

FIFE LAKE AREA UTILITY AUTHORITY (FLAUA)

Regular Meeting - Minutes

Wednesday, October 21, 2020, 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 6:03 p.m.

ROLL CALL: President Gray called Roll.

Present: President Tom Gray, Vice President Marilyn Hayes, Treasurer Jodi Thayer, Secretary Leigh Gifford and Commissioners Ron Broering, David McGough, Jim Gifford and Tom Hempsted.

Absent: Commissioner David Gill.

Others in Attendance: Compliance Officer Ray Ravary.

APPROVAL OF AGENDA:

Addition to New Business:
Engineering Service Proposal from Performance Engineering

Board Action: Ms. Hayes made a motion to approve the Agenda as amended. Ms. Thayer seconded the motion.
VOTE: YEAS: All. NAYES: None. Motion carried.

ACCEPTANCE OF MINUTES:

Acceptance of Regular Meeting Minutes of September 16, 2020:

Board Action: Ms. Thayer made a motion to accept the Minutes of the September 16, 2020, Regular Meeting as presented. Ms. Gifford seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried.

Mr. Broering abstained from the vote as he was not present at the September meeting.

Acceptance of Amended Regular Meeting Minutes of August 19, 2020:

Board Action: Ms. Hayes made a motion to accept the August 19, 2020, Regular Meeting Amended minutes. Ms. Thayer seconded the motion. Jessica Plude's name was corrected from Blude. Compliance Officer Ravary's vacation dates were corrected. VOTE: YEAS: All. NAYES: None. Motion carried.

TREASURER'S REPORT:

Treasurer's Report – Financial Report of October, 2020, and Payment of Bills:

The October, 2020, Treasurer's Report was distributed in advance of the meeting for Board review. A revised Budget vs. Actual was distributed. Treasurer Thayer also noted the following:

At this date, we should be at 75% of Budget. Office Supplies are up and will need to be adjusted at year-end. Postage (86%) and Accounting (98%) Budget to Actual are over; however, Total Professional Fees are at 39% to Budget. Payroll expenses are at 60% and Wages are at 62%, both well below the projected 75% YTD forecast.

As far as our bottom line:

Total Income is at 85% (10% over budgeted revenue), and Total Expenses are at 49%, significantly under YTD projected expenses. Overall, we are in good shape; we may need to make individual line item adjustments in the year-end Adjusted Budget.

Treasurer Thayer distributed to the Board the Jan.-Sept., 2020, Profit & Loss Quarterly Special Report outlining Bond Interest and Payments.

In summary:

-Bond interest paid this year is \$39,127.50.

-Bond payment is \$61,000.

-Net income after payments made is \$51,700.

-Another \$40,000 payment is due in December.

-Financials show the required \$11,000+ has been deposited every month; therefore, we do not have to take funds from our profit to make our payment as it is set aside.

She will continue to distribute this report quarterly as previously discussed by the Board and arranged by Treasurer Thayer.

Delinquent sewer bills were passed out to the Board and will go out to the tax rolls.

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

Payment of Bills: There was Board discussion regarding Bills Payable. An updated A/P was distributed. There was Board discussion to clarify the following:

Refund: re: McLean's Hardware \$550 equipment rental and a \$137.50 refund. This refund did not show as a credit on the financial printout. Treasurer Thayer will check with Emily at H&R Block about this.

Mr. Ravary had spoken with Rich at McLean's Hardware on the return time of rented equipment; however, will follow-up with him as there was a late charge on the return.

Mr. Ravary reported to the Board that Emily from H&R Block will start forwarding Integrated Controls Engineering (ICE) invoices to him so that he can review and explain charges to the Board. It was confirmed that the previously questioned ICE \$710.64 charge is our regular quarterly bill for SCADA services.

Board Action: October, 2020, Bills Payable:

Ms. Gifford made a motion to approve the October, 2020, bills as presented. Ms. Hayes seconded the motion.

ROLL CALL VOTE: Hayes-Y, Thayer-Y, Broering-Y, Gray-Y, L. Gifford-Y, J. Gifford-Y, McGough-Y, Hempsted-Y. Motion carried.

