

Algoma Sanitary District #1  
Regular Monthly Meeting

- 1) Commissioner President Earl Lawrence, with Commissioner Alexander Irvine and Commissioner Michael Gelhar present called the regular monthly meeting of the Algoma Sanitary District #1 for July 14, 2005 to order at 6:00 p.m. Also present were Kevin Mraz, Joel Edson, Ray Edelstein, Ryan Amtmann, Rose Mraz, several residents from Honey Creek Road and one from Sheppard Drive.
  - a) **Earl noted the use of a tape recorder for the meeting.**
  - b) **Alexander made a motion to approve the minutes of the regular meeting for June 14, second Mike/carried unanimously.**
  - c) **Mike made a motion to approve the cash receipts and investments report for water and sanitary for June as submitted/second-Alexander/carried unanimously.**
  - d) **Alexander made a motion to approve the pending bills for sanitary and water for June/second-Mike/carried unanimously.**
  
- 2) Directors Report:
  - a) Kevin said he would cover flow's first. The monthly average flow for well #1 is 124,000 gallons. This is slightly higher due to yard watering and flushing the hydrants. Pump #1 averages 4.7 hours per day. Mike asked if the District had to worry about people watering lawns and Kevin told him that you don't need to think about this unless the pump gets up to 16 hours a day run time. The flows for the sewer system now average 680,000 gallons per day.
  - b) Bellridge Subdivision asked to have the sewer designed for the Northern portion of their development. They phased their subdivision due to archeological studies which are now completed so they can continue. Kevin still has a question if this can be a change order or if it needs to be bid out. Ray asked if the developer's agreement originally included the entire plat and Kevin said it did. Kevin said they need to decide what % can be added to an original contract.
    - i) There are 3 homes not in the District that will be affected by this which may have to come into the Sanitary District. Kevin said the developer will be paying the entire cost of this extension, and if they want some reflected on properties affected, they may need to come into the District. Kevin said he asked Strand to determine with Ray what needs to be bid out and if the other homes need to be petitioned to come into the Sanitary District. Kevin said that 1890 Sunkist wants to come into the District as they are selling. They wanted sewer from the other side, but the sewer is too shallow to go the other way. Earl said he will work to get the line in for them. The first home going by is 4205 Leonard Point Road which has been cited for a failed septic so this would take care of them. Earl said they are in the district, but apparently it has gone through being in the District, but may not be recorded at the County yet.
    - ii) The three homes on a private drive by Strunensee Development requested costs for water. It would cost approximately about \$49,000 to service these 3 homes. The Commissioners agreed that the assessment for these could be around \$11,000.00 as approximately 30% of water is rolled into the water rates.
  - c) There were no questions on the written Director's report
  - d) Updates on projects:
    - i) Contract 1-2005 – Ronet is on schedule. Kevin said he is putting together a map and highlighting the areas that are completed and can now hook up to water. Bellridge is completed and Robert's Lane sewer relay will be completed tomorrow. 3 laterals were installed off this main for future use rather than putting them in later.
    - ii) Well #2 – The generator is now in the building and the pump is set in the well and ready. This well is designed to do 500 gallons per minute at just over 300' of lift. Well #1 is designed at 375 gallons per minute. They have the MCC (mechanical control center) in and the exterior is done except for landscaping. The Pilot Test isn't completed enough yet to determine what type of filtering to use. There is no trace of arsenic and the fluoride is at .5 ppm which is the same as well #1 – this gets brought up to 1 ppm. The hardness is between 14 and 16 grains per gallon.
    - iii) Manholes – Earl said the District has been busy with these. Kevin said he had staff expose MH's and temporarily jackhammer down to the lids and find the edge and then mark for saw cutting so these can be raised. Seven or eight have been 8 to 10" deep and 15 or so have been 2" deep. The District is targeting 49 manholes this year. This work will help reduce time if there is ever a need and is being done at the same time as roads for phase II.
  
- 3) Public Forum
  - a) Beverly Keller, 3398 Sheppard Drive, was attending to formally request water for 3 homes. Kevin said on the survey, 1 said no, this woman failed to respond, and 1 wanted water. Kevin said the 3 homeowners would need to sign the waiver of public hearings and a new participation form, and after this, the Commissioners need to decide if the District will go there. Mrs. Keller is pretty sure one resident will not pay and Kevin said the Commissioners would need to determine if this 2/3 is high enough to finish this area. The Commissioners will decide after the paper work is in.
  
