

Algoma Sanitary District #1
Minutes – July 20, 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 July 20, 2006 to order at 6:00 p.m. Also present were Kevin Mraz, Ray Edelstein, Joel Edson, Rose Mraz, Jim Rhoden, and Julius Leivian.
 - a) Earl noted the use of a tape recorder for the meeting to assist in minutes. No one else is taping the meeting.
 - b) **Alex made a motion to approve the minutes of the regular monthly meeting for June/second-Mike/carried unanimously.**
 - c) **Alex made a motion to approve the cash receipts and investments report for water and sanitary for July/second-Mike/carried unanimously.**
 - d) **Mike made a motion to approve the pending bills for July/second-Alex/carried unanimously.**
- 2) Director's Report
 - a) Kevin wanted to highlight that the District billed out 461 meters and there are 513 meters out now. The total new charges were \$44,468.00 this quarter, and the District budgeted \$42,000 for this quarter so we are ahead of schedule.
 - b) Omro has 22 meters which the District reads for them. They used 389,000 gallons for the quarter and unmetered usage for flushing, testing was 200,000 gallons. Adding the 2, there is only a negative 15,000 gallons unaccounted for which is right in line with expectations.
 - c) Personal vehicle usage – Kevin discussed vehicle mileage and was asked to put it on next months agenda and work up different scenarios – such as using your own vehicle, purchasing a truck, mileage reimbursement, monthly car allowance, purchasing a vehicle for the Director. Ray said to also check with the insurance if a personal vehicle is in use.
- 3) Public Forum
 - a) There was no Public present to discuss matters other than items 5c and 6c on the agenda.
- 4) Report from Committees
 - a) The Water Advisory Council decided not to meet until September. The Water Advisory Council was interested in getting water to the end homes on Waldwic Lane with a water main extension if possible. Dr. Janssen requested water and is willing to pay for a long lateral. Since his request, 3 additional homeowners are interested and the District also would prefer the extension rather than a single lateral. The District would be able to get 600 feet of main which may be difficult to get in later. Earl asked the Fire Department members if they were in favor of this even if this would have about a \$10,000 District cost to have a Fire Hydrant on the end, and they were in favor of it. Kevin said that Dr. Janssen is aware he may need a hydrant in his yard if this goes.
- 5) Old Business
 - a) Sanitary District upcoming reports required by State Statutes
 - i) The Consumer Confidence Report was sent out and on time.
 - b) Assessment request for 2853 Shorehaven Court, Hosien S. Moghadam
 - i) Mr. Moghadam filed with the Post Office to look for his lost mail. Earl requested that Rose call Mr. Moghadam to see if the Post Office sent him a response to the search. This will be put back on next months agenda. His deferral would not have made a difference to the participation rate in the area.
 - c) James Rhoden previously requested the Commissioners to adjust his assessment levied to the equivalency of 1 and not 2 and is basing this request on a Recorded Quit Claim deed to restrict future partial division.
 - i) Earl asked Mr. Rhoden if he had any additional information to add regarding his parcel and he said he didn't, that he is at the meeting to see what the Commissioners decide. Earl said he was not at the previous meeting and mentioned that Ray gave an opinion. Ray said he is more comfortable that this is 1 parcel, but he is uncomfortable that it is 200'. Ray said the basis of the District's assessments is based on the distance and if someone had 400' and did the same thing, the cost is much higher. Kevin said that both of Mr. Rhoden's assessments are in the deferred status. Mike asked Ray if future owners are bound by the deed and Ray said you can record anything but that doesn't mean they will be enforced, Ray said there use to be all kinds of restricted covenants on record that are not enforced. Ray said if both are deferred, there is no benefit for the quit claim deed. Mr. Rhoden said he does not want to sell and have to pay the 2 assessments. Mr. Rhoden said the length is not the issue and Ray said the length is as assessments need to be levied in an equal and rational fashion. This would create an exception and the next person who comes in with 400' would only pay 1 assessment. Ray said this affects the District's financing and uniformity as you are carving out exceptions every time you have a large parcel and this is how the funding is determined. Kevin told Mr. Rhoden that the District does have assessments that have stayed deferred throughout the sale and stayed deferred after the sale.
 - (1) Earl said that his understanding of the purpose of the assessments is that it serves as a basis to pay for the improvements and they also provide support for a portion of the cost for the Public Fire Safety and Water System. The Assessments do not cover the entire cost, with 30% coming out of the user fees. Earl said he cannot vote to change it even though there is only 1 lot and 1 house as the cost is so much per foot so he can't make the exception for this property. Earl said this is a fair and equitable way to assess and is not uncommon. Unlike most assessments, the District chose not to collect 100% of the cost through assessments so he will not reduce it to 1 assessment due to the length.
 - (2) Alex said he has the same situation as his wife owns enough frontage to divide it into 3 assessments and he previously voted for the way the District is operating.
 - (3) Mike said he concurs with the other 2 commissioners not to make an exception in his situation because where would the District stop.
 - (4) Alex said it is a big problem to try to be fair with everyone and the District knows from past experiences that if there is a loophole people will come in to change. Earl said it is hard to be 1 foot off. Earl asked Mr. Rhoden if he had any other comments or statements and he had none.

