

Higgins Lake Utility Authority  
Regular Meeting Minutes  
April 2, 2019

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

Roll call: Present: Cook, Keipert, Earley, English and Van Nuck.

Motion by Earley, second by Van Nuck, CARRIED to approve the agenda as. Yeas: All Nays: None

Motion by Earley, second by Van Nuck, CARRIED to approve the minutes from the February 5, 2019 regular meeting. Yeas: All Nays: None

**OPERATIONS SERVICES:** Therron reviewed the monthly report and advised that there were 2 service calls and no Miss Digs for the month of March. Therron also stated that the facility is ready for start-up.

Motion by Earley, second by Van Nuck, CARRIED to approve the treasurer's reports for February 2019. Yeas All Nays: None. Motion by Van Nuck, second by Earley, CARRIED to approve the treasurer's report for March 2019. Yeas: All Nay's None

Motion by Van Nuck, second by Cook, CARRIED to approve the March 2019 accounts payable. Roll Call vote Yeas: All Nays: None. Motion by Earley, second by Keipert, CARRIED to approve the April 2019 accounts payable. Roll Call vote Yeas: All Nays: None. Motion by Earley, second by English, CARRIED to have the vice chairperson review all accounts payable prior to the board meeting. Yeas: All Nays: None

**REPORT FROM STAFF:**

**CORRESPONDENCE:** A letter from the C.C.O A received during the month was discussed as part of the old business on the agenda.

**OLD BUSINESS:** Jim Anderson reviewed the audit report with the board and answered the questions the board had. Motion by Van Nuck, second by Keiper. FAILED to not record the meeting. Yeas: 2 Nays: 3 (English, Cook, Earley). Motion by Cook, second by Earley, CARRIED to approve the recordings of the board meeting and the storage of recordings for 45 days after board approval of those minutes. Yeas: 3 Nays: 2 (Keipert, Van Nuck). Motion by Van Nuck, second by Motion by Cook, second by Earley CARRIED to approve the purchase of a recording device for the purpose of recording the board meetings not to exceed \$100.00. Roll Call vote Yeas:3 Nays:2 (Keipert, Van Nuck). Motion by Van Nuck, second by Cook, CARRIED to have the chairperson responsible for taping storing, and deletion of the meeting recordings. During discussions regarding the letter from the C.C.O.A requesting a forensic audit. Motion by Van Nuck, second by Keipert, CARRIED to send a letter to the association stating that a forensic audit will not be ordered because the board does not believe it is necessary due to the results of our annual audits. Yeas: All Nays: None Motion by Van Nuck, second by English, CARRIED to name Doug Keipert as board liaison to the C.C.O.A. and attend their meetings. Yeas: All Nays: None. While reviewing the By Laws a Motion by Van Nuck, second by Keipert, CARRIED to delete Paragraph 6.3 from the By Laws. Yeas: Yes Nays: None. Motion by Van Nuck, second by Keipert, CARRIED to request MMC to provide an agenda and any available support material

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to the board by the Friday prior to the monthly board meetings. Yeas: All Nays: None. Due to the length of the meeting it was decided to hold a special meeting to discuss the 2019-2020 annual budget. Motion by Cook, second by Van Nuck, **CARRIED** to schedule a special board meeting for April 26, 2019 @ 10 am for the purpose of reviewing the annual budget. Yeas: All Nays: None

**NEW BUSINESS:**

**MEMBER COMMENTS:**

**ADJOURNMENT:** Meeting adjourned 12:50 a.m.

Respectfully submitted

Paul Tatro  
Business Manager

Doug Keipert  
Secretary

# Higgins Lake Utilities Authority

## Profit & Loss Budget vs. Actual

July 1, 2018 through April 3, 2019

	Jul 1, '18 - Apr 3, 19	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
537.607 · Sewer Fees	127,499.83	170,100.00	-42,600.17	75.0%
537.609 · Delinquent Sewer Fees	2,045.19	2,000.00	45.19	102.3%
537.664 · Interest-O&M	83.43	100.00	-16.57	83.4%
537.671 · Misc Income-O&M	348.25	200.00	148.25	174.1%
537.672 · Bad Check Charges	10.00	0.00	10.00	100.0%
<b>Total Income</b>	<u>129,986.70</u>	<u>172,400.00</u>	<u>-42,413.30</u>	<u>75.4%</u>
<b>Expense</b>				
537.153 · Office Equipment	0.00	0.00	0.00	0.0%
537.710 · Per Diem	2,550.00	1,000.00	1,550.00	255.0%
537.726 · Office Supplies	44.62	250.00	-205.38	17.8%
537.727 · Equipment Purchases-Large	0.00	2,000.00	-2,000.00	0.0%
537.728 · Equipment Purchases-Small	0.00	500.00	-500.00	0.0%
537.729 · Equipment Replacement Reserve	14,700.00	<u>14,700.00</u>	0.00	100.0%
537.735 · Operating Supplies	0.00	100.00	-100.00	0.0%
537.801 · Legal & Professional	700.02	2,000.00	-1,299.98	35.0%
537.802 · Contractual Services-Operations	59,582.25	66,400.00	-6,817.75	89.7%
537.803 · Insurance	3,258.00	3,600.00	-342.00	90.5%
537.804 · Contractual-Administrative	24,000.00	28,800.00	-4,800.00	83.3%
537.805 · Contract-Repairs	0.00	5,000.00	-5,000.00	0.0%
537.806 · Contract-Audit Fees	2,150.00	2,050.00	100.00	104.9%
537.850 · Telephone & Internet	1,125.59	1,200.00	-74.41	93.8%
537.900 · Printing & Publishing	270.00	500.00	-230.00	54.0%
537.920 · Utilities	36,780.59	46,900.00	-10,119.41	78.4%
537.940 · Office Rent	3,150.00	4,200.00	-1,050.00	75.0%
537.955 · Education, Dues & Subscriptions	878.04	900.00	-21.96	97.6%
537.956 · Computer Hardware & Software	1,761.00	2,000.00	-239.00	88.1%
537.957 · Permits & Fees	3,650.00	3,650.00	0.00	100.0%
537.958 · Postage	476.00	1,200.00	-724.00	39.7%
<b>Total Expense</b>	<u>155,076.11</u>	<u>186,950.00</u>	<u>-31,873.89</u>	<u>83.0%</u>
<b>Net Ordinary Income</b>	<u>-25,089.41</u>	<u>-14,550.00</u>	<u>-10,539.41</u>	<u>172.4%</u>
<b>Net Income</b>	<u><u>-25,089.41</u></u>	<u><u>-14,550.00</u></u>	<u><u>-10,539.41</u></u>	<u><u>172.4%</u></u>

