

FIFE LAKE AREA UTILITY AUTHORITY (FLAUA)

Regular Meeting - Minutes

Wednesday, July 17, 2019, 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 6:04 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, and David Gill.

Absent: Commissioner Cathy Sorrow.

Others in Attendance: Compliance Officer Ray Ravary.

APPROVAL OF AGENDA: Additions ~

Bills Payable: F&V Invoice and Memo for site visit and valve investigation.

New Business: Triple Point offer for insulating irrigation headers.

Board Action: Mr. Broering made a motion to approve the Agenda as amended. Mr. McGough seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried.

ACCEPTANCE OF MINUTES:

Acceptance of Regular Meeting Minutes of June 19, 2019:

Board Action: Mr. Gill made a motion to accept the Minutes of the June 19, 2019, Regular Meeting as presented. Mr. Broering seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried. Ms. Velez abstained from the vote as she was absent from the June meeting.

TREASURER'S REPORT:

Treasurer's Report – Financial Report of June 30, 2019, 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. Board discussion:

Mr. Gray inquired about the Unapplied Cash Payment Income entry of -\$1,462 on the financial statement. Ms. Velez will investigate this entry.

Re: \$777 invoice from Attorney Tom Grier. Mr. Gray inquired whether this was solely for preparation of the Cummins Generator letter or for any additional services. The invoice was paid June 24. Ms. Velez will verify what services this fee covered.

Re: Budget vs. Actual: Building Repairs 1430% (budgeted \$300). This is likely for concrete service and entered into incorrect account. Ms. Velez will check on this.

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

Payment of Bills: There was Board discussion regarding Bills Payable.

Ms. Velez noted a \$15 invoice from Boardman Family Practice; this is for new part-time employee Jordan Burfield's employment drug screen.

Re: Forest Area Concrete Construction (RAM) invoice of \$800 for additional repairs at 123 Main Street. Mr. Ravary is still pursuing reimbursement with AT&T Loss Prevention. He is getting no response from them after repeated attempts to pursue

this. He has escalated it to the Public Service Commission. If this is not resolved by the August FLAUA meeting, a letter from our Legal will be sent.

Board Action: June, 2019, Bills Payable:

Ms. Gifford made a motion to approve the June 30, 2019, bills as presented. Mr. Broering seconded the motion.

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

BOARD DISCUSSION:

Fleis & VandenBrink (F&V) Memo and Invoice:

FLAUA received a memo and invoice from F&V in the amount of \$1,794.50 for services April 1-June 28, 2019, specifically the site visit and valve function investigation of May 28. Their correspondence also states the FLAUA Professional Services Agreement (PSA) with them has expired. Consequently, they are invoicing for services (much of which they state they have absorbed) and their refusal to allow Mr. Ben Kladder sign the Affidavit that was prepared regarding the valves unless FLAUA is under a service agreement with F&V.

There was extensive Board discussion regarding these matters. The FLAUA Board believes Fleis & VandenBrink Engineering (F&V) has not followed through with post-project support as promised numerous times. The two parties are not in agreement on several issues that have been ongoing since the start-up of the new system; i.e., valves, generator, wet wells, pond & aerators, and building construction, several of which have had problems from Day 1 of the renovation project. We have discussed and attempted to pursue resolution of these issues based on our initial agreement with F&V. FLAUA recognizes our initial formal contract is expired; however, Mr. Ben Kladder personally assured the Board at an earlier FLAUA Board meeting that F&V would stand behind their work and resolve these problems to our satisfaction, regardless of what it takes.

Board discussion encompassed several options to consider; severing relationship with F&V, procuring a new engineering company, private mediation/dispute resolution, etc. The Board understands the terms of the initial PSA; however, the same technical issues exist that were problematic while under the first PSA, without being resolved. These issues have been consistently discussed and documented.

Mr. Ravary has been contacted in the past by several wastewater engineering firms. He will reach out to them for information on services they may offer (i.e., Gosling Czuback, Otwell Mawby, Gordie Fraser, CMH Two Hill) and report back to the Board.

There was also Board discussion to refuse the F&V invoice of July 2, 2019 in the amount of \$1,794.50 for services of April 1-June 28, 2019.

