

Algoma Sanitary District #1  
Minutes – May 11, 2006

- 1) Commission President Earl Lawrence, with Commissioners Alexander Irvine and Michael Gelhar present called the regular monthly meeting of the Algoma Sanitary District #1 for May 11, 2006 to order at 6:00 p.m. Also present were Kevin Mraz, Ray Edelstein, Joel Edson, Rose Mraz, and a number of residents from the Town.
  - a) Earl noted the use of a tape recorder for the meeting to assist in minutes. No one else is taping the meeting.
  - b) **Mike made a motion to approve the minutes of the regular monthly meeting for April/second-Alex/carried unanimously.**
  - c) **Mike made a motion to approve the cash receipts and investments report for water and sanitary for April/second-Mike/carried unanimously.**
  - d) **Mike made a motion to approve the pending bills for May/second-Alex/carried unanimously.**
  
- 2) **Director's Report**
  - a) The Commissioners had no additional comments or questions to follow up with the Director's Report submitted previously.
  
- 3) **Public Forum**
  - a) There was no one present to discuss matters other than what is on the agenda.
  
- 4) **Report from Committees**
  - a) Earl said the council looked over the participation for the various areas and agreed with the recommendations from the Utility Director as to which properties to take out or leave in Sub Phase III Construction.
  
- 5) **Old Business**
  - a) East Central Regional Planning Commission.
    - i) The public hearing was on April 27, 2006 and the Final adoption April 28<sup>th</sup> 2006.
      - (1) The Commissioners were pleased that the District's additional request for the sewer service area was accepted by East Central.
      - ii) The Town's comprehensive plan needs to be certified by ECRPC. The Town's plan needs to be on the agenda for East Central to find out what additional items East Central may want.
  - b) Review of Sub Phase III bids to determine cost versus assessment.
    - i) Kevin previously gave out a projected cash flow schedule for 20 years. Kevin had an updated spreadsheet showing an additional \$260,000.00 of contingencies which would show the worse case scenario. These spreadsheets use the area for Sub Phase III based on the recommendation of the Water Advisory Council. Kevin said the only update to Sub phase III was that he added 75 connections in 2008. This assumes that approximately 50% of sub phase III hook up. The total estimated hookups would be 790 connections at the end of 2008. At the start of this month, the District had 450.
      - (1) The 20 year Cash flow analyses show an ending positive cash flow.
    - ii) The water advisory council proposed to take Manor Drive, Partridge Court, and Highland Shores out of sub phase III. They did recommend going down Omro Road to the gas station and to contact Bay Lake Bank on Emmers.
    - iii) Kevin said the bid for the total cost for Sub Phase III water main installation came in at \$1,578,000. Kevin worked with the numbers and took out the areas recommended (leaving 104 participating and 54 defers) and then the cost is approximately \$1.2 million. The percentage paid by assessments, looking at total assessments will be 89% of the cost. The balance of this comes out of rates.
      - (1) Kevin broke down the costs for the various areas recommended to be taken out to show the financial impact; he also added the arsenic results on the maps.
        - (a) Manor Drive had a high of 78 for arsenic down to 7 of the ones tested; and noted some wells in this area are running dry. 9 of 15 are participating in this area. This is a sensitive area as they have the water quality and quantity problem.
        - (b) Partridge Court – This is interesting as it's a cul-de-sac and these parcels are smaller in width. There are some high levels of arsenic 39 and 14 which are above the current safe drinking water level. There are 8 of 19 participating here.
          - (i) Kevin feels this area could be looked at closely to continue, as the financial impact would pay 69% of the construction under the current participation level.
      - (2) Highland Shores – Mr. Hurkman attended and pleaded for water. He said his neighbors are not cooperating and are saying no, but he said his well is going dry. On a rainy day like today, he does not have any problem, but other days he has a problem. He said he is so close to where there is water.
        - (i) Kevin said you can basically see a water hydrant from his area. Mr. Hurkman said there is a lot for sale and the new owners may want the water.
        - (ii) The financial analysis is based on going all the way down the road and the District would be funding 45%. Earl asked Kevin to come up with a financial analysis for part of the road. Kevin said some of the south side of the road is not assessable as they were previously assessed.

