

**FIFE LAKE AREA UTILITY AUTHORITY (FLAUA)  
REGULAR MEETING  
MINUTES  
Thursday, July 17, 2014  
6:00 p.m. Fife Lake Village Hall, Fife Lake, MI**

DRAFT

**CALL TO ORDER:** Meeting was called to order at 6 pm by William Fisk, President.

**ROLL CALL:** Roll was called by President William Fisk.

**Present:**

William Fisk-President, Jodi Velez-Vice President, Lori Ann Rognlie-Secretary, Tom Gray-Treasurer, and Commissioners: Ron Broering, Lisa Leedy, Robert Sturdavant, and Brandon Gwizdala (representing Fife Lake Township on behalf of William Saba).

**Absent:**

Commissioners Ricky Hulwick and William Saba.

**Guests:**

John Koch, Superintendent, FLAUA.  
Ben Kladder, Fleis & Vandenbrink Engineering  
Member of the Public.

**APPROVAL OF AGENDA:** President Fisk asked for motion to approve Agenda or for any additions to Agenda.

Secretary Rognlie made a motion to add the following items to this evening's Agenda:

- FOIA Policy
- Mail Distribution Policy
- Review of 2009 Theft Identify Policy
- Review of 2000 proposed Investment Policy
- Updated Board of Commissioners Directory (rev: 7/17/14)
- Organizational Calendar (rev: 7/1/14)

President Fisk recommended the following be added to this evening's Agenda:

- Contract for Farming Rights of FLAUA Fields with Mr. and Mrs. Dar Zimmerman
- Fleis & Vandenbrink Operations Proposal

Vice President Velez requested adding subject of identifying property ownership of Station A4 to Agenda.

**Board Action:** Ms. Leedy made motion to approve the Agenda with above noted additions. Ms. Velez seconded the motion. Vote: YEAS: All. NAYES: None. Motion carried.

President Fisk referenced Roberts Rules of Order and its proper and common procedures, reiterating that communication and questions be directed to the Chair for discussion as well as abstaining from separate conversations or back & forth discussions. This will result in better efficiency in the Board's ability to do the work of the community, while at the same time, following specified guidelines and achieving accurate recording.

**APPROVAL OF CONSENT AGENDA:**

President Fisk noted that the Minutes from the Regular Meeting of 5/29/14 listed on Consent Agenda had been previously accepted at the 6/19/14 Regular Meeting.

**Board Action:**

Ms. Rognlie made a motion to accept Consent Agenda as presented. Ms. Leedy supported and asked for discussion.

Ms. Leedy inquired about the bill from Classic Farm Equipment; it was for the previously approved purchase of chain saw and ancillary items. Inquiry was also made into payment to Fife Lake True Value Hardware; those purchases were for dehumidifiers, bench grinder, piping, and minor hardware items.

Ms. Leedy inquired whether any Village staff attended the Michigan Rural Water Association (MRWA) Confined Space Training discussed at the June meeting. Superintendent John Koch verified that two Village staff attended. Ms. Leedy will facilitate payment for the training costs.

Ms. Leedy inquired about the Profit & Loss (P&L) statement, specifically the Miscellaneous line item at 655% of budget. Treasurer Gray reported this line item is comprised of mostly small items without a designated category. Other items appearing over budget are due to unexpected expenses or items paid annually; i.e., underground gas tank removal, insurance, licenses and permits.

Of additional mention by Treasurer Gray is that FLAUA has drawn in 21% of income because we started with a fund balance of \$189k. Last year FLAUA brought in \$81k and budgeted \$192k. Some of the shortfall may be delinquent taxes. FLAUA was aware telephone expenses would exceed budgeted amount. Treasurer confirms nothing unusual in financial statement.

Commissioner Broering suggested separating Treasurer's Report/Accounts Payable from other Consent items as they draw discussion and it would better expedite the process. President Fisk agreed this warrants consideration moving forward. Secretary Rognlie will adapt next month's meeting agenda layout.

