

Higgins Lake Utility Authority
Regular Meeting Minutes
December 5, 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 English, second by Riley, **CARRIED** to approve the agenda. Yeas: All Nays: None

Motion by Cook, second by English, **CARRIED** to approve the minutes from the November 7, 2017 meeting. Yeas: All Nays: None

WADE-TRIM REPORT: Ken introduced Therron as our new facility operator. There were no Miss Digs or service calls. Winterizing has been completed and e-one pumps are being repaired for spring. The annual maintenance needs to be done on the generator. Motion by Cook, second by English, **CARRIED** to approve the estimate of \$714.91 from Graham Electric to do the annual maintenance and load test on the generator. Yeas: All Nays: None

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

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

REPORT FROM STAFF:

OLD BUSINESS: The board agreed to change the meeting time for January's meeting from 10am to 11am to allow Jim Anderson time to get to the meeting to give his audit report. The board reviewed the draft letter created as a financial overview to be sent to each property owner. Motion by Hartman, second by Riley **CARRIED** to approve the mailing of the customers after our attorney's review. Yeas: 4 Nays: 1. The board also discussed the contract of MMC. After a motion by Hartman, second by English, the vote was 2 for and 2 against. Motion fails. It was decided to hold a special meeting on December 15th to try to come to an agreement.

NEW BUSINESS: None

MEMBER COMMENTS:

Meeting adjourned 10:43 a.m.

Respectfully submitted

Paul Tatro
Business Manager

Ron Wood
Secretary

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 North Dead Stream Road Roscommon, Michigan and mailing address is PO Box 329 Higgins Lake, Michigan 48627.

Whereas, the HLUA office is currently located at 8888 South Grayling Road Grayling, Michigan and mailing address is PO Box 437 Higgins Lake, Michigan 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 task to be performed under this agreement. It is understood and agreed upon by the parties that MMC will provide services to the HLUA as an independent contractor and not as an employee.

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 liaison between the HLUA and any employees, contractors and consultants of the HLUA.
 - b. MMC will work/coordinate with the entities day to day employee(s).
 - c. MMC will bill and collect quarterly Operations & Maintenance (O&M) payments on BS&A billing software.
 - d. MMC will develop and maintain the HLUA's annual budget(s) in conjunction with the board.
 - e. MMC will prepare monthly meeting agendas with input from the Board Chairperson.
 - f. MMC will assist the Board Secretary with recording meeting minutes.
 - g. MMC will prepare checks for board signatures, a listing of accounts payable for review and approval by the board, and mail payments once approved by the board.
 - h. MMC will coordinate SRF and EPA disbursement requests for the Board to approve.
 - i. MMC will assist with developing any plans to expand the system.
 - j. MMC will perform the fund accounting tasks as required on fund accounting software.
 - k. MMC will communicate regularly with the Utilities Board members between meetings and keep them up to date on all aspects of the project.
 - l. MMC will manage and respond to correspondence of any kind i.e. telephone calls, e-mails, and regular mail, in accordance with Board policy and directives.

Terms of payment: HLUA shall pay MMC the sum of two thousand four hundred dollars (\$2400.00) each month beginning January 2018. Payment shall be made no later than the last day of each month.

2. The HLUA shall provide to MMC all office space, equipment, supplies and furniture necessary to perform the services listed above.
3. 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, 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.
4. 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.
5. No worker's compensation insurance has been or will be obtained by the HLUA on account of MMC or MMC's employees.
6. This agreement shall end on December 31, 2019, and may not be terminated earlier (except for cause) without thirty days prior written notice from one party to the other.

Agreed to this 5th day of December, 2017, at Township of Beaver Creek, County of Crawford, State of Michigan.

Higgins Lake Utilities Authority

Municipal Management Consultants

Signature

Sharon Hartman, Chair

Signature

Paul Tatro, Owner

QUOTE

Quote Number: 10-10521210
Order Number: Quote
Customer Number: 393565-0

TO:

WADE-TRIM OPERATIONS SERVICES
4241 OLD 27 SOUTH STE # 1 P O BOX 618
GAYLORD, MI 49735
PHONE: (989) 732-3584 FAX: (989) 732-6391

SHIP TO:

WILL CALL

Quote Date	Customer PO.	Job Number	Requested By
11/20/2017	GENERATOR QUOTE		PHIL CORKINS

