

Town of Algoma Sanitary District #1
February 16, 2017

Regular Monthly Meeting.

- 1) Open regular monthly meeting.
- 2) Commission President Jim Savinski with Commissioners Chad Hayes and Peter Cernohous present called the regular monthly meeting for February to order at 12:00 p.m. Also present were Utility Director Kevin Mraz, District Accounting Manager Mike Claffey, District Attorney Ray Edelstein, and Utility Clerk Sara Gonzales.
 - a) Jim noted the District is using a tape recorder for maintenance of the minutes. No one else is using one.
 - b) Approval of the minutes of the previous meeting. **Peter made a motion to approve the minutes of the regular monthly meeting on January 12 as submitted/second-Chad/carried unanimously.**
 - c) Approve cash receipts and investments for sanitary and water. Jim asked if the receipt of delinquent water bills from the Town of Algoma was from multiple accounts, and Mike answered it was for a portion of the previous year's past due water bills the District placed on the tax roll, which the Town collected and forwarded to the District. Kevin added since the creation of the Water Utility, the District has a specific procedure allowing staff to place past due water bills on the tax roll, guaranteeing 100% collection. Since that resource is available, the Water Utility does not turn off a resident's water to collect past due bills. In addition to adding 1% per month for past due bills, the District also assesses these residents a 10% penalty prior to transferring a past due balance to their property tax bill. **Jim made a motion to approve the cash receipts and investments for sanitary and water as submitted/second-Peter/carried unanimously.**
 - i) Note any investment changes. Mike and Kevin explained due to recent interest rate increases, staff is seeking to maximize the interest the District earns on its bank accounts. They propose to close the checking account at First Merit Bank (FMB) and deposit the \$989.94 in that account at Community First Credit Union (CFCU). Also, they propose to close the money market accounts at FMB, with a balance of \$239,774.73, and First National Bank (FNB), with a balance of \$126,041.61, and deposit those funds with the Local Government Investment Pool (LGIP) of Wisconsin. The Sewer Utility would take ownership of \$5,340.64 of water funds from FNB and reimburse these funds within the CFCU accounts. They also propose to switch about \$500,000 of funds from the two money market accounts at Choice Bank, currently earning 0.3% interest, and Fox Communities Credit Union (FCCU), currently earning 0.4% interest, to 12 month CDs earning 0.7% interest.
 - **Peter made a motion to close the accounts at FMB and FNB and transfer the funds by check to the LGIP of Wisconsin, and also transfer the funds at Choice Bank and FCCU from money market accounts to 12 month CDs/second-Chad/carried unanimously.**
 - **Jim made a motion to transfer \$5,340.64 of sewer funds at CFCU to reimburse the water funds from FNB that will become sewer funds when transferred to the LGIP/second-Chad/carried unanimously.**
 - ii) Note any balance adjustments. Mike mentioned the only balance adjustment was to record a \$25 NSF fee for a water customer enrolled in automatic payment that had bounced. **Jim made a motion to approve the balance adjustments as submitted/second-Chad/carried unanimously.**
 - d) Approve pending bills and previous disbursements for sanitary and water. Mike mentioned the following information regarding pending bills:
 - A bond payment will be mailed by check to Bond Trust Services for a total of \$225,403.13, which is due on March 1.
 - The check to Great Lakes TV & Seal for \$38,742 is for manhole televising and sealing completed in 2016.
 - The investment changes approved earlier in the meeting result in checks made out to the LGIP of Wisconsin for \$239,774.73 of FMB funds and \$126,041.61 of FNB funds, which will be mailed to their office for deposit.
 - The \$8,011.46 check to Lincoln Contractors Supply is for hoses and fittings for the new 6" trash pump.
 - **Peter made a motion to approve the February pending bills and the January previous disbursements for sanitary and water as submitted/second-Chad/carried unanimously.**
 - Mike noted some bond payments are payable by check while others have to be completed by wire, depending on the payee. When the District makes bond payments directly to the DTCC, which acts as a bond payment clearing house, it is set up to send principal payments by wire and has the DTCC deduct its interest payments directly from its account by ACH.
 - 3) Public Forum. No one was in attendance from the public.
 - 4) Commissioner Statements.
 - Chad thanked staff for noting his email address change.
 - Jim mentioned he attended the Town of Algoma Board meeting the previous night, which had very little public attendance because the Board only allows public forum for items on the agenda. One item discussed was lot sizes, which has been a topic of debate for decades. Jim told the Algoma Board that the Town of Omro issued 24 sanitary sewer permits last year while the Town of Algoma issued 8.
 - The Commissioners discussed lot prices in the two towns and whether sewer and water costs are included. The approximately one acre lots in the Barony Country Estates in the Town of Omro owned by First State Bank are listed for about \$40,000-\$45,000, and the District normally receives the sewer and water special assessment payoffs at closing. Mike mentioned some sewer and water extensions are paid by the developer while others are assessed. Connection fees in both Towns are roughly \$6,000 each, with Omro residents paying an additional \$500 fee to the City of Omro. However, if the title company sends a check, the District is not aware of who is actually paying them.
 - Jim asked Kevin to contact the Town of Algoma Administrator to let him know the difference in vacant lots between the two towns. He added the Town of Algoma currently requires each new platted lot to be a minimum of 15,000 square feet

