

**Town of Algoma Sanitary District #1  
Meeting Minutes – January 12, 2023**

**Regular Monthly Meeting.**

- 1) Open regular monthly meeting.
- 2) Commission President Chad Hayes with Commissioners Peter Cernohous and Sue Drexler present called the regular monthly meeting for January to order at 12:00 p.m. Also present were Utility Director Kevin Mraz, Accounting Manager Mike Claffey, and Financial Utility Clerk Sara Gonzales. Attorney for the District Matt Parmentier was excused.
  - a) Mike noted the District is using a tape recorder for maintenance of the minutes.
  - b) Approve the minutes of the previous meetings. **Sue made a motion to approve the minutes of the regular monthly meeting on December 8 and the special district meeting on December 21 as submitted/second-Chad/Peter abstained/carried 2-0-1.**
  - c) Approve balance adjustments. Mike explained the balance adjustment report includes the annual cost of money adjustment that adds interest to the outstanding deferred assessments. Another records a water cost for a resident that paid off the balance for the watermain that runs past their property in the Town of Omro. The last one removes a small assessment interest balance after it was paid upon closing. **Chad made a motion to approve the balance adjustment as submitted/second-Peter/carried unanimously.**
  - d) Approve investment changes. Mike recommended transferring \$200,000 from Community First Credit Union (CFCU) to the Local Government Investment Pool (LGIP). **Peter made a motion to approve the investment change as presented by Mike/second-Sue/carried unanimously.**
  - e) Approve cash receipts & investments for sanitary and water. **Chad made a motion to approve the cash receipts and investments for sanitary and water for December/second-Peter.** Sue mentioned the year-to-date revenues for water and sewer exceeded expenses and asked if there was a plan for those funds. Kevin answered the bond payments for the Water Utility are not included in the budget report for operating revenue and expenses, so staff keeps an updated debt schedule in the board room. He said there are \$1.5 million in bond payments due this year. One loan will be paid off this year and then the amount required for bond payments will decrease to about \$1.1 million next year. **Motion carried unanimously.**
  - f) Approve pending bills and previous disbursements for sanitary and water. Mike mentioned the pending bills sheet sent out the previous evening listed three additions: the transfer to LGIP as approved under investment changes, the annual copier maintenance agreement, and the purchase of some water meters. **Sue made a motion to approve the January pending bills and the December previous disbursements for sanitary and water as submitted/second-Peter/carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements. None.
- 5) Director's Report. Kevin submitted his report prior to the meeting and expanded upon the following items.
  - a) Review of District statistics.
    - Unaccounted Water: The Water Utility has 1,393 customers and the unaccounted water for 2022 was about 8%. The PSC's annual threshold is less than 15%, and staff tracks this amount every quarter. Second quarter was up to about 12%, but after some repairs were completed, it was down to about 3% at the end of the year.
  - b) Correspondence. No discussion was had on this agenda item.
  - c) Status of 2023 projects.
    - Leonard Point Road Roundabout: Staff consulted with the Town of Algoma on its future land use plan. A future roundabout is anticipated at the intersection of Highway 21 and Leonard Point Road in 2027. Water and sewer utilities would need to be available when development is ready to occur.
      - Watermain Extension: Staff recently met with the engineers that are designing the roundabout who stated the watermain should be located outside the construction limits. Staff will consider all possible areas to extend the watermain, such as from Olde Apple Lane or near the 4imprint building (previously Fox Graphics) to extend south under Highway 21. This whole area will develop at some point, so District staff and their engineers need to decide what crossing location is best for the long term.
      - Sewermain Extension: The Honey Creek lift station was designed and constructed to serve the whole area south of Highway 21 from Leonard Point Road west to the town line. Kevin provided a map that shows this area was designed according to those elevations to gravity flow to that lift station, which is then pumped to Witzel Avenue. The lift station was designed based on the Town's future land use plan at the time and is why the wet well is buried deep and with additional room for more pumps if expansion or upsizing is necessary.

- Once access to Highway 21 is obtained west of Leonard Point Road, the District has to decide how to extend about a half mile of watermain and sewermain to serve these new developments. The future land use plan included a potential extension of Leonard Point Road to Clairville Road, but it is not officially mapped. Currently, the south leg of the roundabout is only anticipated to be extended a short distance, but not all the way to Clairville Road. Staff asked the Town of Algoma if there would be a frontage road and is awaiting their decision.
  - Possible funding options were briefly discussed.
- **Sewermain Jetting:** Staff is planning to jet 50,000 feet of sewermain this year, which is about 9.5 miles. The cost to do this has increased to \$0.47 per foot, for an anticipated cost of \$23,500. This cost is included in the budget as a capital improvement expense line item. The Commission can expect to see Great Lakes televising in April, and staff will target the areas with the most inflows and infiltration (I&I) entering the lift stations and repair leaks as they are found.
- 6) Old Business.
- a) Discuss and act on wastewater treatment agreement with the City of Oshkosh.
- i) The Commissioners decided not to go into closed session pursuant to Wisconsin Statute 19.85 (1) (g) to confer with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved: Wastewater Treatment Agreement negotiations with the City of Oshkosh.
- Kevin stated staff has not received any updates from the Department of Natural Resources (DNR) allowing the City to complete their project, as the City cannot install sewermain without a DNR permit. Also, the District has not received any additional communication from the City. No action was taken.
- b) Discuss and act on sanitary sewer extension for “The Wit” development on 18.5 acres at parcel #90614920100, located on the south side of Witzel Avenue, east of Barton Road and generally north of Mercy Medical Center. No action was taken.
- 7) New Business.
- a) None.
- 8) Adjourn. **Chad made a motion to adjourn the regular monthly meeting at 12:20 p.m./second-Peter/carried unanimously.**

Respectfully Submitted:

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Michael Claffey, Accounting Manager

Approved:

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Charles Hayes, President

**Town of Algoma Sanitary District #1  
Meeting Minutes – January 20, 2023**

**Special District Meeting.**

- 1) Open Special District Meeting.
- 2) Commission President Chad Hayes with Commissioner Peter Cernohous present called the special district meeting to order at 12:02 p.m. Commissioner Sue Drexler and Attorney for the District Matt Parmentier attended via teleconference. Also present were Utility Director Kevin Mraz, Accounting Manager Mike Claffey, and Financial Utility Clerk Sara Gonzales.
- 3) Public Forum. No one was in attendance from the public.
- 4) New Business.
  - a) Discuss and act on authorizing Town of Algoma Sanitary District No. 1, Wisconsin to retain the Law Firm of Napoli Shkolnik PLLC for cost recovery.
    - Kevin explained this law firm is handling the multijurisdictional lawsuit for cost recovery for PFAS testing and possible treatment. The Water Utility preemptively tested previously and received a “no detect” result. The Water Utility is required to take nine samples in 2023 for a cost of about \$5,600. If the case is successful, the District could receive funding of about \$3,400 after attorney fees for testing expenses. If the aquifer in this area ever produces a trace of PFAS in the water, the Water Utility is set up and capable to filter out the contaminant to remove it. Kevin recommended registering for the law suit to become a member and to allow staff to submit the required forms.
    - Attorney Parmentier stated the retainer agreement is pretty standard with a contingency fee of 25% only if the case is won and is not a class action lawsuit. This case is scheduled to go to trial this summer, but it sounds like it may be settled as early as this month. He added that utilities must join prior to the settlement and a specific motion must be approved to get involved in litigation. **Peter made a motion to authorize staff to retain the Law Firm of Napoli Shkolnik PLLC for PFAS testing cost recovery/second-Sue.** Sue thanked Matt and Kevin for their extensive knowledge of this opportunity, and Matthew stated this is something a lot of Districts around the state and nationally are involved in. **Motion carried unanimously.**
- 5) Adjourn. **Chad made a motion to adjourn the Special District meeting at 12:06 p.m./second-Peter/carried unanimously.**

Respectfully Submitted:

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Michael Claffey, Accounting Manager

Approved:

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Charles Hayes, President

**Town of Algoma Sanitary District #1  
Meeting Minutes – February 9, 2023**

**Regular Monthly Meeting.**

- 1) Open regular monthly meeting.
- 2) Commission President Chad Hayes with Commissioners Peter Cernohous and Sue Drexler present called the regular monthly meeting for February to order at 12:00 p.m. Also present were Utility Director Kevin Mraz, Accounting Manager Mike Claffey, and Financial Utility Clerk Sara Gonzales. Attorney for the District Matt Parmentier attended via teleconference.
  - a) Mike noted the District is using a tape recorder for maintenance of the minutes.
  - b) Approve the minutes of the previous meetings. **Sue made a motion to approve the minutes of the regular monthly meeting on January 12 and the special district meeting on January 20 as submitted/second-Peter/carried unanimously.**
  - c) Approve balance adjustments. None.
  - d) Approve investment changes. Mike recommended transferring \$766,150.42 from Community First Credit Union to the Local Government Investment Pool, which matches the Safe Drinking Water Loan payment due in April. **Chad made a motion to approve the investment change as presented by Mike/second-Peter/carried unanimously.**
  - e) Approve cash receipts & investments for sanitary and water. **Sue made a motion to approve the cash receipts and investments for sanitary and water for January/second-Chad/carried unanimously.**
  - f) Approve pending bills and previous disbursements for sanitary and water. Mike mentioned February pending bills includes the investment change as well as several additional bills listed in the report sent out the previous afternoon. **Chad made a motion to approve the February pending bills and the January previous disbursements for sanitary and water as submitted/second-Peter.** Sue asked about the \$36,836 payment to McClone, and Mike answered it was for the District's 2023 commercial insurance package. **Motion carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements. None.
- 5) Director's Report. Kevin submitted his report prior to the meeting and added the following item.
  - a) Review of District statistics. No discussion was had on this agenda item.
  - b) Correspondence.
    - S. Oakwood Rd Lots: The Town of Algoma Administrator forwarded Kevin an email from a prospective buyer of four vacant lots on South Oakwood Road, currently zoned B-2 Commercial, proposing to build a clinic.
      - Kevin informed the Town that sanitary sewer is currently available; however, the closest watermain location is at the intersection of Oakwood Road and Witzel Avenue, which is about 1,300 feet away. This extension would be similar to Oakwood Lane, where watermain could be bored a majority of the distance and a 4" water service installed to serve the property. However, while the anticipated cost for Oakwood Lane is about \$58,000, this extension would cost closer to \$90,000 due to a greater distance and the watermain crossing numerous sewer laterals as well as gas and electric services along the way to serve this property. If water services were added to serve each of the 23 parcels the watermain passes, the cost would be closer to \$13,500 per property or \$200,000 total, which is a more reasonable cost per water service. However, past surveys have indicated there was not enough interest in receiving municipal water service in this area.
      - There is also the issue of installing a dead-end watermain, which would not be ideal for a clinic. Preferably, an additional watermain loop would be installed through easements down Kirkwood Drive to connect to Witzel Avenue or down Barton Road and Witzel Avenue to connect back at Oakwood Road.
      - The Commission can expect this to come up again within the next month or two.
  - c) Status of 2023 projects. No discussion was had on this agenda item.
- 6) Old Business.
  - a) Discuss and act on wastewater treatment agreement with the City of Oshkosh.
    - i) **Peter made a motion at 12:11 p.m. to go into closed session pursuant to Wisconsin Statute 19.85 (1) (g) to confer with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved: Wastewater Treatment Agreement negotiations with the City of Oshkosh/second-Sue/carried unanimously.** Herein occurred the closed session.
    - ii) **Chad made a motion to reconvene into open session at 12:26 p.m. to discuss and act on matters discussed during closed session regarding Wastewater Treatment Agreement negotiations with the City of Oshkosh/second-Sue/carried unanimously.** No action was taken.

