

Algoma Sanitary District #1
March 17, 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 March to order at 6:00 p.m. Also present were Kevin Mraz, Ray Edelstein, Joel Edson, Michael Claffey, and Rose Mraz. No one was in attendance from the public.
 - a) Bob noted that the District is using two tape recorders 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 February 8/second-Alex/carried unanimously.**
 - c) **Alex made a motion to approve the cash receipts & investments report for February for sanitary and water as submitted including the balance adjustments/second-Mike/carried unanimously.**
 - i) There were numerous balance adjustments in February. There were the 2010 Cost of Money increases in assessments for the 4 deferred Witzel Avenue properties totaling \$1,384.87. There also were some adjustments in charging late fees on three customers totaling \$14.49 to write off, including \$9.87 for Oakwood Manor. **Mike motioned to approve the balance adjustments as stated/second-Alex/carried unanimously.**
 - d) Approve pending bills for sanitary and water.
 - i) **Mike made a motion to approve the pending bills for February as submitted/second-Alex/carried unanimously.** It was noted that bond payments were made on March 11th totaling \$290,725.05. Also, Public Lands Loan #6 was prepaid in the amount of \$753,145.25 on March 11th.
- 3) Public Forum – No one was in attendance from the public.
- 4) Commissioner Statements. Bob thanked everyone for moving the meeting back a week to accommodate his schedule as well as mentioning that, since this is Mike's last meeting as a commissioner, to thank him for his many years of service. Mike thanked everyone for their wishes and mention how far the district has come since he started, the projects that have been completed while he has been a commissioner, and how the district is in good shape for the future. Alex had nothing new to address.
- 5) Director's Report. The company that did the HVAC for the building is coming in this week to look at the heating system. There is an issue with the building maintaining the desired temperature, mainly with cold air coming in to the front of the building. There is a 1 year warranty on the building, and the subcontractor Selmer is responsible for any defective work during that period. Strand is charging \$2,200 for a study as to what is going wrong, and as long as they find something defective Selmer will pay that amount as well as the cost of the repairs. Also, the Wyldewood Baptist Church water extension is ready and the line has been installed completely into the church for their expansion. The line was pressure tested before and after their work was started to make sure that their work was done properly and the pressure held.
 - a) Review of District Statistics. There were five sewer permits and four water permits for the year at the end of February, right on schedule for what we are projecting. Night-time flow is currently at 41 gallons/minute, and included in that are 18 gallons/minute flowing into the Omro Sanitary District. The operators have located another leak in the Town of Omro, which will be discussed on a later agenda item.
 - b) Correspondence. None.
 - c) Status of 2011 projects.
 - i) Olde Apple Acres Lot 99 will be used as a road right-of-way for water and sewer main installation, according to what was decided at the last Town of Algoma meeting. The District will redesign the water & sewer main to extend it through that lot since we now know the plans for it.
 - ii) Omro Meter Vault. We are monitoring the flow of the Omro Meter Vault twice per week to make sure that the meters continue to account for the flow going into the Town of Omro and get a trend as to what is happening there.
 - iii) Emergency Tabletop Exercise. We are tentatively looking to set the schedule of this at the April meeting after the new commissioner is in place.
 - iv) Audit for 2010. We just received the Audit adjustments today and will be reviewing them over the next few days. We will send the audit report out to the commissioners prior to the next meeting, and we will schedule John from Baker Tilly to present the findings and answer any questions.

