

**Algoma Sanitary District #1**  
**April 15, 2010**

- 1) Commission President Earl Lawrence with Commissioners Alexander Irvine and Michael Gelhar present called the regular monthly meeting for April to order at 6:00 p.m. Also present were Kevin Mraz, Ray Edelstein, Joel Edson, and Rose Mraz. Eric Ziebel was also in attendance at the meeting.
- 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 recognized two milestones occurring today.
    - i) Earl recognized Alex Irvine on his 90<sup>th</sup> birthday today.
    - ii) Earl recognized Rose for her 20<sup>th</sup> anniversary with the District and the Commissioners thanked Rose for keeping the District running smoothly during her years of service.
  - c) **Alex made a motion to approve the minutes as submitted for the regular monthly meeting on March 11/ second-Mike/carried unanimously.**
  - d) **Mike made a motion to approve the cash receipts & investments report for March for sanitary and water as submitted/second-Alex/carried unanimously.**
    - i) Alex and Joel went to Associated Bank today and closed a number of accounts and then deposited the funds at Community First C.U. to use for the bond payments due in about 2 weeks.
  - e) Approve pending bills for sanitary and water.
    - i) **Alex made a motion to approve the pending bills for April /second-Mike/carried unanimously.**
- 3) Public Forum – Mr. Ziebell attended to discuss the proposed Waldwic Lane water extension.
- 4) Director's Report.
  - a) On May 5 the District is hosting a water and information exchange group which includes a group from approximately 25 to 30 current water utilities. Kevin will be targeting radium removal as our District was the first in the state to have this set up. Steve Kluesner, one of the District's engineers will attend.
  - b) Kevin said a group of girl scouts will be touring the District's well house.
    - i) Ray discussed the insurance issue and said to be sure the group has insurance. Kevin will also call our insurance agent also.
      - (1) Earl said the insurance is not a large issue as other places allow tours of kids going through and Ray said if McClone is good with the tours, then it is fine.
  - c) Kevin said the District is receiving numerous comments to have a sign out so the public knows this is our building. Kevin will check if the District needs to go through the site committee to put one out. Alex added that the road is not on GPS or map quest yet so people have trouble finding the District.
    - (1) Kevin asked what type of sign the Commissioners would like and Earl indicated that the town just put a new wooden sign out and to use a wooden sign here also. Mike mentioned using something similar to the logo on the water tower. The Commissioners agreed to use a wooden sign similar to what we had at our previous office.
    - (2) It was discussed to also check with the County and see if they can put a notice along Witzel indicating the Sanitary District Office is coming up. Mike said they have a sign on Highway 21 indicating to turn for the Motor Vehicle Dept. and perhaps can put one out for the District.
- 5) Report from Committees.
  - a) District Advisory Council. There was no meeting.
  - b) Open House.
    - i) Kevin said he is looking to have the open house June 5, which is the same day as the Fireman's annual parade as staff donates their time for this and the Commissioners agreed with the date.
    - ii) Kevin mentioned giving out tickets to those attending the open house for a free hot dog at the Fire Department's picnic. Kevin will discuss the idea of purchasing tickets for hot dogs at the picnic.
      - (1) The Commissioners liked this idea as it could increase the participation at both the picnic and our open house.
    - iii) Kevin is discussing what to do with overflow parking also. The District could possibly park our vehicles across the street.
- 6) Old Business.
  - a) Discuss and act on Landscape Aesthetics Development Committee.
    - i) There was no one in attendance for this. Sue and the neighbors could not make this meeting.
    - ii) Kevin received a letter from the Town regarding the tree issue which stated that an agreement was reached to plant trees and shrubs on the Sanitary District property. The Town said that due to this agreement, the District can plant trees without submitting a new site plan.
      - (1) Ray has issues with the letter as it indicates the District has an agreement; however, the District did not reach an agreement to date.
        - (a) Kevin was asked to send a letter to the Town indicating the District does not have an agreement at this time and add that the District will notify them when and if the District does come to an agreement.
    - iii) This letter from the Town at least lets the District know there is no need for a new site plan.
  - b) Discuss Waldwic Lane easement water main loop extension.
    - i) Number of affected homes.