- b) Discuss and act on sanitary sewer extension for “The Wit” development on 18.5 acres at parcel #90614920100, located on the south side of Witzel Avenue, east of Barton Road and generally north of Mercy Medical Center. No action was taken.
- 7) New Business.
- a) Discuss and review Oakwood Lane watermain extension. Attorney Parmentier left the meeting at this point.
- Kevin presented engineering drawings and explained this watermain extension was designed in two phases. The first north/south phase ties in to the existing watermain at the end of Shorehaven Court and bores under the road and through an easement to Oakwood Lane, where a fire hydrant would be installed on a temporary tee along with a water service to serve the existing Kaull house. The second east/west phase would bore a watermain from this tee down to the two new houses to be built on Oakwood Lane, where another fire hydrant would be installed 350 feet away. Staff proposes to reuse two fire hydrants that were removed during the Omro Road project, which will save about \$7,000. Fire hydrants are required every 600 feet, so one of these could easily be moved down the road if additional properties on Oakwood Lane requested municipal water in the future. The fire department is looking forward to having fire hydrants on this lane to improve fire protection for this area.
  - The original quote for the two phases was \$22,960 plus \$16,980, and projects over \$25,000 require public bidding. Staff intends on obtaining multiple quotes prior to moving forward. The quote for materials, including pipe, valves, connectors, etc., for 750’ of watermain was \$18,537. The Water Utility proposes to purchase these parts on its own and hire a contractor to install them. Staff requested Commission approval to proceed, as long as quotes are obtained for the two separate projects, and also to approve the quote for the cost of the watermain and the additional parts for just under \$19,000.
  - Sue asked if the total project would be covered by the Kaull’s assessments. Kevin answered staff proposed to charge \$13,500 to each of their three properties receiving municipal water service. The owners signed to pay two assessments in full and the other one on the tax bill over 20 years. The plan drawings now include additional fire hydrants, which would allow for the potential of more water services, bringing the total cost closer to \$60,000. Kevin also mentioned there is a vacant lot immediately east of the Kaull’s property, and there have also been other owners on this road that have suggested they would connect if a main was installed.
  - **Peter motioned to proceed with this project at the cost prescribed/second-Chad/carried unanimously.**
- b) Discuss and act on water system study proposals.
- Kevin met with Westwood Professional Services (Westwood) and CBS Squared, Inc. (CBS Squared) recently, along with Strand Associates previously, and received quotes to do seven items including:
    - 1) Develop a skeletonized model of the water system using main trunk lines.
    - 2) Determine size and location of the three future watermain crossings which require the installation of a 24” casing pipe under Highway 21.
    - 3) Determine future flows and pressures for growth areas.
    - 4) Develop alternatives for a primary future watermain loop south of Highway 21.
    - 5) Determine alternative sites for a second water tower, and evaluate size and height.
    - 6) Provide a water study report that will include usage projections and proposed timing for major water system improvements.
    - 7) Determine general lift station location to serve Town of Omro future land development south of Hwy 21.
  - Kevin stated the Department of Transportation hired Westwood to design the roundabouts on Highway 21. He added CBS Squared is willing to come to the District’s March meeting if requested. Kevin recommended hiring CBS Squared to complete the water system study and believes the quote of \$12,560 is very reasonable, especially considering another engineering firm’s quote for over \$40,000 received in 2021. He wants to get started analyzing the details of these upcoming projects adding that new developments such as the potential clinic on Oakwood Road would require updating the model.
  - **Chad motioned to approve the water system study with CBS Squared for \$12,560/second-Peter. Additional discussion was had. Motion carried unanimously.**
- 8) Adjourn. **Chad made a motion to adjourn the regular monthly meeting at 12:40 p.m./second-Sue/carried unanimously.**

Respectfully Submitted:

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Michael Claffey, Accounting Manager

Approved:

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Charles Hayes, President

**Town of Algoma Sanitary District #1  
Meeting Minutes – March 9, 2023**

**Regular Monthly Meeting.**

- 1) Open regular monthly meeting.
- 2) Commission President Chad Hayes with Commissioner Sue Drexler attending via teleconference called the regular monthly meeting for March to order at 12:00 p.m. Also present were Utility Director Kevin Mraz, Accounting Manager Mike Claffey, Attorney for the District Matt Parmentier, and Financial Utility Clerk Sara Gonzales. Commissioner Peter Cernohous was excused.
  - a) Mike noted the District is using a tape recorder for maintenance of the minutes.
  - b) Approve the minutes of the previous meetings. **Sue made a motion to approve the minutes of the regular monthly meeting on February 9 as submitted/second-Chad.** Sue noted when asking about the McClone payment last month, she was inquiring about the term, which Mike answered. **Motion carried unanimously.**
  - c) Approve balance adjustments. None.
  - d) Approve investment changes. None.
  - e) Approve cash receipts & investments for sanitary and water. Mike noted staff received the February tax roll payments from the Town of Algoma and the Town of Omro. **Chad made a motion to approve the cash receipts and investments for sanitary and water for February/second-Sue/carried unanimously.**
  - f) Approve pending bills and previous disbursements for sanitary and water. Mike sent out a revised pending bills report that morning, with the final bills received from Morton Safety totaling \$1,945.59 and also additional engineering bills from Westwood for February of \$2,396.25 for a total amount due of \$3,090. **Sue made a motion to approve the March pending bills and the February previous disbursements for sanitary and water as submitted/second-Chad/carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements. None.
- 5) Director's Report. Kevin submitted his report prior to the meeting and had nothing to add.
  - a) Review of District statistics. No discussion was had on this agenda item.
  - b) Correspondence. No discussion was had on this agenda item.
  - c) Status of 2023 projects. No discussion was had on this agenda item.
- 6) Old Business.
  - a) Discuss and act on wastewater treatment agreement with the City of Oshkosh.
    - i) **Chad made a motion at 12:03 p.m. to go into closed session pursuant to Wisconsin Statute 19.85 (1) (g) to confer with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved: Wastewater Treatment Agreement negotiations with the City of Oshkosh/second-Sue/carried unanimously.** Herein occurred the closed session.
    - ii) **Sue made a motion to reconvene into open session at 12:36 p.m. to discuss and act on matters discussed during closed session regarding Wastewater Treatment Agreement negotiations with the City of Oshkosh/second-Chad/carried unanimously.** No action was taken.
- 7) New Business.
  - a) Discuss and act on Resolution #2023-3-1 to Approve a Final Resolution declaring the Sanitary District's intent to exercise its police power, pursuant to Section 66.0703 of the Wisconsin Statutes, to levy a Special Assessments upon Parcel #002-0031, 002-0644, 002-0652 in the Town of Algoma Sanitary District No. 1 benefitted by the improvements.
    - i) Acknowledge Receipt of the Waivers of Special Assessment Notices and Public Hearings in Accordance with Wisconsin Statute 66.0703(7)(b).
    - **Sue made a motion to approve Resolution #2023-3-1 to Approve a Final Resolution with the condition that the District receives \$31,070 for two water special assessments and one sewer connection/second-Chad/carried unanimously.**
- 8) Adjourn. **Chad made a motion to adjourn the regular monthly meeting at 12:37 p.m./second-Sue/carried unanimously.**

Respectfully Submitted:

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Michael Claffey, Accounting Manager

Approved:

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Charles Hayes, President

**Town of Algoma Sanitary District #1  
Meeting Minutes – April 13, 2023**

**Regular Monthly Meeting.**

- 1) Open regular monthly meeting.
- 2) Commission President Chad Hayes with Commissioners Peter Cernohous and Sue Drexler present called the regular monthly meeting for April to order at 12:00 p.m. Also present were Utility Director Kevin Mraz, Accounting Manager Mike Claffey, and Financial Utility Clerk Sara Gonzales. Bryan Grunewald of CliftonLarsonAllen, LLP, the District's auditor, was also in attendance for discussion on Agenda Item 7a). Attorney for the District Matt Parmentier was excused.
  - a) Mike noted the District is using a tape recorder for maintenance of the minutes.
  - b) Approve the minutes of the previous meetings. **Chad made a motion to approve the minutes of the regular monthly meeting on March 9 including the correction Mike stated/second-Sue/carried unanimously.**
  - c) Approve balance adjustments. Mike explained three water assessments of \$13,500 each were recorded, less some small adjustments to remove late fees for closed water accounts, for a total of \$40,498.41. **Sue made a motion to approve the balance adjustments as submitted/second-Peter/carried unanimously.**
  - d) Approve investment changes. Mike suggested closing the CD at West Pointe Bank, depositing the funds at Community First Credit Union (CFCU), then transferring \$250,000 from CFCU to the Local Government Investment Pool (LGIP) currently earning 4.6% versus 2.5%. Although there is a penalty of three months interest for closing the CD before it was due, the increased interest earned at the LGIP will more than make up for it. **Peter made a motion to approve the investment change as suggested by Mike/second-Chad/carried unanimously.**
  - e) Approve cash receipts & investments for sanitary and water. Mike mentioned staff received \$27,000 from the Kaull's assessments. Sue asked what the payment received from the County was for, and Kevin explained staff issued a citation years ago to a homeowner that was discharging their sump pump directly into a manhole in their yard. The County was finally able to collect it and forward the District its portion. **Sue made a motion to approve the cash receipts and investments for sanitary and water for March/second-Peter/carried unanimously.**
  - f) Approve pending bills and previous disbursements for sanitary and water. Mike said one late addition was for \$1,313.75 to Westwood Infrastructure for Oakwood Lane engineering as well as the \$250,000 transfer to the LGIP approved under investment changes. **Chad made a motion to approve the April pending bills and the March previous disbursements for sanitary and water as submitted/second-Sue/carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements. Peter stated his continued appreciation for receiving Kevin's Director Notes ahead of the meeting and the others agreed.
- 5) Director's Report. Kevin submitted his report prior to the meeting and added the following information.
  - a) Review of District statistics. No discussion was had on this agenda item.
  - b) Correspondence.
    - The Town of Algoma Fire Department asked to use the District's administration building and property to complete their training with Flight for Life on May 1 at 6:30. They will probably land the helicopter on the vacant lot, do a practice drill, and use the board room for prepping and debriefing.
    - Kevin sent a request to both the Town of Omro and the Town of Algoma for a meeting with staff and its engineer for the water and sewer study. He is meeting with the Town of Omro Chairman and Planning Commission Chairman on May 12 to coordinate and collaborate utilities with their future land use plans. He is still waiting for a response from the Town of Algoma Chairman and Administrator for a meeting date with them as well.
  - c) Status of 2023 projects.
    - Staff hired Great Lakes TV Seal, Inc. to televise areas in the Town of Algoma, looking for inflows and infiltrations (I&I) into the sanitary sewer system. Thus far about 25 leaks have been found totaling about 200,000 gallons on a wet weather day. A vast majority are on private laterals as close as within 10 feet from the house, two of which have been completed. The first repair had the sewer lateral lined internally, and the other property owners will most likely excavate to have them repaired. Leaks occurring on private property are the responsibility of the homeowner to repair, with the final cost depending on the contractor they hire.
    - Habitat for Humanity requested donated water bottles for their Rock the Block event scheduled May 16-25 to work on 36 homes needing landscaping and exterior repair in the Menominee South Neighborhood Association.
    - **Chad made a motion to move Agenda Item 7 above Item 6/second-Peter/carried unanimously.**
- 6) Old Business.
  - a) Discuss and act on wastewater treatment agreement with the City of Oshkosh.
    - i) **Sue made a motion at 12:36 p.m. to go into closed session pursuant to Wisconsin Statute 19.85 (1) (g) to confer with legal counsel for the governmental body who is rendering oral or written advice concerning**

**strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved: Wastewater Treatment Agreement negotiations with the City of Oshkosh/second-Peter/carried unanimously.** Herein occurred the closed session.

- ii) **Peter made a motion to reconvene into open session at 12:47 p.m. to discuss and act on matters discussed during closed session regarding Wastewater Treatment Agreement negotiations with the City of Oshkosh/second-Sue/carried unanimously.** No action was taken. The meeting continued with Agenda Item 7b)

7) New Business.

a) Discuss the 2022 financial audit completed and presented by CliftonLarsonAllen, LLP.

- Bryan Gruenwald of CLA introduced himself and thanked staff for their organization, cooperation, and assistance during the audit. The amount of information the auditors request continues to increase and they appreciate the effort of District staff. The audit documents include audited financial statements as well as the audit opinion and the governance communication letter. The firm issued an unmodified opinion, which states they believe the financial statements are complete, accurate, and in accordance with professional standards, which is the highest level of assurance. He would be happy to discuss any areas the Commission would like.
- The accounting policies include the new Governmental Accounting Standards, including the implementation of GASB Statement #87 concerning leases. He also referred to the headings of Corrected and Uncorrected Misstatements, pointing out the auditors did not identify or propose any adjustments during the audit process, which is a tribute to the level of preparation staff goes through to prepare for the audit.
- Bryan began a PowerPoint presentation highlighting some key information for the water and sewer utilities.

**Water Utility:**

- **Operating Results:** The Water Utility's operating revenues increased slightly to \$1.06 million. However, operating expenses and depreciation exceeded revenues, with a Net Operating Loss of \$3,853. After accounting for Non-Operating Items, Net Position increased by over \$154,000.
- **Rate of Return:** The rate of return was 6.8% according to the Public Service Commission (PSC) formula. Kevin added the Water Utility is very successful operationally and cannot request a rate increase unless it is less than the PSC's rate of return benchmark. Bryan also noted there has been no water rate increase for several years.
- **Other Statistics:** Total gallons of water sold increased in 2022; however, water loss was 8%.
  - Kevin presented an additional chart showing unaccounted water last year by quarter. This chart showed unaccounted water increasing from 7% in first quarter to 12% in second quarter. Some repairs were completed during second quarter, decreasing water loss to 6%, followed by 3%, and then less than 5% for first quarter of 2023.
  - Sue asked if unaccounted water could be seasonal, and Kevin explained the Water Utility pumps twice as much drinking water in summer months versus winter months, so a certain leak creates a higher or lower percentage of unaccounted water based on the total number of gallons pumped. Kevin added there have been zero watermain breaks and is comfortable with the performance of the water system. Bryan stated 2-3% is extremely good, almost unheard of. Mike stated the PSC maximum is 15%, so even the District's high point of 8% is only halfway to requiring corrective action, and the District is always proactive.
- **Cash & Investments:** Bryan pointed out that total cash increased in 2021 due to the advance from the Sewer Utility. Then in 2022, cash decreased by \$500,000 without an advance from the Sewer Utility. Mike mentioned the Water Utility paid \$1.5 million in bond payments last year and will pay the same amount this year before decreasing quite a bit in 2024. Bryan stated staff does a lot of planning and communicating this information.
- **Net Position (Equity):** This is increasing slightly overall as the \$11.8 million total in 2020 increased to \$12.2 million in 2021 and \$12.4 million in 2022. He compared this to paying a home mortgage where principal payments result in more equity and investment in capital assets.
- **Long Term Debt:** The Water Utility's long-term debt was \$3.9 million in 2022 versus \$8.8 million in 2018.

**Sewer Utility:**

- **Operating Results:** The Sewer Utility's operating revenues increased from \$1.3 million to almost \$1.5 million. After accounting for treatment charges, other expenses, and depreciation, there was a net operating loss of \$150,000, decreasing from \$262,000 in 2021. 2022 Net Position increased by \$515,000 vs. \$582,000 in 2021.
- **Cash & Investments:** Cash on hand increased by \$700,000 from 2021 to 2022.
- **Net Position:** There is a steady increase from \$17.4 million in 2020, \$17.9 million in 2021, to almost \$18.5 million in 2022. Bryan stated the District is continuing to invest in capital improvements every year.
- **Long Term Debt:** Outstanding debt decreased from \$620,000 in 2021 to \$529,000 in 2022.



**New Accounting Standards:** GASB Statement No. 87, effective in 2022, changes the accounting for leases as discussed previously. GASB Statement No. 96, effective for 2023, relates to Information Technology Agreements. Staff should review maintenance or support contracts versus access to software and anticipates more information to come.

**Conclusion:** There are consistent financial trends for both the Water and Sewer Utilities. Bryan commended staff for doing a good job with budgeting, forecasting, and projecting. He advised that inflation has had an impact on capital improvements and infrastructure costs, and staff should feel fortunate based on its financial position compared to other utilities. Staff thanked Bryan for his time and excused him from the meeting, which continued with Agenda Item 7a).

b) Discuss and act on Resolution #2023-4-1 to Approve a Final Resolution declaring the Sanitary District's intent to exercise its police power, pursuant to Section 66.0703 of the Wisconsin Statutes, to levy a Special Assessments upon Parcel #002-1082 in the Town of Algoma Sanitary District No. 1 benefitted by the improvements.

i) Acknowledge Receipt of the Waivers of Special Assessment Notices and Public Hearings in Accordance with Wisconsin Statute 66.0703(7)(b). Kevin presented the signed waiver and participation form from the property owners to levy the special assessment upon their property.

- **Peter made a motion to approve Resolution #2023-4-1 to Approve a Final Resolution as submitted/second-Sue/carried unanimously.**

8) Adjourn. **Chad made a motion to adjourn the regular monthly meeting at 12:49 p.m./second-Peter/carried unanimously.**

Respectfully Submitted:

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Michael Claffey, Accounting Manager

Approved:

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Charles Hayes, President

**Town of Algoma Sanitary District #1  
Meeting Minutes – May 11, 2023**

**Regular Monthly Meeting.**

- 1) Open regular monthly meeting.
- 2) Commission President Chad Hayes with Commissioners Peter Cernohous and Sue Drexler present called the regular monthly meeting for May to order at 12:03 p.m. Also present were Utility Director Kevin Mraz, Accounting Manager Mike Claffey, and Financial Utility Clerk Sara Gonzales. Ray Edelstein, former Attorney for the District, and his wife, Jan, were also in attendance for Agenda Item 7a) as well as Jon Strand, of CBS Squared, for discussion on Agenda Item 7b). Attorney for the District Matt Parmentier was excused.
  - a) Mike noted the District is using a tape recorder for maintenance of the minutes.
  - b) Reorganization of the Commission due to public election.
    - i) The Commission shall elect officers including President, Secretary, and Treasurer.
      - **Peter made a motion to nominate Chad Hayes to continue as President/second-Sue/carried unanimously.**
      - **Chad made a motion to nominate Peter Cernohous as Treasurer/second-Sue/carried unanimously.**
      - **Chad made a motion to nominate Sue Drexler as Secretary/second-Peter/carried unanimously.**
  - c) Approve the minutes of the previous meetings. **Chad made a motion to approve the minutes of the regular monthly meeting on April 13/second-Peter/carried unanimously.**
  - d) Approve balance adjustments. Mike explained two small adjustments removed a total of -\$1.96 on closed accounts. **Chad made a motion to approve the balance adjustments as submitted/second-Sue/carried unanimously.**
  - e) Approve investment changes. Mike recommended opening a 17-month CD at Community First Credit Union for \$250,000 earning an interest rate of 4.65%. **Sue made a motion to approve the investment change as recommended by Mike/second-Peter/carried unanimously.**
  - f) Approve cash receipts & investments for sanitary and water. **Peter made a motion to approve the cash receipts and investments for sanitary and water for April/second-Chad/carried unanimously.**
  - g) Approve pending bills and previous disbursements for sanitary and water. Mike explained staff withdrew its request for payment to McClone Insurance because the invoice was not available yet. **Chad made a motion to approve the May pending bills with the exclusion Mike mentioned and the April previous disbursements for sanitary and water as submitted/second-Peter/carried unanimously.**
- 3) Public Forum. No one in attendance from the public had any comments.
- 4) Commissioner Statements.
  - Peter thanked Ray for all he has done for the District, and Chad added that Ray was a great mentor to him.
- 5) Director's Report. Kevin also thanked Ray for all the leadership he has given the District and its staff.
  - Kevin submitted his report prior to the meeting and added the following information.
    - a) Review of District statistics. No discussion was had on this agenda item.
    - b) Correspondence.
      - Proposed TIF by the Town of Algoma: Kevin explained the District received a request from the Town of Algoma on behalf of a developer that is proposing to build a 17,000 sq ft medical complex over four lots on South Oakwood Road near Ascension Medical Center to extend municipal water. When Kevin spoke with the Developer's engineer about a month ago, he informed him there is currently a sewermain in the road available to serve this property and the nearest watermain is located by the Town Hall at the intersection of Oakwood Road and Witzel Avenue, about 1,200 feet away.
      - The Town of Algoma sent the District a map of a potential tax incremental district (TID-the area) provided by Rich Heath, the Town of Algoma Administrator. The map Rich created showed the potential TID parcels, which all need to be contiguous, currently includes eight residential lots, the Town Hall and the corner property across the street owned by the Town, and the four parcels included in the commercial development. This would be the Town's first tax incremental financing (TIF). Rich requested a watermain extension estimate before May 12, and Kevin stated the District will provide the Town a cost estimate for this project.
    - c) Status of 2023 projects. No discussion was had on this agenda item.
- 6) Old Business.
  - a) Discuss and act on wastewater treatment agreement with the City of Oshkosh.
    - The Commission opted to not go into closed session pursuant to Wisconsin Statute 19.85 (1) (g) to confer with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved: Wastewater Treatment Agreement negotiations with the City of Oshkosh. Chad continued the meeting with Agenda Item 7.
- 7) New Business.

