

FIFE LAKE AREA UTILITY AUTHORITY (FLAUA)

Regular Meeting - Minutes

Wednesday, June 19, 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, Secretary Leigh Gifford, and Commissioners Ron Broering, Jim Gifford, Dave McGough, and David Gill.

Absent: Treasurer Jodi Velez and Commissioner Cathy Sorrow.

Others in Attendance: Part-time employee Chris Houghton in the absence of Compliance Officer Ray Ravary.

APPROVAL OF AGENDA: Additions ~

Communications:

Letter re: Cummins Power Generation letter from Tom Grier

Affidavit from Ben Kladder

Old Business:

Fleis & VandenBrink (F&V) memo regarding site visit and valve investigation

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

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

ACCEPTANCE OF MINUTES:

Acceptance of Regular Meeting Minutes of May 15, 2019:

Board Action: Ms. Hayes made a motion to accept the Minutes of the May 15, 2019, Regular Meeting as presented. Mr. Broering seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried.

TREASURER'S REPORT:

Treasurer's Report – Financial Report of May 31, 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. Discussion addressed the following:

The Budget vs. Actual on the Bond inquiry from last month's discussion has been resolved on the financial statement.

Delinquent taxes should be forthcoming shortly.

Mr. Broering inquired about the consecutive month late fees for delinquent accounts and whether FLAUA instituted a formal policy and how late fees are to be applied and compounded. Mr. Gray will review past Minutes for this documentation.

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: There was Board discussion regarding Bills Payable.

Re: \$3,690 was paid to Forest Area Concrete Construction. This was for original work; there will be another invoice coming for additional work performed by RAM. Per Compliance Officer Report, AT&T drilled into our pipe at 123 Main to run a phone line; it has been over five years since they last did it so AT&T says we are responsible for it. Mr. Ravary is trying to resolve this with AT&T Loss Prevention.

Board Action: May, 2019, Bills Payable:

Mr. Broering made a motion to approve the May 31, 2019, bills as presented. Ms. Gifford seconded the motion.

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

GUESTS: None.

COMMITTEE REPORTS:

Personnel Committee: No meeting, no report.

Mr. Jordan Burfield has been hired as a temporary part-time employee at the beginning rate of \$12.00/hour. Ms. Hayes will coordinate employment drug testing with Ms. Velez.

Board Action: Mr. Broering made a motion to approve the hiring of Mr. Jordan Burfield on a part-time basis at the rate of \$12.00/hour. Ms. Hayes seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried.

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. Mr. Chris Houghton also commented on the following:

Dar Zimmerman has all the fields cut. They need to dry and be baled, then irrigated.

Divers from Triple Point have not yet been out to look at the aerators. They should be here soon. The issue of the moving aerators has been ongoing and needs to be resolved.

Regarding the 90-day Hook-up letter requirements, Family Dollar has yet to reply. The corporate phone number does not get answered. This remains up in the air. Board discussion concluded that if they have yet to respond by the next FLAUA meeting, our attorneys will become involved. Mr. Ravary has a letter prepared for our attorney to send. As Family Dollar has been unresponsive, fees will eventually end up on their tax bill.

CITIZEN COMMENT: None.

NEW BUSINESS: None.

OLD BUSINESS:

F&V Memo re: Valves and May 28, 2019 Site Visit:

President Tom Gray reported on May 28, 2019 field site visit with the following representatives to monitor valve functions:

Mr. Ian Neerkin of Fleis & VandenBrink Engineering

Mr. Jeff Saxton of Team Elmers

Mr. Tom Gray, President of Fife Lake Area Utility Authority

FLAUA has received a comprehensive memo from Messrs. Ben Kladder and Ian Neerkin of F&V outlining their impressions from the site visit. Additionally, President Tom Gray provided the Board an overview of this meeting from his perspective.