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- d) Preamble and Resolutions for application for State trust Fund Loan for Municipal Water System. - Joel asked who came up with the resolutions and Ray said the Public Lands did in order to give you money. Ray said the District used the same wording with the first loan from Public Lands. Joel said the SD had to assess the same amount of principal and interest for bonding and Kevin explained that with this loan you need not tax unless you have insufficient funds. The District has new assessments which will cover the bonds so taxing will not be necessary. Joel still had questions about the Water Utility being able to tax for this so Ray looked up the stats so everyone is comfortable with this resolution. Ray agreed that taxing only comes into play if there are not sufficient funds. Kevin said Dave Wagner looked over everything including Sub Phase III and agreed there are sufficient assessments to cover the loan. Joel said if Dave is comfortable with this then it's ok. Ray reviewed the applicable statute, and said the concept is that if assessments don't cover the cost, you do need to levy a tax, but only for insufficient funds.
- i) **Alex made a motion to adopt the Resolution (9-2006) to approve and authorize an application to the Board of Commissioners of Public Lands, State of Wisconsin for a loan for Seven Hundred Fifty Thousand And 00/100 dollars (\$750,000.00) from the Trust Funds of the State of Wisconsin for the purpose of financing the installation of a municipal water system and for no other purpose/second Mike/carried unanimously.**
 - ii) **Mike made a motion to Resolve further that there shall be raised and there is levied upon all taxable property, within the Algoma Sanitary District #1, in the County of Winnebago, Wisconsin, a direct annual tax sufficient in amount to pay the annual installments of principal and interest, as they fall due, all in accordance with Article XI, sec. 3 of the Constitution and Sec. 24.66(5), Wisconsin Statutes/second-Alex/carried unanimously.**
- e) Resolution No. 8-2006 – Corrected
- i) Rose said there was a typo on resolution 8-2006 in the address which said 852 and not 352. Rose corrected this prior to posting, publishing, and sending out. Earl said to let it be noted that there was a typo and it was corrected and mailed correctly.
- 6) New Business:
- a) DOT Conveyance of rights in land of Municipal Utility Facilities Located on Public Held Lands Required by Freeway Construction.
 - i) Earl noted the project numbers on the paperwork for the DOT Conveyance of rights do not match. The 2 segments match but the last 2 digits do not match. The Utility project ID matches but the Project ID does not match. Ray believes the Utility ID is a DOT number. The parcel numbers match. The District is tabling this until the project ID gets cleared up.
 - b) City of Oshkosh Conveyance of rights in land of Municipal Utility Facilities Located on Public Held Lands Required for Washburn relocation.
 - i) The District received this conveyance from G. J. Miesbauer & Associates, hired by the City of Oshkosh to draft it for them. Ray made a change to the form to indicate that 100% of the cost will be paid by the City of Oshkosh. Ray said this contract and the DOT contract are closely connected. There was considerable discussion regarding the project. The District decided not to stand in the way of the city's project but Ray said the District is getting no where in discussions with the City and that the city is not willing to give the District a contract showing what they want the District to pay for the project. Earl asked what would happen if the District did nothing this evening and Ray said he believes that the City would turn around and proceed regardless. Ray would like a separate stand alone contract and is not able to obtain one. The District discussed granting the Conveyance of rights to the City as the City does not have an easement for their work without it. Kevin asked how the District will know if the City agrees to the Conveyance. The Commissioners would like Ray to draft a letter to the City of Oshkosh regarding the significance of the contract indicating it is not just a small project and there could be issues. The District signs the Conveyance and will have it recorded after completion and payments are received. The agreement came from G J Miesbauer & Associates, Right of Way Acquisition Specialists contracted by the City of Oshkosh to draw up the document and it is to be returned to them. The District has the audit agreement also which will show the costs.
 - (1) **Mike made a motion to approve the acceptance of the Conveyance of rights in land from the Town of Algoma Sanitary District to the City of Oshkosh as outlined in the description from G.J. Miesbauer, Inc. and as revised by the District for Parcel #106/second-Alex/carried unanimously.**
 - c) 534 Oak Crest Drive written request.
 - i) Mr. Leivian said he and his wife are in their middle 70's and taking on the assessment for 20 years which adds an extra \$800.00 or so on the taxes for the first few years. They have been battling this dilemma back and forth so he wrote the letter asking to be changed from participating to defer status but in the meantime they have been back and forth again and decided not to cause problems and asked to have the Commissioners rescind his letter and he'll stay participating.
 - (1) The Commissioners thanked him for coming and Mike thanked him for reevaluating his decision. Mr. Leivian thanked the District for the fine job they are doing.
 - d) Hunters Court – 1st addition sewer and water developer's agreement to design.
 - i) So far Mr. Mathusek has not signed this document. The District's ordinance states that the District does the design, installation and the planning for sewer installation which means the District chooses the engineer which Kevin said Mr. Mathusek does not understand.
 - (1) Mr. Mathusek stopped in yesterday and discussed this with Kevin. Kevin said one of the sewer lines is too shallow to service his entire parcel. The District doesn't need a lift station because it can go the other way and avoid additional operation costs and additional pumping (3 times) which would be an unusual cost. Mr. Mathusek wants this completed this winter in order to sell lots in the spring. Joel said Hunters Court final plat has not been accepted by the Town yet.
 - (a) Strand will put together a scoping letter using proposed roads.
 - (b) Kevin was asked to write the town board the concern of the requirement of gravity sewer through Apple Acres.
 - (2) The tough thing here is the District needs to go through a tiny parcel owned by Mr. Jero, one of the District's parcels, Russ Williams and then Apple Acres owned by Midwest. Kevin said he met with Russ Williams and also Midwest at separate times, to discuss this with them so they are aware of what is going on to not blind side them.
 - e) Audit Report and Determination of next years audit.