- 4) Report from Committees
  - a) Kevin said the 2 previous water advisory council workshops were very productive. They discussed how well #1 & 2 can handle 1200 homes and a 3<sup>rd</sup> well can supply 2500 homes and the tower can handle 1900 homes with maximum usage. The District will start looking at parcels for sale that would work for storage; this need not be in the Town of Algoma. Sand Pit Road is an area which would work as it's the highest area. The District is fine for 3 to 5 years.

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- i) The District is hoping to have 500 water customers by the end of the year, currently there are 240.
  - ii) The bathroom for the nature center was discussed – the committee for the nature center wants it back by the pond which would put it too far from Omro Road and gravity sewer won't work as the District did study this. Also if they want water, there's a heat concern so it doesn't freeze. The sewer would cost about \$70,000 for that length of a lateral, not to count a water line. Kevin said he told them that the District would not accept maintenance of grinder pumps. The Commissioners agreed not to accept any additional grinder pumps in the District. The committee will be talking with the County to see if they can put in a holding tank.
- b) Website update – There is nothing online to see from Andy yet. Kevin said that last month the District's priority was the Consumer Confidence Report and Andy has not supplied anything yet. The commissioners agreed to give Andy until the end of the month or so to see if he has something up and running or to go with someone else. Earl said even if the District was busy, that it was up to Andy to keep moving.
- 5) **Old Business:**
- a) Easement update
    - i) Lake Breeze Drive, the center parcel is willing to grant an easement to service the 2 parcels on the angle. Now they just need to determine where the Fire Hydrant will be located - there's a stake showing them where it may be.
    - ii) Private drive on Leonard's – Easement is recorded.
    - iii) Fire Department water service – The current plan is to bore both laterals at the same time through the same hole and hook one up on each side of the well, and then remove the well. This will save a little money, but they may both be on Sanitary District Property and the District would draft an easement to the Town of Algoma. Or they can dig 2 trenches; it was decided to give the easement.
    - iv) Spring Valley Road to Pine Ridge Road – Both homeowners have agreed to sign the easement. Each assessment is \$8500.00 and there was discussion about adjusting these by \$4,000.00 as these easements will give the District a loop for water. Ray said to obtain it in writing that the District will adjust their assessments and not pay cash for the easements. Contractors usually work out any additional details the homeowners may require for easements. **Mike made a motion to have staff go ahead with the easement for these properties and adjust their assessments by \$4,000.00/second-Alexander/carried unanimously.** Earl thanked Kevin for obtaining these easements as loops are important for the District.
  - b) Update of Safe Drinking Water Loan for long term financing of Phase II water project 2005. This loan was for 5% and after the District made the resolution the previous month the interest was lowered to 4.5%.
  - c) Void resolution from last month and pass a new one to take advantage of the lower rate as staff held onto the application to take advantage of the savings.
    - i) **Alexander made a motion to void the resolution to approve and authorize an application to the Board of Commissioners of Public Lands for \$4,264,800.00 that was passed at the June 7<sup>th</sup> meeting/second-Mike/carried unanimously. Roll Call – Mike – yeah/Alexander – yeah/Earl – yeah.**
    - ii) The intent of the commissioners is to take advantage of the lower interest and adopt resolution 10-5. **Resolution 10-05 is presented by Commissioner Alexander Irvine and he moved to approve and authorize an application to the Board of Commissioners of Public Lands, State of Wisconsin for a loan for Four Million Two Hundred Sixty Four Thousand Eight Hundred and 00/100 (\$4,264,800.00) from the Trust Funds of the State of Wisconsin for the purpose of installing Phase II of the new Municipal Water System and for no other purpose/Mike-second. Roll call Mike-Aye, Alexander-Aye, Earl-Aye**
      - (1) **Amended to add - Resolved 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. Mike approved addition of this of this to the resolution/second-Alexander/carried unanimously. Roll call - Alexander – Yeah/Mike - yeah/Earl - yeah**
        - (a) Debt is being secured by a tax levy. If no assessments or user fees are collected there will be a tax levy.  
Financing plan is that we collect money in advance of this and the Sanitary District levies a tax every year.
  - d) Update of the Safe Drinking Water Loan for long term financing of phase II water project 2005 – Kevin received the draft funding list, and the District is shown as being funded – we are shown as the last one and just made it. This interest would be less than 3%. Earl made a note that in the future, the District may not receive these good rates for interest.
  - e) Installation of gravity sewer laterals - It was noted that the agenda said Honey Creek Ct., but this should be Honey Creek Road. There was considerable discussion regarding the contract for removing the grinder pumps and hooking the homes up to gravity sewer. Kevin discussed the District's costs for grinder pumps and discussed the District's options. Kevin said it costs the District \$152.00 per year per pump to maintain and the next cost to the District is replacement cost which is \$2005.00. The expected life is only 10 years for a pump. The sewer user fee for these should be \$533.00 per year to cover costs. The grinder pumps were used as the District didn't have gravity in the area when the homes were built. Earl told the homeowners

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that the Commissioners have a couple of choices – 1, leave as is, 2, increase the sewer user fees for those with grinder pumps to cover the actual costs, or 3 move forward with the extension proposal. Earl said there is always a combination of the above.

