

Northport/Leelanau Township Utilities Authority
116 W. Nagonaba, PO Box 158 Northport, MI 49670

Draft Minutes

June 11, 2024

Regular Meeting

I. CALL TO ORDER The meeting was called to order by Chair McMillan at 9:30 a.m.

II. ROLL CALL Board Members Present: Chris Holton, Mike McMillan, James Root, William Harper

Absent: Chris McCann attended via Zoom

Staff Present: Joni Scott, Clerk, and Denise Dunn, Deputy Treasurer

III. ADDITIONS OR CORRECTIONS TO THE AGENDA

There were no additions or corrections to the agenda.

IV. APPROVAL OF MINUTES

William Harper **Moved, Supported by** Chris Holton to approve the May 14, 2024, Regular and Annual meeting minutes as presented. **Motion Carried.**

V. PUBLIC COMMENT/CORRESPONDENCE

None

VI. PAYMENT OF BILLS

Chris Holton **Moved, Supported by** William Harper to approve the bills to be paid for the months of May and June in the amount of \$62,427.31

Roll Call Vote: Yeas (4) Nays (0) Absent (1) **Motion Carried.**

VII. STAFF REPORTS

A. Clerk Report:

Clerk Scott presented comprehensive financial reports to the Board, including cash transaction details, trial balance, and revenue/expenditure reports. According to the meeting context, Joni Scott provided the following as part of the Clerk's report: Scott mentioned that Jacobs is offering to meet with a grant writer to help identify potential grants based on the Capital Improvement Plan. She said she would work with the board chair to schedule this meeting.

Deputy Treasurer:

Deputy Treasurer Denise Dunn reported that the collection of quarterly deposits is winding down, until the next billing in July.

B. Superintendent Report:

Superintendent Chris Holton provided updates on maintenance activities and ongoing projects at the wastewater treatment plant and within the sewer system. Planned measures for dust control and mowing at the plant were scheduled to maintain operational efficiency. Additionally, he discussed progress in coordinating with a contractor for the installation of sewer taps and laterals. Holton also gave an update on the Woolsey Lake sewer main extension, mentioning delays in soil boring work in collaboration with the county road commission due to issues with drilling equipment.

C. Treatment Plant Operator Report:

Treatment Plant Operator, Andrew Waldron, provided a verbal update on the Treatment Plant and Collection system. He discussed recent challenges at the facility, specifically mentioning backups on screens at the Treatment that were successfully addressed over the weekend. Waldron attributed the backups to an extended period of the mixer being out of service. To prevent future issues, he suggested the plant's consideration of acquiring a spare mixer. Additionally, Waldron reported positive outcomes from the completion of quarterly monitoring well sampling, indicating satisfactory results across the board.

VII. DISCUSSION/ACTION ITEMS

- **2023-24 Audit Presentation**

Michael Cool presented the audit report, emphasizing his role in providing an opinion on the NLTUA's financial statements while the rest of the report comprises the authority's financial data. The audit, conducted in April, focused on high-risk areas such as buildings and the Jacobs contract. On page eight, the balance sheet revealed total liabilities of \$328,000, surpassing cash on hand by \$140,000, highlighting a financial deficit. Page nine indicated an increased fund balance of \$185,000, necessary for future infrastructure repairs like mixers and pumps. Cool endorsed the recent rate increase as prudent, given rising costs and infrastructure needs. He recommended continued collaboration with rate study consultants for strategic rate adjustments. The audit highlighted internal control concerns such as the lack of segregation of duties and the need for formalized policies like capitalization, electronic banking, and investments. Issues with billing

errors, payroll discrepancies, and intergovernmental borrowing were also addressed, with recommendations for enhanced documentation and policy implementation to strengthen internal controls.

- **July Meeting Date:**

DPW Superintendent Chris Holton mentioned that July would be a busy month and that even a half-hour meeting adds to everyone's schedules. Mike McMillan agreed, emphasizing that skipping the meeting was a good idea given everyone's busy calendars in July.

Mike McMillan Moved, Supported by Chris Holton approved skipping the July meeting and resuming regular meetings in August. Motion Carried.

VIII. PUBLIC COMMENT

Denise Dunn- expressed strong support for not changing the software for NLTUA. She agreed with Mike's recommendation, citing recent changes at the Township that caused many issues with data transfer from the previous system. Dunn warned that switching software is not worth the expense unless there is a willingness to invest significant time in managing a difficult transition and addressing potential human errors.

IX. MEMBER COMMENTS

Trustee William Harper thanked board chairman Mike McMillan for finding the audit firm. Harper said it wasn't easy and they got the right one. Harper said the audit presentation was excellent and thanked McMillan for doing a lot of work to find a firm that would properly do the audit.

X. ADJOURNMENT

Chairman McMillan adjourned the meeting at 10:30 am.

Respectfully Submitted by:

Joni L. Scott, NLTUA Clerk