During the field visit, each valve in every field was systematically opened and closed under pressure, and each appeared to work properly. He believes the order in which the valves were opened, in conjunction with pump operation, may have been causing the leaks. No excessive force was necessary in turning any valves on or off. Findings from these tests indicate the valves should be operated while the irrigation pump is running. The lines could take up to 20 minutes to drain after the valve is closed.

Mr. Gray relayed the findings of the meeting to Mr. Ravary. Mr. Chris Houghton indicated this evening that turning on the valves with the pump running appears to be working, and there have been no leaks.

Compliance Officer Ray Ravary informed President Gray the morning of May 28 that he would not be able to attend this field visit as he was doing some other work, taking in soil samples, and had a doctor's appointment. Board Members expressed concern that Mr. Ravary was not present during this meeting as the valve functions have been a high priority concern for quite some time and the meeting had been scheduled well in advance. Others in attendance of the site visit also expressed concern that the Compliance Officer was absent during this investigation. The Board determined a meeting with Mr. Ravary will be scheduled through the Personnel Committee to discuss this situation.

Board Action: Mr. Gill made a motion to address Mr. Ravary's absence at the May 28, 2019 site visit with FLAUA, Team Elmers, and F&V to investigate valve operations. This issue will be discussed with him through the Personnel Committee. Mr. Broering seconded the motion. VOTE: YEAS: All. NAYES: None.

2018 Annual Audit:

Board Action:

A Draft of the Gabridge & Co. 2018 Annual Audit was previously distributed to the Board to review. Board discussion included the following:

Re: 2018 Bond payments: \$59,000 principal / \$80,000 interest. FLAUA continues to put the required amounts into an account to cover these payments (principal once per year, interest twice per year).

Re: Audit shows an operating loss of \$137k; this equates to depreciation values of equipment, building, and other assets.

Re: Depreciation expenses for 2017 were \$234,000; in 2019 they are \$353,000 because we now have more assets, which will depreciate each year.

Re: Tom Gray reviewed present and past rates, confirming that FLAUA bringing in more revenue than are operating expenses.

Board Action: Mr. Broering made a motion to approve the Gabridge & Co. 2018 Annual Audit as delivered. Ms. Gifford seconded the motion. ROLL CALL VOTE: Broering-Y, Gray-Y, L. Gifford-Y, J. Gifford-Y, McGough-Y, Gill-Y, Hayes-Y. Motion carried.

Asset Management Plan: Tabled to next month.

Outstanding Task List Discussion:

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

Mr. Gray expressed his thoughts about earlier discussion in putting up a storage shed and does not believe another building is necessary, particularly after such a large construction project and capital expenditures. He made a site visit; the old pole barn needs to be de-cluttered. There are numerous pieces of equipment that have been used infrequently and may not be necessary. The Board suggested an inventory of items be taken to determine what we can dispose of or sell in order for more usable space in this existing facility. This topic will be reviewed at the next meeting.

Letter to Cummins Power Generation from Tom Grier:

Board Action: Mr. Gill made a motion to approve and send Tom Grier's letter to Cummins Power Generation and Affidavit from Mr. Ben Kladder of F&V regarding the generator issues. Mr. Broering seconded the motion. VOTE: YEAS: All. NAYES: None. Motion Carried.

President Gray will direct Tom Grier to send out the Cummins letter and Ben Kladder affidavit.

CITIZEN COMMENT: None.

BOARD COMMENT:

Mr. Broering indicated he received feedback from a resident with concern over the \$55 monthly rate. Any increase is undesirable; however, he expressed to the resident other utilities are charging \$12-18k to hook up. FLAUA was extremely fortunate to procure funding and grant monies while keeping the rate increase small.

Mr. McGough indicated a resident had to have Roto Router come to his property and wondered who is responsible for this. Mr. Gray spoke of our prior televising of the system before the system renovation. Residents are responsible for the line from their property to the connection.

ADJOURNMENT: Mr. Broering made a motion to adjourn the meeting. Mr. Gill seconded the motion. The meeting adjourned at 7:11 p.m.

Submitted by: Kay Z. Held, Recording Secretary