

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

**Regular Meeting  
Minutes**

**Thursday, December 15, 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 6:06 p.m.

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

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

**Absent:** Commissioners Ron Broering and Linda Forwerck.

**Others in Attendance:** Mr. Ben Kladder, Fleis & VandenBrink Engineering. Members of the Public.

**PRESENTATION:** Mr. Jay Norris of Integrated Controls provided a presentation of the new SCADA monitoring system for the wastewater system, outlining numerous functions and features. The Board appreciated his technical knowledge and presentation. Mr. Ben Kladder of Fleis & VandenBrink Engineering also provided input.

**APPROVAL OF AGENDA:**

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

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

**ACCEPTANCE OF MINUTES:**

**Acceptance of Regular Meeting Minutes of November 17, 2016:**

**Board Action:**

Mr. Gray made a motion to accept the Minutes of the Regular Meeting of November 17, 2016 as presented. Ms. Rognlie seconded the motion. VOTE: YEAS: All. NAYES: None. Motion Carried.

**CORRESPONDENCE:**

Ms. Leedy reported on a letter received from the USDA regarding year-end reporting requirements on items such as annual budget, audit, list of public officials and contact information, rate schedule, number of customers on the system, and number of gallons treated by the system.

Ms. Rognlie reported that she received a telephone call from Mr. Julius Trap of White Cloud who came to look at our old pumps on November 30. He may be interested in purchasing them, no other contact since visit.

Ms. Rognlie received a telephone message from Mr. Skip Sangerl of 11790 E. State Street who is doing a major rebuild to his home. He inquired about disconnecting his sewer during the remodel. She has the disconnect policies/forms and will attempt to make contact with him again.

Ms. Rognlie received a letter from the Mr. & Mrs. Jasper of 225 Pierce Street regarding a sewer lead that was put in for construction of a future lake house. This project has been reconsidered and will not be built. They formally request all charges be dismissed. The second lead to the property was put in some time ago. More follow-up is necessary to determine whether this parcel is being billed and specifically what charges they are asking to be dismissed. Ms. Rognlie will pursue the matter and provide information to the Board.

Ms. Velez reported she received a letter from Ms. Lina Sleimen, representing 626 East State Street, regarding her rental cabins. Per our REU schedule, the main cabin would be charged at full rate with each additional cabin at half the rate. They believe they have been billed the full rate for each unit. Board discussion ensued and the issue will be reviewed against our REU schedule to determine if a refund is due. Ms. Velez will pursue the matter and report on it at the next meeting.

## **OFFICERS' REPORTS:**

### **Treasurer Report – Financial Report of November 30, 2016 and Payment of Bills:**

The Treasurer's Report was previously distributed to the Board. Ms. Velez provided an updated A/P schedule.

Ms. Leedy reported she submitted mileage expenses totaling \$388.00 for GIS Training and travel to DEQ to pursue funds from them; however, has not yet been reimbursed.

Ms. Velez noted an AT&T telephone invoices. Last month's bill was \$235.80; this month's bill was \$457.05. Several lines are now being billed at \$59/month versus the \$26/month base rate. Ms. Rognlie spoke with the Retention Department December 2; they stated the lines would be disconnected within 7 days. Ms. Velez will call AT&T to discuss the rate increase. The bill can be approved this evening; however, she will ask Ms. Sawyer of H&R Block to hold payment pending any adjustments after she contacts AT&T.

Ms. Velez questioned three invoices from Northern A-1 totaling approximately \$3,800. Per Board Discussion, fees included services to jet lines on 11/3/16 at the Joe Jones property. Another fee was for PCS to remove sand from the manhole (per Mr. Ben Kladder of F&V). He reported there appear to be sand, grease, and rags put into the system. The sand could be accumulating from a break; however, the rags and grease are likely being flushed into the system. These expenses are not covered by the renovation project. The sewer main was televised; the problem is likely in the lead. This issue needs to be investigated; the property owners will be contacted. Ms. Velez will advise Ms. Sawyer to pay if they are approved this evening.

Ms. Velez received an invoice from Long Lake Carpet Service for \$150 to "install Pro Tec all in container." This is likely for the fuel retention box. In error, it states to bill Fife Lake Township. Ms. Velez will contact the vendor to verify this information.

Three invoices were received from Great Lakes Energy for relocation fees. The amounts do not match Central Michigan Contracting amounts. Mr. Kladder will explore this information.

### **Board Action:**

Mr. Gray made a motion to accept the Bills Payable as presented with the holds discussed and approve reimbursement to Ms. Leedy for training and mileage expenses. Ms. Rognlie seconded the motion.

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

**Board Action:** Ms. Rognlie made a motion accept the Financial Report presented. Mr. Rose seconded the motion.

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

### **2016 Budget Adjustment:**

Ms. Velez presented the 2016 Adjusted Budget. Ms. Velez reviewed the original budget and outlined the proposed adjustments made in the 2016 Budget. Monies were not added/removed; however reallocated. This is due to rate increase, budget overages based on seasonal expenses during the height of the renovation project, etc. These adjustments bring the 2016 Budget in line.