- v) Copper Services in Omro SD. The copper services were installed in 2004, and one service leaked in 2009 and was replaced and wrapped in plastic. This same service developed holes in 2010 causing leaks only 1½ years after being installed. These leaks were on Marquart Lane, including one that was just found today, all within a ½ mile range.
 - (1) The pipes were found to have damage on the outside and were deteriorating, but the inside was clean and shiny. Estimates to replace these are about \$1,000-\$1,500 for each service and there are around 240 services installed, coming up to a price of \$240K to \$360K to replace. Due to the substantial cost involved, this matter potentially could wind up in litigation.
 - (2) Evidence is that the corrosive nature of the soil is eroding the pipe, with groundwater coming in contact with the copper service. Omro Sanitary District is being billed for Algoma Sanitary District time for locating and fixing their leaks.
 - (3) Ray wants the Omro Sanitary District to acquire soil samples. Engineers took 6 soil samples taken around the Town of Omro, including in the problem area, and 4 out of the 6 samples were found to be highly corrosive and 1 was found to be mildly corrosive, based on resistivity testing results. They are waiting for other test parameter results.
 - (4) The material used in the Omro SD Water Utility is as follows: a C900 pipe that runs down the trench, a stainless steel saddle that holds it in place, a brass fitting, and a copper pipe that runs to the service valve with another brass fitting at the end.
 - (5) Betty from the Omro Sanitary District mentioned that there was soil testing done before the services were installed for the geology of the soil, for compaction and whether it could support the weight of the pipes, not compatibility testing, which would be a completely separate test. Ray questioned whether or not soil testing was done as part of an engineering study prior to the installation of these services, and Kevin thought that there were no records of any soil boring or testing. Ray mentioned that he wanted to know if these chemicals were native to the soil or put there by a past use of the property that has been farmed for a long period of time.
 - (6) We will be digging up and repairing the leaking service on Marquart Lane next month when we are able to use another wheeled excavator, so we should be able to see the condition of that particular pipe.
- vi) 2010 Fluoride split sample comparisons to the State Lab of Hygiene were all acceptable.
- 6) Report from Committees.
 - a) The District Advisory Council-None. We are waiting to hear a response from Omro Sanitary District about their desired terms of consolidation. We will wait to have a council meeting until we receive those terms.
- 7) Old Business
 - a) Discuss and act on consolidating with the Omro Sanitary District. We have not received any terms from them, so there is nothing new to discuss. We requested to receive them a week prior to our meeting so that we had plenty of time to review them ahead of time. The issue discussed earlier with the copper services in Omro SD may lead us to pause and see the damage involved and how this matter is resolved before we take any further action. The replacement of these services would be a large cost that would have an impact on Omro SD's financial situation. When we dig up the leaking service on Marquart Lane, we will take another soil sample and have it analyzed. But the financial resolution of this matter, especially if litigation is involved, will probably take a substantial amount of time.
- 8) New Business.
 - a) The Town of Algoma has requested our attendance for a joint meeting regarding storm water management. We should wait until after April election for the new commissioner and the Algoma Town Chairman election before setting up this meeting. They have submitted a proposed agenda for our review and approval prior to the meeting. At the April meeting, we could gather some available dates to submit to the Town and see which one would work for them.
 - b) Review and approve purchase of a truck from sealed bid tab. The bids have come in and we would prefer the Ford over the Chevy because it has better towing ability. They are both similarly priced at around \$27,000. We would wait to purchase a plow kit toward the end of this year or early next year based on how our budget looks at the time. **Mike motioned to approve purchase of a truck not to exceed \$27,000/second-Alex/carried unanimously.**
 - c) Approve revisions to the employee handbook. The main change is to match the state law changes requiring employees to pay the 50% employee portion of their retirement payment with the Wisconsin Retirement System. Also, we are reviewing wording on the dates when the insurances are effective upon starting

employment and when it ends upon leaving employment. **Mike motioned to approve the current changes made to the employee handbook regarding retirement/second-Alex/carried unanimously.**

- d) Transfer rent payment to water utility from the sanitary utility. Joel inquired as to whether the rental amount paid was audit driven. Kevin mentioned that this was started when this building was built. We looked into rents in the area to determine a proper amount to have the sanitary utility pay the water utility for comparable space since the water utility paid the entire cost of the building. **Alex made a motion to approve the transferring of the rental payment from the sanitary utility to the water utility/second-Mike/carried unanimously.**
 - e) Transfer interest payment on the sanitary loan from the water utility to the sanitary utility. **Alex made a motion to approve the transferring of the interest payment on the sanitary loan from the water utility to the sanitary utility/second-Mike/carried unanimously.**
 - f) Complete designation account and withdrawal instructions for the Local Government Investment Pool Account. We are proposing to be able to transfer in and out of this account to make the Bond payments and into our bank accounts and to set up online access for these accounts. It was decided to have Alex and Bob set up as the authorized signatories on this account. **Alex made a motion to approve the changes made to the LGIP account and set up online access and transferring ability for our loan payoff and to one of our Community First Credit Union Accounts/seconded-Mike/carried unanimously.**
- 9) **Mike made a motion to adjourn at 6:40/second-Alex/carried unanimously.**

Respectfully submitted: _____
Michael Claffey, Accounting Manager

Approved: _____
Robert Nadolske, President