

FIFE LAKE AREA UTILITY AUTHORITY (FLAUA)

Regular Meeting - Minutes

Wednesday, July 21, 2021, 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 Gray called Roll.

Present: President Tom Gray, Vice President Marilyn Hayes, Treasurer Jodi Thayer, Secretary Leigh Gifford and Commissioners Ron Broering, Tom Hempsted, David Gill and David McGough. A quorum was established.

Absent: Commissioner Jim Gifford.

Others in Attendance:

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

APPROVAL OF AGENDA:

Amendment:

Add to New Business:

Ms. Joyce Freiwald, Representing Fife Lake Area Historical Society

Add to Old Business:

2020 Audit

Board Action:

Ms. Gifford made a motion to approve the Agenda as amended. Mr. Gill seconded the motion.

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

ACCEPTANCE OF MINUTES:

Acceptance of Regular Meeting Minutes of June 16, 2021:

Correct date at heading of document and in the footer to read June 16, 2021. (Not June 21 and May 19 respectively).

Board Action:

Ms. Hayes made a motion to accept the Minutes of the June 16, 2021, Regular Meeting as amended. Mr. Broering seconded the motion.

Ms. Thayer abstained from the vote as she was absent from the June meeting.

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

TREASURER'S REPORT:

Treasurer's Report – Financial Report of June, 2021, and Payment of Bills:

The June, 2021, Treasurer's Report was distributed in advance of the meeting for Board review. Treasurer Thayer also reported on the following:

The Budget to Actual is looking good. She received an email after the audit was submitted to Mr. Blake Smith of the USDA. He remarked regarding servicing of the bond, our financial ratios should both be at least 1.5%; our current ratio is at 6.57% and overall is 1.56%. He is pleased with those standings and confident we are using the funding appropriately.

Board Action:

Mr. Broering 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: July 2021, Bills Payable: A revised A/P report was distributed. There was Board discussion regarding Bills Payable.

Treasurer Thayer reported on two DTE bills of the same amount. They are not duplicate bills; they are simply the same amount. The same is reported for three GT Analytical bills in the same amount. She verified they are also not duplicates.

She clarified the previously stated \$140 Workers' Compensation refund was actually \$146.

President Gray inquired of Compliance Officer Ravary if the load testing bill did include looking at the generator (this was questioned at the June meeting). Mr. Ravary believes it was included.

Board Action:

Mr. Broering made a motion to approve the July, 2021, bills as presented. Ms. Gifford seconded the motion.

ROLL CALL VOTE:

Hayes-Y, Thayer-Y, Broering-Y, Gray-Y, L. Gifford-Y, McGough-Y, Gill-Y, Hempsted-Y. Motion carried.

GUESTS: None.

COMMITTEE REPORTS:

Personnel Committee: No meeting. No report.

Ms. Thayer has reached out to Mr. Chris Houghton regarding the increase in salary and dental coverage provided he reaches and maintains the threshold in increased hours required. They have not connected yet. She has not yet instituted the coverage. She spoke with Compliance Officer Ravary who stated Mr. Houghton has increased his hours; Ms. Thayer will confirm with Mr. Houghton. If required hours are satisfied, she will implement coverage. Hours worked will be monitored.

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 among the Board. Compliance Officer Ravary reported on the following.

He got a new phone and had to replace the router and modem at the plant.

He needs another load of gravel; there have been wash outs with a lot of gravel. It is about \$1,600 a load.

There is a big problem with water milfoil in the pond. There was Board discussion. Mr. Ravary called Green Lake Township who is dealing with it. Mr. Broering stated Fife Lake is as well. Mr. Ravary would like direction on how to treat the milfoil on the pond. President Gray suggested he contact the people at Savin Lake Services; they treat Fife Lake.

Mr. Ravary spoke with Attorney Grier; there is a mid-August mediation settlement date. He would like someone from the Board there. Ms. Thayer spoke with Attorney Grier today and requested the scheduling order. This is regarding the Van's Lane suit.

Mr. Ravary reported he hasn't gotten the parking lot done due to excessive rain.

The pond level is going down, despite the rains. Mr. Tim Birgy got 28 bales cut. He will be doing a second cutting soon.

The Board asked Mr. Ravary if he felt his part-time staff did well during his short-term medical absence and he reported yes, very well. Mr. Houghton needed a little help on the MissDig drawings; but overall they did a good job filling in during his absence.