For the record, the following changes were made to balance each line item:

Income/Customer Sales from \$239,328 to \$300,000

Professional Fees from \$59,637 to \$70,000

Telephone from \$5,000 to \$6,000

Training & Education from \$0 to \$1,200

Trash Removal from \$275 to \$300

US Bond Interest from \$40,000 to \$40,000

Contract Services from \$1,400 to \$1,500

Equipment Repair & Maintenance from \$13,000 to \$20,000

Licenses & Permits from \$4,000 to \$5,000

Operating Supplies from \$12,500 to \$22,000

Payroll (Operating Expenses / Wages) from \$3,366 to \$6,000 (operating) / \$44,000 to \$60,000 (payroll)

Truck Repair from \$500 to \$1,000

Testing Fees from \$4,000 to \$5000

Uniforms from \$1,000 to \$1,600

Quick Books Payment Fees from \$1,000 to \$3,000

Uncategorized Expense of \$4,550 to balance budget



We increased expense budgets due to overage in anticipated income will be different in the 2017 Budget. The 2016 year-end report will be prepared using the adjusted budget. We are currently 88.89% to budget.

**Board Action:**

Mr. Gray made a motion to accept the 2016 Adjusted Budget as presented. Ms. Hayes seconded the motion.  
VOTE: YEAS: All. NAYES: All. Motion carried.

**Proposed 2017 Budget:** Ms. Velez presented the proposed 2017 Budget.

We budgeted for 2017 based on the Debt Service Schedule prepared by Mr. Tom Traciak. The Bond principal payment category may be re-titled. Ms. Velez discussed proposed anticipated changes made to several 2017 Budget line items.

**Board Action:**

Ms. Rognlie made a motion to accept the Proposed 2017 Budget as presented. Mr. Rose seconded the motion.  
VOTE: YEAS: All. NAYES: None. Motion carried.

**Draw Request:**

Ms. Velez reported that we received a request for Draw #7 on the USDA project for contractors and engineers in the amount of \$741,485.54.

**Board Action:**

Ms. Rognlie made a motion to approve payment of Draw Request #7 in the amount of \$741,485.54. Ms. Velez seconded the motion.  
ROLL CALL VOTE: Velez-Y, Rognlie-Y, Gray-Y, Rose-Y, Gifford-Y, Hayes-Y, Leedy-Y. Motion carried.

**PRESIDENT REPORT:** None.

**SECRETARY REPORT:** Ms. Rognlie announced she will be leaving her role as Secretary when it expires on 12/31/16. She reported on the following topics and forms.

Ms. Rognlie reported on the following, including documents included in the meeting packet.

- Distributed 2016 Resolutions made by FLAUA.
- Committees List – she asked the Board to consider Citizen Volunteer Committees.
- LEP Overview – USDA requires the Language Equivalent Process.
- Request from Fife Lake Township they were not notified of the improvements – a letter dated 11/14/14 was sent to them inviting them to a project summary meeting on 11/25/16.
- GLE account
- AT&T information
- The plant needs clipboards posted for preventative maintenance for pumps
- Review Emergency Response Plan
- Risk Management Contact
- Lift Station Property ID #s
- Emergency Checklist
- Safety Data Sheets
- Instructions for Discharge for New Members
- Ground Discharge needs to be posted & available at the plant
- Revisit & Update Confined Space Program, Emergency, Risk Management, Security Assessment
- MIOSHA, LARA

She is still waiting for Inspection Reports for 2016 from Mr. Ravary, specifically the Cedar Ridge property. Ms. Leedy has requested them from Mr. Ravary.

**Board Action:**

Ms. Leedy made a motion to allow Ms. Rognlie to participate as a Citizen Volunteer on Steering, Personnel, and Operations Committees. Ms. Velez seconded the motion.  
VOTE: YEAS: Lisa Leedy-Y, Jodi Velez-Y, Lori Ann Rognlie-Y, Tom Gray-Y, Jonathan Rose-Y, Marilyn Hayes-Y.  
NAYES: Gifford-N. Motion carried.

## **COMMITTEE REPORTS:**

### **Compliance Officer/FVOP Report/Inspection Reports:**

The Compliance Officer's Report was unavailable prior to the meeting and the FVOP Report was previously distributed to the Board.

Ms. Leedy reported there have been several unexplained issues with dialers and alarms; i.e., a dialer calling 911 which was never programmed to do so (dialer at A3 has since been removed), error at A2 created a SCADA high water alert/alarm, air locks created by improper wires. The proper alarms/notifications were made by the system, and Mr. Jay Norris of Integrated Controls resolved each issue immediately. These events are being investigated.

SCADA Training was conducted last week.

Mr. Ben Kladder noted there are two floating screens and there was a misunderstanding of whose job it was to install. Ultimately, Grand Traverse Construction completed it. They are still plowing the site at the present time.

