

Algoma Sanitary District #1

Minutes – June 8, 2006

- 1) Commission Secretary Alexander Irvine with Commissioner Michael Gelhar present called the regular monthly meeting of the Algoma Sanitary District #1 for June 8, 2006 to order at 6:00 p.m. Also present were Kevin Mraz, Ray Edelstein, and Rose Mraz. Hosien Moghadam was present as he is on the agenda. Commissioner Earl Lawrence was excused.
 - a) Alex noted the use of a tape recorder for the meeting to assist in minutes. No one else is taping the meeting.
 - b) **Mike made a motion to approve the minutes of the regular monthly meeting for May/second-Alex/carried unanimously.**
 - c) **Mike made a motion to approve the cash receipts and investments report for water and sanitary for May/second-Mike/carried unanimously.**
 - d) **Mike made a motion to approve the pending bills for June/second-Alex/carried unanimously.**
- 2) **Director's Report**
 - a) Kevin said that the District has several additional water assessments as several homeowners petitioned for water.
 - b) Kevin is watching the Sanitary Flow as the District is getting near the 1million gallon per day flow which triggers a new rate for treatment costs with the City. At times the District is getting close. Repairing leaks has helped keep this lower.
 - c) Kevin received bids for seal coating the District and the Tower area. The cost so far is \$240.00 each for here and well #1. This is comparable to having staff do the work.
- 3) **Public Forum**
 - a) Mr. Moghadam was present to discuss his participation form for sub phase III and stated that he received a call from the District April 22 reminding him that he did not reply yet. He then mailed his reply 2 days later and kept a copy of this. He called the District about 2 weeks ago for something different and found out that the District did not receive his paperwork. He is on this meeting under new business and the commissioners moved to this section now.
- 4) **Report from Committees – No meetings to report on.**
- 5) **Old Business**
 - a) Sanitary District upcoming reports required by State Statuettes.
 - i) Consumer Confidence Report.
 - (1) Alex and Mike said the tri fold style is good for this report. This report needs to be out July 1. Last year the District did a large newsletter incorporated with this report but is changing it this year. The Water Advisory will look this over on Tuesday. Kevin said the report has a few additional notes incorporated into the report this year. It was decided to send this to everyone with a water valve.
 - ii) Resolution to approve Compliance Maintenance Annual Report document. – The DNR now requires the District to complete this report and it has specific questions from the financial end to the operation and maintenance portion of the sewer system.
 - (1) Kevin discussed this report and said the District received 100 points or a score of A on both the financial and operation end. **Mike made a motion to accept the Compliance Maintenance Annual Report as prepared and presented by staff and submit the same to the DNR/second-Alex/carried unanimously.**
- 6) **New Business**
 - a) Dot Utility Agreement for Payment for Relocation and Replacement of Municipal Utility Facilities Located on Public Held Lands Required by Freeway Construction.
 - i) There was discussion regarding the agreement the DOT wants signed by June 15 regarding the Highway 21/41 project. Kevin said this agreement became developed now due to the City of Oshkosh's Washburn project. Kevin discussed this project with the DOT and arranged for them to finance 90% of the construction so now Kevin has received this agreement.
 - (1) Kevin had a number of meetings with Dave Patek, the Director of Public Utilities for the City of Oshkosh, regarding the Washburn project. At one of the meetings, Mr. Patek gave Kevin a copy of the 1977 agreement the District has with the City and highlighted a couple of parts indicating the District should contribute money. Kevin asked him for a contract regarding the cost and at one of the meetings was told the District would not receive a contract regarding this. Ray recommends that the District should not move forward without a contract from the City.
 - ii) Ray said the District believes that the City's original plan was to pay for this project out of the City's general or segregated funds as they did not make application for the state split until Kevin put them onto it. They were going to spend over a ½ million dollars of city taxpayers' money when they do not have to as the DOT would pick up a lot of the cost.
 - (1) Kevin said the District's Engineer estimated the sewer work for this project at around \$225,000.00; therefore, the 10% is around \$22,000 to 25,000.00.
 - (2) Ray talked with Warren Kraft, legal counsel for the City, last Thursday or Friday and indicated to him that the relocation is not addressed as part of the agreement the District has with the City. During a different phone call, Mr. Kraft agreed that this issue is not covered in the agreement.
 - (3) Ray's conclusion is that this is the City's project and the District is happy with the way things are. Ray does not want the District to get a bill for 10% of the work as the District already saved the City money.
 - (4) Kevin said Washburn is being redesigned per conversations with the Director for a couple of reasons:

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- (a) Highway 21
- (b) The road needs to be revised to support the future businesses that are going to be installed there while Racette's will be moved.
- (c) New facilities coming in require this road to be rerouted and they have it designed already.
- (5) The District can service them with the utilities that we have there – the sewer behind Racette can serve the largest facility going in and the other 2 structures. Ray agrees what the District has will service them and the District does not have to change anything. In effect the City is asking that it be changed. Ray said there would be some benefit to the District but not as if we must do this to service the companies. The District already saved them a lot of money and Ray does not like the idea of the District paying the remaining 10% of their project, because what then are they paying.
- (6) Kevin's main concern was that before the District talked to the DOT and found out they would cover 90% of the costs, Mr. Patek's 1st question was how much of this is the District going to pay. At that point, Kevin did not see any designs, plans or estimates.
 - (a) Kevin asked Mr. Patek on Wednesday how the contract for the remaining 10% cost was proceeding and Mr. Patek told Kevin that the District would not receive an agreement from the city and that Mr. Patek wasn't going to argue it. Kevin told him he just wanted to discuss this so there is no concern later on and everyone knows what the cost is and can budget for it so there is no confusion later.
 - (b) Today Kevin met with Mr. Patek and Pat Rank to find the best location for the flow station. The number one concern is for safety as the District has staff there twice a week and the City does twice a month. They did pick a good location for this and had a few choices. Mr. Patek asked the District to go further south which would also work for the District.
 - (c) The District asked for the proper elevation so that when the District moves the sewer from Brooks Lane to have it flow to the south it lines up with their manholes which they already have designed and accounted for.
 - (i) The District asked for 2 (8" laterals) coming out of Washburn and the easement so we do not have to tear up the road in the future for developments.
 - (ii) Regarding the flow station move, Kevin told Mr. Patek that the District would pay 100% of this for materials and installation and asked for this as a separate item so we know our cost. The DOT reimburses property in easements at 100% rather than 90%. The flow station is in an easement.
 - 1. Ray said the DOT hasn't put it in writing yet that they will pay 100%, but they did tell Kevin this. Ray would prefer this in writing so they don't say we don't have a document regarding this. Ray said it is difficult to get the DOT to change contracts and said if Kevin is ok with it, he won't stand in the way. Kevin said they are developing an agreement for properties in the easement. Currently they expect you to send the full bill and they will send you the 100% back. This is why Kevin was ok with telling the City this.
- iii) Kevin asked Ray if the District has a reason at this point to sign the DOT agreement as currently, it's the city's project being bid out next month through the city. Should the District wait for the highway 21 project? Ray doesn't know why the DOT wants this now. Kevin asked if we could state that we are not under construction at this point in time and that this agreement doesn't come in to play yet. This agreement would be into play for 4 years. Ray does not want the District to sign off on the DOT agreement this evening as he wants the District to have a contract with the City first regarding the Washburn project as to who is covering the 10%.
 - (1) Ray is not sure of the next move, but recommends going to the City Manager or sending out a letter and send a cc to all the council members, making a point of telling them the District saved them a 1/2 million dollars and tell them we want to get this done, but we are not making any progress with their Director. The District will have costs over and above the installation due to engineering and legal.
 - (2) Ray said the District could approve the contract with the DOT subject to an agreement with the city. The DOT agreement would sit here then until we have an agreement with the City. They want the agreement by June 15. Ray said that the City would proceed without these anyhow and not worry about state money which he disagrees with. Ray said the District does not want a bill for 10% for a project that the District does not need to do. Ray said the relocation should be under a separate agreement at 100%. Alex asked what the District should do.
 - (a) Ray said Kevin should put together a letter with dates and facts, why this is not essential for our purposes and send it on the District's letterhead. Address to Dave and reiterate that the District saved lots of money and do not want to hold them up but we do want a contract. If they come back and say the old one covers it, it does not. Ray said as of last Thursday or Friday Warren Kraft has taken this same position that it does not. Alex and Mike agreed to a letter and include the money issue and send to Wollangk, Kraft and Council members. It was also recommended that Kevin be prepared to show up at their public forum on Tuesday.
- b) Water system Special Assessment. – There are 3 assessments involved in this addition – Mr. & Mrs. Laibly, Mr. & Mrs. Berdelman, & Mr. & Mrs. Tangye.
 - i) Accept easement for Sanctuary Place. – The District has the easements for the 2 required parcels.

