

Algoma Sanitary District #
Regular Monthly Meeting
Minutes September 11, 2008 – 6:00 p.m.

- 1) Commission President Earl Lawrence, with Commissioners Alexander Irvine and Michael Gelhar present called the meeting to order at 6:00 p.m. Also present were Kevin Mraz, Ray Edelstein, Rose Mraz and James Mann with Ehlers.
- 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) Earl took a moment to recognize this date in our country's history as it affected everyone and many people are still in harms way working for us everyday.
 - c) **Alex made a motion to approve the minutes from the regular monthly meeting of August 14 and the special meeting on August 26/second-Mike/carried unanimously.**
 - d) Rose noted investment changes due to the new policy for investments. Bond interest will be paid the end of October and as noted on the pending bill report, there are sufficient funds at Associated Bank. The sanitary utility will need a transfer of funds from the local Government Pool as funds are tied up for better interest in a CD. Approximately \$40,000 will be transferred. There were no additional questions regarding investments. **Mike made a motion to approve the cash receipts & investments report for Sanitary & Water as presented/second-Alex/carried unanimously.**
 - e) **Alex made a motion to approve the pending bills for September as presented/second-Mike/carried unanimously.**
- 3) Public Forum – There was no one from the public in attendance.
- 4) Director's Report
 - a) Review of District statistics – This was given out previously.
 - b) Correspondence – No additional correspondence.
 - c) There's a water tasting competition on September 16 so staff will draw the water for this Monday.
 - d) Leonards Point Road pump replacement is coming up next month on October 14; LW Allen will come October 13 to update the panels. It will cost about \$15,000 to update the station. There will be 2 bypass pumps on standby in case they are needed during the work.
 - e) Drinking water treatment facility #3
 - i) The bids for the facility will be open late October and held for 60 days allowing the District to know the actual amount required for bonding.
 - ii) Kevin said he is still corresponding with the developers for the easements for the sanitary route. The developers are working with the Town which needs to be completed first.
 - iii) Oakwood Road construction – The District is raising the manholes and water and street valves and is saving quite a bit of money versus having the contractor do the work. Paving should start next Monday and this is a relief as graters have busted 7 valves already so the sooner the better for the paving. The District supplied the parts for this but the contractor is paying for the repairs.
- 5) Report from Committees
 - a) Water Advisory
 - i) There was discussion regarding the name of the council – in the future this council will be called District Advisory Council to reflect additional items they will be discussing.
 - ii) Earl said that at the last workshop, the District introduced the idea that the District might be able to provide some assistance to the Town in the area of storm water management. This was well received by those in attendance in the sense that they were interested in what was being presented and seemed favorable to the thought. Those present believe the District has the skills and ability to provide a very good and needed service within the town and they encouraged the District to continue to explore this with the board members to see their thoughts on the issue.
 - (1) Earl said that if something were to move forward; the District would like to see some sort of a town referendum regarding storm water whether it is binding or not. Earl said the District would not proceed without some type of resolution from the Town board as that is the way the District operates.
- 6) Old Business
 - a) Review and act on implementation of water rate proposal from the Public Service Commission.
 - i) Public rate hearing was Tuesday and there is no additional action required.
- 7) New business
 - a) Bonding - Jim, with Ehlers attended to discuss bonding for the District's upcoming project. Jim said that Kevin asked him to compare the available funding and what is the better way to go.
 - i) Jim discussed bonds and the related costs for bonding and compared funding on the open market versus obtaining a state trust fund loan so the commissioners could see which could be the better way to go. At the current interest rate, the District would be better off on the open market. Jim said at the time debt is issued, to check the rates again.

- (1) With the open market, Ehlers put off the principal payment for a couple of years to keep the District's cash flow as Dave Wagner previously set up for the District's structure. Kevin asked Jim to keep the cash flow up to date.
 - (2) Earl asked why the resolutions need to be adopted at this time and Jim said this is because you need to provide 30 days to the electors that you may be issuing debt. The resolution does not commit you to issuing the debt through a market rate bond, but it puts the electors on notice that you are going to borrow money. Kevin said this is a not to exceed funding and it can go down to what the District decides on.
 - (3) Ray asked if there is variation on the buy side if the funding is for 3 million versus 5 million. Jim said currently, a shorter term will be more attractive to buyers and you may get a better rate.
 - (4) Kevin questioned the prepayment in the funding or refinancing. Jim said that they will run different analysis to be sure what will work best.
- ii) Ray asked the District who will be paying for the bonds. Kevin said that when the PSC currently did the rate structure that they looked at the higher opinion of cost from Strand and structured rates accordingly.
 - (1) The sources of payment will be through the water rates, ad valorem tax, and the rent from the sewer side. The water and sanitary mains will be through assessments. Earl said the well is already built into the original water rates. The project is District wide and amounts not picked up by users, will be picked up by taxes. Earl said the value in the Town has gone up and the District has kept the tax so the amount stays level. By the time the District needs the funding; the District will know the actual costs.
 - (2) The District did the step 1 and step II rate increases to be able to initiate the rates once the project is up. Step II of the rates will be initiated when the construction is near completion.
 - iii) Jim said he'll attend another meeting when the project is closer. Jim has a commitment on the 2nd Thursday of November but Kevin said as long as the District has the schedules prior to the meeting that he can review them and see if the District needs a mandatory visit or separate meeting.
 - iv) Bids will be opened the end of October. Kevin needs 60 days to hold for the bond sale. December 11 would be the bond sale and then the awarding of the contract. Timing is at a critical point. Sanitary mains may need to be completed later and estimated for now.
- b) **Mike made a motion to adopt the initial resolution No. 2008-9-1 authorizing \$5,500,000 General Obligation Bonds for water and sewer improvements; let it be resolved that the Town of Algoma Sanitary District No. 1, Winnebago county, Wisconsin borrow an amount not to exceed \$5,500,000 by issuing its general obligation bonds for the public purpose of financing water and sewer improvements/second-Alex/carried unanimously.**
 - c) **Mike made a motion to adopt Resolution No. 2008-9-2 directing publication of notice to electors whereas an initial resolution authorizing general obligation bonds has been adopted by the District Commission of the Town of Algoma Sanitary District No. 1/second-Alex/carried unanimously.**
 - d) **Mike made a motion to adopt resolution No. 2008-9-3 providing for the sale of \$5,500,000 General Obligation Water and Sewer Bonds/second-Alex/carried unanimously.**
 - e) Discuss and act on water advisory council recommendations to supply additional services to the Town of Algoma.
 - f) Staff was given direction to explore and try to help out the Town with existing conditions.
 - g) Schedule 2009 annual budget process.
 - i) Rose will set up a workshop for the end of September and confirm with everyone.
- 8) The regular monthly meeting for October is moved to October 16.
 - 9) Adjourn.
 - a) **Alex made a motion to adjourn/second-Mike/carried unanimously.**

Respectfully submitted, _____
Rose Mraz, Office Manager

Approved: _____
Earl Lawrence, President