

Higgins Lake Utility Authority
Regular Meeting Minutes
November 7, 2017

The meeting was called to order by Chairperson Hartman at 10:00 a.m.

Roll call: Present: Cook, Hartman, English, Riley Absent: Wood

Public Comments: None

Motion by Hartman, second by English, **CARRIED** to approve the agenda. Yeas: All Nays: None

Yeas: All Nays: None

WADE-TRIM REPORT: Ken reviewed the October field reports. There are 7 pumps in need of repair, the plant is in the process of being winterized and there was a power outage at the facility during the month that was found to be due to being out of propane.

Motion by Cook, second by Riley, **CARRIED** to approve the treasurer's reports for October 2017 Yeas All Nays: None

Motion by Hartman, second by Riley, **CARRIED** to approve the accounts payable. Yeas: All Nays: None

REPORT FROM STAFF: Tatro stated that the C.D. renewal was received and phone issues with Wade Trim and the service phone has been taken care of.

OLD BUSINESS: Tatro gave each member of the board a copy of a draft letter to the customers of the Authority. Motion by Hartman, second by English to approve the renewal of MMC's contract as presented. After discussion it was clear that the motion would not carry it was withdrawn. Motion by Cook, second by Riley, **CARRIED** to sign with Fick and Sons for our propane needs. Yeas: All Nays: None Motion by Hartman, second by English, **CARRIED** to transfer \$25,000 from the O&M account to the C.D. Yeas: All Nays: None

NEW BUSINESS: None

MEMBER COMMENTS:

Meeting adjourned 10:43 a.m.

Respectfully submitted

Paul Tatro
Business Manager

Ron Wood
Secretary

Letter to Customers

First, I would like to introduce myself. My name is Paul Tatro the business manager for the Higgins Lake Utilities Authority. Myself and Dean English are the only two remaining of the original group that oversaw the sewer project. As the business manager my duties include most of the administration for the board including O&M billing and collection, facility oversight and budget/finance administration.

Now for the purpose of this letter. As we approach the ten-year mark of the original twenty-year financial plan, I thought it might be a good time to bring everyone up to date on how the Authority stands financially. As a board the Authority has done a great job in keeping expenses in line with income. Although we have had increases in line item expenses over the years, the board has kept expenses below the \$170,000 that was established for the first budget. One of the line items in the original budget was money set aside for the repair and replacement of parts that were going to wear out over time and an ER&R account was set up to hold the funds until needed. It was not expected that the money set aside in the budget would be enough to cover all the expenses over the twenty-year plan but most of the equipment had a ten-year life span and future expansion would help grow the fund.

Part of the plan for future expansion was the connection of the North State Park to the system. After over a year of discussion and negotiations the Utility Board along with the Beaver Creek Township Board approved the proposal to allow the State Park to connect to the system. That agreement would have brought close to \$200,000 in upfront revenue that could have been a boost to the ER&R fund, but the Lyon Township Board rejected the proposal and threatened a lawsuit if the project moved forward putting an end to the project.

The board is now in discussions on how best to deal with the ER&R deficit now that expansion plans cannot be considered in the funding of the account. At this point the options are either to move forward with the State Park connection and risk a law suit from Lyon Township or increase the Quarterly O&M fees that our current customers pay. Because that affects you the board would like to give you an opportunity to express your opinion if you have one. You will be invited to a special meeting to be scheduled towards the first of the year to decide how best to proceed or you can write me at the address above or you can e-mail me @ p_tatro@charter.net.

I want to assure you that the financial status of the Authority is not in question. The board wants to continue to be financially responsible and be prepared for any future problems. Thank you for continued support of the sewer system. Your contributions to the health of Higgins Lake has been well documented and without your support this system would not have happened.

Sincerely,

Paul Tatro

Agreement between Higgins Lake Utilities Authority and Municipal Management
Consultants

Whereas, the Higgins Lake Utilities Authority (HLUA) intends to contract with Paul Tatro, doing business as Municipal Management Consultants (MMC) for the performance of certain tasks;

Whereas , MMC's principal place of business is located at 7740 N. Deadstream Road, PO Box 329 Higgins Lake, MI 48627.

Whereas, the HLUA office is currently located at 8878 S. Grayling Road, PO Box 437 Higgins Lake, MI 48627

Whereas, MMC declares that it is engaged in an independent business and has complied with all federal, state and local laws regarding business permits and licenses of any kind that may be required to carry out the said business and the tasks to be performed under this agreement.

Therefore, in consideration of the foregoing representations and the following terms and conditions, the parties agree:

1. Services to be performed:
 - a. MMC will act as the liaison between the HLUA and Wade-Trim..
 - b. MMC will work/coordinate with Wade-Trim's day to day employee.
 - c. MMC will assist township treasurer in billing and collection of special assessments on BS&A special assessment software.
 - d. MMC will bill and collect quarterly O&M payments on BS&A billing software.
 - e. MMC will develop and maintain HLUA's annual budget(s) in conjunction with the Board Chairperson
 - f. MMC will prepare monthly meeting agendas in conjunction with the Board Chairperson.
 - g. MMC will assist the Board Secretary with recording meeting minutes
 - h. MMC will prepare and mail payments of approved bills.
 - i. MMC will coordinate SRF and EPA disbursement requests for Board to approve and Chairperson to sign.
 - j. MMC will develop and coordinate and approved expansion of system.
 - k. MMC will perform the fund accounting tasks as required on BS&A fund accounting software.
 - l. MMC will communicate regularly with the Utility Board members between meetings and keep them up to date on all aspects of the project.
 - m. MMC will manage and respond to correspondence of any kind i.e. telephone calls, e-mail, regular mail, in accordance with Board policy and directives.

2. Terms of payment: HLUA shall pay MMC the sum of two thousand, Four hundred dollars (\$2,400) each month beginning January 2018.. Payments shall be made no later than the last day of each month.
3. The HLUA shall provide to MMC all office space, equipment, supplies and furniture necessary to perform the services listed above.
4. MMC retains the sole right to control or direct the manner in which the services described herein are to be performed. Subject to the foregoing, the HLUA retains the right to inspect, to stop work, to prescribe alterations and generally to supervise the work to insure its conformity with the specified herein.
5. No payroll or employment taxes of any kind shall be withheld or paid with respect to payments to MMC. The payroll or employment taxes that are the subject of this paragraph include but are not limited to FICA, federal personal income tax, state personal income tax, state disability insurance tax, and state unemployment insurance tax.
6. No worker's compensation insurance has been or will be obtained by the HLUA on account of MMC or MMC's employees.
7. This agreement shall end on December 31,2020 and may not be terminated earlier (except for cause) without thirty days prior written notice from one party or the other.

Agreed to this day of November, 2017, at Township of Beaver Creek, County of Crawford, State of Michigan.

Higgins Lake Utilities Authority

Municipal Management Consultants

Signature

Signature

Printed Name

Printed Name

Title

Title