

Algoma Sanitary District #
Regular Monthly Meeting
Minutes October 16, 2008 – 6:00 p.m.

- 1) Commission President Earl Lawrence, with Commissioners Alexander Irvine and Michael Gelhar present called the meeting to order at 6:01 p.m. Also present were Kevin Mraz, David Wagner with Ehlers and Bruce Noebel.
- 2) Call to Order.
 - a) Earl noted that the District is using a tape recorder for the maintenance of the minutes. No one else is using one.
 - b) **Alex made a motion to approve the minutes from the regular monthly meeting on September 11 and the telephonic hearing on September 9/second-Mike/carried unanimously.**
 - c) **Mike made a motion to approve the cash receipts & investments report for sanitary & water as presented/second-Alex/carried unanimously.**
 - d) **Alex made a motion to approve the bond payments/second-Mike/carried unanimously. Alex made a motion to approve the pending bills for October/second-Mike/carried unanimously.**
- 3) Public Forum – Bruce Noebel was in attendance to discuss his agenda item. There was no one else from the public in attendance.
- 4) Director's Report
 - a) Review of District statistics.
 - i) The District is still on target with the connections for the year.
 - b) Correspondence.
 - i) Request from Attorney Marone on behalf of the Noebel's request for a sanitary sewer permit.
 - (1) **Alex made a motion to approve the request for a sanitary permit with the conditions on the permit that there is no sewer available until the Town of Algoma approves the District's site plan and the District is able to install the sewer main/second-Mike/carried unanimously.** Mr. Noebel said he understands he will not obtain sewer currently.
 - c) Status of 2008 projects.
 - i) Water rate review by Public Service Commission.
 - (1) The District received the paperwork for the increase which took effect October 1, 2008. This is the first increase since the start of the water system. The 4th quarter water bills will reflect the new rate.
 - (2) Staff is in the process of sending a letter to the Town, while they are doing their budget process, to address the public fire protection and asking the board members to increase their amount.
 - (a) Kevin said a woman from Sunkist came in and asked if everyone is paying the same fire protection fee. Kevin gave her the information and the facts which will be included in the letter to the Town. He told her she could discuss this with the board members.
 - ii) Drinking water treatment facility #3.
 - (1) Schedule.
 - (a) The schedule for substantial completion for the project which is contingent on the bid opening and prices would be October, 2009.
 - (b) Earl asked if well #3 is complete and what was tested out. Kevin said the water analysis in house came out ok so far, but the tests sent to the State Lab will be completed in about 2 weeks. These will be received prior to awarding of the bids.
 - (c) The well is 673' deep with the casing going down right where expected.
 - (2) Bonding
 - (a) The bonding will be addressed in more detail with Dave. Kevin said that currently the District is looking at a 4.75% loan through the state trust fund program. The state raised their rates to 5.5% the day after District staff worked with them and was able to secure the lower interest rate.
 - (3) Bid opening.
 - (a) The bid opening is scheduled for October 30 at 2:30.
 - (4) Sanitary sewer route to water treatment facility #3.
 - (a) This will be bid out prior to Dec. 11 so costs will be known. A developer in the area is still working on his development and hasn't given easements to the District. Currently the sewer is planned to come out to Witzel. Currently, the District is planning to use a grinder pump.
 - (i) The current design costs of the sewer main will not be wasted as it will be required for future growth.
 - iii) Oakwood Road construction.
 - (1) This project is completed. Kevin mentioned to some town board members that because they now have curb and gutter, that the board may want to start discussing maintenance practices for leaves. Mike said he saw that also.
 - (a) Kevin mentioned to them that the District has qualified staff and capabilities which could be provided.
 - iv) Brooks Lane lateral repair and Sunkist Road sewer extension.