- a) Discuss and act on recognizing former Attorney for the District, Ray Edelstein, in honor of his 24 years of service to the District.
    - The Commissioners and staff applauded Ray for his service. Ray thanked everyone in return and discussed the longevity of the Commission and District staff, including Kevin since 2000, Chad since 2003, Dan since 2005, Mike since 2010, Sara since 2011, Peter since 2012, Sue since 2019, along with the two newer Operators.
  - b) Discuss and act on the Water / Wastewater System Study introduction presented by CBS Squared.
    - Jon stated he is working on the system study for the water and sewer utilities and expressed his appreciation for utility staff agreeing to do the fire flow tests, which helps keep the cost of the study as low as possible. The main goals are to determine the best location for a second water tower, where to have utilities cross Highway 21, and where best to serve future projects south of Highway 21 in the Town of Omro. This is one area that will need more water storage and highway crossings as more land develops.
    - Kevin stated he has a meeting scheduled the following day with the Town of Algoma to discuss their development needs. Upcoming projects include:
      - Leonard Point Road: Rural to urban cross section modifications from Highway 21 to Highland Shore Lane.
      - DOT Roundabout: State Highway 21 at Leonard Point Road, along with existing intersection upgrades.
      - Water Main Crossing of Highway 21: Determine the best location to serve future Town of Algoma development south of Highway 21 around the Leonard Point Road intersection.
      - South leg extension of Leonard Point Road: at Highway 21 for the future connection to Clairville Road.
      - Future Town Development: Goals and preferred timeline.
    - Kevin is also meeting with the Town of Omro the following day to discuss improving fire hydrant flows, watermain loops, and serving water and sewer to areas included in the Town's updated future land use plan.
    - Jon reiterated water quality is important, both on a dead end and throughout various parts of the system. A Water Utility must manage the water throughout the entire system, from the well to the elevated storage, through the mains, and all the way to the customer. Jon also explained the lift station study will help determine where to install future lift station(s) to serve areas to the west that are lower in elevation and not currently served with gravity sewer service.
  - c) Discuss and act on Resolution #2023-5-1 to Approve a Final Resolution declaring the Sanitary District's intent to exercise its police power, pursuant to Section 66.0703 of the Wisconsin Statutes, to levy a Special Assessments upon Parcel #002-0136-01 in the Town of Algoma Sanitary District No. 1 benefitted by the improvements.
    - i) Acknowledge Receipt of the Waivers of Special Assessment Notices and Public Hearings in Accordance with Wisconsin Statute 66.0703(7)(b). Kevin presented the signed waiver and participation form from the property owners to levy the special assessment upon their property.
    - **Sue made a motion to approve Resolution #2023-5-1 to Approve a Final Resolution as submitted/second-Peter/carried unanimously.**
- 8) Adjourn. **Chad made a motion to adjourn the regular monthly meeting at 12:38 p.m./second-Peter/carried unanimously.**

Respectfully Submitted:

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Michael Claffey, Accounting Manager

Approved:

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Charles Hayes, President

**Town of Algoma Sanitary District #1  
Meeting Minutes – June 8, 2023**

**Regular Monthly Meeting.**

- 1) Open regular monthly meeting.
- 2) Commission President Chad Hayes with Commissioner Sue Drexler present called regular monthly meeting for June to order at 12:00 p.m. Also present were Utility Director Kevin Mraz and Accounting Manager Mike Claffey. Commissioner Peter Cernohous, Attorney for the District Matt Parmentier, and Financial Utility Clerk Sara Gonzales were excused.
  - a) Mike noted the District is using a tape recorder for maintenance of the minutes.
  - b) Approve the minutes of the previous meetings. **Sue made a motion to approve the minutes of the regular monthly meeting on May 11/second-Chad/carried unanimously.**
  - c) Approve balance adjustments. None.
  - d) Approve investment changes. None.
  - e) Approve cash receipts & investments for sanitary and water. **Chad made a motion to approve the cash receipts and investments for sanitary and water for May as submitted/second-Sue/carried unanimously.**
  - f) Approve pending bills and previous disbursements for sanitary and water. **Sue made a motion to approve the June pending bills and the May previous disbursements for sanitary and water as submitted/second-Chad/carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements. None.
- 5) Director's Report. Kevin submitted his report prior to the meeting and had nothing to add.
  - a) Review of District statistics. No discussion was had on this agenda item.
  - b) Correspondence. No discussion was had on this agenda item.
  - c) Status of 2023 projects. No discussion was had on this agenda item.
- 6) Old Business.
  - a) Discuss and act on wastewater treatment agreement with the City of Oshkosh.
    - The Commission opted to not go into closed session pursuant to Wisconsin Statute 19.85 (1) (g) to confer with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved: Wastewater Treatment Agreement negotiations with the City of Oshkosh.
    - Kevin stated staff hopes to receive more information from the City later that week. He proposes to meet with the other Sanitary Districts on June 27 and meet with the City after that. No action was taken.
- 7) New Business.
  - a) Discuss and act on Resolution #2023-6-1 to approve the submission of the 2022 Compliance Maintenance Annual Report for the Wastewater Utility to the Wisconsin Department of Natural Resources. Kevin recommended approval as submitted. **Chad made a motion to approve Resolution #2023-6-1 to approve the submission of the 2022 Compliance Maintenance Annual Report for the Wastewater Utility to the Wisconsin Department of Natural Resources as submitted/second-Sue/carried unanimously.**
  - b) Discuss and act on 2023 Consumer Confidence Report prior to publishing. **Sue made a motion to approve the 2023 Consumer Confidence Report prior to publishing as submitted/second-Chad/carried unanimously.**
- 8) Adjourn. **Chad made a motion to adjourn the regular monthly meeting at 12:04 p.m./second-Sue/carried unanimously.**

Respectfully Submitted:

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Michael Claffey, Accounting Manager

Approved:

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Charles Hayes, President

**Town of Algoma Sanitary District #1  
Meeting Minutes – July 13, 2023**

**Regular Monthly Meeting.**

- 1) Open regular monthly meeting.
- 2) Commission President Chad Hayes with Commissioner Sue Drexler present called regular monthly meeting for July to order at 12:00 p.m. Also present were Utility Director Kevin Mraz, Accounting Manager Mike Claffey, and Financial Utility Clerk Sara Gonzales. Jon Strand of CBS Squared was also in attendance for Agenda Item 7a) as well as Becky Reinhardt of North Shore Bank for discussion on Agenda Item 7b). Commissioner Peter Cernohous and Attorney for the District Matt Parmentier were excused.
  - a) Mike noted the District is using a tape recorder for maintenance of the minutes.
  - b) Approve the minutes of the previous meetings. **Sue made a motion to approve the minutes of the regular monthly meeting on June 8/second-Chad/carried unanimously.**
  - c) Approve balance adjustments. Mike explained one recorded the water special assessment for St. Paul's United Church of Christ for \$12,420 and another removed a late charge of \$1.49, for balance adjustments total for June of \$12,418.51. **Sue motioned to approve balance adjustments as submitted/second-Chad/carried unanimously.**
  - d) Approve investment changes. None.
  - e) Approve cash receipts & investments for sanitary and water. **Sue made a motion to approve the cash receipts and investments for sanitary and water for June as submitted/second-Chad/carried unanimously.**
  - f) Approve pending bills and previous disbursements for sanitary and water. Mike explained one change from the sheet sent out the previous night was the total for the credit card of \$5,408.17, an increase of \$329.31, and a revised pending bills sheet was provided that day to reflect the change. **Chad made a motion to approve the July pending bills and the June previous disbursements for sanitary and water as submitted/second-Sue/carried unanimously.**
- 3) Public Forum. No comments from the public.
- 4) Commissioner Statements. None.
- 5) Director's Report. Kevin submitted his report prior to the meeting and had nothing to add.
  - a) Review of District statistics. No discussion was had on this agenda item.
  - b) Correspondence. No discussion was had on this agenda item.
  - c) Status of 2023 projects. No discussion was had on this agenda item. **Chad made a motion to move to Agenda Item 7a/second-Sue/carried unanimously.**
- 6) Old Business.
  - a) Discuss and act on wastewater treatment agreement with the City of Oshkosh.
    - **Chad made a motion at 12:50 p.m. to go into closed session pursuant to Wisconsin Statute 19.85 (1) (g) to confer with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved: Wastewater Treatment Agreement negotiations with the City of Oshkosh/second-Sue/carried unanimously.** Herein occurred the closed session.
    - **Sue made a motion to reconvene into open session at 1:39 p.m. to discuss and act on matters discussed during closed session regarding Wastewater Treatment Agreement negotiations with the City of Oshkosh/second-Chad/carried unanimously.** No action was taken. The meeting continued with Agenda Item 8).
- 7) New Business.
  - a) Discuss and act on the Water / Wastewater System Study findings presented by CBS Squared. Jon Strand from CBS Squared presented a slideshow of the water and wastewater system study findings, with the highlights as follows:
    - 20 Year Projected Water Demand: Public Service Commission (PSC) Equation 3 - Fire flow on Maximum Day: There is insufficient water system spare capacity without the construction of an additional water tower. Three alternatives were presented along with their impact on this capacity shortfall: Loop 1, Loop 1 + water tower, and Loop 2.
      - Alternative 1: Loop 1 – Proposed watermain to be installed down Witzel Avenue to Sandpit Road to the area recommended for a second water tower along with adding a crossing under Highway 21 to connect to the watermain serving the Barony Subdivision.
      - Alternative 2: Loop 1 + Water Tower – Needs to be constructed to meet current fire flow requirements.
      - Alternative 3: Proposed Loop 2 – Water main crossing Highway 21 designed to serve the Town of Algoma's proposed development upon completion of the roundabout on Highway 21 at Leonard Point Road.
      - After water tower #2 is constructed, the utility could go 60 years before a third water tower is needed.