**NOTE: Ms. Gifford had to leave the meeting at 8:00 p.m.**

**Personnel Committee:** The Personnel Committee Report of the 11/9/16 was previously distributed to the Board.

Ms. Velez reported Mr. Ravary did not blow out the stand-up pipes as he stated he would at the November meeting. This was imperative as weather reports were forecasting temperatures to drop below freezing levels throughout the weekend. We had to contract this service out on an emergency basis with Elmer's, which Mr. Ben Kladder coordinated.

We will continue to get assistance from Fife Lake Village for snowplowing service. This will be discussed at the upcoming Personnel meeting.

### **Steering Committee:**

Ms. Leedy reported the project remains on schedule and within budget. The Committee is working on the Contingency List.

Mr. Kladder reported:

- Contract #2, B Stations are done, with the exception of the landscaping.
- Contract #1; all-base bid items are complete.
- The "wish list/contingency items" are outstanding and being considered, depending on budget availability.
- The Cedar Ridge/Industrial Park control panel will be completed next week.
- We are waiting on the two trailer-mounted generators.
- Minor items on the punch list at the Wastewater Plant are being completed, including the exterior lighting.

Mr. Kladder, too, states the project is on time and under budget.

**Operations Committee:** The Operations Committee report was distributed in the packet.

### **SPECIAL ORDERS: Conflict of Interest Policy Resolution 16-13**

The Conflict of Interest Policy Resolution 16-13 was previously distributed to the Board.

### **Board Action:**

Ms. Rognlie made a motion to accept the Conflict of Interest Policy Resolution 16-13 as presented. Mr. Rose seconded the motion.

ROLL CALL VOTE: Lisa Leedy-Y, Jodi Velez-Y, Lori Ann Rognlie-Y, Tom Gray-Y, Jonathan Rose-Y, Marilyn Hayes-Y. Motion carried.

### **UNFINISHED BUSINESS: Ms. Sharon Brown.**

Ms. Brown was not in attendance at the meeting. Running, Wise and Ford has provided an attorney opinion to her inquiry.

### **Board Action:**

Gray made a motion to make the RWF attorney opinion response letter of public record. Ms. Rognlie seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried.

According to our attorney, we do not have the authority to NOT require them to hookup nor waive fees. Letters will be sent to users once the project is complete and turned over to us by the USDA.



We need to speak with Messrs. Traciak and Swets on whether our bond restricts anything we may be able to do. The attorney believes the hardship policy is unlikely because of the bond. A copy of the RWF will be forwarded to Ms. Sharon Brown, as she was not present at the meeting as planned.

Customers can seek outside hardship programs and grants. Users can apply to for special circumstances.

**Board Action:**

Mr. Gray made a motion to table this issue until next month as several Board members are absent and Ms. Brown is not in attendance. Ms. Hayes seconded the motion

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

As the letter from the attorney is now available for public review, a copy will be sent to Ms. Brown. Likewise, a copy will also be sent to Board members absent from tonight's meeting.

**NEW BUSINESS:**

**Redirect Mail to H&R Block:** The majority of mail is bills; therefore, it would be more efficient to redirect mail the H&R Block, per Ms. Leedy. H&R Block will send any other correspondence to us.

**Board Action:**

Mr. Rose made a motion to redirect the mail to H&R Block. Ms. Velez seconded the motion.

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

**Adopt 2017 Organizational Calendar:**

**Board Action:**

Ms. Rognlie made a motion to adopt the 2017 Organizational Calendar as presented. Mr. Rose seconded the motion.

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

**Adopt 2017 Board of Commissioners Meeting Schedule:**

**Board Action:**

Ms. Rognlie made a motion to adopt the 2017 Board of Commissioners Meeting Schedule as presented. Mr. Gray seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried.

**Deferred Monthly Commodity Charge Policy:**

The Deferred Monthly Commodity Charge Policy was previously distributed to the Board. Board discussion resulted in agreement to table this issue until all Board members are present to review the data.

**Election of Officers:**

Board discussion resulted in consensus to postpone Election of Officers due to the absence of several Board members. Elections to be conducted at January 19, 2017, Regular Meeting.

**CITIZEN COMMENT:** None.

**OTHER BUSINESS:** None.

**BOARD COMMENT:**

Ms. Rognlie reminded the Board she will be leaving the FLAUA upon her term expiration 12/31/16 and thanked members for their patience and support, particularly in her processing of the enormity of the USDA/DEQ requirements for the renovation project. Ms. Rognlie strongly reiterated that selections of incoming commissioner are such that they are committed to the volunteer work of the Board, the maintenance of the FLAUA Sewer System Operation, and the Mission Statement set forth for the Customers on the line only.

Numerous Board members personally thanked Ms. Rognlie for her service, the incredible amount of work and dedication she gave to the FLAUA Board and its customers, and her organization/documentation skills. Her work was instrumental in preparing documents/policies, which were previously non-existent in the FLAUA and meeting the requirements of the USDA/DEQ for the Improvement Project to happen.

**ADJOURNMENT:** Mr. Gray made a motion to adjourn the meeting. The meeting adjourned at 8:33 p.m.

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