

**Algoma Sanitary District #1
February 8, 2011**

Regular Monthly Meeting

- 1) Open Regular Monthly Meeting
- 2) President Bob Nadolske with Commissioner Alexander Irvine and Commissioner Mike Gelhar present called the regular monthly meeting for February to order at 6:00 p.m. Also present were Kevin Mraz, Ray Edelstein, Michael Claffey, and Rose Mraz. Joel Edson was absent. Mike Schneider from Uniform Boutique, Andy Woznick from 181 South Oakwood Road, and Jim Savinski were in attendance from the public.
 - a) Bob 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 January 13/second-Alex/carried unanimously.**
 - c) **Mike made a motion to approve the cash receipts & investments report for January for sanitary and water as submitted including the balance adjustments/second-Alex/carried unanimously.**
 - i) There were three balance adjustments in January. There was an assessment transfer of \$11,226.68 moved from Parcel #002-0040-02 to Parcel #002-0040-02-01. There also was a transfer of payment posting of \$100 posted from Public Fire to Water for Brian Schneider. Also, there was a write-off of \$68.76 on the sewer user fee of Blockbuster Video due to their pending bankruptcy. **Mike motioned to approve the balance adjustments as stated/second-Alex/carried unanimously.**
 - d) Approve pending bills for sanitary and water.
 - i) **Alex made a motion to approve the pending bills for January as submitted/second-Alex/carried unanimously.** It was noted that bond payments are due on March 15th totaling \$290,725.05.
- 3) Public Forum – Mike **made a motion to address Items 8A and 8B now since members of the public are here to speak on this issue/second-Alex/carried unanimously.**
- 4) Commissioner Statements. Bob and the other commissioners had nothing new to address.
- 5) Director's Report. Due to Rose retiring at the end of April, we are looking to fill her position, first looking within our own staff. If it is filled in-house, we will begin our search for a new utility clerk. We are going to be looking at test driving new lawn mowers that can handle cutting 20 acres and budgeted \$9k. We are also looking to buy a new truck this year and bids are due by the next meeting, March 17th. We ordered 54 new water meters @ \$169 each to cover new water service installation for 2011, since we have 8 in inventory.
 - a) Review of District Statistics. There was a chart presented on sewer flows by month along with the status of permits for the year and sump pump inspection progress.
 - b) Correspondence. None.
 - c) Status of 2011 projects.
 - i) Highway 21 sewer relocation. Staff is beginning the planning process for August road work. The road is being relocated near McDonald's by the retention pond so traffic can get around it this spring. The manholes will need to be raised to accommodate this road before it is installed so they are not covered up. It will be a part of the shoulder of the new roundabout. There will be a small cost for machine time involved with this.
 - ii) Apple Acres gave the authorization to proceed with the design plans for Apple Acres 1st Addition expansion. We are signing off on the contract documents and will mail them out tomorrow. The project bidding will start in early April and the developer wants to begin the work as soon as the frost is out of the ground.
 - iii) Omro Meter Vault. Water is bypassing the meter vault that is meant to happen only for fire protection purposes, which results in not knowing how much water is being used in Omro since it isn't currently registering. Water is going through the bypass and the valve is not seating properly. We knew there was a problem when there was a 20 gallon/minute leak in Omro in December and there was no increase in water flow registering on the meter. We will dig up the valve on Leonard Point Road in Spring when the ground is not frozen to determine what the problem is. The same thing is occurring at both Omro Meter Vaults.
 - iv) Emergency Tabletop Exercise. We are tentatively looking to schedule this in June of this year after the new commissioner is in place. We will go through an emergency scenario with other government agencies to determine our readiness for a disaster.
 - v) Audit for 2010. The Audit starts tomorrow and will run for 3 days this year.

