

Algoma Sanitary District #1
January 12, 2012

Regular Monthly Meeting

- 1) Open Regular Monthly Meeting
- 2) President Bob Nadolske with Commissioner Jim Savinski present called the regular monthly meeting for January to order at 6:00 p.m. Also present were Kevin Mraz, Ray Edelstein, Joel Edson, and Michael Claffey. Bob requested a moment of silence in honor of the late Commissioner Alexander Irvine.
 - a) Bob noted that the District is using a tape recorder for the maintenance of the minutes. No one else is using one.
 - b) Approval of the minutes of the previous meeting. Jim pointed out a wording error by the use of “confident” person instead of “competent” person in two places under 7a) in the middle of page 2. **Jim made a motion to approve the minutes for the regular monthly meeting on December 8 with the noted adjustments/second-Bob/carried unanimously.**
 - c) Approve cash receipts for sanitary and water.
 - 1) Mike noted a \$5.00 addition to the cash receipts list from Citizens First Credit Union to adjust the actual amount received for December. Bob asked how much money is currently invested with the state investment pool and what the District’s plans are for it. Mike stated after recently moving some funds out of that account, the remaining balance is about \$88,000. Bob asked if the District should keep that account open in case interest rates rise or move the funds elsewhere to possibly get a higher yield. Mike explained that the District has the maximum funds at each location other than Community First C.U., but he could look into transferring them to a new bank.
 - 2) Jim questioned why 4322 Bellhaven Lane was listed for a road deposit refund. Mike explained that construction of the home was still in progress and that the road deposit would be refunded in the future upon completion.
 - 3) Jim asked why the list of pending bills the Commissioners receive prior to the meeting is different than the one at the meeting. Mike explained the list of pending bills in the packet at the meeting includes additional bills received after the packet is emailed to the Commissioners. Jim asked if the Commissioners could receive this updated listing of pending bills before the meeting, and Kevin offered to have the revised pending bills list emailed within 24 hours of the meeting time. Jim said that would be fine. **Bob made a motion to approve the cash receipts for sanitary and water/second-Jim/carried unanimously.**
 - i) Approve the balance adjustments. Mike noted the one item added is an entry for the 2011 annual cost of money adjustments for all of the deferred assessments. He explained this annual transaction increases the total amount of each deferred assessment by a percentage of the original principal balance and the total outstanding balance of all deferred assessments. It will not have an effect on the District’s income until the homeowner decides to hook up to municipal water, which would make the total assessment amount come due. Kevin stated that deferred assessments increase by the same amount each year since interest is not compounded. Ray mentioned that the District needs to make sure that the interest rate set at the assessment hearing doesn’t change. **Jim made a motion to approve the balance adjustments report as submitted/second-Bob/carried unanimously.**
 - d) Approve pending bills for sanitary and water. **Jim made a motion to approve the pending bills for January as submitted/second-Bob/carried unanimously.** Joel asked Mike if the payment to the Institute of Management Accountants was for him. Mike answered yes, and that the payment is for his annual society membership which includes a monthly accounting news magazine. Kevin added that he strives to keep the staff involved in their field of study as much as possible and to enable them to keep up with current events.
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements. Bob complimented the staff on the finish of the board table as well as the plaques on the wall for the past Commission Presidents.
- 5) Director’s Report.
 - a) Review of District statistics.
 - 1) One of the goals for 2012 is to add 12 new sewer connections and 30 new water connections.
 - b) Correspondence.
 - 1) The District received a letter from the Department of Natural Resources stating that the District’s permit to draw water from the Great Lakes Basin area must be renewed. The District’s maximum withdrawal capacity is 1,980,000 gallons per day, and it currently only draws about 150,000 gallons per day. This permit is approved and has already been received. The next time this will need to be renewed is between June 11 and December 31 of 2021. However, Kevin must continue to do annual reporting to continue to rely on the GLB as a water source.
 - c) Report summary detail of 2012 project goals and schedules.
 - 1) Kevin previously sent the Commissioners a list of projects that the District will target this year. This list will continue to be refined, but it informs the staff of what will be focused on. Large projects include repairing at least two manholes within the District, with a couple of other goals of minimizing unaccounted water and reducing infiltration rates. Kevin welcomed feedback from the Commissioners if they had any questions on specific items or a desire to add or change something on the list.
 - 2) Bob asked if the District is going to try to finalize sump pump inspections this year. Kevin stated that one of the District’s winter projects is to complete inspections of each sump pump upstream of the District’s flow stations.

