

FIFE LAKE AREA UTILITY AUTHORITY (FLAUA)

Regular Meeting - Minutes

Wednesday, October 16, 2019, 6:00 p.m. 231-879-3565  
Fife Lake Township Hall, 134 Morgan Street, Fife Lake, MI 49633

**CALL TO ORDER:** President Gray called the meeting to order at 6:06 p.m.

**ROLL CALL:** President Gray called Roll.

**Present:** President Tom Gray, Vice President Marilyn Hayes, Treasurer Jodi Velez, Secretary Leigh Gifford, and Commissioners Ron Broering, Dave McGough and David Gill.

**Absent:** Commissioner Jim Gifford.

**Others in Attendance:** Compliance Officer Ray Ravary.

**APPROVAL OF AGENDA:**

**Board Action:** Mr. Broering made a motion to approve the Agenda as presented. Mr. Gill seconded the motion.  
VOTE: YEAS: All. NAYES: None. Motion carried.

**ACCEPTANCE OF MINUTES:**

**Acceptance of Regular Meeting Minutes of September 18, 2019:**

**Board Action:** Mr. Gill made a motion to accept the Minutes of the September 18, 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 September 30, 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. The following was also discussed:

President Gray noted we are nine months into the year, and percentages in most categories appear to be in line with budgeted amounts. We are slightly over on Wages; however, under budget on most other accounts.

Building Repairs account is at 200%, but only \$300 was budgeted for this expense. The floor sealing expense was \$600. The Pioneer Diesel expenses for maintenance on the new Mahindra tractor were discussed; Compliance Officer Ravary explained the required 200-hour maintenance was performed.

Many categories were discussed and their YTD status was verified and justified.

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

**Payment of Bills:** There was Board discussion regarding Bills Payable. An updated Bills Payable list was distributed at the meeting.

There are two invoices from Kennedy for rebuilding our spare pumps; they are completed and back in our possession. Compliance Officer Ravary stated they look very good.

**Board Action: September, 2019, Bills Payable:**

Mr. Broering made a motion to approve the September 30, 2019, bills as presented. Mr. Gill seconded the motion. ROLL CALL VOTE: Hayes-Y, Velez-Y, Broering-Y, Gray-Y, L. Gifford-Y, McGough, Gill-Y. Motion carried.

**GUESTS:** Mr. Aaron Nordman, P.E. and Vice President of Performance Engineers, Inc. was our guest this evening.

At the invitation of Compliance Officer Ray Ravary, Mr. Nordman attended the meeting and introduced himself on behalf of Performance Engineers, Inc. of Charlevoix. He expressed thanks to FLAUA for considering Performance Engineers, with whom we have entered into a contract to have them as our Engineer of Record. He also thanked Mr. Ravary and the Board for the opportunity of the site visit their staff made last week in order to better know our operation and needs. They have already started working on our Trimble system and will start working on GIS system shortly.

They offer a team of Engineers and licensed Operators to provide Project Design and Management, Infrastructure Design, Site and Drainage Plans, Structural Design, and Testing Services, among many other services. He explained they are a niche provider of engineering services working with small community organizations and municipalities to provide technical/engineering services and support. They work with wastewater and water supply systems, stormwater management, utility design and interface, soil testing, etc. They also provide MDEQ Certified inspection and licensed Operators if needed.

Their knowledge of and familiarity working with USDA mandates and funding opportunities provides us with an added layer of expertise to seek out grant opportunities and procure funding for future capital projects. They are knowledgeable of the broad technical requirements of a large governmental agency such as the USDA, and have worked with them on projects similar to the one we recently completed.

Mr. Nordman ensured the Board that Performance Engineers can also be a source to provide a licensed Operator in the unexpected event we find ourselves without an Operator on staff.

Board discussion included our needs for engineering support, video services, and potential Operator needs as well as potential engineering services for future design/build projects.

As previously discussed, one of their engineers will be onsite part-time at our facility, at no cost to FLAUA, as he gains relevant experience toward achieving Operator licensure. This is a win-win for both parties.

Mr. Nordman believes this new partnership is an ideal fit for our Engineering and Operator needs going forward. FLAUA looks forward to working with them as our Engineer of Record and drawing from their expertise in our field of service.

## **COMMITTEE REPORTS:**

**Personnel Committee:** No meeting. No report.

**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. Ravary also reported on the following:

The season is wrapping up nicely. We have two more weeks of irrigation and the last hay/alfalfa cut has been completed. He is trying to break up duck weed. The vendor evaluated the blower and suggested we hold off getting it rebuilt. It is performing well and he sees no signs of deterioration. He also felt comfortable with us going another 12,000 hour interval. The Compliance Officer ordered parts for the blower preventative maintenance (PM) service.

