

Algoma Sanitary District #1
May 13, 2010

- 1) Commission President Earl Lawrence with Commissioners Alexander Irvine and Michael Gelhar present called the regular monthly meeting for May to order at 6:00 p.m. Also present were Kevin Mraz, Ray Edelstein, Joel Edson, Rose Mraz, Sue Drexler, and Betty Reimer.
- 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) **Mike made a motion to approve the minutes as submitted for the regular monthly meeting on April 15/second-Alex/carried unanimously.**
 - c) **Alex made a motion to approve the cash receipts & investments report for April for sanitary and water as submitted including the balance adjustments/second-Mike/carried unanimously.**
 - i) Rose noted that there was a transfer of \$211,513.38 from sanitary to water for an adjustment made during the audit. The contract for sanitary mains on Witzel was transferred to the sanitary utility.
 - d) Approve pending bills for sanitary and water.
 - i) **Alex made a motion to approve the pending bills for May/second-Mike/carried unanimously.**
- 3) Public Forum – Betty and Sue attended to discuss items that are on the agenda.
- 4) Director's Report.
 - a) Review of District statistics – these were given out previously.
 - b) Correspondence
 - i) Kevin noted that the office is in the process of sending out the final notice for the remaining sump pump inspections to approximately 200 homes to be sure they are not pumping into the District's sanitary sewer.
 - c) Status of 2010 projects.
 - i) Kevin sent a question to the Town Clerk, regarding advertising with a temporary banner on the District's vacant lot for the open house on June 5 and she sent an e-mail back indicating that it is ok to have a temporary banner.
 - ii) NTD has a program built into the District's website indicating how many hits the site receives per day/month. The District averaged about 280 hits a month from March of 2009 to Feb. 2010.
 - iii) Kevin said he talked to two Town Board Members (Scott Groth and Sue Drexler) regarding the Public Fire protection fee. Kevin said he explained how this fee is derived and how the District makes up the difference between what the town collects and the amount required for the utility.
 - iv) The co-location rental agreement for the elevated tower is signed. Currently U.S. Cellular is developing their final building plans and submitting it to the Town of Algoma for the site plan review.
 - v) The Ormand Beach sewer service agreement has been recorded. Ray said this came about as the Town of Omro chairman didn't like that nothing was recorded. This simply shows that the Algoma Sanitary District is providing sewer service to them and will continue to do so even though they are not in the Algoma Sanitary District.
- 5) Report from Committees.
 - a) District Advisory Council - There was no meeting to report on.
 - b) Open House.
 - (1) Promotions.
 - (a) The Fire Department will charge \$1.50 for each ticket turned in. The Commissioners said to give out 100.
- 6) Old Business:
 - a) Discuss and act on Landscape Aesthetics Development Committee recommendations. Sue Drexler received a picture from Mrs. Leinweber showing Cyprus shrubs that she would like the District to plant. There was also a picture of a 15' hedge the Leinweber's would like on the berm. Earl said these may be nice shrubs on the side of the building.
 - (1) Sue said that Judy Leinweber could be the spoke person for the neighbors, but Kevin indicated he will talk to each neighbor to be sure they are in agreement. The Commissioners agreed that all the neighbors need to say yes and not just Judy.
 - (2) Kevin said he will touch base with a landscaper to obtain the root depth and the full grown size of the shrubs and trees to be sure they will not cause damage. The Commissioners asked Kevin to come up with a plan and cost it out.
 - (3) Ray said if the shrubs get large, there is future maintenance to consider and Mike said the City of Oshkosh cut some hedges down in the city as they needed a lot of maintenance.
 - ii) Sue asked what she should tell the neighbors and Earl said she can tell them that Commissioners will be taking action at the next meeting regarding financing and a plan for additional shrubbery.
- b) Discuss and act on Contract 1-1020 (Waldwic Lane Water Extension).
 - i) Receive easements.
 - (1) Kevin said he has 17 easements and asked if he should record them. Ray said his preference is to record the easements at this time as the easements can be released in the future if you want to. It was decided it would be a benefit to record the easements; therefore, the Commissioners decided to record the easements at this time.
 - ii) Award contract.
 - (1) This contract will not be awarded due to not having all the easements and also a lack of participation. Staff will send a letter to the residents informing them of this.
- c) Discuss and act on proceeding with Waldwic Lane easement water main loop extension.