**Board Action:** Secretary Rognlie rescinded her motion to approve Consent Agenda due to the prospect of separating the Consent Agenda Items. Commissioner Leedy supported motion. Vote: YEAS: All. NAYES: None. Motion carried.

**Board Action:** President Fisk asked for a motion to separate acceptance of Minutes from Consent Agenda items. Ms. Leedy made motion to do so. Secretary Rognlie supported. Vote: YEAS: All. NAYES: None. Motion carried.

**Board Action:** Ms. Leedy made a motion to approve Consent Agenda Items, less the Minutes. Ms. Velez seconded. Vote: YEAS: All. NAYES: None. Motion carried.

**Minutes of Regular Meeting June 19, 2014**

Ms. Leedy noted correction of Fleis & Vandenbrink—not Vandenbrink— as incorrect spelling was used on occasion in the June 19 minutes.

**Board Action:** Treasurer Gray moved to approve minutes of Regular Meeting of 6/19/14. Secretary Rognlie supported. Vote: YEAS: All—with exception of Messrs. Broering and Fisk, who abstained from voting due to absence from June meeting. NAYES: None. Motion carried.

**Minutes of Special Meeting May 29, 2014**

As stated by President Fisk earlier, the Minutes of the Special Meeting of 5/29/14 were approved at the June meeting.

**Treasurer's Report for June, 2014**

Vice President Velez made motion to separate remaining Consent Agenda items (Treasurer's Report and Bills Payable for June, 2014) from other items on Consent Agenda. Commissioner Broering seconded the motion.

Mr. Gray clarified that current funds for Bond & Interest payment appear to be near \$40k; \$23k was just paid out and will show up on next month's statement.

**Board Action:** ROLL CALL VOTE: Fisk-Y, Velez-Y, Rognlie-Y, Gray-Y, Broering-Y, Leedy-Y Sturdavant-Y, Gwizdala-Y. **Absent:** Ricky Hulwick. Motion Carried.

#### **COMMUNICATIONS:**

##### **Citizens Comment:**

In ongoing efforts to comply with Open Meetings Act (OMA) Mr. Fisk noted members of the public are not required to publicly identify themselves in merely attending a meeting. However, if a member of the public wishes to address the Board, it is necessary for recording purposes to identify themselves before speaking.

Mr. George Gauld, 314 Pierce Street, Fife Lake, MI, 49633. Mr. Gauld expressed concern with equipment sitting outside of treatment plant garage, which he believes was erected for the purpose of housing and storing equipment. Mr. Koch responded where equipment is stored. President Fisk informed Mr. Gauld his concerns will be explored, what storage is currently being utilized, that there is no intent for negligence of equipment, and a response will be provided to Mr. Gauld by the next meeting.

##### **Correspondence:**

- A) Secretary Rognlie references two Department of Environmental Quality (DEQ) letters in meeting packet. The first DEQ letter congratulates the FLAUA on receiving the Stormwater, Asset Management, and Wastewater (SAW) Grant. The second letter informs FLAUA that monies must be utilized upon receipt and that an asset management plan be prepared and made available to the DEQ and/or the public and maintained for a period of 15 years. Exhibit A is a breakdown of funds being provided and their respective categories for use.

Treasurer Gray asked about procedure for paying bills related to projects. Mr. Ben Kladder with F&V confirms that FLAUA is to submit bills and DEQ will facilitate payment.

Commissioner Broering confirmed with Mr. Kladder that the breakdown of funds was generated via information Mr. Kladder provided to DEQ. He confirmed that was the case.

- B) Secretary Rognlie referenced an email from Mr. John DeVol with F&V regarding the System Award Management (SAM) ID number which was generated by the Federal government. It is used to recognize FLAUA and allow for federal monies to be released. Acquiring this identification number in such a timely fashion was due to the diligence of the United States Department of Agriculture (USDA) representative, Mr. Blake Smith, Mr. John DeVol of F&V, Ms. Lori Ann Rognlie, FLAUA Board Secretary, and the Steering Committee. This was a large task and significant benchmark accomplishment.

