

Algoma Sanitary District #1
Regular Monthly Meeting

- 1) Commissioner President Earl Lawrence, with Commissioner Alexander Irvine present called the regular monthly meeting of the Algoma Sanitary District for December 8, 2005 to order at 6:00 p.m. Also present were Commissioner Michael Gelhar, Kevin Mraz, Ray Edelstein, Rose Mraz, Sara Kettlewell, Joel Edson and Pat Rank.
 - a) Earl noted the use of a tape recorder for the meeting. He said if anyone else wants to use a tape recorder they must give public notice.
 - b) **Alex made a motion to approve the minutes of the regular meeting for November 10/second-Mike/carried unanimously.**
 - c) **Mike made a motion to approve the cash receipts and investments report for water and sanitary for November as submitted/second-Alex/carried unanimously.**
 - d) **Mike made a motion to approve the pending bills for sanitary and water for November/second-Alex/carried unanimously.**
 - i) Crosscut shredder purchase is ok; it is a part of the 2005 office budget.
- 2) Directors Report:
 - There were no questions regarding the previously supplied Director's report and nothing to add to it.
 - a) Correspondence:
 - i) Received a letter from a resident on Shorehaven Lane (after receiving a unanimous vote of no from the other homeowners on the road) requesting the water main to still come down the road. Commissioners state the District cannot proceed without the permission of all the homeowners. It is a private road and a water easement will be needed. The road association needs to decide what they want done.
 - ii) City of Oshkosh came up with a new roadway by Washburn. The proposal is to lessen the sharp corner and cut through the field in front of Racette Ford. The District has a sanitary sewer easement on this property. This property is in the Sanitary District. The District needs to send a map of our utilities for the preconstruction meeting.
 - iii) Received a preliminary report for the DNR sampling requirements for the following year. Many sample requirements have been removed because we've had such good results on the tests.
- 3) Public Forum – No one from the public present.
- 4) Report from Committees:
 - a) Water Advisory Council
 - i) Will be meeting Thursday December 15 at well house #2.
 - b) Website update
 - i) Address is www.Algomasd.com. Website is still under construction, so please do not hand address out to too many people just yet.
 - ii) Discussion on why .com is being used and not .org. Staff to look into an .org website address also.
 - iii) Everyone to look at the website prior to newsletter going out.
 - c) Town of Algoma meeting.
 - i) It was noted in the Director's report. Earl adds that it seemed pretty clear that the Town is deferring to the District to do whatever it is the District decides to do regarding land purchase; however, that's not to say the Town wouldn't join in at a later date. Currently they are not planning on purchasing any land. They are not taking any action in regards to the Fire Dept or building anything. They had no suggestions about where to run the water main, and said they have a land use plan that they follow. It was a good meeting. Basically they stated that the District should do what it needs to do to make the utility as healthy as it can be.
- 5) **Old Business:**
 - a) Update of Safe Drinking Water Loan 2006.
 - i) The District applied for the SDWL for this year's project (Phase II). The DNR has funds available for the entire project, which is 4.2 million. The DNR declared that 88% of Ronet's and 51% of Advance's project is eligible. This portion will be funded by the SDWL; the other portion will stay with the Public Lands. The Public Lands funds are at 4.5% interest. The District will be able to make draws on until August 2006. These funds are not earmarked for any project and are available for the District to take draws on. It is a 20-year loan. The SDWL is also a 20-year loan estimated at 2.365%. The District assessed the residents at 4% this year.
 - b) Ormand Beach plat sanitary sewer main relocation and water main installation.
 - i) All easements have been received except Mr. Jones's, which is a small portion to get the water main up. Everything that is needed for the sewer easements for that portion of the project is done.
 - ii) Review bid results.
 - (1) Ronet Construction did 1.5 million dollars worth of projects this summer for the District. With the 15% contingency that would cover their Ormand Beach result. They bid \$49,961.