They've been working on reducing the number of homes left to inspect and have until February 1 to finish this project. Currently, there are 14 inspections remaining, and several of those have already been scheduled.

- 3) Bob added that a lot of projects on the list are dependent upon whether consolidation with the Town of Omro Sanitary District is approved at the April referendum. Kevin explained that some of the items are flexible. For example, if the District is looking for infiltration or televising mains they may adjust some of the areas they focus on. They could also paint Omro's fire hydrants first because Algoma's hydrants are in better shape than Omro's. In consolidating, Algoma will strive to bring all of Omro's standards up to meet current Algoma District expectations. Bob asked if putting off Algoma's hydrants in order to paint Omro's instead would have a negative effect on them. Kevin explained that it would take a little more sandblasting to knock off all the rust and other items, but the District would make sure they are properly maintained so that they don't seize up when used. Over a couple years that won't happen, but in the long run additional problems could occur if they are not maintained properly.
 - 4) Also, if consolidation passes, Kevin proposes installing radio telemetry in Omro's lift stations. This is important because it will allow the operators to monitor the live status of the system and reduce inspection expenses. Kevin wants to complete this project by around July 15, so they would have several months to complete it. Bob asked if it is an expensive option to put this system in. Kevin responded that he has received two bids for this project so far, each in the mid to upper \$40,000 range for 100% completion of the project. He will continue to review these and other options carefully since they are only estimates based on field research quotes. However, it probably won't deviate from those amounts by more than 10%. Bob asked if the District's current software will have any problem monitoring additional lift stations. Kevin stated that the District's system is expandable and adding additional components should work really well. A lot of the electronics in Omro's panel are compatible with Algoma's because the company that installed some of Omro's panels is the same one that installed Algoma's.
 - 5) Jim asked about the Build America Bond Interest Rebate. Kevin answered it pertains to the District's Build America Bond and the credit it receives toward the interest payments. The District received a phone call from the IRS recently regarding that reimbursement because the amount the District claimed on their 2011 rebate filing was not the same interest amount to be paid in 2012. Mike explained to the IRS & Connie with Bond Trust Services, who files this form for us, that it was because the District is still waiting for a portion of last year's rebate. After that, he told Connie that an IRS representative had called. Once the two of them talked directly about the situation, it was hopefully resolved and the District will receive its proper refund. Jim asked how much the rebate was, and Kevin stated it is about \$90,000, which amounts to around 30% of the total interest paid on those loans.
 - 6) Kevin asked Ray how the phone conference went for the pending bankruptcy. Ray summarized that the trustee made a mistake, acknowledged it, and now it is straightened out. The District will have to completely write off the past due bill for 2010 sewer user fee because it wasn't on the tax roll. However, three participating assessments are active and will go back into the plan to be paid in full. Bob asked if payment could be expected sometime this year. Ray answered once all the unsecured debt is removed and the secured debt is prioritized, the trustee will disburse the funds. So unless something terribly strange happens, the District should begin receiving payments next week, but if they don't arrive, notify Ray and he'll call the trustee. Ray also stated to make sure to note separately the amount of deferred assessments so they don't get erroneously included in the debtor's payment plan.
 - 7) Jim asked why a fire hydrant needs to be adjusted in Olde Apple Acres. Kevin explained that there were a couple issues that arose after an engineer surveyed the site. First, after Radke Contractors, Inc., installed everything to their surveyor's grade stakes and elevations, the District noticed the grade on a certain lot was really low because the hydrant was sticking up above bumper height. The breakaway flange should be below the bumper so it doesn't get damaged or start to leak if hit. The District needed to either cut that hydrant down or have Radke fill in that site. Radke told the District they would adjust the grade, but they never did. The other issue is near the road end where the developer extended the road further south than needed. There could have been a swale at the end of the road to put the fire hydrant beyond that area, so in the future the District could just tap in and extend to it. Now the fire hydrant appears to be near the edge of the road. It has already been lowered, but should be cut off lower so that if it is hit, the top is knocked off and rolls away and no one gets hurt. The break-off point is where the red and black ductile iron meet, which is about 8 inches off the ground. It is important to make sure it is always below the bumper height to prevent damage underground if a hydrant does get hit. The only work that would need to be done then is to replace the damaged parts of the hydrant from the surface, which helps the responsible party since they are billed for the repair.
- 6) Old Business.
- a) Discuss and act on determining the entity to return aged road deposits for multiple properties. It is the District's obligation to be diligent about returning these road deposits to their rightful owner in a business-like fashion. On December 13, 2011, the District sent a letter to each homeowner and builder requesting that the rightful recipient of the road deposit sign and return the letter. The letters went out by regular mail, and none were returned undeliverable. If only one party claimed to be the rightful recipient, they would receive the refund. If both claimed the refund, they would both have an opportunity to state their case at this meeting. In making this decision, Ray suggests the District first verify whether the builder still exists according to the Department of Financial Institutions website. If it no longer exists, the refund can go to the homeowner. The Commissioners must also take into consideration who applied for the sanitary sewer permit. The District has record of who submitted the check, but there's no way of knowing whose

