

**Algoma Sanitary District #**  
**Special Monthly Meeting**  
**Minutes – May 20, 2008 - 6:00 p.m.**

- 1) Commission President Earl Lawrence, with Commissioners Alexander Irvine and Michael Gelhar present called the special monthly meeting to order at 6:00 p.m. Also present were Kevin Mraz, Ray Edelstein and Rose Mraz.
- 2) Call to Order.
  - a) Earl noted that the District is using a tape recorder for the purpose of the minutes. No one else is using one.
  - b) **Mike made a motion to approve the minutes of the April meeting/second-Alex/carried unanimously.**
  - c) **Alex made a motion to approve the additional bills for May/second-Mike/carried unanimously.** As discussed, the bill for Jacobson will not exceed \$415.00.
- 3) Public Forum.
  - a) Kevin expects Mr. Malchow to attend the meeting shortly. He is on the agenda under item #5.
- 4) Director's Report.
  - a) The District received 3 responses from Sunkist Road and expects 2 additional responses. Two that the District received are not interested in sewer service and 1 was interested. The district called to receive a survey from the remaining two to no avail. The District informed the homeowners that the new road is going to be going in and they are still not interested.
    - i) The stainless steel at well #2. Steve sent the District the previous paperwork indicating that Strand recommended that stainless steel would work for the HMO additions later on. Kevin said the District found 4 moisture spots on the weld zone. There has never been a leak in the pipe outside the heat affected zone, just the welded area. Kevin asked for the Commissioners' recommendation as to how to proceed. The commissioners asked Kevin to have non destructive testing and the pipe x-ray'd if the cost is less than the repair. Ray agreed that the pipe should be x-ray'd to avoid pointing fingers.
  - b) The Town of Algoma has an agenda item for utility cost for crack filling of the Town roads. This is the item where Joel with the County determines the District's percentage ratio of the District's seams versus the town's cracks in the road. This will be paid for under the Phase III expenses.
- 5) Request for municipal water service for Greg Malchow at 1903 Scarlet Oak Trail due to water quality.
  - a) Mr. Malchow said he had a rapid change in his well about 10 days ago. He said his water was dark red Monday and had an odor. Mr. Malchow said the analysis he received had arsenic at 895 ppb and TDS at 1312. The iron content was so high, 1250 ppm it messed up the testing equipment. Diamond Water did the testing and told Mr. Malchow not to use his water. His well is 199' deep and the cased length is 160'. Mr. Malchow said that to his knowledge none of his neighbors are having a problem. His neighbor's well across the street is 60' of casing and 100' deep.
    - i) Mr. Malchow is requesting to get hooked up to the Municipal Water System.
      - (1) Earl said to look at the history of the street. Kevin put together a packet since Mr. Malchow called a couple of days ago. This shows which homeowners didn't want the water previously and where the District installed water main previously. Earl said the water main was only put in where the District could receive the assessments. Earl said to get to Mr. Malchow it would require an extension. Mr. Malchow discussed water with his neighbors already and they are still not interested.
      - (2) Kevin said there are 11 parcels without municipal water available. The District surveyed these houses again during phase II and there were 9 not wanting water, 1 wanting the main for later use, 1 no response, There was no one wanting to participate and use the water. There is 1,230 feet that has no water main installed.
        - (a) Kevin said he did a study to determine the cost impact. Rock removal is approx. \$40.00 a foot and 6" water main is approx. \$60.00 a foot (which is a + or -). This put the estimated cost at \$192,000 and dividing by the 11 parcels and adding on the supply cost, this would be about \$20,000 per parcel. Kevin stressed this is all preliminary costs for the breakdown. Earl said this entire area is rock which is expensive for the extension to get water past Mr. Malchow's property.
          - (i) Mr. Malchow questioned the main cost. Kevin said the pipe is \$15.00 to \$20.00 per foot and the labor to install is the balance but this is a ball park price. Kevin said the District's engineers may even go higher than this in the estimating, but Kevin is comfortable with the numbers he used. If the District even goes just the 300 to 400 feet, it is still the same cost

per foot, and you still have the engineering and inspection costs. This has been designed previously so the turn around time could be reduced as this could be added to another contract going on.

- (b) Kevin said this is an expensive decision one way or the other. The past assessments were offered at \$7,870 and then \$8,500. Earl said the District sent out previous letters to the Scarlet Oak residents so they would be aware of the potential cost in the future. Earl also stressed the estimated cost is preliminary until a bid goes out.
- b) Earl said the District would want to communicate with the neighbors without water now to see what they want to do. Earl said the District could consider testing the homes for arsenic, if they are interested, due to the health issue and Mike and Alex agreed. Earl told Mr. Malchow that the District requires 70% participation and even with the shorter extension, an additional homeowner would need to participate. The mobilization for a short extension could be very expensive.
  - i) Mr. Malchow agreed to have his results put in the letter and Earl said this would help with the issue as it is not the District trying to scare them. It was decided to test the wells for the 4 parameters.
  - ii) The construction could be completed prior to the ground freezing. Ray stressed the District may not obtain decent bids due to the rock in the area. Kevin said for the rock removal there would be 1,535' as there's extra feet of removal to get laterals across the street.
- 6) Mr. Malchow said he really doesn't have any options, and Earl said that he does have several options including the following: municipal water main extension, share a well, or drill a new well and that he could obtain an estimate for drilling a new well. Mike asked if reverse osmosis would help but Mr. Malchow said if there was something, the testing company would have mentioned it.
- 7) Old Business
  - a) Review and act on well #3 drilling contract 1-2008 bids received. Ray said the District still needs paperwork from the Noebel's regarding their refinancing prior to recording the deeds. The District may post a meeting while Alex is in the office to act on this.
  - b) Water rate review by Public Service Commission.
    - i) Rose said she has also been talking to Kathy regarding the PSC approval for the project.
      - (1) To help obtain project approval Kathy needs additional information and Rose asked for the ok to send the information to the PSC. One worksheet would be from Ehlers with regard to new funding and the Commissioners said ok. Kathy also asked for paperwork as to how the rent will be determined for the sanitary utility. Rose had some estimates, but will obtain estimates of rent for a new building in a prime location and then the Commissioners were ok with sending out the rental spreadsheet also.
    - ii) Rose handed out a draft copy of the completed rate application for the PSC and the commissioners decided they need a separate meeting to go over this paperwork after looking it over and set May 29 at 4:00 p.m.
- 8) Adjourn
  - a) **Mike made a motion to adjourn at 6:45 p.m./second-Alex/carried unanimously.**

Respectfully submitted: \_\_\_\_\_  
Rose Mraz, Office Manager

Approved: \_\_\_\_\_  
Earl Lawrence, President