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- i) The Commissioners received a sheet showing the facts regarding this year's audit. The main problem with this years audit was the tardiness of Clifton Gunderson.
 - ii) Joel recommends staying with Clifton Gunderson. Joel asked Renee why the audits were late and Renee told him she was assigned 4 Utility audits to do and she worked with our audit first and did not like the work done by last years audit and decided that all 4 needed to be redone. Renee did the work with time deadlines and tried to get these done. She then had to go back and redo work.
 - (1) Renee changed the allocation of indirect costs by the total cost of the project rather than trying to isolate the costs. This shifted some cost from the water utility to the sanitary utility.
 - (2) Joel said Renee still needs to redo the PSC report from last year. Rose said she e-mailed Renee the end of last week and was told it would be completed sometime this week and then forwarded to the District.
 - (3) Joel recommends getting it in writing that there are time limits to meet. Joel believes the hardest part of the audit is over. Earl asked if Renee is well suited and knows what's up to go forward and Joel agreed. Earl recommends listing the milestones, put this in writing and then back on next month's agenda. Kevin asked if there would be penalties or a percentage reduction if timelines are not met and Joel will help the District put this together. Alex and Mike agreed to pursue using Clifton Gunderson again based on Joel's recommendation.
 - iii) The Commissioners discussed the Town's annual report, which is late this year due to their audit and agreed to put information in it again. Joel said the cover will be a Fire Truck by a hydrant.
 - f) 3190 Waldwic Lane – Dr. Janssen stopped in prior to the meeting as he couldn't stay. He mentioned besides the 4 residents that Kevin is aware of wanting water; there may be 2 additional residents in favor. This would come through Lake Breeze. Estimates for assessments range from \$9,800 to \$12,500 depending upon how many are involved and what they want. The District is still working on this.
 - g) Phone & Internet Service
 - i) The District handed out information regarding what the District has for phone and internet service which will be used as a bidding document to see what other companies can offer.
 - ii) The District is looking to try to save money on services and improve quality of service.
 - (1) The District has been having trouble with SBC and they have been out quite often for repairs. The same lines will be used, but the District is mainly looking for a better cost.
 - iii) The Commissioners said to continue looking for bids.
- 7) Adjourn – **Mike made a motion to adjourn at/second Alex/carried unanimously.**

Respectfully submitted,

Rose Mraz, Office Manager

Approved:

Alexander Irvine, Secretary