# Higgins Lake Utilities Authority

## Profit & Loss Budget Overview--PROPOSED

July 2019 through June 2020

Jul '19 - Jun 20

Ordinary Income/Expense		
Income		
537.607 · Sewer Fees		170,100.00
537.609 · Delinquent Sewer Fees		2,000.00
537.664 · Interest-O&M		100.00
537.671 · Misc Income-O&M		200.00
537.672 · Bad Check Charges		10.00
<b>Total Income</b>		<b>172,410.00</b>
Expense		
537.153 · Office Equipment		0.00
537.701 · Wages		0.00
537.710 · Per Diem		1,500.00
537.726 · Office Supplies		250.00
537.727 · Equipment Purchases-Large		2,000.00
537.728 · Equipment Purchases-Small		500.00
537.729 · Equipment Replacement Reserve		14,700.00
537.735 · Operating Supplies		100.00
537.801 · Legal & Professional		2,000.00
537.802 · Contractual Services-Operations		66,400.00
537.803 · Insurance		3,300.00
537.804 · Contractual-Administrative		28,800.00
537.805 · Contract-Repairs		5,000.00
537.806 · Contract-Audit Fees		2,150.00
537.850 · Telephone & Internet		1,200.00
537.900 · Printing & Publishing		300.00
537.920 · Utilities		49,000.00
537.940 · Office Rent		4,200.00
537.955 · Education, Dues & Subscriptions		900.00
537.956 · Computer Hardware & Software		2,000.00
537.957 · Permits & Fees		3,650.00
537.958 · Postage		1,000.00
<b>Total Expense</b>		<b>188,950.00</b>
<b>Net Ordinary Income</b>		<b>-16,540.00</b>
<b>Net Income</b>		<b>-16,540.00</b>



*JOSEPH E. PERGANDE, PLC*  
*ATTORNEY AT LAW*

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March 11, 2019

Higgins Lake Utility Authority  
Attention: Brian Cook  
P.O. Box 437  
Higgins Lake, MI 48627-0437

Re: Forensic Audit  
Increase in sewer rates

Dear Mr. Cook,

Thank you for meeting with the Camp Curnalia Cottage Owners Association Board of Directors on February 9, 2019. It was refreshing to open the lines of communication between HLUA and CCCOA. It is our hope to have continuing good communication with you.

The Camp Curnalia Cottage Owners Association is still requesting that the Higgins Lake Utility Authority conduct a forensic audit of your books. We would appreciate a forensic audit that would include not only your general operating accounts, but the separate accounts that may exist for Operations and Maintenance. The Camp Curnalia Cottage Owners Association is requesting that you determine the cost of a forensic audit for your books and provide this information to the Camp Curnalia Cottage Owners Association Board of Directors. We believe this audit would be beneficial to both parties for future planning.

At our meeting on February 9, 2019, you discussed with the Camp Curnalia Cottage Owners Association Board of Directors a possible increase of the quarterly sewer maintenance bill given projected repair and maintenance costs. We could be helpful in endorsing an increase with our Camp residents if we had the most accurate projection of costs for repair and replacement of all equipment and labor.

Currently we are not prepared to endorse an increase in the quarterly payment without having additional information to properly analyze the necessity of an increase in fees, including information concerning the life expectation of equipment, cost of equipment, the methodology for setting aside the increase for maintenance costs, etc. Once this information is provided to CCCOA, then the Board of Directors will review the information and have further discussions concerning an increase. CCCOA believes this to be a reasonable request in order for CCCOA to make an informed decision.

If you desire to be placed on the agenda for April 20, 2019 for this meeting you should contact my office. If you are able to provide additional information to us concerning the above-noted request, we would ask that this information be provided as soon as possible to allow the Board of Directors to review this information before the April 20, 2019 meeting. This will allow for more specific questions and a more efficient discussion concerning this topic.

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Again, we look forward to continuing communication with you.

Very truly yours,

A handwritten signature in black ink, appearing to read "Joseph E. Pergande". The signature is written in a cursive style with a large initial "J" and "P".

Joseph E. Pergande

JEP/dms

cc: Board of Directors for CCCOA