- i) The homeowners said if the District increases the cost for user fees, that this is different than what they were originally told. They said that they were told if they purchased the grinder pumps that the District would take care of all costs in the future. Dan Mingus said that he was told that the pumps never fail which wasn't so. The homeowners don't really like the pumps but don't want to pay the \$2,500.00 that the District is requesting of them. One of the homeowners said this cost is more like \$4,000 to \$5,000 by the time landscaping is done.
- ii) The homeowner's questioned why the District didn't do this last year when the road was already torn up rather than now; Kevin said that last year's estimate was \$43,000 which was too high for the work and this year's cost is reasonable. Kevin said the \$2,500.00 would include \$1,500.00 to remove the grinder pump and completely hook up the sewer pipe. There would be no additional excavation for the homeowners. The entire grinder pump would be removed and the hole filled in.
- iii) Mrs. Mingus said that Kevin mentioned earlier that even if they go to gravity sewer that there is still no guarantee that they wouldn't have a sewer backup in their house. Kevin told them that in the last year, the District did not have any backups related to the gravity sewer under normal use. There was two caused by contractor errors. **Earl said that you cannot guarantee that a backup will never happen. You don't know if a contractor will come along and dig a hole or a new gas line or phone line and they go through the District's pipes. If someone is doing construction upstream and pours a bunch of rock in a manhole, this can all affect the sewer system. Earl said the likelihood of anything ever happening on gravity is a lot less, but you can never say never.** Kevin said the percentage of backups on gravity is a lot less than grinder pumps.
- iv) The homeowners said that if they are going to be liable for maintenance, then everyone in the town should be. Earl said if there is a lot of maintenance in a year that the user fees could go up for everyone, if the mains need to be changed, there could be assessments to the affected homeowners. The District has not had to reassess yet. If the homeowners want to keep their pumps they can and the District could continue the maintenance.
- v) The homeowners feel they paid more than others as they paid for the grinder pumps,
  - (1) Kevin told them that last year a homeowner paid \$11,000 for sewer. Usually developers pay for the sewer extension and then this is reflected in their lot costs.
  - (2) Earl said they saved about \$4,000 to \$5,000 over gravity sewer to lots.
- vi) Alexander said that he thought one of the homeowners said they don't really like the pumps and wanted to know what they meant by that and they agreed they don't like the noise from the pumps, but they said the rules are changing now and with Kevin's list of numbers, they want time to look it over longer to see if it is in their favor. The homeowners decided to go home and have their own meeting and come back with a counter offer. Kevin said this extension would benefit both the District and the homeowners.
- vii) Kevin said that their homes will be operational at all times during construction except during the actual switch from one system to another which would be a couple of hours. They asked if they can get in their homes during construction. Kevin said the work is from 7:00 a.m. to 7:00 p.m. and that they may need to drive around the back side of the cul-de-sac to get in, but he doesn't see why they wouldn't be able to get in. During the day, driveways could be closed at times.
- viii) Earl said the \$2,500.00 could be financed through the District. They decided to meet Monday, July 18 at 6:00 p.m. for the homeowners to come back with a counter offer.

6) **New Business:**

- a) Notice of Injury from Kim Hansen – The District received a notice of injury from Kim Hansen regarding an injury she says she received when she slipped on ice in March. Ray said the District does not need to respond to the notice as this is just a notice of claim of injury. Ray said he is fine with the District denying the claim, and Kevin said that the District's insurance is also denying the claim (General Casualty). Burt Wertsch is denying the claim on behalf of the Town of Algoma and the Town of Omro and Omro SD are also denying the claim. Kevin said that Alexander Irvine also received a notice of injury so he is the 5<sup>th</sup> one. Ray suggested sending a denial regarding any liability and that gives them 6 months to respond.
  - i) Kevin said the District has records showing that the District never flushed until after the date of injury claim and not upstream from this house. The District has a policy of never getting any water on the street in the winter time, if you can't do it in the ditch, you don't flush during the winter. Kevin said the District is not responsible for this. This road still belongs to the developer and they are responsible for road maintenance. **Alexander made a motion to have Ray write a letter to them denying any liability/second-Mike/carried unanimously.**
- b) PSC verbal and website commentary regarding the public fire protection fee relative to being on water bill versus property tax bill. Joel said he wanted to be sure that the PSC would lower the quarterly FPF on the water bills. Kevin called PSC and found out that all that we need is the Town's resolution and at that time PSC could do a change of the water rates and could skip the public hearing (Kevin would prefer to have the public hearing just to have comments and get the residents feelings).