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- (3) Omro Road – Gary Lerch changed 2 parcels to participate today after the maps were printed. 5 out of 9 are participating if the District goes just to the end of Gary’s properties. Earl said the water advisory council recommended including commercial property here. It would cost the District about \$34,000 to fund this area.
  - (4) The remaining larger areas in this phase have enough participation without evaluating. Including these areas would get water main down Oakwood Road to Shorehaven Court.
  - (5) Leonards Point Road – This area would complete a loop which overrides other considerations; however, the percentage for this area is high enough.
- c) Sub Phase III Municipal Water system.
- i) Accept participation decision responses received to date – Kevin said out of all the mailings, there are only 20 homes that did not respond. The District tried to call everyone; the church did not respond but did pay in full (this check will be held until after the Final Resolution). Kevin also went by and knocked on doors to try and contact everyone. **Mike made a motion to accept the non-responses as positive responses as the District did for previous phases/second-Alex/carried unanimously.**
  - ii) Review responses from preliminary assessment. – The Commissioners discussed sending out a letter to several areas as this is the last phase being planned by the District. They agreed to send a letter out to Manor Drive, Partridge Court, Highland Shores, and Omro Road as these areas are close to being financially able to fund the system if a parcel changes to participate.
    - (1) The Commissioners set the next meeting May 19 at 4:30 p.m. Staff will get a letter out to these areas.
    - (2) Alex asked about Emmers Lane. Kevin said the DOT parcels will be taken out, as they are not assessable. Bay Lake Bank decided to go with the city as they were told by the city that they had to use city water and they will be taken out.
  - iii) Hurkman letter – Highland Shores. Mr. Hurkman asked if he doesn’t get water now, how long he would have to wait.
    - (1) Earl said that he would not get water until his neighbor’s approach the District and Ray said that even if they want water next year, it could take longer as it is expensive for a short run and they may want to wait for other requests then.
  - iv) Adjust assessments based on parcel owner input
    - (1) Ron Lampe – 1721 N. Oakwood Road. Mr. Lampe gave the Commissioners information at the public hearing and again requested that he have his number of assessments reduced. He said he and his wife favored service previously and still want water.
      - (a) He built his house on a 150’ parcel before he purchased 2 other lots. He’s asking to be assessed for 3 lots as they were surveyed as 3 lots and not 4. He combined 2 lots to help the prior owners without violating state law.
        - (i) Earl said his information makes sense that this is 3 lots and not 4 and feels the assessments should be reflected to show this. Alex and Mike agree and will reduce his assessments by 1 amount on parcel # 002-004002.
      - (2) Huntington - Mr. Huntington said he is concerned as he said he is the only person on Waldwic receiving water currently, Kevin said that his neighbor to the South is also affected from Oakwood Road. Mr. Huntington said he had a number of conversations with Kevin.
        - (a) Mr. Huntington asked where the District obtained the amount of his road frontage being greater than 200’. Kevin said the county’s records show his parcel to be exactly the 200’. Mr. Huntington said that is fine, but it’s not greater than 200’. Mr. Huntington questioned why he has 2 assessments on his parcel.
          - (i) Earl explained that the Town says that on 200’ of frontage, you can put 2 structures. This assessment is not based on what is on the land now, but what could be put on the property.
            1. Mr. Huntington disagrees with this. Earl said the previous gentleman showed that you could not put 4 structures on his parcels.
            2. Kevin agreed that heaven forbid a home burns down; they could put 2 houses in this area. Ray said to do assessments differently would have everyone else subsidize his parcel; therefore, the Commissioners have no alternative.
              - a. Mr. Huntington said he lived there 30 years and has a Waldwic address. Earl said the address does not matter, but that he could be served. Mr. Huntington said he does not get an improvement from the water main installation.
              - b. Earl said Waldwic Lane is not included, as they do not have frontage on Oakwood Road. Mr. Huntington said that all of Waldwic owns Oakwood Road.
                - i. Earl said if there is a buildable lot adjacent to Oakwood, the District will fix the records to assess them. The other owners on Waldwic do not own frontage on Oakwood Road.
                - ii. Earl mentioned the fact that if we went by footage instead of single parcel the assessment would be different.
          - (b) Mr. Huntington said it is no value to him, and Ray said it may not be to him personally, but it is a benefit to the property assessed. Earl said you can defer this.