GUESTS: New part-time employee, Jacob Shivilie, was introduced to the Board by Compliance Officer Ray Ravary. Mr. Ravary stated his paperwork and drug test are completed. He needs to re-print and submit another W-4 for Emily at H&R Block. Mr. Ravary stated that Mr. Shivilie is learning the job and doing well.

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:

Regarding the blower sound enclosure fan, he learned through much research it is a proprietary fan made specifically for Kaiser at a replacement cost of \$1,400. The fan is currently at Graham Electric; they will investigate if the bearings can be replaced. If the windings are not melted, we may be able to get a couple more years out of it. It may have been a faulty fan to begin with as there are large weights on the fan blades, and it may have been out of balance.

Resident T.B.'s application and check for a tie-in has been received; he will wrap that up tomorrow.

He spoke with the DEQ and learned we need to do a new discharge report (every 3 years). We likely have two cracked wells, as a result of the flail mower in the past. Although this does not affect anything, he built a new enclosure. A new discharge application is in process.

Mr. Ravary would like permission to monitor cells next year on a monthly basis. The DEQ recommends and supports this so that we have more data. Testing fees would increase slightly.

We may need additional aeration in Cell 3 in the finishing pond; however, he would like to wait until we have more test results to make a decision.

We may be able to go to two soil samples when he goes to the new reporting.

Last winter when we had the flooding, Mr. Ravary was climbing a barbed wire fence and tore his personal waders. They now leak. He has asked for replacement pair. There was Board consensus in agreement, and he has spending authority for this.

A resident across the street from the plant owns a pest management company, has liability insurance, and is a duck hunter. He would like to shoot ducks on the pond. Mr. Ravary told him he would forward his request to the Board. The Board agrees they are a nuisance. There was Board discussion. If we were to move forward, we would require a copy of his liability insurance and draft a formal agreement/contract with him for service as removing ducks would not be something open to the public. The Board will take this under advisement for next season.

President Gray mentioned that Eagle recommended crop change recommendations, specifically Alfalfa and Orchard Grass. Mr. Ravary has spoken with our farmer, Mr. Tim Birgy about it, who also agreed that this combination is a good mix for seeding, harvesting, and for cattle. It's also a cost-effective combination.

CITIZEN COMMENT: None.

NEW BUSINESS:

Engineering Service Proposal from Performance Engineering:

There were a great deal of solid materials pulled out of the system and build-up of solids attached to the aerators. The installation of plant headworks was not included in the initial plant renovation project due to budgetary concerns. Compliance Officer Ravary has been in communication with Performance Engineering, our engineer of record, who submitted an engineering cost estimate for the design and construction of plant headworks. There was Board discussion about the benefit of plant headworks and consideration for a cost estimate.

Board Action: Ms. Hayes made a motion to accept Performance Engineers, Inc., Proposal P2020725 in the amount of \$900 for an engineering cost estimate for the design and construction of plant headworks. Mr. Broering seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried.

OLD BUSINESS:

Asset Management Plan: Ongoing.

Outstanding Task List Discussion:

The Outstanding Task List was reviewed. New items were added for individual and Board follow-up.

- Re: Account 405042 from H&R Block/Emily's call list on 8/14/20 – was this a separate inquiry from the \$240 credit request on Anthony Street? Ms. Thayer investigated this; it was not a separate inquiry. Per Board discussion and direction, Emily contacted resident to advise a payment would not be refunded to him.
- Double check PVS Technologies 8/12/20 for \$1,732.93 to verify if the charges were for chemicals. Ms. Thayer verified this was for 11,660 lbs. of ferric chloride.

COMMUNICATIONS: None.

CITIZEN COMMENT: None.

BOARD COMMENT: None.

ADJOURNMENT: Mr. Broering made a motion to adjourn the meeting. Ms. Gifford seconded the motion. The meeting adjourned at 6:50 p.m.

Submitted by: Kay Z. Held, Recording Secretary