REPORTS:**

**Personnel Committee:** No meeting. No report.

Part-time employees Mr. Michael LeFaivre and Mr. Terry Terbeek are due for their 90-day evaluations. Compliance Officer Ravary will conduct these reviews and forward to the Board.

**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. Mr. Ravary also discussed the following:

He received a visit from Mr. Michael Gombos, Risk Manager from Michigan Township Participating Plan. Compliance Officer Ravary shared with the Board in his written and verbal report areas Mr. Gombos identified as needing corrective action; i.e., a certified mechanic to work on vehicles, obtaining a certified roof inspection, staff attendance at Human Resources Compliance seminars, driving in parking lots, no personal mechanical work on-site. Mr. Ravary will provide the Board with Mr. Gombos report.

The FLAUA needs a Motor Vehicle Driving Policy per Mr. Gombos. Mr. Ravary presented the Board with a sample policy document and will email it to the Board. It will be addressed at the next Regular Meeting.

Mr. Ravary will obtain a quote from Story Roofing for a certified roof inspection.

Mr. Ravary met with Mr. Barry Christian of EGLE for an inspection of the facilities. They reviewed a former 16-point letter. There was a discrepancy on methods for static water elevation measurements. EGLE should have the Well Logs for the monitoring wells but does not. Mr. Ravary will change the method for measuring static water elevations and provide the Well Logs, which he has obtained. FLAUA will need to re-drill one well that is cracked and has been repaired. Compliance Officer Ravary will obtain a quote.

Mr. Christian was concerned about high nitrate levels and total nitrogen. These levels fluctuate. Mr. Ravary has been investigating this, but is not certain as to the cause. He has also done additional water quality testing on the first two cells

to get additional data. He has been working with Performance Engineering and Triple Point (aerator manufacturer). Performance Engineering can consult on the matter; a fee will be assessed.

Mr. Paul Birgy would like to hunt on property with Nick. Mr. Ravary will provide a signed Release to the Board for Mr. Birgy to hunt.

The blower has been put back together; however, the HMI screen is black. Kennedy Pumps will look at this. Kennedy will also provide a price for the A4 pump.

The deep well pump has arrived and needs to be assembled.

There are some problems with the vent pans in the blower room; they are not coming on. He has looked at the prints, but would like to bring in Advantage Electric to have an electrician check the relays.

There have been emergency calls at the Pickerel Lake site; Mr. Ravary believes it was due to a bad radio. A hard reboot was done on the controller. This radio was sent to a third party to be reprogrammed; however, the company no longer makes this product. FLAUA will need to budget to replace all of them as they cannot be replaced individually over time. Mr. Ravary will obtain a quote for this. There is an option for the existing radios to be swapped out to serve as parts for others.

Compliance Officer Ravary discussed pond levels with the Board.

There is excessive grease at A3 pump, likely from commercial users of the system dumping large amounts of grease down their drains. This creates serious problems with the system. He would like Northern A-1 to pump out A-3 station and possibly others. There are large cakes of grease floating on the pond, around equipment and in pipes. He would also like Northern A-1 to service the irrigation pit and wash screens. This is important and necessary maintenance.

Mr. Ravary needs to rent a wood chipper to process remaining cuttings from trees that were cut down earlier this year. They need to be chipped before winter to avoid trying to chip rotted branches.

**Board Action:**

Ms. Thayer made a motion to approve rental of a wood chipper to clean up tree debris this fall. Ms. Hayes seconded the motion.

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

**Board Action:**

Mr. Hempsted made a motion to authorize GFL (Northern A-1) to service A3 station and any other stations requiring removal of grease/sludge, vacuum the irrigation pit and wash screens. Ms. Gifford seconded the motion.

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

**Board Action:**

Ms. Hayes made a motion to authorize crane rental from Elmer's to reinstall an irrigation pump. Ms. Howell seconded the motion.

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

Compliance Officer Ravary and the Board discussed the FLAUA Asset Management Plan. There was extensive discussion regarding the need for a rate study. There has been no rate increase in seven years. Material and labor costs have been maintained for six years.

There was Board consensus users should be notified of anticipated rate increases, and to educate them as to this process.

Treasurer Thayer sent all requested information to MI Rural Waters as well as the Modified P&L Statement. She also reached out to the USDA and inquired whether they need to be consulted and provide input on a potential rate increase or just be notified as to our findings once a rate study is completed. In their response, they asked for the system income cost, the entire system expenses including debt payments, annual bond and RRI reserve and actual O&M costs be provided to them.

FLAUA will facilitate a message to users in their monthly bills advising them of an anticipated rate increase as well as cost management efforts and the fact there has been no rate increase since 2016. Mr. Ravary will provide content for this message.

**CITIZEN COMMENT:** None.

**NEW BUSINESS:**

**Van's Lane Settlement Lien/Tax Roll and Notifications:**

Treasurer Thayer will distribute appropriate information to have this placed on the tax roll and prepare related correspondence.

**RFQs Auditor, Accounting, Engineering & Attorney:**

Treasurer Thayer stated we have standard RFQ letters. She will locate them on the flash drive and forward to Secretary Gifford to distribute RFQs requesting sealed bids. These will be sent to current providers as well as The Leader in Kalkaska and posted on the Township website for any parties interested in providing sealed bids.

The Engineer and Attorney are Of Record; no RFQ is required. The Accounting and Auditor agreements expired 9/2022. FLAUA will be asking for three-year proposals.

Mr. Ravary stated there is a new ruling regarding postings as they are moving more to electronic methods. He will provide that information to the Board to verify.

**OLD BUSINESS:** None.

**COMMUNICATIONS:** None.

**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.

**BOARD COMMENT:** None.

**ADJOURNMENT:**

**Board Action:**

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

VOTE: YEAS: All. NAYES: None.

The meeting adjourned at 6:55 p.m.

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