

FIFE LAKE AREA UTILITY AUTHORITY (FLAUA)

Regular Meeting - Minutes

Thursday, January 17, 2019, 6:00 p.m. 231-879-3565
Fife Lake Village Hall, 616 East Bates Street, Fife Lake, MI 49633

CALL TO ORDER: President Tom Gray called the meeting to order at 6:12 p.m.

ROLL CALL: President Gray called Roll.

Present: President Tom Gray, Vice President Marilyn Hayes, Treasurer Jodi Velez, Secretary Leigh Gifford, and Commissioners Ron Broering, Jim Gifford, Dave McGough, David Gill, and Cathy Sorrow.

Absent: None.

Others in Attendance: Compliance Officer Ray Ravary.

APPROVAL OF AGENDA: Board discussion included the possibility of changing the FLAUA monthly meeting schedule to accommodate Board Member schedules. Mr. McGough will look into other Board schedules and meeting site availabilities to consider meeting on the 3rd Wednesday of the month (or possibly the 3rd Tuesday). This will be addressed and voted upon at the next meeting.

Board Action: Ms. Velez made a motion to approve the Agenda as presented. Ms. Hayes seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried.

ELECTION OF OFFICERS:

Board Action: Mr. Broering made a motion to nominate Mr. Tom Gray as President. Ms. Gifford seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried. Mr. Gray accepted the nomination.

Board Action: Mr. Broering made a motion to nominate Ms. Marilyn Hayes as Vice President. Mr. Gill seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried. Ms. Hayes accepted the nomination.

Board Action: Mr. Broering made a motion to nominate Ms. Jodi Velez as Treasurer. Ms. Hayes seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried. Ms. Velez accepted the nomination.

Board Action: Mr. Broering made a motion to nominate Ms. Leigh Gifford as Secretary. Mr. Gill seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried. Ms. Gifford accepted the nomination.

ACCEPTANCE OF MINUTES:

Acceptance of Regular Meeting Minutes of December 20, 2018:

Ms. Hayes made a motion to accept the Minutes of the December 20, 2018, Regular Meeting as presented. Mr. Gill seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried.

Note: Mr. Broering, Ms. Gifford, and Mr. Gifford abstained from the vote as they were absent at the December meeting.

TREASURER'S REPORT:

Treasurer's Report – Financial Report of December 31, 2018, and Payment of Bills:

The Treasurer's Report was distributed in advance of the meeting. An updated A/P report was distributed at the meeting. Treasurer Velez also reported on the following:

We ended the year at 105% of budget with an excess of \$18,600. We were at 57% of total expenses; however, the Bond/Interest Payment is not reflected in that. There is an Uncategorized Expense of \$72,900 for the Bond Interest/Payment. Ms. Velez is still working on getting the Bond Interest/Payment entered as part of the monthly accounting with Ms. Charity Sawyer of H&R Block. This may be re-categorized into the Uncategorized Expenses heading.

Board Action: Ms. Gifford made a motion to approve the Financial Report as presented. Mr. Gill seconded the motion.
VOTE: YEAS: All. NAYES: None. Motion carried.

Payment of Bills: There was Board discussion regarding Bills Payable. Per Treasurer Velez, there is one new bill to include for approval: \$556.20 to PVS Technologies for purchase of ferric chloride.

Board Action: January, 2019, Bills Payable:

Mr. Gill made a motion to approve the January, 2019, bills as amended. Mr. Broering seconded the motion.

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

Per Ms. Velez, the audit is scheduled for March 11 and 12, 2019.

She had hoped to have the contract from Gabridge to present at tonight's meeting. Because we did not take any draws from USDA and are in the repayment section, it should be a pared down audit process. She will present their new contract when she receives it.

She has prepared the year-end reporting requirement to the USDA and will send it out this week now that we have held the annual Election of Officers.

GUESTS: None.

COMMITTEE REPORTS:

Personnel Committee: No meeting, no report.