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- (2) Advance Construction did 1.9 million dollars worth of projects this summer for the District. They bid \$46,888.55.
 - (3) The low bid appears to be Advance construction. Bellridge bids need to be considered in this. Ronet's bid came in at \$248,000 and Advance's bid came in at \$256,000 for doing all of Bellridge and Leonards Point Rd.
 - (4) The true low bid as a percentage of the big contract for both contractors exceeds the percentage. If the District wants to go with it as a change of contract, then the District must go with the higher net bid because it is within the 15% of that bidder's contract. The alternative is to start at ground zero and do public bids which will cost more money.
 - (5) 15% of Ronet Constructions project is about \$225,000 for change orders. Their bid came in at \$248,000. Not allowing the District to accept the Bellridge bid.
 - (6) 15% of Advance Construction project is about \$285,000 for change orders. Allowing the District to award the Bellridge contract to them. Adding the Ormand Beach contract would take it over the 15%. This allows the District to award the Ormand Beach contract to Ronet.
 - (7) The Ormand Beach contract needs the sewer fees split with Keith Decker from Fox Cities Construction, which is about \$20,140 for the extension, leaving about \$10,000 each.
 - (8) These are not bids, but quotes for change orders.
 - (9) Bellridge will not happen until spring because of Leonards Point Rd. The contract can be awarded at a later date. The contractor for Ormand Beach would like to get started soon. With the District having to spend \$10,000 on the Ormand Beach project, Kevin would like the Commissioners to award the contract. Water assessments need to be signed for, resolution waivers signed and agreement to pay.
 - (10) With the Bellridge contract there are 4 homes on Leonards Point Rd that are not in the District yet. There is much that must be done for this over the next couple of months. The cost for each parcel will depend on what Russ Williams works out with each of them. Kevin hopes to have Russ Williams's authorization to proceed.
 - (a) Ray states not to let Russ sign unless he has the 4 homes all lined up and in District. The District needs to decide if the homes will have to hook up within one year, according to the ordinance.
 - (b) Ray advises the District cannot accept these homes at this time because he wants Russ to deal with the homeowner and get it done, other wise they will try to put the District in the middle. Ray states the District cannot summarily exempt somebody contrarily to the ordinance when it is previously applied to everybody. Ray and Earl are not aware of any waivers. Rose will check on the Rogge extension. Rose says there was one on Oakwood Rd a few years ago and the District forced the homeowner to hook up.
 - (c) Earl says to give a list to Russ, for when he negotiates with the homeowners, of what the residents will need to do. Kevin will send a letter to the homeowners stating the petitions going in and at that time they can speak at the public hearing at the town board where they can state yeah or nay.
- c) Update of East Central Regional Planning Commission revised sewer service area schedule.
 - i) No update.
- d) Phase I water assessments.
 - i) Mr. Schraa submitted his title assurance abstract and it is equivalent to Mr. Williams's schedule, stating form 4100-95 #6 Exceptions: possible assessments levied or to be levied by the Town of Algoma Sanitary District #1, Town of Algoma. He is in the same scenario of being informed on his title insurance commitment. Noted: It was listed in the title paper work and no resident was present.
- 6) **New business:**
- a) Bellridge subdivision requested to install sewer and water in northern portion of the subdivision. – Item discussed in joint with Ormand Beach.
 - b) District wide newsletter.
 - i) Commissioners received e-mail to look over and return to Rose with any comments.
 - c) Discuss Infrastructure concerns. – Had a meeting with Town of Omro and a meeting with the Town of Algoma and received input from both. Questions are out to Strand Engineering that may affect this.
 - i) Set up parameters to review space requirements.
 - (1) Kevin is looking for commissioners input to set up parameters for what they are going to need as far as data to evaluate and know the points that are going to help make a decision on what the District does, where it moves, how much space is needed. Kevin asked if the Commissioners have specific requirements they want to receive from this space study. Earl suggests setting up a separate meeting to sit down and spend some time on working up an outline. This Saturday the 10th at 9:00 am at the District office a workshop will be set up.
 - ii) Set up timeline to collect data and evaluate results.
 - d) Phase III water system
 - i) Ambassador meeting. – Is set up for December 14th at 7:30 pm at Oakwood School in the cafeteria. A slide show will be done. This meeting is just to give the ambassadors a general idea of what's going on and answer any questions.

