**FIFE LAKE AREA UTILITY AUTHORITY (FLAUA)**

**Regular Meeting**

**Minutes**

**Thursday, October 20, 2016, 6:00 p.m. 231-879-3565**

**Fife Lake Village Hall, 616 East Bates Street, Fife Lake, MI 49633**

**CALL TO ORDER:**  Vice President Lisa Leedy called the meeting to order at 6:00 p.m. Ms. Leedy welcomed Ms. Marilyn Hayes as a Fife Lake Village representative, replacing Mr. William Fisk on the Board.

**ROLL CALL:** Vice President Lisa Leedy called Roll.

**Present:** Lisa Leedy-Vice President, Lori Ann Rognlie-Secretary, and Commissioners Ron Broering, Tom Gray, Jonathan Rose, Leigh Gifford, and Marilyn Hayes.

**Absent:** Jodie Velez, Treasurer, and Commissioner Linda Forwerck.

**Others in Attendance:**

Mr. Ben Kladder, Fleis & VandenBrink Engineering.

Mr. Ray Ravary, FLAUA Compliance Officer.

Members of the Public.

**Note: Ms. Forwerck arrived at 6:05 p.m.**

**APPROVAL OF AGENDA:**

**Board Action:** Mr. Broering made a motion to approve the Agenda as presented. Mr. Gray seconded the motion.

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

**ACCEPTANCE OF MINUTES:**

**Acceptance of Regular Meeting Minutes of September 15, 2016:**

**Board Action:** Ms. Rognlie made a motion to accept the Minutes of the Regular Meeting of September 15, 2016 as presented. Mr. Rose seconded the motion. VOTE: YEAS: All. NAYES: None. Motion Carried.

**CORRESPONDENCE:** None.

**OFFICERS’ REPORTS:**

**Treasurer’s Report – Financial Report of September 18, 2016 and Payment of Bills:**

The Treasurer’s Report was previously distributed to the Board. Mr. Gray presented the Financial Report and an updated A/P list in Ms. Velez’s absence.

Mr. Gray reported received an invoice from Boardman Valley Construction for $800 for the Cedar Ridge repair.

Mr. Gray discussed receipts for reimbursement of training expenses to Mr. Ray Ravary, placed on Mr. Ravary’s credit card. He did not have the FLAUA credit card with him. The total is $256.63 for expenses plus mileage reimbursement (307 miles) of $165.78, for a total of $422.41.

**Board Action:**

Mr. Broering made a motion to accept the Financial Report as presented. Ms. Rognlie seconded the motion.

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

**Bills Payable:**

**Board Action:**

Mr. Broering made a motion pay the bills as presented including the $800 bill for Boardman Valley Construction, $242 for Mr. Dar Zimmerman’s purchase of magnum alfalfa, and training expenses of $422.41 for Mr. Ravary. Ms. Gifford seconded the motion.

ROLL CALL VOTE: Rognlie-Y, Broering-Y, Rose-Y, Leedy-Y, Forwerck-Y, Gray-Y, Gifford-Y, Hayes-Y. Motion carried.

**Board Action: Re:** #5Construction Draw Request for $1,189,804.91.

Mr. Broering made a motion to approve the #5 Construction Draw Request of $1,189,804.91. Ms. Rognlie seconded the motion.

ROLL CALL VOTE: Broering-Y, Rose-Y, Leedy-Y, Forwerck-Y, Gray-Y, Gifford-Y, Hayes-Y, Rognlie-Y. Motion carried.

Mr. Ben Kladder of Fleis & VandenBrink (F&V) reports project is still under budget overall.

**COMMITTEE REPORTS:**

**Steering Committee:** Mr. Ben Kladder of F&V presented an overview of the project progress:

Contract #1, A stations: Stations A1-6 are up and running. The SCADA pole and master panel are installed. A-3 should start-up Monday. The bypass pump unit will be pulled out. Site work and restoration cleanup will start next week. State reviews are going very well.

Contract #2, B Stations: the gravity sewer is in, pump stations are in all 4 stations; 3 panels are set and we are waiting on 1. We are also waiting on Great Lakes Energy to get power to the panels. There may be a 2-week delay due to supplier issues; however, we should still be within our construction timeline.

Contract #3: pond and irrigation site are completed. Lines are upsized, and the irrigation pump station is underway. Framing for the building is up, and siding is being installed. The building will likely be completed ahead of schedule per Grand Traverse Construction. Asphalt is completed. A good portion of fencing is up.

Electricity usage is already reduced. A prior energy audit on the old pumps was done and will be compared to the new pumps to demonstrate savings. There was no cost for the energy audit.