Parts have come in on the last eight sprinkler heads to rebuild this year. This will complete our PM cycle on the heads.

The disc has been sold. He will re-list the pump on Craigslist as well as a farm site he located. The farm site offers a one-time listing at no charge.

He spoke with the Family Dollar excavator who stated that Family Dollar has sent in the hook-up application; however, it has not yet been received by FLAUA. The Vans Lane resident is attempting to procure grant assistance; that application has not yet been received.

The October Discharge Management Reports (DMRs) have been filed. Two biosolids reports are due this month. Soil samples are ready to ship to MSU for the annual soil report.

Mr. Ravary is having abnormal chemical reports from the well related to the duckweed and has spoken with Barry C. of the DEQ who is forwarding his questions on to other DEQ personnel.

AT&T bills were sent to their Cost Containment Department, now valued at approximately \$6,000. This remains an ongoing issue.

Re: Contract for Farming Rights:

The Farming/Cutting Contract of alfalfa and hay fields is up for renewal. He will post a Request for Proposal (RFP). He will post it at the library, hardware, and will personally notify our current contract holder, Mr. Dar Zimmerman and Mr. Tim Birgey, who also expressed interest. Mr. Ravary read the contract to the Board to review contents, and few revisions were made. Mr. Ravary will write up our requirements for any interested parties and post it.

Mr. Gray verified to the Board that the Habitat Home is not yet being billed, nor are the two sites in the Hayes subdivision as the Certificates of Occupancy have not yet been issued.

**CITIZEN COMMENT:** None.

**NEW BUSINESS:**

Audit & Accounting Bids: It is time for renewal of these services.

We need to put out an RFP for our Audit and Accounting contracts. H&R Block has provided their new proposal for accounting services, which Ms. Velez has in her possession.

The Audit contract is a three-year agreement; the Accounting contract is a one-year agreement. Requests for Proposals will be sent out to current providers as well as other service providers for both the Audit and Accounting services contracts as per prior years' practices by Secretary Gifford.

Ms. Velez will notify H&R Block we received and will consider their proposal; however, we are required to send out for bid.

Ms. Velez will provide a copy of the 2018 Audit to Mr. Ravary for permanent file at the plant.

Hook-Up Policy Verbiage Revision:

**Board Action:** Mr. Gill made motion to accept the revised verbiage to complement the existing hook-up policy whereas separate structures tied into the system should have separate sewer leads. Ms. Velez seconded the motion. VOTE: YEAS: All. NAYES: None.

This document will be included in the revised Hook-up Policy and Rules and Regulations documents.

**\*\*\* NOTE: Mr. Broering had to leave the meeting at 7:08 p.m.**

**OLD BUSINESS:**

Asset Management Plan: Ongoing.

Engineering Firm: Performance Engineering, Inc. of Charlevoix has been hired as our Engineer of Record.

Outstanding Task List Discussion:

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

Research of Higher Yield Accounts for Required Reserve Funds:

Per prior meeting discussions, Treasurer Velez spoke with Mr. Jerry Heim of the Kalkaska County Road Commission; re: higher interest rate options/government program they use, for our required reserve accounts. She was referred to Ms. Kristin Angel who informed her of the Michigan CLASS (Cooperative Liquid Assets Securities System) Program. Ms. Velez reviewed with the Board specific dollar values from accounts that could be available for placement into liquid investment vehicles such as this one in an effort to achieve a higher interest yield. She will confer with Mr. Blake Smith of USDA to find out if this action is allowable.

Additionally, there is a Chemical Bank account with a balance of \$845 which was used to pay USDA bills. This account is now considered inactive and accruing monthly fees. She will also confer with Blake Smith whether we can close this account and move the monies to our Operating account. Ms. Velez will continue to pursue this matter and report to the Board on the Michigan CLASS program and what it offers.

F&V / Triple Point Header & Aerator Problem:

F&V / Triple Point has agreed to do the work on insulating the header, run the hoses under water, and move the aerators back. This will be warranty work. We will not be accountable for any costs. This is the result of ongoing negotiations on significant header and aerator problems.

**COMMUNICATIONS:** None.

**CITIZEN COMMENT:** None.

**BOARD COMMENT:** None.

**ADJOURNMENT:** Ms. Velez made a motion to adjourn the meeting. Mr. Gill seconded the motion. The meeting adjourned at 7:18 p.m.

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