- (1) There was considerable discussion regarding the proposed Waldwic Lane Municipal water extension. Kevin discussed that the total contract has 10 participating residents to date which would give \$146,000 towards the contract price of \$247,000. This means currently 56% is funded. There are 7 residents who chose to defer and 3 residents that did not respond to date. If the 3 no responses agree to participate it would be another \$42,000 which puts the District up to 76% funding for the project and the remaining 24% would be funded out of water rates over the 20 years.
  - (2) There are a number of easements not signed to date. The District would need all the easements signed and notarized in order for the project to go forward.
  - ii) Mr. Ziebel said he has his house for sale and has prospective buyers who want the water if he pays for the extension, which Mr. Ziebell said he cannot afford to do.
    - (1) Earl asked if he had questions and Mr. Ziebell said the District has answered all his questions to date. Mr. Ziebel said the prospective buyers need to know the status of the project in order to proceed with the sale. His closing date is expected to be the end of this month.
      - (a) Earl explained that whether the water goes in or not is technically in his hands or the new owners. If they do not sign the easement, the District cannot go forward.
      - (b) Earl said the District cannot say quite yet if this project will go or not. The District can only tell them the situation to date.
      - (c) Kevin said the District has until May 15 to award the bids and a decision will be made at the meeting on May 13, 2010.
        - (i) Mr. Ziebel said he will not sign the easement as he does not want to commit the new owners to an assessment on the property. Therefore, Earl said that the new owners would be in control as this is a private road and the District needs an easement from each affected parcel.
          1. Earl added that the water going past properties is good for homeowners as the water is available and the assessment could be in a deferred status.
          2. Mr. Ziebel said the prospective owners know they can defer, but prefer Mr. Ziebel pays for the assessment.
        - (d) Kevin will write up a current status letter next week for Eric and explain that currently the District is short on easements and participation.
- c) Discuss and act on Contract 1-2009 Lutheran Homes/Tenor declaration of default.
  - i) Ray said that Kevin has been diligently contacting Tip Carroll who is the general council and president of National Claims Services, Inc. and giving a lot of information. What the District didn't have until this week is an actual copy of the bond itself. Ray said the carrier is Companion Property out of Atlanta which has the same address as National Claims Services and could be a subsidiary. Companion Property is aware of the situation and now requires the District to do the following:
    - (1) Notify the Contractor and surety that the District is considering declaring contractor default. Ray said this has not formally happened.
    - (2) Request and attempt to reach a conference with the contractor and surety. This needs to happen and should happen within 15 days after receipt of the notice. These need to be sent by certified mail.
    - (3) The District has to declare contractor default and terminate the contractor's right to complete the project. This cannot happen earlier than 20 days after the notice of intent.
  - ii) Ray recommended the commissioners authorize Kevin, as Director, to provide the necessary notices pursuant to the bond. The District also needs to pay the balance of the contract price and Kevin said the District only has the retainage left. **Mike made a motion to authorize staff to notify the Contractor and Surety for Contract 1-2009 for Lutheran Homes regarding a declaration of default of terms for the bond and to authorize Kevin to provide the necessary notifications to trigger surety liability under the terms of the bond-second/Alex/carried unanimously.**
- 7) New Business.
- a) Discuss and act on contract 1-2010 (Waldwic Lane Water Extension).
    - i) This was discussed under old business and will be put back on old business next month.
  - b) Set date to review 2009 audit.
    - i) Rose received an e-mail from John that he is available anytime the week of the next meeting. The Commissioners prefer to have this discussion in a separate meeting and Tuesday May 11, at 5:30 was chosen for the workshop.
    - ii) This will also be on the agenda for May 13 in order to act on the audit review.
    - iii) Earl said he received a phone call from the auditor but nothing out of the ordinary. They asked Earl what the commissioners may be looking for. The auditors were concerned regarding the overtime that Rose had over the year, and Earl told them that Kevin notified the commissioners throughout the year regarding the overtime due to the District's circumstances.
      - (1) Kevin said they were correct to call on this issue but there was no other office staff during the turnover.
      - (2) Kevin said the overviews of the audit are on page 4 and page 9 for the operating revenue and expenses for the Commissioners review.
- 8) Discuss consolidation workshop.
- a) The possible consolidation of Omro Sanitary District with the Algoma Sanitary District was discussed. Prior to a joint workshop, each side must put together their information.

- i) Kevin said he has been brainstorming and would like to look at everything to see if there would be a net positive result for the Algoma Sanitary District. The possible consolidation would require a referendum on both sides. Kevin said he needs to sit down with Betty from Omro to get the fine details for the Omro Sanitary District.
    - (1) Kevin said for this to go forward, Algoma residents need to see if and how this is good for them.
      - (a) Kevin had maps drawn up showing both Districts and the sewer treatment plants in the area. Ray mentioned that both sides need to also look at their protected areas.
  - ii) Ray said that each District needs to discuss the process for evaluating the consolidation and decide what criteria will be used and come up with objectives of what would make this a success for the District and then to set a final goal.
    - (1) The Commissioners decided to look at rates, staff, and support help, what would make this a success for each side.
    - (2) Ray said that benefits may not be co equal at certain points in time so you need to consider the short and long term benefits. If this can be achieved; the Districts can go to the next step. Ray said each side needs a fair opportunity to evaluate all necessary information and once this is completed, it can be combined. You should set a timeline. This must be completed prior to the next phase.
      - (a) For now, there needs to be discussions regarding objectives for both sides. The District's Commissioners on both sides need to do what is good for each particular District. This not may be what is good for both sides.
      - (b) Earl said he can sit down with Kevin for a couple of hours to get this started on Algoma's side.
    - (3) Ray will not make any recommendations whether this is smart for either side one way or the other or whether it is smart or not feasible.
  - iii) Mike asked where this originated.
    - (1) Kevin said the first call came to him from the PSC in which the rate analyst sounded like he didn't want to give out the possible water rates for Omro.
      - (a) This person was pursuing other options for the Omro Sanitary District and since he put this option in a letter to the Town of Omro Sanitary District, he then also contacted Kevin and gave him a copy of the letter indicating this as a viable option for the Omro Sanitary District to look at.
      - (2) Kevin said he is not spending too many hours on this yet. Kevin did throw together several brainstorming ideas that crossed his mind so far, such as legal, engineering charges, insurance costs, audit fees (John told Kevin it's pretty much one audit whether it's 500 or 5,000 customers and would cost the same because you still need to do the same basic level research) Workhorse costs would go down, Omro's \$4,000 town hall rent would be eliminated, and only one CCR report would need to be sent out.. The Commissioners told Kevin to continue to collect data.
  - iv) Alex asked how much time to give the Omro Sanitary District for the information and it was agreed to give 2 months. Alex said to also keep Dave Wagner in the loop with any information.
- 9) Adjourn.
- a) Mike made a motion to adjourn at 7:30/second-Alex/carried unanimously.

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

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