Ln	Qty	Mfg	Part Number	Description	Price	Ext. Price
1	1	YGMM	YGMMA029Y148	A029Y148 COOLANT SENSOR ASSY	\$137.76 E	\$137.76
2	1	OSMC	UPSIN	UPS CHARGES IN	\$8.00 E	\$8.00
3	1	YGM	YGMMLIQUIDCOOLED30	LIQUID COOLED MAINTAINANCE	\$340.00 E	\$340.00
4	1	OSMC	YGMLOAD	LOAD BANK TEST 2HR	\$200.00 E	\$200.00

Comment:

COMPLETE MAINTENANCE ON ONAN GENERATOR WITH
NEW COOLANT SENSOR AND 2HR LOAD BANK TEST.
INCLUDES FLUIDS AND FILTERS

SubTotal: \$685.76
Sales Tax: \$29.15

Grand Total: \$714.91

Please do not hesitate to call with any questions.

Best Regards,
Mike Graham

10th Prox. Net 30 Days

Signature

Date

Purchase Order



ISO
9001:2000

Q1





Sales and Service

Payment terms are 30 days from invoice date unless otherwise agreed upon in writing.

Remit to: #774494

4494 Solutions Center
Chicago, IL 60677-4004

GAYLORD
977 N. CENTER
GAYLORD, MI 49735-
(989)732-5055

INVOICE NO

ESTIMATE

Remit to: #774494
4494 Solution Ctr. Chicago, IL 60677

BILL TO

WADE TRIM OPERATIONS SERV
PO BOX 618
GAYLORD, MI 49734-0010

OWNER

HIGGINS LAKE UTILITY AUTH
7851 W HIGGINS LAKE RD
ROSCOMMON, MI 48653-
PHIL CORKINS - 989 619-9196

PAGE 1 OF 2

*** CHARGE ***

DATE	CUSTOMER ORDER NO.	DATE IN SERVICE	ENGINE MODEL	PUMP NO.	EQUIPMENT MAKE
07-NOV-2017 10:05AM			35.0GGFD		ONAN
CUSTOMER NO.	SHIP VIA	FAIL DATE	ENGINE SERIAL NO.	CPL NO.	EQUIPMENT MODEL
109433		07-NOV-2017	F080189112		GEN SET
REF. NO.	SALESPERSON	PARTS DISP.	MILEAGE/HOURS	PUMP CODE	UNIT NO.
53930					HIGGINS LAKE

QUANTITY ORDERED	BACK ORDERED	QUANTITY SHIPPED	PART NUMBER	DESCRIPTION	PRODUCT CODE	UNIT PRICE	AMOUNT
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OSN/MSN/VIN

F080189112

COMPLAINT

HIGGINS LAKE UTILITY AUTHORITY
35.0GGFD
SN#F080189112
TRAVEL TO SITE
ROUTINE MAINTENANCE SERVICE PLUS
REPLACE LOW COOLANT SENSOR
DRAIN AND FILL COOLANT SYSTEM
2 HOUR LOAD BANK

THANK YOU FOR USING CUMMINS SALES AND SERVICE

7	0	RTU1GAL	50-50 MIX ANTIFREEZE	OTHER	18.14	126.98
1	0	A055G562	SENDER,LOW COOLANT	ONAN	99.00	99.00
1	0	LF3339	LF PK	FLG	6.20	6.20
2	0	774038	PRM BLU EXT SY 5W40 3/1 G	VALVOLINE	22.27	44.54
PARTS:						276.72
PARTS COVERAGE CREDIT:						0.00CR
TOTAL PARTS:						276.72
SURCHARGE TOTAL:						0.00
LABOR:						904.00
LABOR COVERAGE CREDIT:						0.00CR
TOTAL LABOR:						904.00
MISC.:						221.05
MISC. COVERAGE CREDIT:						0.00CR
TOTAL MISC.:						221.05
SHOP SUPPLIES						54.24

Completion date : 08-Nov-2017 09:37AM. Estimate expires : 07-Dec-2017 09:37AM.

Billing Inquiries? Call 877-480-6970 or email CBSBridgeway.Receivables@cummins.com

THERE ARE ADDITIONAL CONTRACT TERMS ON THE REVERSE SIDE OF THIS DOCUMENT, INCLUDING LIMITATION ON WARRANTIES AND REMEDIES, WHICH ARE EXPRESSLY INCORPORATED HEREIN AND WHICH PURCHASER ACKNOWLEDGES HAVE BEEN READ AND FULLY UNDERSTOOD.