- 6) Report from Committees.
 - a) The District Advisory Council-None. We are looking to have a meeting in late March to bring them up to speed on some of the issues relating to the Omro consolidation. The Town of Algoma is looking into some issues tonight on their own relating to storm water management that could be addressed as well. We are able to help the town with the planning and operation of this if they ask for our assistance.
- 7) Old Business
 - a) Discuss and act on method of recognizing significant contributions from past Commissioners. Ray mentioned that we should email the clerk of courts to see where they get their portraits from, and even possibly view the portraits there at the public safety building to see if they meet our needs.
 - b) Discuss and approve resolution 2-1-2011 sewer ordinance change setting the date for sewer user fees to begin 150 days after obtaining a sewer permit. The typical length of time to complete a residential home is around 120 days, with some completed sooner, and this would allow plenty of time for a builder to complete the project before billing sewer user fees. **Mike motioned to approve resolution 2-1-2011 for the sewer ordinance change with the change in wording to commence billing of the sewer user fees “not later than 150 days” after permitting/second-Alex/carried unanimously.**
- 8) New Business.
 - a) Discuss and act on request for 181 South Oakwood Road. Andy Woznick came in this evening to request a removal of his annual sewer user fee charged on his property. He started building a house on this property and ran into some financial difficulties in the process of building the house. The Town of Algoma required him to finish the outside of the home to keep up the appearance of the property, even though there were no fixtures currently in the house. There is also a land contract on the property, which is currently in dispute and there are ongoing court proceedings and mediation related to this. The thing that the district wanted to note was that there is still a sump pump inspection due on the property, which would verify whether water fixtures or pipes are connected to the house. In the past, there was a sewer permit that was taken out when the house was started, and the district was not notified until much later that there was no indoor plumbing completed on this house. District counsel advised that until the issue of ownership is resolved, the district does not know who the owner is and who the proper party to make this request is. It was also advised that to carve out an exception in this case contrary to the ordinance that is being proposed for the district would create ongoing exceptions that would need to be tracked in the future. **Bob made a motion to reject the property owner’s request for removing his sewer user fee because it would be against the District’s proposed new ordinance that is being addressed later in the meeting/Mike seconded/carried unanimously.**
 - b) Discuss and act on the request from Mike Schneider with Uniform Boutique regarding his sewer user fee. He stated that he recently moved his business to the district at the strip mall on 2275 Westowne Avenue. He would like to have his sewer user fee calculated by flow rather than on equivalent units. The equivalent unit used as the basis for the sewer user fee is based on engineering studies of what the average sewer use of a single family home. He states that he was not informed by his landlord of the sewer user fee in this Sanitary District, or even that he was no longer in the Oshkosh Sanitary District, which it was noted should have been done. He realizes that he probably will not be awarded his request this evening but would like to convince the commission to start a new category in the future for small businesses in the district that don’t use very much water to pay a lower sewer user fee. He feels that he is being charged more than other districts in the area and is subsidizing others who have more sewage flow yet are paying the same fee. There is currently no way to meter flow used for each property in the District since everyone does not have a flow meter and many owners are not on the municipal water system. Also, the fixed cost of providing sewer service is around 70% of the cost of the service, with sewage treatment being a very small part of the cost. The commission has decided that they will review this matter in the future for possible consideration, including a review of what other area districts are currently charging, but will not be making any change to the sewer user fee at this time.
 - c) Discuss and act on Consolidation with the Omro Sanitary District.
 - i) Discuss and develop a list for fixing the terms of consolidation. Kevin created a list of possible consolidation terms that was passed out to everyone and discussed. The items listed are suggestions that would be the guide for taking the two separate district policies and procedures and combining them into one. The next meeting that we have related to this would have the terms that they would want on their side as part of this consolidation and negotiate them with what we would need. We want the Omro District to bring any questions that they have to help them decide on their end if they want to proceed with this as well as their issues they need in the consolidation terms.

- (1) We need to address the name of the consolidated district. Many things could be impacted by a name change, including the favorable bond rating that the District just received.
 - (2) We need to inquire from the PSC if they will consider the proposed rate structure that we want before the referendum is sent to the voters for approval. We could look at other district consolidations to see how they handled their consolidated rates and other issues that came up.
 - (3) We need to review the easements the District has to verify that they would transfer into the new consolidated district.
 - (4) We want to have the same ordinances since otherwise it would increase the complexity and cost of managing the consolidated district and may result in future disputes.
 - (5) With the combined tax levy, we need to make sure that each individual district's rates cover their operating expenses less depreciation before non-operating items and depreciation are included.
 - (6) Commissioners will recommend to the Algoma Town Board which district commissioners to be appointed to the future consolidated district.
- ii) Discuss and develop schedule for pending consolidation. Requested a motion to allow the director to continue work on Director's proposed document of consolidation terms. If commissioners agree to the proposed terms, then they could be forwarded to Omro Sanitary District for their review. **Mike motioned to approve work on the proposed consolidation terms and changes previously discussed and forward to the Omro Sanitary District for their review/second-Alex/carried unanimously.**
 - iii) Set a meeting date for the District Advisory Council. We would like to schedule a Consolidation Workshop in late March or early April based on when these terms are exchanged by both sides so that the differences can be discussed. We would wait until these terms are submitted by the Omro Sanitary District to meet, and would recommend that they submit them to us 5 business days before the March District meeting. The Advisory Council meeting should be scheduled after the April election.
- 9) **Mike made a motion to adjourn at 7:46/second-Alex/carried 3-0.**

Respectfully submitted: _____
Michael Claffey, Accountant

Approved: _____
Robert Nadolske, President