and the Town Board discussed the possibility of allowing different lot sizes by subdivision. However, it is difficult to dictate different lot sizes throughout the same town. Lot sizes in Olde Apple Acres and Butte des Morts Meadows in the Town of Algoma are one-third to one-half acres. Jim said the Board desires to build more houses in an area because it creates a larger tax base for maintaining roads and utilities, but Kevin added the market dictates what can be constructed and developers want to maximize their investment as well. Chad stated the Town of Omro requires a minimum lot size of 0.5 acre.

5) Director's Report.

- a) Review of District statistics. No discussion was had on this agenda item.
- b) Correspondence.

- Kevin explained the City of Oshkosh completed a \$4.4 million wastewater treatment plant (WWTP) upgrade to allow their influent pumps and aeration motors to be more energy efficient. Staff expects the City to build this cost into their treatment cost structure and anticipates sewer rates would increase to cover an additional \$40,000 per year. He added this cost would be built into the \$309 annual base sewer user fee and only spread across users flowing to the City of Oshkosh's WWTP.
- The District received a letter from Community First Credit Union stating its 2017 collateral is renewed at \$2.5 million.
- Jim's position is up for election this year, and Kevin verified he had all his paperwork in and is the only one running for office on April 4. He reminded Jim he will have to complete his oath of office within five days of receiving the notice, and the date to take office is April 18. Jim added the Commissioners will have the ability to reassign positions at that time.

c) Status of 2017 projects.

- Kevin stated Schenck, SC was on site earlier that week to complete the field work for the 2016 financial audit. Their audit presentation to the Commission is scheduled on April 13.
- The District is looking to install enclosed generators at the Young Road and Springbrook Road Lift Stations, which will keep the generator out of the weather. Kevin showed some pictures as examples and stated the District currently has an enclosed generator similar to these examples at two of its lift stations. Kevin stated staff is verifying whether the District's current easement on Young Road provides sufficient access for the generator based on the lot size and will contact the owner if a larger easement is needed to meet setback requirements. Staff may find it necessary to enclose the generator at the Springbrook Road Lift Station because it will prevent damage from the vehicles in the parking lot of the tavern. Staff will also verify with the gas company that its main is appropriately sized for the generator.
- The City of Omro passed a resolution to allow the District to install radio telemetry on its flow station at their WWTP. LW Allen is scheduled to complete that and install level transducers at three of the District's lift stations the following week.
- Dream Jewelers applied for a sewer permit for their new location on Westowne Avenue between Cousins Subs and Lowe's. Construction on the two unit building has begun and should be completed within four to six months. Thimke Jewelers, currently located downtown next to Carmel Crisp, will be in one side, with the other side available for rent. There will be parking available for about 15 cars behind the building. The District authorized Dream Jewelers to place their sign within the District's sewer easement, however, the pilings for the sign will not be near the District's main.
- The plans for the new Choice Bank location on Emmers Lane are completed, and construction should begin within the next three to four months. This is a City of Oshkosh property that will connect to the District's sewer system.
- The District will begin replacing copper water services of 33 vacant lots with HDPE pipe from the main to property line in the Sandhill Farms Subdivision the following week. Kevin presented a piece of a leaking copper pipe from Marquart Lane that was replaced recently and stated staff is aware a majority of those copper services leak because, when the water valve in this area is turned on, the system cannot hold pressure. The goal is to replace three services per day, which would require 10-15 working days to complete.
- Staff is in the process of upgrading its website and will have the new one live by the end of year. Kevin is open to considering other websites or features that work well as examples. Staff has interviewed and received a proposal from one company and plans to interview and send out requests for proposals to about four others.
- The District is required to have 20 water sample sites available for lead and copper testing and the Department of Natural Resources (DNR) requires 10 samples in 2017. The Water Utility contains zero lead pipes on both the public and private portions of the lateral.
 - o The frequency of bacteria testing is determined by the DNR based on a utility's population size. At 2.9 people per house, the District currently serves about 3,300 people and tests twice a month for coliform and e-coli. Based on the number of water permits the District has released, staff will notify the DNR that its sampling interval should be increased to four samples per month.

6) Old Business. None.

7) New Business. None.

8) **Jim made a motion to adjourn the regular monthly meeting at 12:40 p.m./second-Chad/carried unanimously.**

Respectfully Submitted:

Michael Claffey, Accounting Manager

Approved:

James Savinski, President