AUTHORIZED BY (print name) _____ SIGNATURE _____ DATE _____



Payment terms are 30 days from invoice date unless otherwise agreed upon in writing.

Remit to: #774494

4494 Solutions Center
Chicago, IL 60677-4004

GAYLORD
977 N. CENTER
GAYLORD, MI 49735-
(989)732-5055

INVOICE NO

ESTIMATE

Remit to: #774494
4494 Solution Ctr. Chicago, IL 60677

BILL TO

WADE TRIM OPERATIONS SERV
PO BOX 618
GAYLORD, MI 49734-0010

OWNER

HIGGINS LAKE UTILITY AUTH
7851 W HIGGINS LAKE RD
ROSCOMMON, MI 48653-
PHIL CORKINS - 989 619-9196

PAGE 2 OF 2

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109433		07-NOV-2017	F080189112		GEN SET
REF. NO.	SALESPERSON	PARTS DISP.	MILEAGE/HOURS	PUMP CODE	UNIT NO.
53930					HIGGINS LAKE

QUANTITY ORDERED	BACK ORDERED	QUANTITY SHIPPED	PART NUMBER	DESCRIPTION	PRODUCT CODE	UNIT PRICE	AMOUNT
			OSN/MSN/VIN	F080189112			
				HAZ WASTE DISPOSAL			11.81
				ROAD MILEAGE (NON-BOOM)			116.00
				LOADBANK 35-44KW NATGAS			39.00
					STATE		20.57

Completion date : 08-Nov-2017 09:37AM. Estimate expires : 07-Dec-2017 09:37AM.

Billing Inquiries? Call 877-480-6970 or email CBSBridgeway.Receivables@cummins.com

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SUB TOTAL: 1,401.77
TOTAL TAX: 20.57

TOTAL AMOUNT: US \$ 1,422.34

AUTHORIZED BY (print name) _____ SIGNATURE _____ DATE _____



WADE TRIM

December 1, 2017

Higgins Lake Utilities Authority
PO Box 437
Higgins Lake, MI 48627

Attn: Higgins Lake Sewer Authority Board Members

Re: Business Manager

Dear Board Members:

Wade Trim is pleased to submit a proposal for the potential Business Manager Position you may need to fill in the future. Based on our last Board meeting and the information provided to you by your current Business Manager it may be an opportune time to let you know Wade Trim would be interested in assisting the Authority by submitting a proposal. We are confident a plan can be developed to provide the required services needed to insure proper management which will meet or exceed your expectations.

Scope of Work

Wade Trim has direct, relevant experience managing small private and municipality type systems. Higgins Lake Utility Authority is no exception other than to say all systems have certain characteristics that may be different, but all are achievable through team work and proper communications.

We propose Mrs. Sheila Hill to be our direct Business Manager contact for the Authority. Mrs. Hill has proven experience working in the field of customer service, utility billing, budgeting, etc. Ken Schaut, our Senior Manager, will be the Project Manager and will assist Mrs. Hill when needed.

We also have several other Administrative Assistants available should they be needed on occasion due to Sheila's absence, or when a second hand is simply required to complete a task.

Proposed Wade Trim Responsibilities

1. Invoice, collect, and post quarterly Operation and Maintenance payments using BS&A software provided by the HLUA.
2. Provide a list of all delinquent accounts to the Board each month. Work to collect delinquent payments in a timely manner.
3. Develop and Maintain the Annual Budget in conjunction with the Board.
4. Create monthly Board Meeting Agendas with input from the Board.
5. Record and create monthly Board Minutes with input from the Board Secretary.
6. Prepare checks for Board Signatures, including a list of accounts payable for review and approval by the Board, and mail payments once approved by the Board.