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- (3) Rhoden – Mr. Rhoden said he is in the same situation as Mr. Huntington. Mr. Rhoden asked what if he gets a document that his property can not be divided in the future. Ray said he does not know how Mr. Rhoden can do this.
  - (a) Karen Ryf asked if these 2 owners could draw up a deed restriction. Earl said the next owner could change this. Karen said this stays with the property, but Ray said he does not concur with this. These can be changed in the future. Earl said you can say no and defer.
  - (b) Mr. Rhoden said if you call these 2 assessments, why don't you put in 2 valves. Kevin said the District can put in the 2 valves currently.
  - (c) Mr. Rhoden said he is ok with his election.
- v) Determine parcels to include in Sub phase III – This is moved to May 19 at 4:30 p.m.
- d) Sanitary District upcoming reports required by State Statutes.
  - i) Consumer Confidence Report (CCR) – This is currently drafted on a tri-fold with 1/6 for the label. Kevin said using this style will reduce the costs, but he would still like to do a newsletter later then.
  - ii) Compliance Maintenance Annual Report (CMAR) – This is on line now and Kevin will do the data entry for the report.
  - iii) Public Service Report – The auditor e-mailed this to the PSC on the final due date. Rose said she had to keep after the auditors to get this report out and told them the District doesn't operate this way.
    - (1) Joel called Clifton Gunderson in Oshkosh to discuss the Town and Sanitary District's audit reports. Joel said the Town still did not receive their audit and this is the first time since he's been Treasurer that there was no financial report available to the public at the April annual meeting. Rose said the District did receive the audit report after a number of requests, but it was late.
      - (a) Joel was told the responsibility lies in the Milwaukee office for the tardiness of the audit.
        - (i) Joel was told that tardiness is not tolerable; however, this problem has been taken over by Mr. Hart, Clifton Gunderson's head person for the State of Wisconsin. The Oshkosh Office does not have control over this matter as the head auditor is a partner with the Milwaukee office.
        - (ii) This is the last year of the District's 3-year contract with them.
      - (b) Joel said he told Clifton Gunderson he is surprised that there has been no formal communication from anyone that the information is tardy and that something will be done. Joel was told that Mr. Hart wants the audit completed before talking to anyone.
        - (i) Supposedly this is a serious issue with them; however, Joel said he told them he disagrees with waiting for the audit to be completed.
    - iv) Financial Audit – The District's audit requires a Federal Audit Due to use of Federal Funding through the Safe Drinking Water Loan.
      - (1) Clifton Gunderson sent this special audit in late.
        - (a) Earl wants to know what the District can do about the auditor's tardiness. Joel recommends writing Mr. Hart a letter if he does not return a call to Joel by next week.
          - (i) Mike asked if this is a joint letter. Joel said he'll put separate letters together for the Town and District.
        - (b) Ray said Clifton Gunderson most likely carries mal-practice insurance should the District be affected negatively for bonding because of the lateness of Clifton Gunderson.
  - e) 1890 Sunkist - Scott Rennert's request to use sewer service and be added to Sanitary District.
    - i) Kevin said he will attend the public hearing to be held at the Town's meeting on May 17 to be sure everything goes ok.
  - f) Discussion on next steps on responding to requests for water on Shorehaven Lane - Earl said water will run down Oakwood Road and Shorehaven Ct. so water is available there.
    - i) Earl told the Shorehaven Lane residents in attendance that there are 2 issues to look at and solve prior to installing water mains.
      - (1) The first issue is the private road.
        - (a) The District desires to work with the residents or not go down the private road. The District needs to know the legal authority for the road is in agreement with the construction that would take place and how and who will pay for the road if it is destroyed. The road will be damaged as construction trucks go down to install water main.
      - (2) The second issue is financial.
        - (a) The people wanting to participate now would pay about 48% of the costs of the extension. The remaining 52% of the construction cost need to be made up – some is paid by water rates but not all of the balance.
      - (3) Earl said there are a lot of people here to speak on this issue. Earl asked if there is anything new to add. There was considerable discussion again, both pro and con for the water. The majority in attendance at this meeting do not want the water.
        - (a) Debbie Sorrenson questioned going down Leila Mae to avoid homes not wanting water and Earl said the cost would be about the same. Going down Leila Mae would not give the District the possibility of additional assessments. They would also need easements.
          - (i) Karen Ryf asked where exactly this would run in from Leila Mae and Kevin said that no plans are made for this.

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- (b) Debbie said the people wanting water may possibly raise funds and pay for the project. Ray said if they do, the financial agreements are between them and the other homeowners and not the District as each parcel would receive an equal assessment.
  - (i) Karen Ryf asked if the homeowners wanting the water pay for it, does this override the 70% participation. Earl said the 70% the District uses is really financial and does not take care of the consensus of the private road.
- (4) The homeowners said they are tired of this dragging out and want to know how many times they need to come in. Earl said that when a homeowner requests water, the Commissioners have the obligation to look into it so he does not know how many times this could be an issue.
- (5) The Commissioners told the homeowners that unless the 2 stipulations are met, water main will not go down Shorehaven Lane. Mike said he agrees with everything Earl said and Alex agreed and added that the District is not out to be negative about anything and have the responsibility to keep the system working.