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- ii) Accept Waiver of Special assessment preliminary notices and public hearing. – Each of the parcels signed the waiver and participation forms for assessments. Strand put the easements together.
- iii) Final Special assessment resolution for **Mike made a motion to adopt the final resolution No. 8-2006 authorizing Final Resolution authorizing public improvement and levying special assessments against benefited property in the Town of Algoma, Winnebago County, Wisconsin/second-Alex/carried unanimously and include the installment assessment notice/carried unanimously.**
- c) Resolution to deny claim by Kim Hanson – Kevin said the District did not flush the hydrant near her house or upstream of her house that would have created ice or an impact like that near her home. Kevin said the District's staff is not responsible for any ice build up near her parcel. **Mike made a motion for Ray to deny Kim Hanson's claim and direct Ray to send out the denial/second-Alex.** Kevin already talked to the District's insurance agent regarding this.
- d) Assessment request for 2853 Shorehaven Court - Hosien S. Moghadam.
 - i) Ray asked if the District received anything from him and the District didn't. Ray asked Mr. Moghadam if he put a request into the post office to have this piece of paper traced which he said he didn't. Rose said that every once in a great while 1220 Oakwood Road receives our mail and we also receive their mail once in a while. Kevin said for the funding mechanism the District is potentially adding 3 parcels this evening paying over the 20 years which is the over all picture. Mr. Moghadam is the only house on Shorehaven Court that did not respond which is why he received the phone call. Changing this one will not change the participation for this area.
 - ii) Ray said that things happen in the mail and said if the Commissioners choose to allow this assessment to be deferred you can as this was brought to the District's attention timely and is just a little late. Mr. Moghadam didn't think to follow up with the District and the District didn't give out 2nd calls. Ray recommended that Rose call 1220 Oakwood Road to see if they possibly have it, and that Mr. Moghadam files a trace with the Post Office. Mr. Moghadam asked what happens if this doesn't get changed and he was told that he would be on the 20 year installment.
- e) James Rhoden requests to adjust assessment levied for parcel based on Recorded Quit Claim Deed to restrict parcel division. Mr. Rhoden has 200' of frontage on N. Oakwood and the District levied 2 equivalent units of assessments on his parcel due to the fact that it could be subdivided and 2 homes built. The cut off was the 199' as according to the Town's ordinance, you can divide it at 200'. He has deferred both assessments, but wants the equivalency of 1 removed with the quit claim deed. Ray said that the deed is not recorded yet and therefore does not mean anything. Ray recommended not doing anything without the recorded document. Ray said until the restriction is recorded there is nothing to act on. This is deferred pending receipt of proof of recorded instrument.
- f) Resolution identifying company for soil testing of Phase III – Kevin received a bid from STS that shows their unit rates and also received a quote for proposal from MES. Kevin said the District used MES this past year and they did an exceptional job for the District. Both rates are fairly comparable with MES being slightly less; therefore, Kevin is comfortable going with MES. Alex and Mike agreed to go with MES.
- g) Act on financing for the Sub Phase III Municipal Water System. Authorize and direct staff to start application for a State Trust Fund Loan.