Ms. Velez confirmed FLAUA is tax-exempt, as referenced by Mr. John DeVol in his email. Based on her experience with a different tax-exempt, non-profit organization (non-governmental), because a Form 990-N was not completed by that group, their tax-exempt status was pulled. President Fisk will review this information with Ms. Sandra Wilton of Fife Area Services (FAS) to ensure FLAUA tax-exempt status is not jeopardized.

**NOTE:** Commissioner Sturdavant needed to leave the meeting at 6:35p.m.

##### **Board Comment:**

President Fisk suggested we address Board Comment at the end of the Agenda to capture any subjects that may come up during the course of the meeting.

Secretary Rognlie notified the Board she is in process of setting up files at the plant office, MIOSHA posters are now appropriately displayed, Safety Sheets are posted, and the MIOSHA Injury Log/Injury Report forms have been downloaded.

**President's Report:**

Mr. Fisk presented the President's Report. He specifically referenced contact with Great Lakes Energy after learning that the Grand Kal lift station (Kalkaska) was not listed as tax exempt. FLAUA has been paying sales tax on that site for the past four years; Great Lakes Energy will credit us in the amount of \$131.14. Documentation is in place with Great Lakes Energy, ensuring FLAUA's tax exempt status until the year 2100.

**Superintendent's Report:**

Mr. Koch expressed additional information to the Board:

- A) He looked at some retrofit stations in Spring Lake, Michigan, which provided valuable information.
- B) At the direction of President Fisk, Mr. Koch had a meeting with Mr. Matt Emery regarding the Zimmerman and Hart backups.
- C) He expressed thanks to Ms. Rognlie for her assistance in setting up document templates which will be used administratively moving forward.
- D) Mr. Koch informed the Board that the DEQ permit expires May, 2015; however, renewal application is requested by November, 2014. In the past, the engineering firm has facilitated this process. He will be contacting Mr. Ben Kladder with F&V to follow-up on the matter.
- E) In follow-up to the June meeting discussion, Ms. Leedy inquired if there was surge protection on Station A3; there is not.

**DISCUSSION:**

**Personnel Committee:**

Contract Negotiation: President Fisk met with attorney from Running Wise & Ford (RWF) to discuss development of employment contract and legal utilization of comp time procedures. He will appraise the Board of RWF's recommendations.

Ms. Leedy inquired about plans for the employment review process. Mr. Fisk advised he is examining sample review formats for wastewater/utility organizations and evaluating other options. Each agreed this process should involve a full Board review with input. Mr. Fisk recommended beginning the evaluation process after receiving attorney input; possibly within the next 10 days.

Station A4 Property Ownership: Mr. Ben Kladder with F&V responded to mention of a citizen request about ownership of this station and any easement. This is part of the Rural Development (RD) construction project and the new attorney we have on board will need to certify property ownership on all parcels where improvements are going to take place. This is part of the SAW Grant process. At this time, FLAUA does not need to proceed independently on this matter.

**Steering Committee:**

Ms. Leedy confirmed Ms. Rognlie secured the SAM number. Mr. Ben Kladder informed the Board the full application should be submitted within the next two weeks. The Environmental Report (ER) is complete.

The USDA engineer in Lansing stated there are no negative impacts that would result from the project. A 30-day public notice is required and will be posted in the Traverse City Record Eagle Monday (7/22/14) and posted at the Fife Lake Village Hall. The status is now with the State and National organizations as far as obligating the funds. The National office reviews obligation of funds August 8.

**ACTION ITEMS:**

**Policies:** Secretary Rognlie has been working on numerous policies; some existent and out of date, others are new and required.

Freedom of Information Act (FOIA) Policy:

There has been no FOIA Policy in the past; Secretary Rognlie advises this is best to adopt by resolution.

