

FIFE LAKE AREA UTILITY AUTHORITY (FLAUA)

Regular Meeting - Minutes

Thursday, May 17, 2018, 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 6:02 p.m.

ROLL CALL: President Gray called Roll.

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

Absent: Vice President Marilyn Hayes.

Others in Attendance: Mr. Ray Ravary, FLAUA Compliance Officer.

APPROVAL OF AGENDA:

Board Action: Mr. McGough made a motion to approve the Agenda as presented. Ms. Sorrow seconded the motion.

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

ACCEPTANCE OF MINUTES:

Acceptance of Regular Meeting Minutes of April 19, 2018:

Ms. Sorrow made a motion to accept the Minutes of the April 19, 2018, Regular Meeting as presented. Mr. Gill seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried.

Discussion:

- 399 Woodsedge account inquiry has been resolved; it was being billed under another account number.
- Re: Overhead Door and Cummings Bridgeway Generator issues per prior month's discussion. The doors need more adjustments. There are gaps and operational issues. Continue to hold payment on these items and follow-up with the vendors. This remains unresolved for quite some time and discussed at each meeting.

TREASURER'S REPORT:

Treasurer's Report – Financial Report of April 30, 2018, 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 will continue to pursue the \$299 credit from Renewal Support. The Initial credit of \$899 has come through.

The Financial Report lists Administration Expense at 3,996%. Our Insurance expense is incorrectly entered under this heading. Ms. Velez will follow up with Ms. Sawyer at H&R Block to ensure it has been corrected.

The Natural Gas expenses are somewhat high and will increase as the cold weather comes. The new building is also three times larger than our previous building. As previously noted, natural gas is a new expense with the new property. We may need to move additional funds into this account prior to Fall/Winter.

Elizabeth of Lakeside Title called to inquire about 468 W. State Street. Our sewer does not run to that address. The title company needs to be informed of this. Mr. Ravary will confirm and advise Ms. Sawyer at H&R Block and ask her to notify the title company.

Re: Kitchen account requesting waiver of late fees. This was previously discussed and a motion carried denying the request. Ms. Velez will notify Ms. Sawyer at H&R Block to send letter to the customer.

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

Payment of Bills:

There was Board discussion to continue to withhold Overhead Door and Cummings Bridgeway Generator payments. It is believed these are not valid charges as the generator is still under warranty. There have been major repairs and it is uncertain whether the issues are completely resolved.

Re: the USDA Interest and Principal payment is due June 1; monies are in the account per procedure.

Mr. Ravary made arrangements with an individual to take our scrap metal to Padnos Recycling. That person will retain 1/3 of the cash revenue for his services. This saves time, gas, and expense on Mr. Ravary's part. As a result, to date we have received \$680 from two trips. There was Board consensus to continue this practice.

Re: Implied Industrial Technologies: there are three invoices from them for bearings, other parts and labor to rebuild the hydraulic pump on the jetter.

Re: Fees to H&R Block (\$1,741) are higher this month due to their involvement in the audit. The audit took one day instead of two and went smoothly with only one or two inquiries from the auditor. We are awaiting the final report.

Re: Gaebridge \$1,600 invoice. This is half of what we owe for the audit.

Board Action: April, 2018, Bills Payable:

Mr. Broering made a motion to approve the April, 2018 bills as amended (withholding Overhead/Cummings payment). Mr. Gill seconded the motion. ROLL CALL VOTE: Velez-Y, Broering-Y, Gray-Y, L. Gifford-Y, J. Gifford-Y, Sorrow-Y, McGough-Y, Gill-Y. Motion carried.

GUESTS: None.

COMMITTEE REPORTS:

Personnel Committee: No meeting was held, no report.

Steering and Operations Committee: No meeting was held, no report.

Per prior meeting discussion, the Operations Committee will meet to discuss whether contractors are required to be bonded and their liability limits well as the Asset Management Plan and the Hook-up Policy.

Compliance Officer/FVOP Report: The Compliance Officer Report was distributed prior to the meeting. In addition to his report, Mr. Ravary noted the following:

Re: Forest Area Credit Union hook-up. Mr. Ravary has marked the lead.