- i) This extension will not be completed at this time.
- d) Discuss and act on Contract 1-2009 Lutheran Homes declaring contractor Tenor Pipeline Construction, Inc. in default.
 - i) Ray explained this started out with open communications and since has changed with requiring the District to send out additional paperwork. Ray will send out the paperwork required in order to declare Tenor Pipeline Construction, Inc. in default. Ray said the District must pay the retainage if it is requested in order for the bonding company to perform their obligations.
 - (1) There has been an additional vendor that Tenor Pipeline did not pay.
- e) Discuss and act on Town of Omro Sanitary/District #1 requests.
 - i) Water rate review that includes the Town of Omro Sanitary District #1.
 - (1) There was considerable discussion regarding the request for our District to have another rate review, and Earl said he is not sure this is what the Omro Sanitary District wants as it could give them higher rates. Earl said the numbers used would be higher than the 2008 numbers. Kevin said he also believes a new rate case by us would have their rates go up as the dollar values were very close to the final numbers. Kevin indicated he doesn't even know if the Algoma Sanitary District can go through another rate review this close to the previous one.
 - (a) Kevin said the PSC uses and analyzes all the District's costs. Earl said the District will submit if that is what they actually want.
 - (b) Kevin said the District's Step 1 increase was the first increase since 2003. Kevin said there are many hours and costs that go into a rate review and cost is what the District is trying to avoid.
 - (c) Betty said it is difficult to tell their water users that the water bill would raise to approximately \$205.00 for a family of 6 and Earl stressed again that going back to the PSC could increase this even more.
 - (d) Ray said that he is not taking a position one way or the other but there are 3 things that are public information causing the increase:
 - (i) Rate study from 2008
 - (ii) Lack of development numbers when the market fell.
 - (iii) Failure, neglect, and refusal of the Town of Omro to pick up the fire protection component; however, Ray said it isn't mandatory for the town to pick up this cost. Betty said the District has been asking for ½ and hasn't even received this amount.
 - (e) Earl asked if the District can obtain an evaluation rather than a rate case from the PSC or someone who reviews the numbers, such as an auditor, but he knows there would be a cost and the District will check.
 - (f) Betty said there was about a 12% increase in support services. Ray said in his dual capacity without being an advocate one way or the other, this could be negotiable, but he said this is not contributing in a massive way to the increase.
 - (i) Kevin told Betty he took some offence to this as at times he volunteers his time because he understands their situation and takes his lunch hour to drive through checking out things and does not bill it. Kevin said he bills what needs to be documented, whether meeting with the DNR, completing PSC reports and bacteria reports. Kevin said something is driving Omro Sanitary District's additional cost over and above the cost of water charges from the Algoma Sanitary District.
 - 1. Betty said she does appreciate Kevin's volunteer work, and she also volunteers and understands.
 - (g) Joel asked when the new numbers would need to be submitted. Kevin said you do not need another rate study until there is another infrastructure purchase which would be at 1900 customers based on more storage needs.
 - (h) Kevin was asked what impact growth would have in the Omro Sanitary District. Kevin said water rates are prorated for each customer which helps ratio's to go down. Kevin said if they increase by approximately 100 customers, they could probably go in for another study. However, Kevin said he believes the rate case used an assumption of customers at different years and at the test year.
 - (i) Ray said they did, but this was prior to the market going way down. They estimated about 100 to 125 total and only have half what was expected. Joel asked if our District is also below estimates, and Earl said we are just about right on with what has been used.
 - (i) Betty also questioned the original construction cost in the service agreement increasing by almost \$100.00 yearly. Earl said this is the cost of money and is also charged in the Town of Algoma.
 - (i) Earl said the pipe was put in and if in 10 years, someone wants to hook up, the District charges more.
 - (ii) Kevin has the service agreement that was signed by both municipalities. The breakdown included engineering, construction for wells and mains and does not compound.
 - (iii) Earl said Betty could cap this, but they would need to collect the difference in the water rates but they would go up even more and Kevin said these costs could be paid up front also to reduce the cost of money.
 - (j) Betty will go back and discuss a request for the Algoma Sanitary District to have a new rate review as their commissioners would need to make a motion. Earl thought their letter was their formal request.
 - (i) Betty said she doesn't know why the PSC requested a new rate case, and Ray said the PSC wouldn't know if the numbers are up or down until they receive the numbers.
 - (ii) Earl said if they really want the rate case, that the District will do it.
 - ii) Our commissioners agreed to sit down with the Omro Sanitary District, and learn what everything means for both Districts and identify who to bring in to review everything and set up a workshop. Alex said this will take time as there's so much involved with consolidation and this is something that does not occur often. Mike agrees with getting together.

- (a) Kevin asked Betty what their turn around date is for the new rate and she believes it needs to be completed in early July.
 - iii) Earl said he wants both Districts to have a list of questions in order to have the right people present to answer them. It was chosen to have this June 28 at 5:30. Betty will confirm the date.
 - (a) Earl said Kevin can work with both groups and arrange to have the correct people be it legal, financial, etc. Ray said until the dollars and cents are run, you won't know how this affects each side.
- 7) New Business:
- a) Discuss and act on the request from the Town of Algoma for a joint workshop to consider the creation of a storm water utility.
 - i) Set date of storm water utility workshop. Kevin said he forwarded information to Tim Blake to see what they want to discuss. This came about partly as the Town of Algoma is inundated with problems and calls regarding storm water and knows something needs to be done.
 - ii) The Commissioners discussed that there are 3 major areas that a storm water utility addresses and the importance of looking at these to come up with an agenda.
 - (1) Storm water flooding issues creating property damage and contaminating residential wells
 - (2) Quality of water that goes in the lake. This may need to be treated prior to entering the lake to reduce pollution.
 - (3) Dealing with ditches and what may be happening in front of someone's house.
 - iii) Ray asked about the study Strand originally completed and if there would be an overall change to this. Earl said this report was focused more on the storm water management in the Town, but it has not been implemented and Joel said there was a number of large retention ponds planned.
 - (1) Earl indicated this is where the District, as a utility, would start and not with the ditches.
 - (2) Joel said there are issues about money being spent on private land improvements. You may need larger easements to avoid private property.
 - iv) The District's Commissioners are open to discussing storm water and set this for June 3. This is a costly job to be taken on and needs to be discussed publicly and the District would want a town wide referendum. Joel said the drainage on the south end of the town is not as serious as the north side.
 - b) Discuss and act on auditor recommendations from the audit workshop.
 - i) Earl said the District acted on most recommendations already. The auditor is going to send a sample policy for fixed assets.
 - ii) Mike thanked Kevin, Rose and staff for all their work on the audit as this is a lot of work especially with all the building this last year.
- 8) Mike made a motion to adjourn at 8:00/second-Alex/carried unanimously.

Respectfully submitted: _____
Rose Mraz, Office Manager

Approved: _____
Earl Lawrence, President