**Board Action:**

Secretary Rognlie made a motion to adopt the FOIA Policy (as outlined in meeting packet) for better business practices and has the required Resolution Number (#1407). President Fisk seconded motion.

Ms. Leedy inquired about potential associated staff costs for providing FOIA information; i.e., staff time, mileage, copies of DVDs, geological information, etc. In referencing Section 15.234 of the FOIA, she suggests we consider adding verbiage as stated in this Federal Act and to ensure compliance of the Open Meeting Acts requirement.

Secretary Rognlie rescinded above motion pending exploration on providing above mentioned verbiage and allocating funds for expenses related to FOIA. President Fisk seconded.

Review 2009 Theft Identify Policy:

Secretary Rognlie informed the Board this policy was adopted in July, 2009 and states it is to be reviewed annually. It does not appear to have been reviewed. Correspondence should be sent to Forest Area Services stating we are operating under the policy and inquire whether they have had any "red flag incidents" (identity theft) and confirm what policy they have in place for FLAUA. Mr. Fisk will draft correspondence to FAS and request a response whether there have been any red flags since 2009. There are no proposed changes at this time. Ms. Rognlie will add this to the annual Organizational Calendar.

**Board Action:**

Ms. Rognlie made motion to approve Identify Theft policy as of 2014 and review next year. Ms. Leedy supported. Vote: YEAS: All. NAYES: None. Motion carried.

2000 Proposed Investment Policy:

Secretary Rognlie asked Treasurer Gray if FLAUA has an Investment Policy in place. In the past, this was a Proposed policy; however, does not appear to have been acted upon by the Board several years ago. Mr. Gray indicated FLAUA currently has no stock portfolio or Certificates of Deposits (CDs) as there has not been an excess of funds with which to do so. At present, FLAUA accounts consist of savings and checking accounts. President Fisk believes there is no need for investments at this time; however, is subject to re-visit in the future. Secretary Rognlie agreed.

The subject of accountability was broached to determine delegation of authority to make investments. The fact that we have a proposed policy will be of benefit for USDA consideration. FLAUA is not cash heavy, bonds need to be paid, and the Financial Advisor will contribute to the content of an effective policy. No action is required at this time.

Secretary Rognlie will place this matter on the Organizational Calendar and Meeting Agenda for January, 2015.

Sewer Back Up/Overflow Procedure:

Secretary Rognlie customized sample forms previously utilized by Insurance Agent, Paul Olson. They were provided to the Zimmermans and Harts for completion and entail a specific procedure for complaints from intake to evaluation and resolution. It also complies with PA222. Ms. Rognlie has scanned FLAUA logo on forms and will add a non-discrimination clause. Forms will be available upon customer request.

**Board Action:**

Ms. Leedy made motion to adopt the Sewer Backup/Overflow Procedure with format/grammatical changes, FLAUA contact information on each page, and addition of non-discrimination clause. Ms. Rognlie supported. Vote: YEAS: All. NAYES: None. Motion carried.

**Mail Distribution Policy:**

This policy originated to clarify documentation of incoming mail. Ms. Leedy noted it should also reference all mail be date stamped. As some mail in the past has been inadvertently sent to the attention of individuals (in many cases, the wrong individual for its purpose), that all mail to FLAUA be opened regardless of the attention line.

**Board Action:**

Ms. Leedy made motion to adopt as amended. Mr. Broering seconded. Vote: YEAS: All. NAYES: None. Motion carried.

**Board of Commissioners Directory (rev. 7/20/14):**

In light of changes more recent than the noted revision date, Ms. Rognlie will make additional changes and distribute a new copy.

**Organizational Calendar (rev. 07/01/14):**

Additional items discussed during the course of this meeting will be added. Secretary Rognlie also added a review in June of the bond holder's insurance certification, which is due for re-certification July 1.

**Contract for Farming:**

A proposed five-year contract for farming rights between FLAUA and Mr. & Mrs. Dar Zimmerman has been developed with the Zimmermans' farming and cutting Timothy, Alfalfa and Brome (versus grass and hay), and FLAUA providing irrigation from the wastewater treatment plant.