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- ii) Interest rate. – Dave Wagner confirmed with Kevin that he would have the cash flow statement to the District next week to review and determine continuing with Phase III.
 - iii) Assessment per parcel. – Commissioners received information with figures in it. The supply charge for 2006 using the 3.75% bond interest is estimated at \$2,359. The corridor route charged to Bellridge was \$119, covering the cost of getting to the tower going through wetlands or crossing Highway 21 and over sizing mains for future areas where it could not be recouped on any specific assessment is spread throughout the system. Total cost of supply for residential house, based on 17,000 gallons/qtr. is \$2,482. Water main cost for Phase II project in 2005 was 3.5 million. Broke down per parcel the water main cost in 2005 is \$5,863.00. Assessed values for Phase II water main in 2005 used a value \$6,221.00 out of \$8,500.00 assessment. Phase II has 76% participating parcels paying. 30% of the assessments are to be paid for by water rates.
 - (1) Cost using only Advance bid: Their cost 1.8 million. Cost per foot per pipe, all sizes together, is \$81.29/ft. With the 284 services they installed, the water main cost per service was \$6,500.00 per parcel, excluding engineering.
 - (a) Phase III expected cost, using Advance bid of \$81.29/ft. Project to cost 1.6 million, 240 homes, and an assessment, of water mains only, would be \$6,825.00.
 - (i) Things to remember: only one side of Emmers Lane to be counted because the city is on the other side. Highland Shores only has homes on the lakeside. Charges for Mr. Lerch's property have not been determined yet. Phase III should have smaller pipe diameter as Phase II.
 - (ii) Things not accounted for: Inflation for 2006 of 2%, Ronet's low bid, fuel prices, steel prices. There are no river crossings in Phase III (2 crossing included in \$81.29/ft). Fire Hydrants to be paid for by the fire protection fees (price is included in \$81.29/ft). Phase II engineering cost is \$308,000 to put in about 40,000 feet of pipe. Phase III is to be 20,000 feet costing \$154,000. Phase III with 240 services is \$641.00 a service, needing to be covered in assessment.
 - (iii) Waldwic Drive is a private drive. If installing water main down this drive, the whole road would need to be replaced. Square footage of the road, what the county charged the District last year and inflation of 15% next year, it would cost each parcel \$933.00 for asphalt. Gravel, from pipe to ground level, would cost an additional \$1,600.00 per parcel. For a total of \$2,540.00 per parcel on Waldwic Dr.
 - (iv) Consensus is to give them an assessment and for residents on Waldwic to decide among themselves how they will divide up and pay for the replacement of the road. Per Ray, it is not a public road; therefore there cannot be an assessment for public improvement.
 - iv) Well abandonment credit criteria.
 - (1) Previous phases allowed an \$800 abandonment credit. This covers abandonment costs for about a 200 foot well. Commissioners are in consensus of keeping this dollar amount.
 - (a) Joel states one of his previous neighbors spoke with him and was complaining the abandonment ran out before he could get a plumber in. Joel is wondering if the approach is counter productive. Earl understands this as a suggestion to not put a year limit on the credit. Joel suggests some other strategy for time that has gone by. Joel is wondering if in the future the well abandonment credit will be reintroduced to motivate others to hook up who haven't done so already. Joel will go back to Steve and explain to him the thinking behind the dates and what was available to him that he didn't take advantage of at the time. Earl says the District exempted a group, not a part of the normal policy, who couldn't get the abandonment done in time, and they were told if they brought in a letter from their contractor stating it's scheduled, the District would consider this legitimate and would extend the abandonment offer. In the initial start up, a letter (dated 10/9/2003) stated resident had 9 months, from the date water was available, to abandon a well to receive the credit. Then it was extended to a full year due to wintertime. The well abandonment credit was started because of residents just putting in new wells or equipment to deal with the problem water. This credit is an incentive to hook up and to give something back because the District wasn't going to pro rate credits based on how long a well had been in use. A resident will not get the benefit of the well abandonment credit if hooking up and abandoning their well after the first year has gone by because they haven't been paying in the whole time. 30% of the cost of the system is coming out of the water rates, and they haven't been paying into that.
 - v) Newsletter for all Phase III parcels involved.
 - (1) This is a letter to be sent out to parcels that may be affected in the localized areas in Phase III about an informational meeting. This letter will state specifically the time, place and date that the ambassadors will call us back with after the December 14th meeting and after discussing with the neighbors in the area to possibly be affected by the water main. Sara to call ambassadors Tuesday with a reminder call for meeting December 14th.
- e) Add parcel 0021120 to Water System. – Commissioners are in agreement it is too late to add to Phase II, it will need to wait until Phase III of the water main construction.
- (1) Previously the Sanitary District extended the sewer main for Pierce Lane, which is behind this property. The sewer main fronts the back of the property. At that point in time they deferred the assessment. The legal notice shows that if the owner ever built on the parcel the assessment would be due each of the neighbors. Kevin's concern is the realtor and tax