money it was because we don't have the contracts between the builder and buyer detailing certain aspects, such as advances by the builder or whether a certain amount of money was collected. Although the builder may have written the check, it could have been trust money belonging to the homeowner. If there are any unclaimed deposits, the District can transfer them to the general fund, and if someone claims them in the future, they can be refunded. Another point to consider is whether the current homeowner now is the same person as when the permit was originally taken out.

- i) 1978 Scarlet Oak Trail: No response was received from either party. Portrait Homes took out sewer permit & is the original payer. According to the DFI website, the original homeowner is also the owner of the building company.
- ii) 1230 Kewaunee Street: Both the current homeowner and the builder claimed the refund, but Geurts Custom Homes took out permit. Each party was invited to the District meeting to state their claim, however neither is in attendance. Ray suggested the District contact both parties and either give them a final opportunity to attend next month's meeting or have them send documentation to back up their claim.
- iii) 1890 Sunkist Road: The homeowner was the only respondent and claimed to be the rightful recipient of the refund. The permit lists both the builder and the original homeowner, who is also the current owner.
- iv) 606 N. Oakwood Road: The homeowner was the only respondent and claimed to be the rightful recipient of the refund. The permit lists both the builder and the original homeowner, who is also the current owner.

Jim made a motion to refund the homeowner of 1978 Scarlet Oak Trail \$331, hold the deposit from 1230 Kewaunee Street until more investigation is done, refund the homeowner of 1830 Sunkist Road \$731, and refund the homeowner of 606 N. Oakwood Rd \$231/second-Bob/carried unanimously.

7) New Business.

- a) Resolution # 2012-1-1 to review public bid results and approve awarding Contract 1-2011 Washburn Street Utility Extension. This resolution was sent with the packet emailed to the Commissioners previously. Bob asked if Kevin was satisfied with the lowest bidder. Kevin explained that he did some background research on PTS Contractors, Inc., and prequalified them for the project. The company completed some work for the District about nine years ago and they stand by their work. He recommends the District award the bid to PTS Contractors, Inc. for \$167,970 so that the construction process may begin and the project can be completed within the 12 working day time frame set by the Wisconsin DOT. **Jim made a motion to approve resolution # 2012-1-1/second-Bob/carried unanimously.**
- b) Discuss and approve dedication of a memorial bench in memory of Alexander Irvine. Kevin explained that the Irvine family approached him and asked if a bench may be dedicated in memory of Alexander. The District staff looked into some different bench options with engraving which cost around \$500-600. Kevin hasn't followed up with the family yet because he wanted to get it approved first and know how much was authorized in the budget. Bob suggests Kevin discuss the options further with the family to see how they envision the design and cost of the bench. Kevin mentioned that a six foot bench fits up to 32 characters and an eight foot bench fits up to 43 characters, so the size of it may determine how it is engraved. Jim mentioned the metal benches at Oakwood School look nice and can also be engraved. Kevin will get more information from the family and submit it to the Commissioners when they pursue this purchase of a memorial bench in the spring. **Jim made a motion that Kevin be authorized to work with the Irvine family to place a bench on the District's site with the cost to be determined at a future meeting/second-Bob/carried unanimously.** Joel asked what the District had in honor of Commission President Bernie Miller. Kevin stated that the District recently hung picture plaques on the wall outside the board room in honor of each past Algoma Sanitary District President.