Ms. Leedy spoke with the Zimmermans who relayed that if the Board approves the agreement, they will agree to it. Ms. Velez inquired whether the farming process would be impacted during the system upgrade. It is unlikely.

Mr. Broering suggested an attorney review the document as it is a binding contract. Ms. Rognlie notes the Zimmermans have always worked without a contract; however, it would protect both parties, and Ms. Leedy shared that Mr. Zimmerman wanted a simple agreement. President Fisk emphasized having any agreement in place is yet another positive step in achieving best practices within FLAUA.

Secretary Rognlie made a motion to approve Contract for Farming Rights. Treasurer Gray seconded the motion.

**Board Action:** Vote: YEAS: Velez, Rognlie, Gray, Leedy, Gwizdala, Fisk. NAYES: Broering. (Absent: Hulwick, Sturdavant). Motion carried.

**Fleis & Vandenbrink Training:**

Board discussion addressed the following points of the proposed F&V training agreement:

The value of this training is to provide F&V expertise to FLAUA and Superintendent John Koch with operations knowledge, processes, maintenance plans, accurate and appropriate documentation/forms, elimination of Mr. Koch and Board members creating documents, improved administrative efficiency for superintendent, and contact with industry experts.

The total F&V program cost is \$6,000. The SAW Grant will cover 50%; the other 50% is budgeted through FLAUA. This contract and cost are effective through January 31, 2015.

In response to the duration & time the contract provides, Mr. Ben Kladder of F&V responded it entails 2-3 days to look at pump stations and controls, training, and follow-up afterwards.

**Board Action:** Mr. Gray made a motion to authorize the President to sign the Fleis & Vandenbrink agreement for Operations & Audit Review, Training & Implementation, and follow-up Review. Ms. Rognlie supported the motion.



**ROLL CALL VOTE:** Rognlie-Y, Gray-Y, Leedy-Y Gwizdala-Y, Fisk-Y, Broering-Y, Velez-Y. **Absent:** Ricky Hulwick, Robert Sturdavant. Motion Carried.

**BOARD COMMENT:**

Mr. Gray asked that copies of the Minutes be emailed to Forest Area Services as soon as prepared as some FLAUA changes affect the services they provide. Per procedure, draft of Minutes will be forwarded to Ms. Rognlie and Mr. Fisk, then distributed from that stage. Mr. Fisk stated once Minutes are approved, Ms. Rognlie will forward copies to FAS.

Ms. Leedy asked Recording Secretary for less narrative in Minutes moving forward. Being on a learning curve, the Recording Secretary will work toward this.

Mr. Ben Kladder of F&V referenced noisy manholes in town and has confirmation that the surveyor cleaned them and many are in bad shape or warped. The manhole cover on E. State Street, in front of Mrs. Hart's home is cracked. Mr. Ken MLcek of F&V will be doing manholes tomorrow and place rubber gaskets on this manhole cover. This is part of the USDA project. Depending on budget, it may be possible for approximately 1/3 of the castings and covers to be replaced.

Mr. Koch would like televising and cleaning done at this time now that the SAW Grant is in place and for contractor bids to be sought for cleaning out wet wells and trash baskets.

**Board Action:** Ms. Leedy made a motion for Fleis & Vandenbrink to solicit bids and select the best contractor to perform remaining televising and cleaning within the scope of the SAW Grant monies. Ms. Rognlie seconded the motion.

**ROLL CALL VOTE:** Gray-Y, Leedy-Y Gwizdala-Y, Fisk-Y, Broering-Y, Velez-Y, Rognlie-Y. **Absent:** Ricky Hulwick, Robert Sturdavant. Motion carried.

**ADJOURNMENT:**

Commissioner Broering made a motion to adjourn the meeting; Mr. Gwizdala seconded the motion. Meeting adjourned at 8:07 p.m.

**Submitted by:**

**Kay Z. Held**  
**Recording Secretary**