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letter since there is not an assessment levied for sewer and the advertisement doesn't state whether it includes sewer or not, but needs to be made aware that there is a potential sewer assessment out there. Ray suggests the tax letter to state that based upon the final resolution of September 29, 1993, parcel 0021121 has an assessment payable to the District in the amount of \$4,682.53 building upon said lot. From there the District would collect the amount and then distribute to the other property owners. To avoid the tax letter showing an assessment, the assessment would need to be paid before the sale.

- f) Water assessment adjustment for 2112 Carlton Road that finalized CSM creating one parcel from two parcels.
 - i) Previously, the commissioners at the time, voted to remove an assessment for a property that the house was built in the middle of the property if the owners had combined the two lots. It is 176 feet long and undividable.
 - ii) **Alex made the motion to remove one of the two water assessments on 2112 Carlton Rd assessed to Karen Nack and Gail Gates due to the fact the previous two lots were combined into one CSM creating one lot and the one lot is within the buildable limits set forth by the Town zoning ordinance so that it is now one buildable lot with one house on it therefore it should be assessed as one/second-Mike/carried unanimously.**
 - iii) Both parcel numbers have an assessment on them on the tax roll. After the tax roll 2005 the owners will have made two payments on the assessments to clear their taxes. The District will pay the homeowner back for the one last year and the Town of Algoma for the one this year or unless the owner would want their assessment lowered.
- g) Phase II Water assessments paid in full.
 - i) There are three residents who have paid their water assessments in full.
 - (1) Kay Mark paid November 17, 2005. Paid the entire assessment plus interest, before the tax roll went out. Her intentions were to pay in full but missed the November 1, 2005 cutoff. Is the District able to refund the interest? Commissioners are in agreement that, as in the past for Phase I, the interest will be refunded for anybody who has paid in time before the assessment was placed on the tax roll.
 - (2) Paul Berry, 1369 Tammy Rd, paid November 29, 2005. Same intent, but this one went on the tax roll.
 - (a) **Alex made a motion to authorize the repayment of interest for the three properties that paid in full for Phase II prior to the end of the year/second-Mike/carried unanimously.**
- h) Closed-door meeting to discuss employee matters.
 - i) **Mike made a motion to go to closed-door session/second-Alex/carried unanimously.**

Mike made a motion to adjourn/second-Alex/carried unanimously.

Respectfully submitted,

Sara Kettlewell _____

Approved: _____
Earl Lawrence, Commissioner