**Operations Committee:**

Minutes of the Operations Committee meeting of October 3, 2016, were previously distributed to the Board. Mr. Rose reviewed the report with the Board including the damage on the Jones-Cedar Ridge property. This is addressed in greater detail under Unfinished Business.

Ms. Rognlie inquired about Mr. Ravary’s SOP for September; he believes most of the items are caught up.

Mr. Ravary stated there is a large tree outside of the fence on Vans Lane that is dead and may fall. There are other Oak trees that should be trimmed. The Board requested this item be referred to the Operations Committee to discuss the matter and safety needs.

Mr. Broering inquired about the current work schedule for Mr. Ravary; if Mr. Ravary is not available, he is to contact Ms. Leedy. Mr. Brian Lee of F&V is also on back up for response. Mr. Ravary would like some time off during deer season.

Ms. Gifford and Ms. Forwerck believe Mr. Ravary should be allowed greater leeway in performing his tasks and not be as micromanaged. They also believe Mr. Ravary should be asked to attend Operations Committee meetings for his input.

Mr. Ravary would like some re-consideration of his hours from the 10am-4pm schedule. He indicated the improvements he has made since joining the organization. He is willing to be the Operator of Record at any time; this would incur significant savings for FLAUA, as Mr. Brian Lee would no longer be the Operator. Ms. Leedy deferred these matters to the Operations Committee to discuss Mr. Ravary’s schedule and vacation request, as well as the fiscal issues relating to personnel requirements.

**Compliance Officer/FVOP Report:**

The Compliance Officer’s Report and FVOP Report were previously distributed to the Board. Mr. Ravary reviewed his report with the Board.

**SPECIAL ORDERS:** None.

**NEW BUSINESS:**

**SCADA Lease Agreement:**

Mr. Gray inquired about the tower and the potential event that someone else would want to tie into it in the future. Ms. Leedy stated this is currently being discussed. There is a possibility for additional revenue streams in leasing out tower access. Running, Ford & Wise created the 40-year lease which to match the USDA timeline, with a 1-year termination agreement.

**Board Action:** Mr. Gray made a motion to approve the SCADA Lease Agreement. Mr. Broering seconded the motion.

ROLL CALL VOTE: Rose-Y, Leedy-Y, Forwerck-Y, Gray-Y, Gifford-Y, Hayes-Y, Rognlie-Y, Broering-Y. Motion carried.

**Garchow Resignation:**

Mr. Ray Garchow resigned from FLAUA effective October 9, 2016. Keys and uniforms have been retrieved. He committed to complete repairs on the Massey Ferguson. He is willing to do an exit interview if the Personnel Committee requests it.

**UNFINISHED BUSINESS:**

**Jones Repair – Cedar Ridge:**

The homeowner’s contractor likely caught the pipe with the teeth of the backhoe during their original tie-in, which caused the problem. It appeared to have been broken for a long time. The consensus of the Board was to send an invoice to the permittee of the job for reimbursement to FLAUA for repair expenses. The Compliance Officer made a report and took photos. Two representatives from F&V also looked at the damage. An invoice will be delivered to the homeowners to send to their contractor for reimbursement of FLAUA’s payment to Boardman Valley Construction. There may be an additional bill for hours by A-1. Mr. Gray requested when we have a hook-up being done by a contractor in the future, the FLAUA Compliance Officer be on-site.

**Board Action:** Mr. Gray made a motion to send the Boardman Valley Construction invoice to the permittee for reimbursement to the FLAUA for repair of the line. Mr. Broering seconded the motion.

Ms. Leedy will prepare correspondence to the Jones’ for the Operations Committee to review. Ms. Forwerck suggested Mr. Gray be a Committee representative to personally deliver the letter and invoice to the homeowner with the intent of retaining goodwill so there is no misunderstanding as to why it is being delivered to them.

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

**Staffing:**

Ms. Leedy noted we have 1 employee, 7 days/week availability for the short-term, working 30 hours/week. There was Board discussion about a seeking a part-time helper for Mr. Ravary and to explore labor hours required. There was board consensus to defer this to the Operations Committee and, subsequently, the Personnel Committee to discuss support needs to Mr. Ravary, and upcoming seasonal needs.

**Ms. Sharon Brown,** 10992 Vans Lane, Fife Lake, MI 49633.

Ms. Brown had asked to be on the Agenda for this evening’s meeting.

Ms. Brown stated she had asked at the last meeting for copies of all published FLAUA notices about the sewer. She received no response and no materials. Ms. Leedy stated she printed Ms. Brown Freedom of Information Act (FOIA) paperwork at the last meeting and Ms. Brown told her she already had it. Evidently, there was a misunderstanding in communication. Secretary Rognlie did not receive a FOIA request from Ms. Brown.

