

FIFE LAKE AREA UTILITY AUTHORITY (FLAUA)

Regular Meeting - Minutes

Thursday, October 18, 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 6:09 p.m.

ROLL CALL: President Tom Gray called Roll.

Present:

President Tom Gray, Secretary Leigh Gifford, and Commissioners David Gill, Dave McGough, and Ron Broering.

Absent:

Vice President Marilyn Hayes, Treasurer Jodi Velez, and Commissioners Jim Gifford and Cathy Sorrow.

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

APPROVAL OF AGENDA: Agenda Additions:

New Business: Memo from Kay Held, Recording Secretary

New Business: Review Deferred Monthly Charge Commodity Revisions

New Business: Sand in Manholes

Communications: Letter to USDA sent by President Gray

Old Business: Attorney Opinion on Van's Lane Hook-up Extension

Board Action: Mr. Gill made a motion to approve the Agenda as amended. Mr. Broering seconded the motion.

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

ACCEPTANCE OF MINUTES:

Acceptance of Regular Meeting Minutes of September 20, 2018:

Correct spelling of Cathy Sorrow's last name under Roll Call section. Mr. McGough made a motion to accept the Minutes of the September 20, 2018, Regular Meeting as amended. Mr. Gill seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried.

TREASURER'S REPORT:

Treasurer's Report – Financial Report of September 30, 2018, 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.

Board discussion again referenced past conversations on how the borrowed bond monies need to be accounted for in the monthly accounting as it is not revenue but appears to be included in our total operating revenue and could be interpreted as income. The interest payments are expensed in an accurate entry. There is a need to properly account for this for future Board members, audit purposes, and transparency to our customers. Treasurer Velez will meet with Ms. Charity Sawyer at H&R Block again to further investigate how this can accurately be presented in our financial statements.

Board Action: Mr. Broering made a motion to approve the Financial Report as presented. Mr. Gill seconded the motion.

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

Payment of Bills: Board discussion/inquiries of outstanding bills:

- Mr. Ravary SAVED \$2,000 on the purchase of the Skimmer (see his report).
- Regarding Integrated Controls Engineering: we pay \$710.64 quarterly for the SCADA service.
- Regarding H&R Block Report: there were some questions on service reports:
Re: Follow-up with the issue on the Sayer account regarding unable to pay balance and giving them the number to the Township. How does Township referral involve FLAUA?

Re: Dopp account on Shelby Street and sewer capped. It was a mobile home tear down. We are supposed to receive an application for capping, \$250 charge, and inspection. There is also a \$250 uncap fee plus and

application and inspection. These procedures were unknown/not clear in the past; however, all policies and procedures are in place and known at this time.

- President Gray provided the Board with a list of properties with excessively delinquent sewer payments or no payments. They have now been deferred to the Townships/Village for collection on their property taxes. Delinquency total for Fife Lake Township and Fife Lake Village combined is \$19,240. Springfield Township delinquency is \$767. While this total is less than in the past, it is unacceptable.

With the matter of ongoing and excessive delinquencies which are only billed a one-time late fee after the first month, there is no incentive for an account to resolve their outstanding balance. The Board is considering implementing an ongoing late fee structure and revising FLAUA late fee policy. This will be further discussed when we have a full Board in attendance.

Mr. Ravary will provide our current Late Fee Policy to the Board by the next meeting in November.

Board Action: October, 2018, Bills Payable: Mr. Broering made a motion to approve the October, 2018, bills as presented. Mr. McGough seconded the motion. ROLL CALL VOTE: Broering-Y, Gray-Y, L. Gifford-Y, McGough-Y, Gill-Y. Motion carried.

GUESTS: None.

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 with the Board. Mr. Ravary reported on additional topics:

- Needs to seal the building's concrete floors and rent a scarifier to scuff it up. Paint is \$60-\$70 a gallon.
- Mr. Ravary reported the trimble is still not working and needs to be resolved as soon as possible.
- Mr. Ravary will drop his card and a copy of the FLAUA Sewer Agreement to the new Habitat for Humanity homeowner.