Compliance Officer Ray Ravary requested a Personnel Committee meeting be scheduled due to several law changes re: minimum wage, family leave, paid leave act, and the new legalized marijuana law. There was Board discussion regarding these topics. The Board will consider the possibility of developing an FLAUA policy on this. We also need to check with our insurance company.

Steering and Operations Committee: No meeting, no report.

Compliance Officer/FVOP Report:

The Compliance Officer Report was distributed in advance of the meeting and discussed with the Board. Additionally:

Generator PM is completed. The mower deck is finished. He is starting to work on the cement mixer. He has been working on the jetter – there are a lot of changes with the new pump.

The divers were in today; however, ice was a problem. They will be back in two weeks to get the float moved. The data logger was installed.

The Vans Lane letters went out. Ms. Sharon Brown refused to accept hers. He went to the tax office to verify who is registered for taxes on that property. Her husband/ex-husband receives the tax bill; he is Elk Rapids. He will re-send letter to him.

Two other Return Receipts have not come back. One is from a resident who is gone during the winters. Family Dollar has not accepted the letter yet. They are due back by this weekend. If the Family Dollar letter is not accepted, he will re-send it to their Registered Agent. The retiree wintering in Florida will also need to be re-notified.

He will stop by H&R Block and clarify the proper categories for recording the \$400 truck parts bill from Arts Auto Electric (lights for backhoe) and the \$108 to Skim Oil (shipping).

Re: The Cummins generator and ongoing, unresolved issues ~ Mr. Gray has spoken with Mr. Ben Kladder of F&V Engineering who has information from Cummins who admitted they have had problems with those generators. Mr. Kladder is to gather and email to Mr. Gray information he has received from Cummins.

Mr. Ravary spoke again with Mr. Bruce Otte, Cummins representative, who stated he will have information next week. If he has not heard from him by next Thursday, President Gray has asked Mr. Ravary and Mr. Gill to speak with our attorney and provide them with pertinent details about the generator issues in order for them to prepare a letter of notice to

Cummins. Mr. Otte has been informed our attorneys will be brought into this situation as it has not been resolved. Mr. Bruce Otte of Bridgeway and Mr. Ben Kladder of Fleis & VandenBrink Engineering are to be copied on all correspondence related to this issue.

CITIZEN COMMENT: None.

NEW BUSINESS:

PROJECTED 2019 BUDGET: The 2019 Projected Budget was previously distributed to the Board for review. Adjustments to 2018 were made and are reflected in the 2019 Projected Budget.

Operating wages were bumped to \$60k. Natural gas was bumped to \$1,800.

To meet our Bond Interest/Payment obligation \$11k is transferred and paid monthly from the Operating fund to Chemical Bank and \$2,210 is transferred monthly from Operating Fund to the Repair, Replacement & Improvement (RRI USDA account). These two accounts are restricted accounts.

Board Action: Ms. Hayes made a motion to approve the Projected 2019 Budget. Ms. Gifford seconded the motion.

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

OLD BUSINESS:

Cummins Generator: Discussed above in Compliance Officer section.

Outstanding Task List Discussion:

The Outstanding Task List from last month was discussed. New items were added for individual and Board follow-up.

Mr. Ravary suggested the Operations Committee meet to review and discuss the Asset Management Plan before presenting it to the Board.

Mr. Gray read aloud a memo received by Fleis & VandenBrink Engineering regarding the Field Plug Valves. We had previously accepted Etna's offer for new valves. F&V was unaware of this situation. There are some serious discrepancies in the F&V memo with what Mr. Ravary stated was discussed at the meeting. We will dispute several issues; Mr. Ravary will prepare a response letter.

Regarding the Outhouse property, Mr. Broering does not believe the Zoning Department needs to be involved in this. However, there are still compliance issues.

COMMUNICATIONS: None.

CITIZEN COMMENT: None.

BOARD COMMENT: Mr. Broering expressed gratitude and high praise of Board Officers and their efforts for going above and beyond in their volunteer roles with FLAUA for the community.

ADJOURNMENT: Mr. Broering made a motion to adjourn the meeting. Ms. Gifford seconded the motion. The meeting adjourned at 7:14 p.m.

Submitted by: Kay Z. Held, Recording Secretary