 - i) Kevin discussed the funds the District has and what is needed for Sub Phase III of the Municipal Water System. Ehlers looked over the information submitted regarding funding and Dave's statement was to keep funds available for operation and possible structural changes as the District is out growing its space. The District has just over \$700,000 of available funds that are not restricted, mainly left from the General Obligation Bond a couple of years ago which was to be used for overhead, etc. The District still has some money left to draw from the Public Lands Funds to cover the first part of Sub Phase III which needs to be drawn by August 1 and this is at 4.25%. The District needs approximately \$692,000.00 for the balance of Sub Phase III. Public Lands has funds available and you only draw what you need. The interest rate on this for 20 years is 5% currently. Mixed with the other interest this puts the District near the 4.5% for the residents. Staff recommends going for \$750,000 for 20 years; however, the District only draws what is needed. Jossart is planning on starting June 19 to dig and the pay request would come in July. With the contract in hand, Kevin was told that this would suffice to take the draw. The District needs the authorization to obtain a loan with Public Lands. **Alex made a motion to have staff apply for a loan with Public Lands for \$750,000.00/second-Mike/carried unanimously.** Next month the resolution would come; this motion starts the application process.
- h) Award bid for purchase of Sanitary Jetter. The District received a bid for \$29, 996 from Envirotech Equipment and one for \$42,430 plus \$800.00 for shipping from U S Jetting for a jetter. This was publicly bid. Kevin didn't like that the engine is air cooled on the jetter from U S Jetting, so Kevin called Dave Boge with Envirotech to be sure that theirs is liquid cooled and it is. This jetter will just fit in the garage to keep warm in the winter to prevent freeze ups. Kevin said it's due to the fact that there is water in there and you do not want this to freeze while going to a job if there is a plug to fix. Kevin said the District just paid Great Lakes \$10,800 and half was basically for jetting and with jetting 10% of the sewers yearly, this equipment will pay for itself in the long run. Jet Pro just cleared a sewer Main on Brooks Lane due to some infiltration in the last manhole and this cost \$300.00 for one small section. Mike said it would be good to start our own program and not wait for people to get here. You need the sewer clean and then can hire someone to televise, and this would be half the cost. A camera on the equipment would have been an additional \$80,000.00 which isn't in the budget currently. Kevin recommended purchasing this and Mike agreed Envirotech is a good company. This was specked to fit in the garage at the District. Alex

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asked Mike what the city does and he said they have their own equipment for this also. Kevin said the operators looked into several kinds of jettors and were also happy with this unit. Alex asked if this is in the budget and Ray said it has been on the wish list for a couple of years. **Mike made a motion to purchase the jetter as presented from Envirotech by Kevin/second-Alex**

- 7) Open House – Staff is coming in at 8:30 with the ribbon cutting at 9:15. The District is working on displays for this. Omni paint just finished painting the interior and did a great job. The previous painter was doing very sloppy work and just painting over wires and not the back side and they also painted pipes the same way and after having them out 3 times and they just did not do a good job. Kevin said he would call the head office and the painters would be there saying they were finished so Kevin sent them a letter regarding this and hired Omni Glass to finish the project. Omni was right on the ball and knew what Strand was looking for as they painted the first well house.
- a) Kevin said there is a cake and some snacks for the open house and invites were sent out to local government heads.

8) Adjourn

Respectfully submitted,

Rose Mraz, Office Manager

Approved:

Alexander Irvine, Secretary