Re: Uniforms – Mr. Ravary has changed to the 7-day uniform program for himself and will get Mr. Birgy set up for his uniforms. He spoke with our linen supplier about purchasing shop rags by the box and entry-way mats due to the concrete dust from the blowers. Mr. Ravary is reviewing concrete sealant to cut down on the dust and believes he has found a source.

The new Mahindra (replacement) tractor has been running well.

Per his report, the influent red floaters continue to flip upside down. He pulled them in. While they are covered with algae, they are not plugged. This continues to be a problem. He recently received paperwork from Fleis & VandenBrink on this equipment and how it operates. He will review and see if he can resolve this.

The blowers were worked on a second time. Mr. Ben Kladder from F&V is to follow-up with the vendor regarding adjustment of blower intake parameters and repair of relief valves. He did preventative maintenance on them.

The meter company calibrated the influent and effluent meters.

Per his Compliance Officer Report, Cummings Generator worked on the A3 Generator again. It was still burning anti-freeze; he topped it off and after two weeks, it is down ½ inch. He will continue to monitor.

He is concerned that when the head gaskets were replaced it is not sealing properly, there is water in the oil, and the cylinders may have been scarred. He has called them several times to ask exactly what service was performed; however, has not received a response. He suggests we continue to withhold payment, and the Board does not believe there should be any fees due to the warranty.

This is a brand new, very expensive piece of equipment. A new generator with 16 hours on it should not require a new head gasket. There was extensive Board discussion with concerns that this equipment should be properly operating, it is under warranty, and Cummings Generator needs to be aggressively addressed. This has become a routine issue of discussion each month. Because Cummings has not responded, it was suggested our attorney issue a letter to them reiterating our concerns and requesting service.

Board Action: Mr. Gill made a motion we ask our attorney to prepare a letter to Cummings Bridgeway Generator concerning the ongoing service issues we are having with the new generator and related bills for what should be warranty work. Mr. Broering seconded the motion.

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

Mr. Ravary (or the Board) will contact the attorney with details of this matter.

There is Board concern that our Operator, Mr. Ravary, has had to make numerous repairs and adjustments that we believe should have been taken care of by vendors or our Project Manager, Fleis & VandenBrink (F&V) Engineering, relevant to each issue. These matters are above general maintenance; i.e., problems with the overhead doors, lighting relocation, irrigation system, roof maintenance, road trench, etc.). It is believed we have incurred additional labor expenses that should not fall to FLAUA. The Board asked Mr. Ravary to make an inclusive list of the items and approximate time spent since on them from the construction through start-up and operation of the system so the Board can ask F&V to meet with us to discuss these issues.

CITIZEN COMMENT: None.

NEW BUSINESS: None.

OLD BUSINESS:

Return of FLAUA Property: Remaining FLAUA property has been recovered from the Past President and past employee Mr. Jerry DaFoe.

Truck Repair: Mr. Ravary will work with Paul Olson of Municipal Underwriters of Michigan (MUM) to file the claim and facilitate repairs.

COMMUNICATIONS: None.

CITIZEN COMMENT: None.

BOARD COMMENT:

Mr. Broering expressed thanks to Board for their ongoing service to FLAUA and the community, noting the extensive work Mr. Gray and Ms. Velez have taken on with the administrative and finance matters. It is much appreciated.

Mr. Gray noted FLAUA sewer rates were raised to \$55/month. Grand Traverse County is raising their sewer rates to \$40/month for each 600 gallons of water used. The average household uses 1,200 gallons/month. Comparatively, our rate increase would appear reasonable. Other communities comparable to ours pay higher rates.

Mr. Ravary would like to purchase and plant some shrubs along the sidewalk and building with the Padnos scrap money. There was Board consensus to do so.

ADJOURNMENT: Mr. Broering made a motion to adjourn the meeting. Ms. Sorrow seconded the motion. The meeting adjourned at 7:22 p.m.

Submitted by: Kay Z. Held, Recording Secretary