Board Action: Mr. Gill made a motion authorizing Compliance Officer Ray Ravary to rent a scarifier and purchase sealant to seal the main plant concrete floor. Mr. Broering seconded the motion. ROLL CALL VOTE: Gray-Y, L. Gifford-Y, McGough-Y, Gill-Y, Broering-Y. Motion carried.

There was Board discussion on capacity of retention ponds, particularly with impending cold weather. Mr. Broering explained the monitoring process and pumping requirements per DEQ permit (until October 31). Mr. Ravary expressed to the Board our current capacity and that the strainers don't work properly. We will pump the pond through 10/31. While we have been close to 100% capacity in past winter seasons, there was a lot of infiltration that we should no longer have. This topic may be re-visited next month and whether any communication with the DEQ needs to be made.

CITIZEN COMMENT: None.

NEW BUSINESS:

Review Deferred Monthly Charge Commodity Revisions:

Mr. Ravary received Policy and Procedure book and pulled together all policies relevant to users. He provided the revised User Agreement and distributed it to the Board. The changes were minor regarding corrected telephone numbers, updated fees, late fees, and hook-up/disconnect information. Another change that is a standard legal clause includes recovery of attorney fees if FLAUA prevails in a claim. Residents will also be notified in this document of the only items to be put in the sewer system. The document also specifies by hooking up to the sewer system they have entered into a legal agreement.

Board Action: Mr. Gill made a motion to approve the revised FLAUA User Agreement. Mr. McGough seconded the motion. ROLL CALL VOTE: L. Gifford-Y, McGough-Y, Gill-Y, Broering-Y, Gray-Y. Motion carried.

Ms. Velez will post this User Agreement to the FLAUA website.

Recording Secretary Rate Increase: There was Board discussion in response to a request for consideration of a rate increase by Recording Secretary, Kay Held.

Board Action: Mr. McGough made a motion to increase the Recording Secretary's rate to \$150 per Regular Meeting and to \$75 per Special Meeting effective November 1, 2018. Mr. Gill seconded the motion.
ROLL CALL VOTE: McGough-Y, Gill-Y, Broering-Y, Gray-Y, L. Gifford-Y. Motion carried.

OLD BUSINESS:

Sand in Manholes:

Mr. Ravary doesn't have rates yet for vac trucks; however, will further pursue.

Attorney Opinion:

The Board received the Attorney Opinion from USDA attorney Tom Grier of Running Wise and Ford, PLC regarding interpretation/opinion of our existing by-laws on resident hook-up requirements. Contacting our attorneys was a result of the Van's Lane residents inquiries and request for hook-up extensions.

A Registered Letter will be sent to residents 12/31/18 informing them of the requirement to hook-up to the FLAUA sewer system within 90 days of receipt of the letter (hook-up by March 30, 2018) and that we are not allowed to grant their request. If residents are not hooked-up within 90 days, because of state law, legal proceedings will be pursued.

Financial Hardship information was distributed last month as well as over a year ago. There are two different programs residents can pursue. We have given advance notice of the system, hook-up requirements, fee structure, and prospective financial aid to assist our residents. We have tried to make the transition to the new system a smooth one for our customers; however, we cannot offer payment and credit plans and are restricted by the confines of USDA and DEQ.

Outstanding Task List Discussion:

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

COMMUNICATIONS:

Letter to USDA sent by President Gray: President Gray received an email from USDA indicating a violation notice regarding spraying of weed killer around the stations. He spoke with a USDA representative as to how we rectified the situation. President Gray sent correspondence stating the FLAUA Compliance Officer completed Applicator's Certification and appropriate safety equipment (gloves, tiebacks, and respirator) has been purchased.

There were no charges filed by USDA.

CITIZEN COMMENT: None.

BOARD COMMENT: None.

ADJOURNMENT: Mr. Broering made a motion to adjourn the meeting. Mr. Gill seconded the motion. The meeting adjourned at 7:42 p.m.

Submitted by: Kay Z. Held, Recording Secretary