8) **Jim made a motion to adjourn at 7:05pm/second-Bob/carried unanimously.**

Respectfully submitted: _____
Michael Claffey, Accounting Manager

Approved: _____
Robert Nadolske, President

Algoma Sanitary District #1
February 9, 2012

Regular Monthly Meeting

- 1) Open Regular Monthly Meeting
- 2) President Bob Nadolske with Commissioner Jim Savinski present called the regular monthly meeting for January to order at 6:00 p.m. Also present were Kevin Mraz, Ray Edelstein, and Michael Claffey. Joel Edson was absent.
 - a) Bob noted that the District is using a tape recorder for the maintenance of the minutes. No one else is using one.
 - b) Approval of the minutes of the previous meeting. Jim noted on page 2 under subsection 6: “replace the damaged parts of the hydrant from the surface, which helps the homeowner since they are billed for the repair.” Instead of *homeowner* it should say *responsible party*. **Jim made a motion to approve the minutes for the regular monthly meeting on January 12 with the noted change/second-Bob/carried unanimously.**
 - c) Approve cash receipts for sanitary and water. **Jim made a motion to approve the cash receipts for sanitary and water/second-Bob/carried unanimously.**
 - ii) Approve the balance adjustments. Mike explained most of the balance adjustments were to post interest to match the check amounts received from the pending bankruptcy case. Another adjustment was necessary to write off the remaining sewer user fee for that parcel because it was ruled to be both unsecured and uncollectable in bankruptcy. **Jim made a motion to approve the balance adjustments report as submitted/second-Bob/carried unanimously.**
 - iii) Approve investments for sanitary and water. At the previous District meeting Bob asked if some of the funds invested at the state investment pool could be earning a higher interest rate elsewhere. Mike researched the possibilities and suggested the District transfer those and some additional funds from Community First CU to a money market account with Winnebago Community Credit Union in Oshkosh at a 0.85% interest rate. He also asked if the District wanted to transfer its current funds at Choice Bank from a money market account to a 12 month CD, which would increase the interest rate from 0.80% to 1.10%. Kevin confirmed that investment in a 12 month CD does not violate the District’s investment policy since the maximum investment period is 18 months. On March 20 the CD at Capital Credit Union will come due, and the Commissioners will have to review their options for it at the next meeting. **Bob made a motion to transfer \$88,000 from the state investment pool and \$150,000 from Community First C.U. to Winnebago Community C.U. and transfer money market funds at Choice Bank to a one year CD/second-Jim/carried unanimously.**
 - d) Approve pending bills for sanitary and water. Kevin explained \$850 for Beck Signs was an estimate for the signs the District is going to put throughout town to promote voting to consolidate with the Omro Sanitary District. However, the quote received was for \$550 and includes two 4’ x 6’ and fifty 18” x 24” signs. **Jim made a motion to approve the pending bills for February with the change for consolidation signs to \$550/second-Bob/carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements.
 - a) Bob asked Kevin to explain when he intended on mailing out this year’s Consumer Confidence Report. Kevin explained that since the CCR is the District’s last opportunity to inform residents about consolidating with the Omro Sanitary District before the referendum on April 3, it is designed to have a strong emphasis on the consolidation and will be mailed at the end of March. Bob requested that it include a small tribute to former Commissioner and past President Alexander Irvine in recognition of his dedication and many years of service to the Sanitary District.
 - b) Bob also asked that the staff test the Skype connection with him before next month’s meeting after he arrives at his new location.
 - c) Bob reminded everyone about the consolidation meeting in Omro on Monday at 6:30p.m. He expressed concern for the general lack of knowledge regarding the potential consolidation among District residents. Kevin stated that the consolidation signs to be put up later in the month should improve awareness of the referendum.
 - d) Bob also wanted to commend Kevin for taking immediate action to correct the problem of not having the referendum question appear on the April 2012 ballot, even though the Town received the information back in November of last year.
- 5) Director’s Report.
 - a) Review of District statistics.
 - 1) The District staff worked with D.R. Hanson Plumbing to repair a water leak for a resident on Witzel Avenue between Thackery Drive and Wyldeberry Lane, which will eliminate about one gallon/minute of unaccounted water. Now the system should be completely tight with little to no water loss.
 - 2) The District is currently working with the school system to make a 5’ x 10” sign to be placed above the presidential plaques on the wall outside the board room.
 - b) Correspondence
 - 1) Today was the last day of the audit. Bob spoke with the auditors and they seemed very pleased with how things are going. He asked them if the District could pay bills online rather than with checks that require dual signatures. The auditors were concerned about the safety of online payments and were skeptical about allowing the District to do so since they are not aware of a way to have dual signatures for online payments. If it were to become a possibility in the future, the District can revisit that as an option. When the auditors come to present their information at an upcoming meeting, the Commissioners will ask about it further. Bob suggested the District designate two days per month for check signing, using the day after the meeting to pay most of the monthly bills and a second day near the end of the month to receive any remaining bills.