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The fire protection fee would not go on the water bill if the town paid the entire amount. Kevin said at the Water Advisory meeting that the Fire Department was asked to inform the Town board of the change in time to respond to homes.

- c) Act on request from:
- i) 73 Wyldeberry Lane - Rose said that she talked to the Assurance Title Company and was told that the paperwork for the sale did include that there is a water assessment; the Title Company could not give it to us as it was not their form. Dramatic Design did not give the District a copy. Earl said to let the record show that the Title Company stated the offer to purchase from Dramatic Design specifically stated there was an assessment on the property prior to the current owner taking ownership. Earl said the owner is asking the District to remove the assessment after they purchased the parcel. **Alexander Irvine made a motion that the District cannot remove or defer the water assessment for 73 Wyldeberry Lane/second-Mike/carried unanimously.** Rose will send a letter to the homeowner regarding this.
  - ii) 1532 N. Oakwood Road – The District received a new letter from Donald & Dawn Schoenick stating that they were not aware that there were 2 assessments on their parcel and would like the District to defer 1. Kevin said the mailings may not have stated this specifically; however, this probably was discussed at the Public Hearing. The District did not have these typed up to see if it was or not. They did receive notice of an assessment. Earl said previously they wanted both deferred, but are now asking to defer 1. Kevin said they could possibly subdivide their property and build a second home – there’s enough frontage for 3 however their Southern portion is not buildable. Ray said as they are asking to defer only 1 due to the misunderstanding he does not have a problem allowing 1 to be deferred. **Alexander made a motion to defer 1 assessment on this property/second-Mike/carried unanimously.**
- d) Sewer user fee billing for apartment buildings – Policy has been to invoice user fees up front and send bills to the owners for user fee for the entire year. The District was trying to accommodate the owner of the apartment buildings and invoice the renters, but this turned out to be much more work than anticipated and may result in losing some user fees as renters have been calling refusing to pay up front, asking for refunds if they move early, etc. **The Commissioners decided to continue with policy and send the bills to the property owner in the future.**
- e) Water usage billing for construction of new buildings. Dramatic Design and Portside have requested not paying for water during construction. Kevin read the PSC rate structure and it specifically states that building and construction water usage for single and small commercial buildings apply the unmetered rate and for large commercial buildings, or multiple apartment buildings, a temporary meter installation shall be made and general meter rates apply so this covers their request. The rate structure further states not to turn on water unless they are paying for the water.
- f) Ormond Beach – The District received a letter from Russell Reff requesting the District to move sewer main to a different location. Kevin said that currently the sanitary sewers are providing service just fine the way they are and there is no reason to move them. For the past 17 years they have been just fine. The current owner wants to expand the house and build a larger home. If he does, the property would be over the District’s sewer. Kevin said he did not receive a design from the developer yet. The District has documentation stating that the District didn’t need easements as everything was in the existing road right of way. Kevin said he doesn’t foresee the District paying anything to move this.
- i) The developer is trying to say the sewer does not exist in a utility easement and therefore demands the District move it within 45 days. Earl said the District should respond that we will not move the sewer as it was installed in a road right of way and therefore we will not remove the sewer unless the developer pays for the change and obtains all required easements.
  - ii) Ray will draft a letter for the District and asked Kevin to do the first part of the letter. Ray will put in the legal wording and is relying on the 1988 opinion that there weren’t easements as this was an accepted plat and the mains were installed correctly. Ray said to see if there were any minutes back regarding this from the Town of Omro. The District will check with Betty to see if she has any minutes regarding this road. Ryan said that Kevin explained this situation and he was here if the Commissioners had more questions.

**Mike made a motion to adjourn at 8:20 p.m./Alexander-second/carried unanimously.**

Respectfully submitted,

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Rose Mraz

Approved: \_\_\_\_\_  
Earl Lawrence, Commissioner