Mr. Gray inquired about the posts on Howard Street we had put in to protect our manhole. These were removed by a homeowner more than once. He has been spoken to on multiple occasions. We need to reinstall the posts.

President Gray inquired about the parts he is waiting on from Pioneer Diesel and Apple Fence. Mr. Ravary is waiting for a bolt for the mower deck after throwing a blade. He got some prices for fencing from Apple Fence and needs a couple more remotes. The Board is concerned about anyone other than Board members having gate remotes and requested a log of who has them. Mr. Ravary will prepare and submit a log to her.

Mr. Gray inquired about our new DEQ license. Mr. Ravary has not heard back yet. He may need to do a profile 3' into the soil to determine the phosphorus. The new groundwater discharge permit license should go into effect in August.

We don't own the pontoon yet; Mr. Krim needs to get the title.

Board Action:

Mr. Broering made a motion to authorize Compliance Officer Ravary to purchase a train of road gravel. Ms. Gifford seconded the motion.

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

CITIZEN COMMENT: None.

NEW BUSINESS:

Ms. Joyce Freiwald, Fife Lake Area Historical Society:

Ms. Freiwald wrote to the Board asking to attend our meeting. President Gray read her letter aloud to the Board. They are a non-profit organization with two venues open two, 3-hour days/week for three months out of the year, with very low usage. She stated a \$110/month sewer bill is a big burden on their limited budget. The Historical Society asked for consideration for future billing.

There was extensive Board discussion regarding the REUs and By-Laws including other low or no use properties. They are being billed 2 REUs because there are two buildings. FLAUA has been asked the same consideration in the past by some property owners who are only half time at their properties. Non-profits, limited use and part-time users were discussed. As the REUs and By-Laws are set, whether or not it is used, the service is there.

While the Board genuinely understands and appreciates her concerns, the Board is also concerned with setting a precedent and ensuring compliance with USDA mandates. The loan was predicated on a specific number of REUs. We rely on our requirements as mandated by the federal government through the USDA as they manage our bond. Ms. Thayer will contact our USDA rep to inquire whether any concessions can be offered.

Annual Fidelity Bond Review:

Ms. Thayer previously did follow-up in this matter and does not believe it is required any longer. See prior month's minutes.

OLD BUSINESS:

2020 Audit:

The 2020 Audit conducted by Gabridge was distributed to the Board for review. There was Board discussion. Ms. Thayer also reported. Our Bond payment goes up but the interest goes down annually; the payment remains nearly the same.

There is a deadline for filing with State of Michigan. The State of Michigan then reviews it. LAFD Audits sent her an e-mail (State licensing and finance division) stating we have a deficiency requiring a corrective action plan. She spoke with our representative at Gabridge.

Because we have a large amount of monies going out to pay the bond, our expenses exceed income, and we are putting funds into restricted accounts. Consequently, depreciation, cash flow, and income do not mesh on paper. This has been discussed numerous times at meetings and a special quarterly accounting report is being generated to document and show this as well. Gabridge sent her language to put in a letter to LAFD providing them the appropriate explanation. She prepared and sent the letter to the State of Michigan, and has not heard back.

Board Action:

Mr. Broering made a motion to approve the 2020 Audit. Ms. Hayes seconded the motion.

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

Elden Carlson Account:

Continued from last month's meeting, there was Board research on what facilitated Mr. Carlson's fees that he was disputing. It was confirmed FLAUA only charged him a late fee of \$5, not a total of \$25. It is recommended Mr. Carlson research the \$20 fee imposed by Huntington Bank with them.

Our NSF policy was discussed; Per Resolution 118, we impose a \$25 return check fee. However, this was not the case in the Carlson situation.

Asset Management Plan: Tabled to next month.

Outstanding Task List Discussion:

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

Ms. Thayer noted to the Board Townships and municipalities are eligible for monies through the American Rescue Plan Act. She is wondering if the FLAUA might be eligible as well. She will reach out to Fife Lake and Springfield Township Clerks about the deadline and application process.

There was additional extensive discussion about the Van's Lane case.

There was discussion about costs and possible grant efforts for bathrooms at the Lakeside park.

COMMUNICATIONS: None.

CITIZEN COMMENT: None.

BOARD COMMENT: None.

ADJOURNMENT: Mr. Broering made a motion to adjourn the meeting. Ms. Thayer seconded the motion.

The meeting adjourned at 7:22 p.m.

Submitted by: Kay Z. Held, Recording Secretary