

FIFE LAKE AREA UTILITY AUTHORITY (FLAUA)

Regular Meeting - Minutes

AMENDED

Thursday, January 18, 2018, 6:00 p.m. 231-879-3565
Fife Lake Village Hall, 616 East Bates Street, Fife Lake, MI 49633

CALL TO ORDER: Vice President Tom Gray called the meeting to order at 6:03 p.m.

ROLL CALL: Vice President Gray called Roll.

Present: Tom Gray-Vice President, Jodi Velez-Treasurer, Secretary Leigh Gifford, Commissioners Cathy Sorrow (appointed to complete remaining term of Linda Forwerck), Marilyn Hayes, and Ron Broering.

Note: Commissioner Jonathan Rose has resigned.

Absent: Commissioner Jim Gifford.

Others in Attendance:

Mr. Dave McGough
Mr. Ray Ravary, FLAUA Compliance Officer
Mr. Paul Birgy, new part-time FLAUA employee (through Kelly Services)
Members of the Public

APPROVAL OF AGENDA:

Addition to Agenda:

New Business: Proposed 2018 Budget from Treasurer

Board Action: Ms. Velez made a motion to approve the Agenda as amended. Mr. Broering seconded the motion.

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

ACCEPTANCE OF MINUTES:

Acceptance of Regular Meeting Minutes of November 16, 2017:

Ms. Hayes made a motion to accept the Minutes of the November 16, 2017, Regular Meeting as presented. Ms. Velez seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried.

CITIZEN COMMENT: None.

TREASURER'S REPORT:

Treasurer's Report – Financial Report of November 30, 2017, and Payment of Bills:

Treasurer's Report – Financial Report of December 31, 2017, and Payment of Bills:

The Treasurer's Report was distributed in advance of the meeting. Ms. Velez distributed an updated A/P Report.

Ms. Velez reported she received a credit from AT&T for internet and telephone service that was disconnected during project work. Credited amounts were \$35.19 for phone service and \$101.04 for internet service only.

A check was received from Great Lakes Energy in the amount of \$1,866.33 for a capital credit refund.

Mr. Ravary indicated the old generator was sold for \$800 and the check has been forwarded to H&R Block. This is shown in the financials under Sale of Asset.

The Board discussed Budget vs. Actual information regarding Work in Progress of the SAW Grant and USDA; these should be listed on the Balance Sheet as Assets, not Work in Progress. This needs to be re-classified.

Ms. Velez read aloud the letter she wrote to H&R Block to authorize a one-year renewal of services per prior meeting decision.

Board Action: Ms. Hayes made a motion to approve the Financial Reports and transfers as amended. Mr. Broering seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried.

Payment of Bills:

December, 2017 Bills Payable (from December meeting which was cancelled due to no quorum)

The Board verified the November check to Recording Secretary Kay Held was voided as she was unable to attend the meeting and prepare minutes.

Board Action: December, 2017 Bills Payable:

Ms. Hayes made a motion to approve December, 2017 bills as amended. Mr. Broering seconded the motion. ROLL CALL VOTE: Broering-Y, Sorrow-Y, Gray-Y, L. Gifford-Y, Hayes-Y, Velez-Y. Motion carried.

January, 2018 Bills Payable:

Re: Munson Occupational Health bill for services for Mr. Ray Ravary. Ms. Velez spoke with Charity Sawyer of H&R Block to pay the bill of approximately \$250. This may be submitted to Workers' Compensation for reimbursement.

Re: Beacon & Bridge charge of \$26.91: Mr. Ravary used the business credit card for gas as he did not have the debit card with him.

Board Action: Ms. Gifford made a motion to approve January, 2018 bills as amended. Mr. Broering seconded the motion. ROLL CALL VOTE: Sorrow-Y, Gray-Y, L. Gifford-Y, Hayes-Y, Velez-Y, Broering-Y. Motion carried.

COMMITTEE REPORTS:

Personnel Committee: No January Committee meeting was held. Ms. Velez and Mr. Ravary met to discuss ~~Kelly Service~~— FLAUA employee, Mr. Paul Birgy (who was in attendance), and the need to stay within allocated hours. Mr. Birgy's drug test is completed and awaiting results. Charity Sawyer of H&R Block needs the payroll forms. Mr. Ravary will ensure they are completed.

Operations Committee: No report.

Compliance Officer/FVOP Report: The Compliance Officer reports were distributed at the meeting for December and January. Mr. Ravary reviewed his reports with the Board, followed by Board discussion. Additional discussion:

The blowers are running; however, there are temperature issues. He reviewed the manual and needs the vendor to come in to re-program them.