- (1) Brooks Lane was repaired prior to the road being restored.
- (2) The Sunkist Road sewer extension has been installed and is completed. The pressure test is completed and homes can connect up. The District was fortunate and did not hit rock which will lower the assessments.
- v) Sanitary lift station upgrades.
 - (1) The pumps from ITT flight should be in next week. L W Allen and ITT Flyght are scheduled to do this work in about 2 weeks.
 - (2) Paul Dreis is looking at the Shorehaven Lift Station and will meet with Kevin to discuss some specifics on it. Paul is looking at the entire lift station impact based on complete build out.
- vi) GPS survey of water valves, hydrants and manholes.
 - (1) Strand lent the District equipment and District staff is doing the survey of the water valves and manholes. This will give the District some useful information. When completed, the information can be downloaded into handhelds and you will be able to see where you are in relation to manholes and valves.
 - (a) The operators told Kevin that everything north of 21 will be completed by the end of the day tomorrow. After that it will take about a week to a week and a half to complete south of 21.
- vii) Manhole repairs – The District is repairing some manholes throughout the District. The manholes will be cleaned out and then epoxy applied at a cost of \$70.00 per manhole which is a reasonable cost.
- 2) Bellhaven – An owner of a vacant lot is requesting water. Parker said he can do the entire project for \$49,000 so it was easy to cut a quote and tell the owner \$13,300. If the owner wants to continue; Kevin will send out a mailing to the other affected parcels owners. Earl indicated that the extension needs to be all or nothing.
- 3) Report from Committees.
 - a) Water Advisory Council. No meeting to report on.
- 4) Old Business.
 - a) Discuss and act on Well #2 piping inspection report.
 - i) This is in regards to the welding. Kevin sent the report to Coenen Mechanical and received a correspondence back from them. J C Bastian hired Coenen, a specialist in the field to do the stainless piping and welding work for the District. Coenen sent an e-mail to their insurance company and sent Kevin the information. It looks like a claim may be made. No action at this time.
 - (1) Strand allowed stainless rather than ductile on a change order as there was no problem with using stainless.
- 5) New Business.
 - a) Ehlers presentation discussing funding and cash flow status.
 - i) Dave attended to discuss the financial status of the District. There was considerable discussion regarding financing.
 - (1) Dave put together financing for 4 and 5 million.
 - (a) Dave said the State Trust Fund is level payments normally; however, they do allow backend payments at times if the lender does the paperwork showing this is a good method.
 - (b) Dave said his projections done separately from the District's budget, are very close. Dave said the lowest the District would want to drop cash between the 2 utilities is \$600,000 to \$700,000.
 - (2) Dave said the open market borrowing has been tossed out as it has deteriorated in the last few months.
 - ii) There will be a workshop November 6 at 6:00 p.m, to discuss costs and bonding in more detail.
 - iii) Dave said the resolutions required this evening for the state trust fund loan do not tie you into the loan. Kevin said the paperwork for the state trust fund loans is due within 30 days and Dave recommended doing the actions, but not mailing until after the bid opening.
 - b) Initial resolution authorizing staff to apply for \$5,000,000 loan for Water and Sewer Improvements from the Board of Commissioners of Public Lands. (Resolution 2008-10-1)
 - (1) **Mike made a motion to authorize staff to apply for a loan for water and sewer improvements from the Board of Commissioners of Public Lands – resolution 2008-10-1/second-Alex/carried unanimously.**
 - ii) Commissioner motion to proceed with project to satisfy Board of Commissioners of Public Lands.
 - (1) **Alex made a motion to proceed with project to satisfy Board of Commissioners of Public Lands/second-Mike/carried unanimously.**
 - c) Preamble and Resolutions for application for State Trust Fund Loan for Municipal Water System.
 - i) **Alex made a motion to approve Resolution 2008-10-2 to approve and authorize an application to the Board of Commissioners of Public Lands, State of Wisconsin for a loan for Five Million and 00/100 dollars (\$5,000,000.00) from the Trust Funds of the State of Wisconsin for the purpose of constructing a municipal office building as well as municipal water and sewer improvements. (Resolution 2008-10-2) with one modification that the submittal is not mailed until November 6, 2008/second-Mike/carried unanimously.**
 - ii) **Alex made a motion to resolve further that there shall be raised and there is levied upon all taxable property, within the Algoma Sanitary District #1, in the County of Winnebago, Wisconsin, a direct annual tax sufficient in amount to pay the annual installments of principal and interest, as they fall due,**

all in accordance with Article XI, sec. 3 of the Constitution and Sec. 24.66(5), Wisconsin Statutes, (Resolution 2008-10-3)/second-Mike/carried unanimously.

- d) User fee credits.
 - i) There are 2 parcels for user fee credits for 2007, one for Jane McDonald for \$94.00 and one for Mary Jean Irvine for \$126.00. These were verified, the one parcel is only used 3 months and the other is not habitable.
 - (1) **Mike made a motion to allow the user fee credit for 2007 as shown on the 2008 tax roll for P # 002-1014 for Jane McDonald and P # 002-0111 for Mary Jean Irvine/second-Earl/Alex abstained/carried 2.**
- e) 2009 annual budget review.
 - i) Earl appreciated the efforts put into the budget and asked if everyone is comfortable with what was submitted. Alex and Mike are comfortable with the numbers.
 - ii) Kevin had the following charts available for the commissioners' use.
 - (1) % of tax levy – the estimate is based on the increases in the revised budget numbers. The Commissioners are comfortable with the levy.
 - (2) Chart breaking down town and city portion of tax levy.
 - (a) Breakdown of equalized value of town and city.
 - (3) Retained earnings – Kevin said retained earnings are very close to the cash on hand; however Dave indicated that not all retained earnings are cash and some is infrastructure.
 - (4) Chart showing alarms from the SCADA system.
 - (a) The chart doesn't include calls from residents about possible backups. One resident recently called Mike regarding a backup and our operator went out and there was no backup in our main.
 - (i) Roto Ruter said that low flow toilets can cause backups in laterals as there is not enough volume of water to push sewage out to the sewer main.
 - (5) Sanitary permits – There has only been 2 years below 40 permits.
 - iii) Kevin said the District went back far enough to look through the series of different financial times.
 - iv) Set the 2008 ad valorem Tax Levy to be collected in 2009.
 - (1) **Mike made a motion to set the tax levy at \$180,000.00/second-Alex/carried unanimously.**
 - v) Review and approve revised preliminary budget as developed at the budget workshop.
 - (1) **Alex made a motion to approve the revised preliminary budget as developed at the budget workshop/second-Mike/carried unanimously.** This will be published.
 - vi) Set date for 2009 budget public hearing.
 - (1) **Mike made a motion to set the date for the 2009 budget hearing for November 13, 2008 at 5:45/second-Alex/carried unanimously.**
 - f) Hazard mitigation grant program through State 404 program.
 - i) Kevin said the District has been working with the county regarding different programs for funding.
 - (1) Rose contacted the State and they allowed the District to submit the application after the due date. The state will look to see if any funding available. It could be funded at about 75%.
 - g) Kevin said the DOT just paid for the Washburn project so the funds are available as the bills come in.
 - 6) **Mike made a motion to adjourn/second-Alex/carried unanimously.**

Respectfully submitted,

Rose Mraz, Office Manager

Approved:

Earl Lawrence, President