Wade Trim, Inc.	989.732.3584
4241 Old US 27 S, Suite 1	800.968.4440
P.O. Box 618	989.732.6391 fax
Gaylord, MI 49734	www.wadetrim.com



7. Coordinate SRF and EPA (Bond Payments) disbursement requests with approval of the Board.
8. Collect Special Assessment payments from the Townships and make payments to the SRF and Bank.
9. Perform Fund Accounting tasks as required by the Board using Fund Accounting Software.
10. Communicate regularly with the Board between Board Meetings as needed.
11. Provide Board with documents, information, etc. as requested.
12. Manage and respond to correspondence of any kind, i.e. telephone calls, e-mails, regular mail, etc. in accordance with Board policy and procedures.
13. Process all FOIA requests in a timely manner.
14. Post monthly Meeting Minutes, Wade-Trim Reports, Financial Reports, and Annual Budgets to the HLUA Website. Possibly update website as required by the Board.
15. Provide Auditor with all required information for the Annual Financial Audit.
16. Prepare and file 1099 Forms and required Tax Information.
17. Act as Administrator for the required State MiWaters program on behalf of the Authority.
18. Compose Standard Operating Procedures (SOP's) related to the BSA software as it relates to the Authorities billing system.
19. Provide Authority/Owner with a Certificate of Insurance Evidencing Comprehensive General Liability insurance of not less than \$1,000,000.00, Bodily Injury Liability of not less than \$500,000.00, Property Damage Liability, Workers' Compensation Insurance coverage, and Comprehensive vehicle coverage with a contractual liability endorsement naming the Authority/Owner as additional insured. Wade Trim Operations Services shall provide that no less than thirty (30) days advance written notice of cancellation, termination, or alteration of said coverage.
20. As part of this Administrative proposal, we will participate with recommending and procuring staff and subcontractors as required.

Wade Trim Operations will provide Out of Scope Services, as necessary, to assure proper management tasks are done per the Board's request. Out of Scope Services would include but not limited to the following:

1. Preparation of required additional reporting, plans, and data not outlined above in "Scope of Services" section.
2. Other services requested by Authority / Owner or regulatory agencies.
3. Review of ordinances and include recommendations.
4. Assistance with potential rate studying.

All "Out of Scope" Services will be invoiced at \$61.00 per hour separately from the monthly agreed upon invoicing for "Scope of Work" Services.

Authority/Owner Responsibilities

1. The utility providers shall invoice all costs directly related to utilities to the Authority/Owner.
2. Provide all office required equipment including computer, printer, ink, invoice card stock, paper, stamps, etc. required to perform Authority activities / requests.

Proposed Business Administration Cost Breakdown

Wade Trim proposes a Two-year Agreement to perform operational services for a Lump Sum Annual Fee of **\$24,840** payable in monthly installments of **\$2,070.00**. Wade Trim is also proposing an Urban Rate CPI fee adjustment as part of the Agreement each year the Agreement is active.

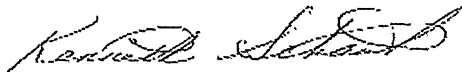
In addition, Wade Trim proposes a six (6) month review of the outlined duties and responsibilities in the spirit to perform contract adjustments once both parties have had time to acclimate to the agreement and allow for negotiating any changes either party may recommend.

If this proposal meets your understanding and you have further interest in discussing a potential Agreement, we would be very happy to draft a proposed Agreement.

Thank you for the opportunity to be of service to you and the Authority users. If you have any questions regarding the project, please contact me directly at 616.293.8699.

Very truly yours,

Wade Trim Operations Services, Inc.



Ken Schaut
Senior Project Manager

KS:dj
AAA8130-17
G:\data\Depots\WTOS\HigginsLake\Proposals\2017\2017BusinessMgrProposal

cc: Mr. Chris Johnson, Principal, Wade Trim Operations Services, Inc.
Project File

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 ~~first of the year~~ ^{SPRING} 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

Equipment Inventory Expected Life

2017

Expected Life End Year	Total Expected Cost
2015	\$ 29,500
2016	\$ 104,775
2017	\$ 1,000
2019	\$ 136,000
2021	\$ 78,750
2024	\$ 35,000
2029	\$ 385,350
2034	\$ 30,000
2043	\$ 50,000
2048	\$ 13,000
2049	\$ 50,000
Total	\$ 881,875

Current Fund Balance \$ 120,000

Shortage (\$ 761,875)

20 Year Annual Budget Cost \$ 38,093

Equipment Inventory Expected Life

2017

Expected Life End Year	Total Expected Cost
2015	\$ 29,500
2016	\$ 104,775
2017	\$ 1,000
2019	\$ 136,000
2021	\$ 78,750
Total	\$ 350,025
Current Fund Bal.	\$ 120,000
Shortage	\$ 210,000
5 Year Inc. Budget Cost	\$ 42,000 Per Year