Great Lakes Energy has been responsive to our needs and a power fluctuation issue at Station A-3 -- there was a problem with the generator smoking when it kicked in. When the weather warms up, he will investigate further and may need the vendor come in to service it.

Station B-3 showed the pump overage light on; however, the pumps were not on.

Divers were supposed to come in to check out the aerators but didn't due to a miscommunication about the blowers running. They are scheduled to come next Thursday.

He was locked out of the SCADA system when servers were switched over to new system. Mr. Ben Kladder of Fleis and VandenBrink (F&V) was able to access it.

He would like permission to get AT&T internet hooked up again so he can get online at the plant. Ms. Velez has spoken with 3 internet providers and their potential services and fees. Spectrum does not service the area. HughesNet is \$90 per month. Wi Connect is \$70-100 per month. AT&T is \$30 per month as our mobile phone service is through them. There is a \$99 installation fee; after 30 days of service, they will issue a \$100 VISA gift card. Board consensus authorized the AT&T service. The gift card should be issued automatically after 60 days; however, Ms. Velez will send an email requesting it to ensure receipt.

Mr. Ravary reported the fence has been taken care of. Mr. Joe Burfield is still on medical leave and expecting another surgery; he will be off for the foreseeable future.

Mr. Paul Olson of Municipal Underwriters of Michigan (MUM) needs to be put on the February agenda for his annual insurance presentation.

Mr. Ravary reported funds were received from the sale of old generator (\$800); he would like to use it to purchase a backblade for the Mahindra for plowing and has a quote from Pioneer Diesel for \$700-800.

Board Action: Ms. Velez made a motion authorizing Mr. Ravary to purchase a backblade for the Mahindra tractor with the funds from the asset sale of the generator. Mr. Broering seconded the motion.

ROLL CALL VOTE: Gray-Y, L. Gifford-Y, Hayes-Y, Velez-Y, Broering-Y, Sorrow-Y. Motion carried.

Mr. Ravary accidentally knocked down a resident's mailbox. Replacement cost was \$30; however, the resident did not save the receipt. Mr. Ravary will get a written note/statement from the resident in order to reimburse them for the cost.

He has received his Hepatitis vaccines. Mr. Paul Birgy needs to get a Tetanus shot.

Re: Surety for Grand Traverse Construction. Surety was withheld until vegetation and groundwork were complete. There are a few minor items yet related to the lagoon. Mr. Ravary is satisfied with the work and recommends release of the Surety.

Board Action: Ms. Hayes made a motion to release the Surety for Grand Traverse Construction. Ms. Velez seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried.

Mr. Broering stated Mr. Kladder was unable to be here tonight and asked him to compliment Mr. Ravary on his communication with them and work on the project.

Mr. Kladder indicated to Mr. Broering that F&V remains on the project through its completion and smooth operation. These expenses are borne by either F&V or contractors until all details of the project are complete. Mr. Broering suggested we consider retaining F&V on an as-needed basis.

Re: Vans Lane – this will not be paved by FLAUA. Mr. Kladder stated the County released it; Ms. Linda Forwerck stated the County has not released it. Mr. Gray would like a final status on this matter with regard to the portion of the road that was involved with our project. There is Board agreement that the road is in great disrepair; however, that portion of the road was not part of our project. Therefore, FLAUA is not responsible for its repair. We need to make sure the County releases that.

UNFINISHED BUSINESS:

Health Concerns Identified in Compliance Report: All matters are taken care of; see Compliance Officer report.

NSF Policy: Secretary Gifford located a generic hard copy NSF Policy in the file, but needs the cable and access from former President Leedy to check the hard drive. Board discussion determined we need a form personalized with a specific fee for NSF checks. Secretary Gifford will prepare this.

Letters to Connect: Secretary Gifford states these were mailed Certified. Treasurer Velez has received some of the return receipts.

Mr. Dave McGough reported that conversations with Family Dollar indicate they will not hook up. Mr. Gray reports that State law requires hook up if within 200' of a line. There are State repercussions if there is no hookup within a year from receipt of the notification letter; these repercussions are out of the hands of FLAUA. The State Health Department will enforce this requirement.

NEW BUSINESS:

2017 Budget Balance:

Ms. Velez requested authority to balance the budget, transferring funds from line items that are over budget to line items that are under budget. She reviewed some specific accounts; i.e., Professional Services, QuickBooks, Phone/Internet, Truck Repair, Wages, etc., that will need to be adjusted from the budgeted projections. She will provide written detail on

accounts affected. A finalized 2017 Budget will be provided at next month's meeting. Board consensus agreed she balance the accounts and present at the next meeting.