- Lift Station Alternatives: The Sewer Utility would need two lift stations to provide gravity sewer service for the southern portion of the Town of Omro to flow to the City of Oshkosh WWTP, according to a preliminary analysis without using any survey data.
  - Wisconsin DNR Funding Opportunity: Intent to Apply (ITA) deadline is October 31, 2023. John recommended submitting a funding application even if the Water or Sewer Utility is not proposing to do a project until after September 2025.
  - USDA Funding Opportunity: John recommends looking into this program, which is available for communities under 10,000 people, for funding these improvements as well, and there is no application deadline for their funding outside of the annual federal government fiscal year. Their funding parameters include a review of median household income (MHI) and having water or sewer user fees at 1.5-2% of MHI.
- b) Discuss and act on implementing a Health Reimbursement Agreement.
- Becky Reinhardt of North Shore Bank gave a short presentation on the bank's health reimbursement agreement (HRA) plan. Only governmental entities are eligible to offer a tax-free retiree HRA, and there are no limits on the amount an HRA can pay out. All of the funds in these accounts must be used toward qualified medical expenses, which include health insurance premiums, copays, and other uncovered medical costs, with accounts set up for each individual employee.
  - Becky explained the IRS created retiree HRA accounts in 2005, and North Shore Bank has over 60 government employers currently enrolled in this plan since offering this benefit in 2007. Each entity has a different payout, and communities offer this as a tax-free benefit as this account is exempt from Federal, state, and FICA taxes, which is also a 7.65% savings to employers, and any growth in the balance of the account is also tax-free. Some employers choose to prefund these accounts, while other choose to pay the entire cost related to each employee upon retirement. The District must have a 457b plan with North Shore Bank in order to offer this plan with no fees, unless an employee chooses to invest their funds in a mutual fund.
  - Kevin stated he is looking at implementing this benefit to promote long-term employee retention. The goal in offering this benefit would be to retain employees with the District longer, and the cost of offering this benefit would be offset by the cost of hiring and training fewer new employees.
  - This item was tabled for discussion at a future meeting in the fall, where the Commission can review options for funding this plan during budget discussions. The meeting continued with Agenda Item 6a).
- 8) Adjourn. **Sue made a motion to adjourn the regular monthly meeting at 1:39 p.m./second-Chad/carried unanimously.**

Respectfully Submitted:

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Michael Claffey, Accounting Manager

Approved:

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Charles Hayes, President

**Town of Algoma Sanitary District #1  
Meeting Minutes – August 17, 2023**

**Regular Monthly Meeting.**

- 1) Open regular monthly meeting.
- 2) Commission President Chad Hayes with Commissioners Peter Cernohous and Sue Drexler present called the regular monthly meeting for August to order at 12:00 p.m. Also present were Utility Director Kevin Mraz, Accounting Manager Mike Claffey, and Financial Utility Clerk Sara Gonzales. Attorney for the District Matt Parmentier was excused.
  - a) Mike noted the District is using a tape recorder for maintenance of the minutes.
  - b) Approve the minutes of the previous meetings. **Sue made a motion to approve the minutes of the regular monthly meeting on July 13/second-Chad/carried unanimously/abstained-Peter.**
  - c) Approve balance adjustments. None.
  - d) Approve investment changes. None.
  - e) Approve cash receipts & investments for sanitary and water. **Peter made a motion to approve the cash receipts and investments for sanitary and water for July as submitted/second-Sue/carried unanimously.**
  - f) Approve pending bills and previous disbursements for sanitary and water. Mike explained the only change was to adjust the health insurance bill to add an existing employee to the District's health insurance plan. Sue asked about the disputed fraud charges to be credited on the credit card statement. Mike explained staff noticed and disputed some fraudulent charges, and the credit card company was going to credit the account for those charges and issue a new card. **Sue made a motion to approve the August pending bills and the July previous disbursements for sanitary and water as submitted/second-Peter/carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements. None.
- 5) Director's Report. Kevin submitted his report prior to the meeting and added the following item.
  - a) Review of District statistics. No discussion was had on this agenda item.
  - b) Correspondence. A resident at 4024 Marquart Lane signed a Petition for Addition to be added to the Sanitary District to connect to the municipal sanitary sewer system. Kevin will attend the Town of Omro meeting the following week should the Town Board have any questions. Laterals were installed to this property line previously. The homeowner agreed to the sewermain cost, which is scheduled to be assessed at next month's meeting, and she already paid the CAC and permit fee. Once added to the District, the construction will be scheduled, which will include the abandonment of her private onsite wastewater treatment system.
  - c) Status of 2023 projects. No discussion was had on this agenda item.  
**Sue made a motion to move Agenda Item 7 above Agenda Item 6/second-Peter/carried unanimously.**
- 6) Old Business.
  - a) Discuss and act on wastewater treatment agreement with the City of Oshkosh.
    - **Chad made a motion at 12:18 p.m. to go into closed session pursuant to Wisconsin Statute 19.85 (1) (g) to confer with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved: Wastewater Treatment Agreement negotiations with the City of Oshkosh/second-Peter/carried unanimously.** Herein occurred the closed session.
    - **Chad made a motion to reconvene into open session at 12:57 p.m. to discuss and act on matters discussed during closed session regarding Wastewater Treatment Agreement negotiations with the City of Oshkosh/second-Peter/carried unanimously.** No action was taken. The meeting continued with Agenda Item 8).
- 7) New Business.
  - a) Discuss and act on approving Developer's Agreement – Authorization to Design with OSMS Real Estate, LLC for South Oakwood Road.
    - Kevin explained staff received the signed Developers Agreement from OSMS Real Estate, LLC. He noted a sentence was added to cover the \$10,000 cost for developing an additional opinion of probable cost. They also sent a copy of the check that was in the mail for the \$1,000 deposit.
    - Staff plans to send a letter to the 22 property owners on South Oakwood Road, notifying them that the Diggers Hotline flags will appear in their neighborhood to mark utilities. The letter will explain the District is not proposing to serve their properties municipal water at this time unless they request it and will instruct them to contact District staff with any questions. Kevin contacted the Town Administrator who stated the letter can include his name and number for anyone with questions about the project to contact the Town of Algoma.

- The Commission decided it would be more appropriate for the Town of Algoma to send a letter that informs residents on South Oakwood Road about the project and to contact the Sanitary District if interested in connecting to municipal water.
  - **Peter made a motion to approve the Developer’s Agreement with OSMS Real Estate, LLC.** Kevin clarified this approval is only to pay the additional design cost. **Second-Chad/carried unanimously.**
- b) Discuss and act on Task Order with CBS Squared, Inc. to develop an Opinion of Probable Cost for a potential watermain extension on South Oakwood Road for OSMS Real Estate, LLC. **Chad made a motion to approve the Task Order with CBS Squared in an amount not to exceed \$10,000, including to change the client from the Town of Algoma to the Algoma Sanitary District #1/second-Sue/carried unanimously.** The meeting continued with Agenda Item 6).
- 8) Adjourn. **Peter made a motion to adjourn the regular monthly meeting at 12:57 p.m./second-Sue/carried unanimously.**

Respectfully Submitted:

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Michael Claffey, Accounting Manager

Approved:

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Charles Hayes, President



**Town of Algoma Sanitary District #1  
Meeting Minutes – August 31, 2023**

**Special District Meeting.**

- 1) Open special District meeting.
- 2) Commission President Chad Hayes with Commissioners Peter Cernohous and Sue Drexler present called the special District meeting to order at 4:08 p.m., upon conclusion of the workshop with the City of Oshkosh. Also present were Utility Director Kevin Mraz, Accounting Manager Mike Claffey, Financial Utility Clerk Sara Gonzales, Attorney John St. Peter, and Christy DeMaster of Trilogy Consulting. Attorney for the District Matt Parmentier was excused.
  - a) Mike noted the District is using a tape recorder for maintenance of the minutes.
- 3) Discuss and act on wastewater treatment agreement with the City of Oshkosh.
  - i) **Chad made a motion at 4:08 p.m. to go into closed session pursuant to Wisconsin Statute 19.85 (1) (g) to confer with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved: Wastewater Treatment Agreement negotiations with the City of Oshkosh/second-Sue/carried unanimously.** Herein occurred the closed session.
  - ii) **Sue made a motion to reconvene into open session at 4:31 p.m. to discuss and act on matters discussed during closed session regarding Wastewater Treatment Agreement negotiations with the City of Oshkosh/second-Chad/carried unanimously.** No action was taken.
- 4) Adjourn. **Chad made a motion to adjourn the regular monthly meeting at 4:31 p.m./second-Sue/carried unanimously.**

Respectfully Submitted:

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Michael Claffey, Accounting Manager

Approved:

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Charles Hayes, President

**Town of Algoma Sanitary District #1  
Meeting Minutes – September 14, 2023**

**Regular Monthly Meeting.**

- 1) Open regular monthly meeting.
- 2) Commission President Chad Hayes with Commissioner Peter Cernohous present called the regular monthly meeting for September to order at 12:00 p.m. Also present were Utility Director Kevin Mraz, Accounting Manager Mike Claffey, and Financial Utility Clerk Sara Gonzales. Commissioner Sue Drexler and attorney for the District Matt Parmentier were excused.
  - a) Mike noted the District is using a tape recorder for maintenance of the minutes.
  - b) Approve the minutes of the previous meetings. **Chad made a motion to approve the minutes of the regular monthly meeting on August 17/second-Peter/carried unanimously. Chad made a motion to approve the minutes of the special District meeting on August 31/second-Peter/carried unanimously.**
  - c) Approve balance adjustments. None.
  - d) Approve investment changes. None.
  - e) Approve cash receipts & investments for sanitary and water. **Peter made a motion to approve the cash receipts and investments for sanitary and water for August as submitted/second-Chad/carried unanimously.**
  - f) Approve pending bills and previous disbursements for sanitary and water. **Peter made a motion to approve the September pending bills and the August previous disbursements for sanitary and water as submitted/second-Chad/carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements.
  - Peter commended and thanked Kevin and staff for handling the two meetings with the City of Oshkosh and the other Sanitary Districts last month.
- 5) Director's Report. Kevin submitted his report prior to the meeting and added the following item under 2023 projects.
  - a) Review of District statistics. No discussion was had on this agenda item.
  - b) Correspondence. No discussion was had on this agenda item.
  - c) Status of 2023 projects.
    - Kevin stated staff is dropping off water bottles and a generator for the Town of Omro's 175<sup>th</sup> Celebration this Saturday. He also stated there are several field projects going that day that he plans to check on after the meeting.
- 6) Old Business.
  - a) Discuss and act on wastewater treatment agreement with the City of Oshkosh.
    - The Commission opted not to go into closed session pursuant to Wisconsin Statute 19.85 (1) (g) to confer with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved: Wastewater Treatment Agreement negotiations with the City of Oshkosh.
- 7) New Business.
  - a) Discuss and act on Resolution #2023-9-1 to Approve a Final Resolution declaring the Sanitary District's intent to exercise its police power, pursuant to Section 66.0703 of the Wisconsin Statutes, to levy a Special Assessment upon Parcel #016-0367-01 in the Town of Algoma Sanitary District No. 1 benefitted by the improvements.
    - i) Acknowledge Receipt of the Waivers of Special Assessment Notices and Public Hearings in Accordance with Wisconsin Statute 66.0703(7)(b).
      - Kevin stated the property owner signed to pay the sewer special assessment and the Waiver of Special Assessment Notices and Public Hearings, so he recommended approval.
      - **Peter made a motion to approve Resolution #2023-9-1 to Approve a Final Resolution declaring the Sanitary District's intent to exercise its police power, pursuant to Section 66.0703 of the Wisconsin Statutes, to levy a Special Assessment upon Parcel #016-0367-01 in the Town of Algoma Sanitary District No. 1 benefitted by the improvements/second-Chad/carried unanimously.**
  - b) Discuss and act on Resolution #2023-9-2 to Approve a Final Resolution declaring the Sanitary District's intent to exercise its police power, pursuant to Section 66.0703 of the Wisconsin Statutes, to levy a Special Assessment upon Parcel #002-1017 in the Town of Algoma Sanitary District No. 1 benefitted by the improvements
    - i) Acknowledge Receipt of the Waivers of Special Assessment Notices and Public Hearings in Accordance with Wisconsin Statute 66.0703(7)(b).
      - Kevin stated the property owner signed to pay the water special assessment and the Waiver of Special Assessment Notices and Public Hearing. The water service will be bored to this property on Leonard Point Lane that day on September 14, and he recommended approval.

- **Peter made a motion to approve Resolution #2023-9-2 to Approve a Final Resolution declaring the Sanitary District's intent to exercise its police power, pursuant to Section 66.0703 of the Wisconsin Statutes, to levy a Special Assessment upon Parcel #002-1017 in the Town of Algoma Sanitary District No. 1 benefitted by the improvements/second-Chad/carried unanimously.**
- c) Discuss and act on authorizing CBS Squared, Inc. to apply for Clean Water Fund (CWF) Program and Safe Drinking Water Loan (SDWL) Program and submit priority ranking evaluation formula information to the Wisconsin Department of Natural Resources.
  - Kevin explained, for an amount not to exceed \$2,000, CBS Squared can apply for funding for three potential projects to identify if the District is eligible for principal forgiveness. The three potential projects include: a watermain extension down Sand Pit Road to the administration building creating a watermain loop, a second water tower west of Sand Pit Road, and a new wastewater treatment plant (WWTP). Each eligible project can receive up to \$2 million in principal forgiveness, and municipalities can reapply each year. Applying for CWF and SDWL funding does not require construction.
  - The potential to build a Wastewater Treatment Plant is in response to the letter received on February 4, 2022 from the City of Oshkosh's outside attorney, Godfey & Kahn, which stated, "Please note, however, that the City will cease providing treatment of the District's sewerage effective January 31, 2024. Thus, the District has two years to make alternate arrangements." This project would provide an alternate, long-term solution.
    - The City and District are currently working on an agreement and met as recently as August 31, 2023 to finalize an agreement to use the existing Regional WWTP.
    - Chad stated he believes the District should proceed with this project because the City of Oshkosh informed us that they intend to possibly run infrastructure down Town of Omro roads. Having this as an option would allow us to protect our constituents from possible annexation. Peter agreed stating, although it is costly, the District needs a long-range plan in place, and staff should seriously think about the District providing our own wastewater treatment service 20-25 years from now.
    - Kevin stated staff should have a 2023 cost estimate the following month for a WWTP that can handle 3-5 million gallons per day. He also added the Town of Omro Chairman fully supports this decision, reiterating it protects his residents from annexation in order to receive wastewater treatment services.
    - Peter noted the money the District spends on legal fees would be better spent toward its own treatment plant and suggested budgeting for it each year. Kevin added the approximately \$700,000 treatment cost the District is currently sending to other plants could go toward the operation and capital costs of our own facility. Peter suggested research be conducted statewide to find other entities that have built a WWTP recently and how much it cost, and Kevin agreed. Chad noted although the District is its own entity, we ought to partner with both towns and coordinate this together.
  - **Chad made a motion to authorize CBS Squared, Inc. for an amount not to exceed \$2,000, to apply for the Clean Water Fund Program and the Safe Drinking Water Loan Program and submit priority ranking evaluation formula information to the Wisconsin Department of Natural Resources for a watermain loop, a future water tower, and a future Wastewater Treatment Plant to better serve our constituents/second-Peter/carried unanimously.**
- 8) Adjourn. **Peter made a motion to adjourn the regular monthly meeting at 12:13 p.m./second-Chad/carried unanimously.**

Respectfully Submitted:

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Michael Claffey, Accounting Manager

Approved:

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Peter Cernohous, Treasurer

**Town of Algoma Sanitary District #1  
Meeting Minutes – October 12, 2023**

**Regular Monthly Meeting.**

- 1) Open regular monthly meeting.
- 2) Commissioner Peter Cernohous with Commissioner Sue Drexler present called the regular monthly meeting for October to order at 12:25 p.m. following the 2024 Sanitary Sewer and Municipal Water Utility Budget Workshop. Also present were Utility Director Kevin Mraz, Accounting Manager Mike Claffey, and Financial Utility Clerk Sara Gonzales. Jon Strand from CBS Squared was also in attendance for Agenda Item 5c). Commission President Chad Hayes and Attorney for the District Matt Parmentier were excused.
  - a) Mike noted the District is using a tape recorder for maintenance of the minutes.
  - b) Approve the minutes of the previous meetings. **Sue made a motion to approve the minutes of the regular monthly meeting on September 14/second-Peter.** Sue stated she is voting to approve the minutes even though she did not attend the meeting. **Motion carried unanimously.**
  - c) Approve balance adjustments. None.
  - d) Approve investment changes. Mike suggested opening a 15-month CD at Community First Credit Union, earning 5.20% interest. **Sue made a motion to approve the investment change as presented by Mike/second-Peter/carried unanimously.**
  - e) Approve cash receipts & investments for sanitary and water. **Sue made a motion to approve the cash receipts and investments for sanitary and water for September as submitted/second-Peter/carried unanimously.**
  - f) Approve pending bills and previous disbursements for sanitary and water. **Sue made a motion to approve the October pending bills and the September previous disbursements for sanitary and water as submitted/second-Peter/carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements.
  - Sue thanked staff for the great job on the budget and the binders of information, and Peter agreed.
- 5) Director's Report. Kevin submitted his report prior to the meeting and added the following item under 2023 projects.
  - a) Review of District statistics. No discussion was had on this agenda item.
  - b) Correspondence.
    - Wastewater Treatment Master Agreement: Kevin stated staff met with the other Sanitary Districts the previous day. District staff will update the agreement and send it to Commissioners prior to sending it to City of Oshkosh.
  - c) Status of 2023 projects.
    - OSMS Development Water Main Extension Request on South Oakwood Road: Kevin previously forwarded the revised opinion of probable cost to the representative for OSMS, who confirmed receipt, and to the Town of Algoma, due to the potential of it being a Tax Incremental Funding (TIF) project. Both entities now have the information and he is awaiting a response. He called OSMS for an update prior to the meeting.
      - Jon added with construction planned next year, he expected to receive a response soon.
    - ITA for SDWL and CWF: Jon Strand, of the engineering firm CBS Squared, explained the Environmental Protection Agency (EPA) dedicates funds to the states, and Wisconsin provides funding in the form of grants and loans through the Safe Drinking Water Loan (SDWL) program for water projects and the Clean Water Funding (CWF) program for wastewater projects. When submitting the Intent to Apply (ITA), the engineer tries to request as many points as possible; however, the Department of Natural Resources (DNR) determines how many points each municipality actually receives. He provided an update on the ITA's for possible environmental improvement fund loans and principal forgiveness for three potential projects:
      - 1) Watermain Loop: Jon stated this potential project would receive extra points for serving a critical need within the water system to help provide redundant water service for many customers that are supplied municipal water with only a single pipe throughout many neighborhoods and developments.
      - 2) Water Tower: Jon explained that the EPA does not base their funding solely on fire flow, but if there was a water tower south of Highway 21, it would provide additional water storage. Watermain breaks that occur under highways or waterways are harder to repair, and the Water Utility only has one pipe under Highway 21. While there may be a well to provide water service to that area, that is only sustainable for a limited amount of time, and the well cannot run 24/7 for multiple days in a row because it could lower the water table more than it should and could cause mechanical damage.
      - 3) Wastewater Treatment Plant: CBS Squared is providing a rough cost estimate for the WWTP since a location has yet to be selected. If the decision to pursue the project gets further along, an Effluent Limits Request would be sent to the DNR to address any environmental issues, such as where outflow for the treated wastewater would be sent, which would most likely be into the water mass to the north. Kevin stated the Fox River already receives

treated wastewater from the City of Oshkosh, the City of Omro, and many other WWTPs, so the District should also receive authority to use that body of water as well.

