

Algoma Sanitary District #
Regular Monthly Meeting
Minutes July 10, 2008 - 6:00 p.m.

- 1) Commission Secretary Alexander Irvine with Michael Gelhar present called the regular monthly meeting to order at 6:00 p.m. Commissioner Earl Lawrence was excused. Also present were Kevin Mraz, Ray Edelstein, Joel Edson, and Rose Mraz.
- 2) Call to Order.
 - a. Alex 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 for June as presented/second-Mike/carried unanimously.**
 - c. Rose pointed out the CDAR's that were switched to certificate of deposits during June to obtain a better interest rate. The certificates of deposits are all collateralized. **Alex made a motion to approve the cash receipts & investments report for sanitary & water for June/second-Mike/carried unanimously.**
 - d. **Mike made a motion to approve the pending bills for July as presented/second-Alex/carried unanimously.**
- 3) Public Forum – There was no public in attendance at this meeting.
- 4) Director's Report.
 - a. Review of District statistics.
 - i. There is a meeting scheduled for Monday morning with FEMA pertaining to the storm. Rose and Kevin will be attending this. There's a spreadsheet started for the District's costs due to the storm and the additional payroll costs.
 - ii. Mike asked if they reimburse for the time District's trucks used during the storm. Rose said that they said to include time for the District's equipment, and she'll check on trucks also.
 - iii. The District has not received any claims from residents due to the storm.
 - b. Correspondence. – There was no correspondence received this month to address.
 - c. Status of 2008 projects.
 - i. Water rate review by Public Service Commission.
 1. Kevin said he had a conference call today with Kathy Butzlaff of the PSC, Dave Wagner and Rose. Dave explained to Kathy the District's long term cash flow which is the last step that Kathy must review prior to giving her rate increase proposal for our Utility.
 - ii. Drinking water treatment facility #3.
 1. Schedule.
 - a. The contractor will mobilize on next Monday. The contracts will be finalized tomorrow. Van de Yacht just brought in their insurance documents today.
 - b. There was discussion regarding an initial internal groundbreaking for historical purposes.
 - c. The current bid date is September 24, but depending on the easements, there may need to be a delay to the building.
 2. Bonding.
 - a. The District needs to have all costs in hand to obtain bonding. The Sanitary mains do not have to be bid, but the District needs to know the cost.
 3. Sanitary sewer route to water treatment facility #3.

- a. Kevin is working with developers regarding the sewer route and he said the developers are actively working on their developments, but it is too early yet to give a time line for this.
 - iii. Water sampling project.
 - 1. The samples from the ¼ mile radius around well #3 have been taken and reports will be coming next week.
 - iv. Lake Breeze sewer main repair.
 - 1. The District completed the Lake Breeze sewer main repair this week. The sanitary main under the driveway had a leak. Kevin is going to let this driveway settle for a couple of months and then the District will rip out all the asphalt and put in new asphalt.
 - a. The operators said when they read the times for Shorehaven today, there was a 1 hour reduction since the last time the pumps were read. This may add up to a substantial savings. Each pump looked like 1 hour less, but with the current flow changes, it's hard to tell how much savings yet.
- 5) Old Business.
- a. Sunkist Road - sanitary sewer extension for parcel #'s 002-0014-04, 002-0014-08, 002-0014-09, 002-1354, and 002-1353-01.
 - i. Review three quotes received for the project – The costs have come in higher than expected.
 - 1. Jossart – \$71,950, Parker – \$65,050, and Advance – \$62,220. These were for the 400' of sewer extension for the 5 homes. Kevin worked up the entire cost and breakdown. The actual cost on rock is unknown at this point. It would cost an additional \$4,000 to go to public bids (it is unknown if the costs would come down). The contractors listed, have been the lowest bidder for different District projects.
 - 2. Kevin is looking at putting in a different slope for the main to possibly reduce the cost, but first the houses need to be surveyed for the first floor elevation to be sure the sewer would be at the right grade. It could allow 5 less feet to dig. Originally the District estimated \$71.00 per foot and currently it comes to over \$100.00 per foot. Mike asked what the lower footage would save, but Kevin doesn't really know, and could only guess the best would be to knock down construction cost 25% maybe.
 - ii. Commission current options - Do the survey for the elevations and try to obtain a better quote, go with the current dollar values, or stop the project at this point. Ray recommended talking to the residents and Alex and Mike agreed. Ray said there's not enough residents involved to justify the cost to bid out the project. Kevin doesn't believe this project will happen at the current rates. It was recommended to check the elevations and obtain a new cost.
 - iii. Discuss schedule for Town of Algoma's public hearing for petition for addition to the Sanitary District.
 - 1. Ray recommended having the Town accept the petition for addition to the District and cancel the public hearing if the residents are not interested. Alex and Mike agreed.
 - 2. Ray recommends also having the waiver signed by everyone if they are interested in going forward.
 - iv. Adopt Preliminary Resolution # 2008-7-1.
 - 1. This is tabled for a future date. The preliminary and final resolution can be completed on the same day with the waiver of public hearings.
 - b. Review and act on District Investment Policy.

- i. Staff drafted an investment policy. Ray recommended some changes which Rose will make and then send out for comments. One change was to have the District treasurer look over bank statements quarterly.
 - ii. Rose will contact the District's auditor to have them check the policy as it was based on their recommendation.
- 6) New Business
- a. Strand agreement to upgrade Shorehaven lift station.
 - i. The District received a contract from Strand to do the complete services of design bidding and construction. They will evaluate the future flows to the station and evaluate the peak discharge rate that the District would be discharging including doing the bidding and construction related inspections and submit the mylar after completion at \$25,000. This is a not to exceed hours. Kevin said that staff may be able to save some time by opening the bids ourselves but it will still be close to the \$25,000.
 - 1. The price seems high as a trailer mounted bypass pump would cost \$32,000, but the trailer is not a permanent fix. The District has money budgeted for this work. The equipment cost is over and above Strands engineering.
 - ii. Kevin said the District needs this upgrade as there are many times where the wet wells are filling up and you have 2 pumps running and you are maximizing the lift station. The District needs dedicated pumps in the lift station to handle these flows. Mike asked if there were 3 pumps there yet, which there is. Kevin said you don't want to have to rely on a trailer mounted pump and bypass to the force main. This would be an emergency set up, but not routine.
 - 1. Mike mentioned having Shane Zens check also to be sure the generator will handle the extra size.
 - 2. Shorehaven generator has run great during many power failures and maintenance schedule.
 - iii. **Alex made a motion to approve the contract from Strand dated July 7, 2008 titled Agreement for design services, bidding related services and construction related services for the Shorehaven Pumping Station upgrade (showing \$25,000 for all 3 items)/second-Mike/carried unanimously.**
 - b. View Kargus's appraisal of our Administrative Office at 1220 Oakwood Circle.
 - i. Their report gives multiple reviews showing rent for the building versus FMV. Kevin will send a letter to the Town to see if they are interested in purchasing the property. Ray recommended sending them a letter and proposes if they want the building, offer them an option and give them 45 days to accept following the day the District moves.
 - c. Adjourn - **Alex made a motion to adjourn at 7:15 p.m./second-Mike/carried unanimously.**

Respectfully submitted, _____
 Rose Mraz, Office Manager

Approved: _____
 Alexander Irvine, District Secretary