Ms. Velez reported the following Interest and Principal Bond payments that have been made thus far:
December, 2017: Interest Only payment of approximately \$40k
June, 2017: Interest and Principal payment of approximately \$90k

She reported that we were originally required to report to USDA on quarterly basis; however, they are waiving that mandate as they are satisfied with our reporting and proof that we are setting aside monies for the required payments. We are now only required to report to them annually.

Ms. Velez is working on scheduling the 2017 audit with the auditors.

2018 Proposed Budget: Ms. Velez distributed a Proposed Budget for the year 2018. Ms. Velez presented suggested adjustments in certain line items, which were discussed among the Board.

Board Action: Mr. Broering made a motion to approve the Proposed 2018 Budget. Ms. Hayes seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried.

Re: H&R Block report regarding customer requests for waivers of late fees due to a variety of reasons. This was included in the H&R Block accounting packet. Per prior discussions, Board Discussion tonight, and policy: late fees will not be waived if payment is not received by the due date.

Board Action: Mr. Broering made a motion that we decline the late fee requests for the clients listed in the H&R Block report. Ms. Velez seconded the motion. VOTE: YEAS: All. NAYES: None.

Re: H&R Block's request to authorize them to pay FLAUA bills electronically. This would save FLAUA accounting expenses.

Board Action:

Ms. Hayes made a motion to authorize H&R Block to pay any FLAUA bills that are allowable to be paid electronically. Mr. Broering seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried.

Re: Village Laundry request to reduce REU (Residential Equivalent Unit) ~~by~~ TO 1 REU due to closure of laundromat.

There was Board discussion about the closing of the laundromat, the fact that there is a residence on-site, and the fact that REUs are state-mandated and not set by FLAUA.

Board Action:

Ms. Velez made a motion that due to reclassification of usage of the 114 W. State Street, Village Laundry, the account be reduced to 1 REU effective January 1, 2018. Mr. Broering seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried.

The Village Laundry January bill will need to be readjusted; the client is to pay the \$55 that is due for existing residence. Ms. Velez will inform H&R Block in writing.

Election of Officers Nomination Ceremony and Election of Officers for 1/1/18 – 12/31/18:

Board Action: Mr. Broering made a motion to nominate Mr. Tom Gray as President, Ms. Marilyn Hayes as Vice President, Ms. Jodi Velez as Treasurer, and Ms. Leigh Gifford as Secretary of FLAUA effective 1/1/18 through 12/31/18. Ms. Sorrow seconded the motion.

ROLL CALL VOTE: L. Gifford-Y, Hayes-Y, Velez-Y, Broering-Y, Sorrow-Y, Gray-Y. Motion carried.

Removal of 2017 President as Bank Signer as of 12/31/17 and Add New Bank Signer(s) as of 1/1/18:

Board Action: Ms. Velez made a motion to remove the Past President as a signer on any FLAUA accounts and take all necessary action naming signers on all existing accounts as: Ms. Jodi Velez, Mr. Ron Broering, and Ms. Marilyn Hayes. Mr. Broering seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried.

2018 Meeting Schedule: The 2018 Meeting Schedule was distributed to the Board.

Board Action: Ms. Velez made a motion to approve the 2018 Meeting Schedule as presented. Mr. Broering seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried.

A Welcome Packet is to be sent to new Commissioners to include By-Laws, Minutes for the Past Years, Rules and Regulations, Polices.

Vice President Gray noted new Commissioners are required to provide FLAUA with a copy of the Oath of Office from their appointing agency.

COMMUNICATIONS: USDA Mail Request:

The USDA requires a copy of Board Members' Oath of Office. New Appointees need to provide their Oath to the Board to forward to USDA.

Ms. Velez reported her contact at the USDA requested we have our own mailing address (all mail is currently sent to H&R Block). She will advise him to send their mail to our physical address. If Mr. Ravary receives any mail from them, he will deliver it to Ms. Velez.

CITIZEN COMMENT:

Recording Secretary, Kay Held, thanked the Board for their well wishes and gift card following her recent surgery and for taking care of the Minutes during her recuperation. It was most appreciated!

ADJOURNMENT:

Mr. Gray made a motion to adjourn the meeting. Mr. Broering seconded the motion. The meeting adjourned at 7:42 p.m.

Submitted by: Kay Z. Held, Recording Secretary