President Gray read aloud the draft letter from Attorney Tom Grier to Cummins Power Generation regarding our generator issues, the documented presence of anti-freeze in the oil for an extended time during the winter of 2018, and concerns for the future integrity of the generator. There was Board discussion about the letter's content and the need to advise Mr. Grier to delete the line referencing the attached Affidavit of Ben Kladder as F&V refused to allow Mr. Kladder to sign it without a new Professional Services Agreement in place.

Board Action: Ms. Velez made a motion for President Gray to contact Attorney Tom Grier authorizing him to send the Cummins Power Generation letter, minus the notation of the enclosed Ben Kladder Affidavit. Mr. Broering seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried.

Board Action: Mr. Broering made a motion to decline payment of the July 2, 2019 invoice from Fleis and VandenBrink in the amount of \$1,794.50 for services of April 1-June 28, 2019, more specifically for the May 28, 2019 onsite team meeting for valve investigation. Additionally, FLAUA declines to sign a new Professional Services Agreement with F&V. Mr. Gifford seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried.

GUESTS: None.

COMMITTEE REPORTS:

Personnel Committee: No meeting. No report.

Re: Discussion at June's meeting and concern about Mr. Ravary's absence at the May 28, 2019 team site visit and valve investigation. There was Board discussion with Mr. Ravary at this evening's meeting regarding this issue and how things transpired. This issue is resolved.

Steering and Operations Committee: No meeting. No report.

Mr. Gray made a site visit to check out the old fencing. It was put up with quality material, and he is not certain it needs to be replaced. Some maintenance is needed; i.e., some posts, new barbed wire across the top, repair a few holes in places. Operations Committee members will look at this portion of the fencing and offer their opinion. This project is in the Asset Management Plan. It is not urgent; however, we need to stay on top of it.

Compliance Officer/FVOP Report:

The Compliance Officer Report was distributed in advance of the meeting and discussed among the Board. Mr. Ravary also reported on the following:

Re: tie-in at 10980 Vans Lane. Resident still owes \$250; we expect the balance due within two months. Compliance Officer Ravary will speak with resident regarding the balance. An application fee is still needed from another resident; they have 10 business days to respond and pay fees.

Mr. Ravary requested authority to send a letter from FLAUA to Vans Lane residents who have yet to tie-in advising that an attorney will be contacted if their hook-up fees/balances are not paid. The Board agreed he should do so. He will contact Dawn Kuhns, Tax Assessor for Fife Lake Township for Family Dollar tax bill address of record.

CITIZEN COMMENT: None.

NEW BUSINESS:

Triple Point Offer:

Triple Point has made an offer to provide \$3,000 to insulate the irrigation header and reset the displaced aerator. There was Board discussion and input from Compliance Officer Ravary on this situation, the system, ongoing problems, future warranty or service work, risks to liner, etc. Mr. Ravary was copied on a letter to F&V from Mr. Brad O'Leary of Triple Point, and he will forward this to Board members for review. He replied to Mr. Ben Kladder with several relevant questions. He was advised that Mr. Scott Hunter would be contacting FLAUA president and be the go-between among FLAUA and Triple Point.

There was Board discussion on tabling this matter until the August meeting in order to review the information.

Board Action: Ms. Velez made a motion to table approval or denial of the Triple Point offer of \$3,000 to insulate the irrigation header and reset the displaced aerator in order to allow time for Board members to review the Triple Point memo and any additional correspondence that may be received. This will be addressed at the August meeting. Mr. Gill seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried.

OLD BUSINESS:

Asset Management Plan: Ongoing.

Outstanding Task List Discussion:

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

CITIZEN COMMENT: None.

BOARD COMMENT:

Mr. Ravary noted he and his staff received a very nice thank you note from the resident at 123 Main Street for work at that site.

Re: Returned Bills List. There are approximately six residents whose invoices are consistently being Returned to Sender as Undeliverable. President Gray inquired whether any Board Members can identify these residents and where they may be reached for billing purposes. Ms. Velez will attempt to locate service addresses through H&R Block and then reference tax rolls.

ADJOURNMENT: Mr. Broering made a motion to adjourn the meeting. Mr. Gill seconded the motion. The meeting adjourned at 7:38 p.m.

Submitted by: Kay Z. Held, Recording Secretary