- Jon explained the Priority Evaluation Ranking Form, or (PERF), is the second part of the ITA submittal and is based on stats such as population and median household income, which are a bit higher for the District than grant funding would usually allow. Municipalities also receive points based on how much a project is needed, and the DNR will give an extra 10 points if a majority of the District Commissioners view one hour training modules at their leisure and another 10 points by having an Asset Management Plan, and these additional points can be significant. Kevin stated District staff are certainly willing to do things that are necessary to earn a higher priority ranking to receive principal forgiveness, and the Commissioners agreed. This would provide access to federal funding instead of just local funding for water projects and a wastewater treatment facility.
- Jon also mentioned if the District is unsuccessful in receiving funding with this application, the information can be reused in future applications. This ITA would be for funding received in fiscal year 2025, and the District could receive monthly reimbursements for a project beginning in June of 2024. This allows utilities to begin improvements and receive funding later as long as the plans and specifications include certain language compatible with the EPA and the state. The ITA will be submitted by October 31, and the District should know its ranking by March or April based on how many points the DNR assigned. The formal application for SDWL funding is due by June 30, then notification for potential principal forgiveness may be received in late September.
- This is the third of five years of the additional bipartisan infrastructure funding, which means access to additional funding but also more communities are submitting funding applications. The District will have two more opportunities to submit an application, and then normal funding levels return in fiscal year 2027. A majority of any funding received should be used within two years, but it can be fully utilized over a three-year period. Progress reports would need to be submitted throughout the term of the project.
- There is no specific language that has to be in the agreement for land acquisition; however, staff should let Jon know which parcels the District plans on purchasing so CBS Squared can notify the SDWL program and the State to verify there are no issues when reimbursement is received. It was asked if one area of land can be used for both a water tower and a WWTP. Jon answered a water tower should be built on a higher elevation and a WWTP on a lower elevation to make use of gravity for wastewater flow collection, so they are probably best built on different parcels. Other things to consider are separation from residences, future land use, and energy management, and that a WWTP would require more than 15 acres but less than 40 acres of land to build.

6) Old Business.

a) Discuss and act on wastewater treatment agreement with the City of Oshkosh.

- The Commission opted not to go into closed session pursuant to Wisconsin Statute 19.85 (1) (g) to confer with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved: Wastewater Treatment Agreement negotiations with the City of Oshkosh.

7) New Business.

a) Discuss and act on proposed 2024 Annual Budget.

- i) Approve proposed 2024 Annual Budget for publication. **Sue motioned to approve the proposed 2024 Annual Budget for publication as submitted/second-Peter/carried unanimously.**
- ii) Schedule the public hearing for 2024 Annual Budget on November 9, 2023 at Noon. The Commissioners confirmed a quorum would be present at this meeting. **Peter made a motion to schedule the public hearing for the 2024 Annual Budget on November 9, 2023 at Noon/second-Sue/carried unanimously.**

b) Discuss and act on Resolution #2023-10-1 to set the 2023 Property Tax Levy at \$230,416. Kevin stated this is the amount staff proposed in the budget and, due to the approval deadline, needed to be approved at that time for use in the 2023 tax roll. **Sue made a motion to approve Resolution #2023-10-1 to set the 2023 Property Tax Levy at \$230,416/second-Peter/carried unanimously.**

8) Adjourn. **Sue made a motion to adjourn the regular monthly meeting at 12:54 p.m./second-Peter/carried unanimously.**

Respectfully Submitted:

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Michael Claffey, Accounting Manager

Approved:

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Peter Cernohous, Treasurer

**Town of Algoma Sanitary District #1  
Meeting Minutes – November 9, 2023**

**Public Hearing for Proposed 2024 Annual Budget.**

- 1) Open public hearing. Commission President Chad Hayes with Commissioner Sue Drexler present called the public hearing for the Proposed 2024 Annual Budget to order at 12:00 p.m. Also present were Utility Director Kevin Mraz, Accounting Manager Mike Claffey, and Financial Utility Clerk Sara Gonzales. Becky Reinhardt of North Shore Bank was also in attendance. Attorney for the District Matt Parmentier and Commissioner Peter Cernohous were excused.
- 2) Public Forum. No one was in attendance from the public. No discussion was had.
- 3) Adjourn. **Chad made a motion to adjourn the public hearing at 12:01 p.m./second-Sue/carried unanimously.**

**Regular Monthly Meeting.**

- 1) Open regular monthly meeting.
- 2) Commission President Chad Hayes with Commissioner Sue Drexler present called the regular monthly meeting for November to order at 12:01 p.m. following the Public Hearing for the Proposed 2024 Annual Budget. Commissioner Peter Cernohous arrived during discussion and before the vote on Agenda Item 6b).
  - a) Mike noted the District is using a tape recorder for maintenance of the minutes.
  - b) Approve the minutes of the previous meetings. **Sue made a motion to approve the minutes of the regular monthly meeting on October 12/second-Chad/motion carried unanimously.**
  - c) Approve balance adjustments. Mike stated balance adjustments recorded a sewer cost of \$11,856 and a water cost of \$12,237.50. He also noted the revised address and parcel number on one of the line items on the report. **Sue made a motion to approve the balance adjustments report as revised/second-Chad/carried unanimously.**
  - d) Approve investment changes. None.
  - e) Approve cash receipts & investments for sanitary and water. **Sue made a motion to approve the cash receipts and investments for sanitary and water for October as submitted/second-Chad/carried unanimously.**
  - f) Approve pending bills and previous disbursements for sanitary and water. **Chad made a motion to approve the November pending bills and the October previous disbursements for sanitary and water as submitted/second-Sue/carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements.
  - Sue wished everyone a wonderful Thanksgiving and Chad did as well.
- 5) Director's Report. Kevin submitted his report prior to the meeting and had nothing to add.
  - a) Review of District statistics. No discussion was had on this agenda item.
  - b) Correspondence. No discussion was had on this agenda item.
  - c) Status of 2023 projects. No discussion was had on this agenda item.
  - **Sue made a motion to move Agenda Item 6a) after Agenda Item 7)/second-Chad/carried unanimously.**
- 6) Old Business.
  - a) Discuss and act on wastewater treatment agreement with the City of Oshkosh.
    - **Chad made a motion to go into closed session at 12:46 p.m. pursuant to Wisconsin Statute 19.85 (1) (g) to confer with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved: Wastewater Treatment Agreement negotiations with the City of Oshkosh/second-Peter/carried unanimously.** Herein occurred the closed session.
    - **Sue made a motion to go back into open session at 1:24 p.m./second-Chad/carried unanimously.** No action was taken. The meeting concluded with Agenda Item 8).
  - b) Discuss and act on Resolution 2023-11-4 to implement a Health Reimbursement Arrangement (HRA) with North Shore Bank. Becky with North Shore Bank was available to answer all questions regarding the program and implementation for Agenda Item 6b) and 6c).
  - c) Discuss and act on Resolution 2023-11-5 to add a Health Reimbursement Arrangement (HRA) policy to the employee handbook.
    - Kevin explained this was originally brought to the Commission in July and added the District's auditors had no concerns with the program. Staff did its due diligence and sought out other companies for proposals and received two formal submittals, however, the costs were much higher than North Shore Bank's proposal. He also mentioned North Shore Bank handles the District's deferred compensation program where employees put their own money into an account, similar to a 401(k) but with no employer matching funds. He recommended

approval of the resolutions. When asked, Becky answered the deferred compensation program has a maximum contribution of \$22,500 annually and a minimum contribution of \$10 per paycheck.

- Chad asked what other benefits the District offers its employees and Mike explained the following:
  - Pension: The Wisconsin Retirement System currently requires 6.8% employee contribution that is set annually by the state and matched by the employer. A year of service is earned for **1,904** hours worked, with the employee vesting at five years of service, and the employee must work at least 1,200 hours a year to be eligible to participate. Kevin stated the District currently has six fulltime employees.
  - Health Insurance: The District's health insurance plan through the State of Wisconsin requires employees participating in the plan to pay a minimum of 12% of the premiums for the lowest cost provider qualified in Winnebago County. Mike added this year the employee contribution is about \$275 per month.
- Chad asked why the District is considering adding this benefit for employees.
  - Kevin answered this plan is to encourage employee retention and longevity, and he stated the District has lost great, qualified operators to other utilities. He explained in this plan an employee would become 50% vested after 10 years of employment and 100% vested after 20 years, so it is a long-term retention benefit. He added staff is proposing to have the current staff's vesting earned retroactive to their original date of hire. Becky added that this benefit can also be used to attract and retain new employees as well.
  - Becky explained the funds stay in the account for the retiree to use toward "qualified medical expenses" under the IRS code. The employee saves on federal, FICA, and state taxes, and the funds can be used for health insurance premiums, for example, if they retire before they are eligible for Medicare or can be reimbursed for Medicare expenses as well.
- Chad asked if this type of plan is available to employees in the private sector.
  - Becky explained there are many different types of plans available, but their particular plan at North Shore Bank is not available to private sector employers. A private company can participate in a program like this, but it has to be an employer decision to provide the contributions, and employees cannot create or contribute to it themselves.
- Sue asked if the District is able to pause the funding for a year and whether part-time employees are eligible.
  - Kevin answered it is the Commission's prerogative to change a policy or a benefit. Mike added a resolution can be adopted to change or modify the policy in the handbook after it is implemented, including the amount of the annual contribution. Becky added since these are all employer contributions, the HRA can encompass anything the Commission decides based on its employee policy and its budgetary requirements.
  - Becky answered part-time employees are eligible for their plan pending their employer's policy. Implementation of the plan is just the beginning; it is flexible and the Commission can change it as the District grows and employer/employee needs change over time. There are no mandatory minimum hours or maximum contribution requirements.
- Budgeting and the effective date options were discussed.
  - Staff proposed to contribute \$30,000 for 2022 service and \$30,000 for 2023 service at the same time for the District's six current full-time employees at a cost of \$5,000 per employee, which is less than a \$5 annual cost per sewer connection. Kevin explained there is room in the budget, with an estimated \$17,500 remaining in the annual budget for pension and benefits expenses after this proposed transaction.
  - Becky also mentioned the Commission can decide to begin funding this program now or to fund all of it at retirement, and added the growth of the funds in these accounts is all tax-free.
- **Sue made a motion to approve Resolution 2023-11-4 to implement a Health Reimbursement Arrangement with North Shore Bank/second-Chad/carried unanimously.**
- **Sue made a motion to approve Resolution 2023-11-5 to add a Health Reimbursement Arrangement policy to the employee handbook/second-Chad/carried unanimously.**

## 7) New Business.

- a) Discuss and act on Resolution 2023-11-1 to approve the 2024 annual sanitary sewer user fee for Town of Algoma Sanitary District #1 residents per equivalent unit.
  - Set the user fee for properties discharging to the Oshkosh Wastewater Treatment Facility.
  - Set the user fee for properties discharging to the Omro Wastewater Treatment Facility.
  - Kevin explained the proposed annual sewer user fee of \$415 for Town of Algoma customers that flow to the City of Oshkosh was based on a budgeted treatment cost of \$480,000 and uses \$78,000 of cash on hand.
  - In 2021, the City of Oshkosh charged \$223,000 for sewage treatment. Their non-contractual rates implemented last month until a master agreement is in place increased the anticipated treatment cost to \$670,000. A budget

of \$550,000 for treatment would result in a shortfall of \$120,000 if non-contractual rates are charged all year. Assuming a contract is agreed upon, total treatment cost is estimated at \$527,000 depending on total flows.