Ms. Brown expressed concern and dissatisfaction in how the FLAUA communicated, or failed to communicate, the impact the sewer renovation project would have on residents. She believes proper notification to businesses or individuals had not been performed, nor had notification been made to the public about FLAUA meetings. She stated she had been in contact with Family Dollar at the corporate level and seven officers regarding the sewer expenses they incurred without knowledge of the FLAUA project. She also spoke with Mr. Tom Bus of Grand Traverse County and the District #10 Health Department. Ms. Brown and the Board discussed areas on high-pressure lines.

Vice President Leedy explained FLAUA has an ordinance regarding this matter and due to new Homeland Security issues, blueprints of the operation are not on our website. ***In summary, Ms. Brown requested that FLAUA amend our ordinance so that a user on an EXISTING septic system which is functioning properly and not in code violation NOT be required to hook up to the sewer system.***

Ms. Leedy printed and handed Ms. Brown a FOIA request, asking her to prepare and submit for documentation she is seeking, as well as a written request of exactly what she is asking of the FLAUA. We will forward the request to our attorney for review and response. Mr. Gray and the Board explained that FLAUA did not move into the new system project with intent to increase costs to residents.

Ms. Brown may pursue a petition by the residents of the three municipalities. She suggested the FLAUA Board have a master plan for our system for the future and believes Family Dollar could have known about it and not spent $80k on their own for a sewer. Ms. Rognlie noted when Family Dollar came to us we did not have the funding or project in place; therefore, they did not have an option at that time to hook in to our new system.

Ms. Forwerck inquired if local planning commissions were asked for feedback on the project regarding potential future growth or commercial expansion and their need to hook in to the system. Ms. Leedy stated correspondence was sent to planning commissions at the beginning of the project in May; Ms. Forwerck requested a copy of the letter. As Fife Lake Township Supervisor and a one FLAUA board representative, the other on the Planning Commission, itself, that the forwarded correspondence will be re-submitted to the FLT Planning Commission. As Fife Lake Township Supervisor, Ms. Forwerck requested she be the person to respond to issues regarding Family Dollar.

Ms. Brown requested being put on the Agenda for the November 2016, meeting. Mrs. Forwerck requested Ms. Brown not be put near the end of the Agenda. Ms. Brown is ok with the placement on the Agenda. The Board indicated they are open to discussing Ms. Brown’s concerns to resolve any issues of which we are legally able.

**CITIZEN COMMENT:** None.

**BOARD COMMENT:**

Ms. Forwerck remarked that typically agendas have two Citizen Comment sections; one near the beginning and one near the end of a meeting. She inquired why we only have one Citizen Comment section and asked if we could revise future agendas to include these sections. Mr. Gray replied that sometimes an individual’s question is answered during the course of the meeting; therefore, the comment section has been at the end. There was general Board consensus to have a Citizen Comment section near the beginning and end of a meeting.

Ms. Leedy referenced last month’s Board member(s) comments about potential conflict of interest concerns regarding her vote as FLAUA Vice President and Village of Fife Lake President. Attorney Tom Grier of Running Wise & Ford reviewed the concern and provided an attorney opinion via correspondence on the matter. Ms. Leedy read a portion of the letter aloud. Because it is a “legal opinion” letter, it cannot be treated as public knowledge unless and until it is voted by the Board as a matter of public record.

**Board Action:**

Ms. Forwerck made a motion to make public the lawyer opinion letter of October 14, 2016, from Mr. Tom Grier of Running Wise & Ford regarding a Board Member’s perceived conflict of interest. Ms. Hayes seconded the motion.

ROLL CALL VOTE: Leedy-Y, Forwerck-Y, Gray-Y, Gifford-Y, Hayes-Y, Rognlie-N, Broering-Y, Rose-Y. Motion carried.

Ms. Leedy forwarded the letter by email to Board Members during the meeting. Mr. Grier does not see a conflict on interest in this matter.

Board discussion followed. Mr. Rose expressed to members of the public present that he does not believe there was purposeful intent by the FLAUA Board to wrong any customer or member of the public. Ms. Brown reiterated her concerns. Mr. Rose noted the Board has a genuine desire to satisfy her request to the extent we are able to do so legally.

Mr. Ravary asked the Board if he can modify his daily work schedule while maintaining a 30-hr. workweek. Ms. Leedy noted the Board is not able to vote on this matter, as it was not formally on the Agenda. The Operations Committee will review and discuss. Ms. Forwerck confirmed she is of the understanding that there is general consensus of the Board that Mr. Ravary can modify his work daily schedule from 10am-4pm to what is more suitable. Board members agreed, as long as he keeps his schedule to 30 hours.

**ADJOURNMENT:** Mr. Broering made a motion to adjourn the meeting. The meeting adjourned at 7:57 p.m.

**Submitted by: Kay Z. Held, Recording Secretary**