**6) New Business**

- a) Award Contract 1-2006.
  - i) Jossart Brothers is the low bidder and Alex asked if they are ok.
    - (1) Pat said they are working on insurance documents and they should be there Monday.
      - (a) Kevin said their insurance company has no existing claims for them. They sent paperwork promptly when asked for and now are tweaking the paperwork.
      - (2) Kevin checked with people they worked for and did not receive any complaints.
        - (a) They were late 1 time, but this was not due to them, but the soil.
        - (b) Their bank has a 6-figure loan available and it's not fully drawn so it looks like they have plenty of funds.
      - (3) This estimate came below the engineer's estimate so the District can be comfortable with the bid.
        - (a) Ronet and Don Parker were about \$11,000 higher than Jossart which shows the bids were right on.
    - ii) Pat said he needs to know which areas will be taken out and recommended to base this on a change order and say which sheets to delete.
      - (1) Kevin said he will develop something on the 19<sup>th</sup>.
      - (2) The contractor seems to want to get going quickly.
  - b) Final Assessment Notice for Sub Phase III - The Commissioners will do the Final Assessment Resolution May 19.
  - c) Dot Project Highway 21 / 41 interchange.
    - i) Tom Bucholz, Project Manager for the Highway 21 and Highway 41 project attended to discuss this project. Mr. Bucholz had a display, which is also on their website. They will be reconstructing the 21/41 interchange.
      - (1) The first phase of the project is to do local road improvements, namely the Witzel overpass will be upgraded, Washburn Street will be upgraded, and some local road work along Koehler Street. This will be done in 2009.
      - (2) The intent behind this is to get the local work completed so that when they do work on Highway 41 and need to shut the interchange down, there will be a connection street across Witzel.
        - (a) Mr. Bucholz said this is complicated as the City of Oshkosh is starting a portion of Washburn Street this year as a project of their own, so they will need to relocate some things as part of this year's project.
      - (3) Mr. Bucholz said a project of this size impacts everyone, not just people that travel, but also utilities.
      - (4) Financial responsibility
        - (a) Mr. Bucholz said that the normal policy on DOT projects is that if it is in the right of way of Utilities, they pay to move the Utility. This project is unique because it is a Freeway project and on Freeway projects funding is different than normal.
          - (i) On Freeway projects if you are in the right of way when you are forced to move, to get out of the way of the work, it's a 90% DOT pickup 10% local.
            - 1. Now the issue will be what is driving the Washburn move. Tom stated obviously the Washburn move is part of the DOT project
            - 2. In turn, the discussion was that the City of Oshkosh will bill a portion as determined by agreements to the Sanitary District and the DOT will pick up 90% of this and the burden will be less.
            - 3. Policy is still the same, where the District is on private easement by Kwik Trip, the DOT picks up 100% paid.
            - 4. The DOT this year needs to set up agreements with the city, and will once the City gets farther along in their design and obtains better estimates. The DOT will pay 90% and it's up to the intergovernmental agreements between the City and the District what the City bills the district.
      - ii) Mr. Bucholz said everything will be widened, and Highway 21 will be flip-flopped and be on top of Highway 41. This is mainly to reduce the impact to Lake Butte des Morts.
      - iii) Earl said there needs to be negotiation to see what goes in the 90%.
        - (1) Mr. Bucholz said that the city will be running a Sanitary Line opposite of what it is now. The city and the Sanitary District will need to work out an agreement that the DOT will not be involved with.

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- (2) Ray said if the DOT has a contract with the city, reserving his thoughts on whether the 90/10% is right or wrong, nothing stops the DOT from putting the District in the contract as a 1<sup>st</sup> party beneficiary. Ray said this is rather than the District negotiating an agreement with the city.
    - (a) Mr. Bucholz said he is not directly involved with these utility agreements so he can not speak for this, but Ray asked him to pass this concept along to whoever is.
    - (b) Ray said this eliminates another set of papers between the City and District.
    - (c) Cindy O'Connor will be the Utility Coordinator. Julie Debush moved up to State wide review.
  - iv) Mr. Bucholz said this project is unique as the city is taking on the Washburn project themselves. Usually the DOT has 1 right of way plat that names Utilities and makes it easier to work off. The City has their own plat, and he does not know if the Sanitary District is listed as a Utility on their plat. He said this will take some time.
  - v) Mike asked for the timetable.
    - (1) Washburn and Witzel Street 2009
    - (2) Highway 41 & 21 starting in 2010 through 2011, and complete the Neenah area in 2012.
  - d) 4295 Leonard Point Road petition for Water – The District extended the water main down Leonard Point Road for Omro. The district will need to tap the main and bore across to this property. The owners signed the petition for water, the waiver, and the participation form.
    - i) Final Resolution 7-2006 - **Alex made a motion to adopt Final Resolution #7-2006 authorizing Public Improvement and levying a special assessment against 4295 Leonard Point Road 0020015 in the amount of \$8,460.25 for the purpose of water improvements/second-Alex/carried unanimously.**
- 7) Adjourn – **Mike made a motion to adjourn at 8:45 p.m./second Alex/carried unanimously.**

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

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