- Kevin explained two user fee options to the Commission for users flowing to the Oshkosh WWTP:
    - 1) Set the user fee at \$415 and use \$120,000 of cash on hand to fund the difference.
    - 2) Set the user fee at \$475 to cover the non-contractual rate costs of \$670,000 annually.
  - Mike stated at year end the District has \$265,000 of funds set aside for future Oshkosh treatment costs, as well as designated funds for capital costs of \$60,000 per year for four to five years, for a total of \$500,000-\$600,000. If the District is charged an entire year of non-contractual rates, the \$120,000 shortfall is available from past user fees to cover it, or implementing an annual sewer user fee of \$475 would fully fund the annual cost.
  - Chad suggested the District use the City's contractual rates and estimate annual treatment costs at \$527,000. Kevin stated to fund the \$47,000 difference would cost about \$15 per connection, meaning the user fee would need to increase to \$430 for next year, an increase from \$395 for this year.
  - Kevin also reminded the Commission that the City is budgeting \$30 million in capital costs for phosphorus treatment in the future, which would increase the user fee for Oshkosh treatment expenses another 50%.
  - **Chad made a motion to approve Resolution 2023-11-1 to set the 2024 annual sanitary sewer user fee for properties discharging to the Oshkosh Wastewater Treatment Facility at \$430 and for properties discharging to the Omro Wastewater Treatment Facility to remain at \$510 per equivalent unit/second-Peter/carried unanimously.** Mike stated this would add \$50,000 to the budget for user fee revenue and \$50,000 to the corresponding expense budget.
- b) Discuss and act on Resolution 2023-11-2 to increase the 2024 Contribution in Aid of Construction (CAC) by 3%.
- **Peter made a motion to approve Resolution 2023-11-2 to increase the 2024 Contribution in Aid of Construction (CAC) by 3%/second-Chad.** Sue asked what this resolution would raise the 2024 CAC to, and Mike answered \$2,735 per connection. Kevin explained this charge is due upon permit application to help recover the costs of lift stations and the wastewater plant that was previously paid for, with construction costs for the collection system mains paid by each developer. **Motion carried unanimously.**
- c) Discuss and act on Resolution 2023-11-3 to adopt the 2024 Annual Budget for the Sanitary Sewer and Water Utilities.
- Mike stated the only change from what was published is to increase the sewer treatment revenue and treatment plant expense an additional \$50,000 for Algoma and Oshkosh customers as discussed under Agenda Item 7a). **Peter made a motion to approve Resolution 2023-11-3 to adopt the 2024 Annual Budget for the Sanitary Sewer and Water Utilities with the change as stated by Mike/second-Chad/carried unanimously.**
- d) The Commission will go into closed session pursuant to Wisconsin Statute 19.85 (1) (c) to discuss matters in relation to annual employee evaluation, compensation, and benefits. This agenda item was not discussed.
- The meeting continued with Agenda Item 6a).
- 8) Adjourn. **Sue made a motion to adjourn the regular monthly meeting at 1:24 p.m./second-Chad/carried unanimously.**

Respectfully Submitted:

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Michael Claffey, Accounting Manager

Approved:

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Charles Hayes, President



**Town of Algoma Sanitary District #1  
Meeting Minutes – December 7, 2023**

**Regular Monthly Meeting.**

- 1) Open regular monthly meeting.
- 2) Commission President Chad Hayes with Commissioner Sue Drexler present called the regular monthly meeting for December to order at 12:00 p.m. Also present were Utility Director Kevin Mraz, Accounting Manager Mike Claffey, and Financial Utility Clerk Sara Gonzales. Attorney for the District Matt Parmentier was excused. Commissioner Peter Cernohous arrived during the closed session on Agenda Item 6a).
  - a) Mike noted the District is using a tape recorder for maintenance of the minutes.
  - b) Approve the minutes of the previous meetings. **Sue made a motion to approve the minutes of the regular monthly meeting on November 9/second-Chad/motion carried unanimously.**
  - c) Approve balance adjustments. Mike stated balance adjustments removed a \$30.96 tax roll penalty on a water account due to a mail delay, \$17.48 of late fees on public fire protection fee accounts, and a \$0.47 late fee for an annual sewer bill, for total balance adjustments of -\$48.91. **Sue made a motion to approve the balance adjustments report as submitted/second-Chad/carried unanimously.**
  - d) Approve investment changes. Mike suggested transferring \$350,000 of sewer funds from Community First Credit Union to the Local Government Investment Pool (LGIP). **Chad made a motion to approve investment changes as suggested by Mike/second-Sue/carried unanimously.**
  - e) Approve cash receipts & investments for sanitary and water. **Sue made a motion to approve the cash receipts and investments for sanitary and water for November as submitted/second-Chad/carried unanimously.**
  - f) Approve pending bills and previous disbursements for sanitary and water. Mike mentioned year-end purchases included: grinder pumps and century panels, six lift station pumps, a new lawn mower, \$60,000 to North Shore Bank approved at the previous monthly meeting, and the \$350,000 transfer to LGIP as approved under investment changes. Sue asked what the \$3,150 invoice to Ehlers & Associates was for, and Mike explained Ehlers prepares and submits the District's Continuing Disclosure Report, which is required to be filed each year due to the District's outstanding debt. **Sue made a motion to approve the December pending bills and the November previous disbursements for sanitary and water as submitted/second-Chad/carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements.
  - Sue and Chad both wished everyone a Merry Christmas and a safe and happy holiday season, and Chad added a thank you to everyone for moving the meeting up a week to accommodate his schedule.
- 5) Director's Report. Kevin submitted his report prior to the meeting and expanded upon the following information.
  - a) Review of District statistics. No discussion was had on this agenda item.
  - b) Correspondence.
    - The new buyer for the strip mall area is proposing to build a car wash, which would require a high capacity well since there is currently no municipal water available and it would cost about \$1 million to extend it there. Staff has not seen a site plan yet and it has not been approved by the Town. This area is in the protected area of the Town of Algoma and the District is ready and able to serve sanitary sewer to any structure proposed there.
    - The Department of Natural Resources recently submitted their 2023 Sanitary Survey Report for the Water Supply Serving the Town of Algoma to District staff which found no significant deficiencies. Every ten years they would like water utilities to drain their water tower to examine the inside coating, which is due in about five years. There is no action required at this time, as the District simply had to acknowledge that it needs to be done and provide a plan to address it. Ideally, the second water tower would be in place before completing the drain down inspection on the first one since the water tower may need to be offline for several months, and the water system would not provide sufficient water for fire flows at the fire hydrants without a second water tower. However, the current water tower has been in good condition with no issues.
      - The Commissioners asked some questions about building the second water tower. Staff is working on a site plan to provide to owners of potential sites. A new water tower takes about 18 months to design and build. The DNR requested this inspection be completed in 2025, but the District probably would not have the second water tower online until 2026 and would request approval for an extension.
      - Chad mentioned the District completed an ROV inspection of the tower and asked if another one would suffice for the DNR's request for a drain down. Kevin explained every five years some type of inspection is required. There are different ways to inspect the tower, including using a robotic, submersible camera or a diver with a camera that verifies it is all working properly. Both of those inspections have shown less than a 1% coating issue as no paint is peeling, and no deterioration can be seen visually.

- c) Status of 2023 projects.
  - Residents of both townships may see Water Utility Operators flushing the water systems through the fire hydrants that week. The Town of Algoma has been pretty much completed, and they will be starting and completing the Town of Omro the following week.
  - Staff recently received gross alpha water test results, and there was one above the maximum contaminant level (MCL) of 15 picocuries per liter (pCi/l). Staff submitted three additional samples and the highest result was 6 pCi/l. They will send in one more sample and then the official sample, which should bring the average level to under 15 pCi/l.
  - **Chad made a motion to move Agenda Item 7) before Agenda Item 6)/second-Sue/carried unanimously.**
- 6) Old Business.
  - a) Discuss and act on wastewater treatment agreement with the City of Oshkosh.
    - i) **Chad made a motion to go into closed session at 12:19 p.m. pursuant to Wisconsin Statute 19.85 (1) (g) to confer with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved: Wastewater Treatment Agreement negotiations with the City of Oshkosh/second-Sue/carried unanimously.** Peter arrived during this time. Herein occurred the closed session.
    - ii) **Chad made a motion to reconvene into open session at 1:22 p.m./second-Sue/carried unanimously.**
      - **Chad made a motion to approve Resolution 2023-12-1 to approve the Proposed Master Sewer Agreement with the City of Oshkosh as recommended by Kevin/second-Sue.** Chad thanked staff for their collaboration with all the other surrounding Sanitary Districts and the City for putting this together and he looks forward to the new agreement. **Motion carried unanimously.**
  - b) **Sue made a motion to go into closed session at 1:25 p.m. pursuant to Wisconsin Statute 19.85 (1) (c) to discuss matters in relation to annual employee evaluation, compensation, and benefits/second-Peter/carried unanimously.** Herein occurred the closed session.
    - i) **Peter made a motion to reconvene into open session at 2:10 p.m. to discuss and act on matters discussed during closed session regarding employee evaluations/second-Sue/carried unanimously.**
      - The Commissioners signed the writeup and will send a copy to Kevin so the District's auditors can see it was approved and acted upon by the Commission. The meeting concluded with Agenda Item 8).
- 7) New Business.
  - a) Discuss and act on approving Developer's Agreement – Authorization to Design with OSMS Real Estate, LLC for South Oakwood Road.
    - Kevin explained CBS Squared would design the watermain extension to serve the OSMS Real Estate for \$22,800 and recommended approval for 7a & 7b, contingent upon receiving the signed developer's agreement from the developer.
    - **Sue made a motion to approve the Developers Agreement – Authorization to Design with OSMS Real Estate, LLC for South Oakwood Road watermain extension pending receipt of the signed agreement with the developer/second-Chad.** Sue stated it was an excellent contract and did not find any item that was not covered. **Motion carried unanimously.**
  - b) Discuss and act on Task Order with CBS Squared, Inc. to design a watermain extension on South Oakwood Road for OSMS Real Estate, LLC.
    - **Chad made a motion to approve the Task Order with CBS Squared, Inc to design a watermain extension on South Oakwood Road for OSMS Real Estate, LLC, not to exceed \$25,000, pending receipt of the signed agreement with the developer/second-Sue/carried unanimously.** The meeting continued with Agenda Item 6a).
- 8) Adjourn. **Peter made a motion to adjourn the regular monthly meeting at 2:11 p.m./second-Sue/carried unanimously.**

Respectfully Submitted:

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Michael Claffey, Accounting Manager

Approved:

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Charles Hayes, President