- 2) Bob complimented the staff on reducing the remaining sump pump inspections to four. Kevin showed a map with the four highlighted parcels and explained the reasons the District wasn't able to inspect those at this time.
- 3) Kevin recognized Mike's ambition with the PSC report. He recently asked the office staff to observe the auditors as they compiled the PSC report hoping to be able to complete it without their help in the future to save the District \$1,500 per year. The day before the auditors arrived, Mike submitted the PSC report to Kevin and he was very pleased.
- 4) Bob asked if the District heard from the PSC about whether we can email water bills rather than mailing them to residents. Kevin stated that according to the PSC the only restriction on delivery methods is that disconnection notices must be mailed. Therefore, the District has the authority to deliver water bills however they wish. However, John Gasper, the creator of the District's current billing software called Workhorse, does not have the ability to mass-email bills at this time. Workhorse is widely used in Wisconsin and has about 50 utilities currently using it as their primary accounting software. District staff has pursued him on this subject, and he stated that he does not intend to add that at this time because he is doing a major software code update this year. His email response stated that he is looking into having this done through the use of third party software so it would not result in a higher annual software support cost to users. Kevin has considered compiling a list of interested utilities that also want this service to help persuade Workhorse to add it. He also considered polling District residents to gauge their interest in electronic invoicing, but Bob didn't think that was necessary. Bob asked if there was a way to send a mass text to people with their water bill amount since a person's cell phone number changes less often than their email address. Ray pointed out that most cell phone companies charge for receiving texts and some people have a limited number of them on their plan. Kevin said he is also considering updating the website to enable residents to log in and see their current and past bill history. Bob said Workhorse needs to create bills as an individual PDF and have the District create an area on its website for each customer to view them. Jim suggested that the District contact other districts that don't use Workhorse to see if there are other billing systems that currently have this capability.
- 5) Bob mentioned that the District could use their SCADA system to monitor other sanitary district's metering stations as a way to supplement income as long as they are within the District's signal range. If that idea is pursued, Kevin would want to continue to abide by the District's current 20 minute alarm response time. Kevin asked Ray if the District is allowed to perform specialized work for another entity, even if it is not a governmental entity, similar to what we are currently doing for the Town of Omro Sanitary District. Ray answered yes, and Bob added that as long as the District acts within the scope of their designated duties that this would be covered under the Algoma Sanitary District's liability insurance.
- c) 2012 Project Status. The preconstruction meeting for the Highway 21 sewer main relocation project is scheduled for Monday, March 5 at noon at the District Office, after a meeting at the DOT office, with construction set to begin on March 19. The closure points for this project on Highway 21 will be east of Emmers Lane and west of Oshkosh Avenue.
- 6) Old Business.
 - a) None.
- 7) New Business.
 - a) Discuss, review, and act on National Claim Services, Inc.'s updated status in regards to Tenor Pipeline Construction Inc. Bond. Ray spoke with National Claim Services Inc., and they requested more information about the costs of the project. The total amount remaining on the contract was about \$11,000, with Tenor Pipeline Construction owing Concrete Industries around \$7,500 and the District paying an additional cost of about \$3,500 to complete the project. The Concrete Industries claim on the bond was denied due to being untimely. So far, the District has not received anything from Concrete Industries requesting payment. If the District did, it wouldn't pay anything because it didn't enter into a contract with them. In the unlikely event that Concrete Industries sues the District, Tenor would become involved, but they were administratively dissolved by the DFI. Depending on where the work was completed, Lutheran Homes may have to become involved at some point as well. The only thing that could drag this claim out is if the bonding company would send the District a release of their obligation. However, Ray thinks this should be resolved within 60 days except for the Concrete Industries issue.
 - b) Discuss, review, and act on approving check signers at financial institutions. Mike explained that the District must assign a new agent on its Local Government Investment Pool account to replace Alexander Irvine. This individual would have access to the account, authorize transfers, and should not be a District staff member to allow for proper segregation of duties. The money would be moved in or out of this account via a wire transfer to or from another one of the District's bank accounts or by a check that is made out and sent to the District. Bob offered to be the primary agent and Jim would be the secondary agent. **Bob made a motion to remove Alexander Irvine's name from all depository accounts/second-Jim/carried unanimously.**
 - c) Discuss Commissioner' status. Bob stated that if the Algoma and Omro Sanitary District residents vote to consolidate, Chad Hayes would be recommended as the nominee to be a District commissioner and fulfill Alex's term that expires in 2013. If the consolidation referendum does not pass, a commissioner would have to be nominated and approved by the Town of Algoma Board to fulfill Alex's remaining term. To update the other terms of office, Jim's term will expire in 2017 and Bob's term will expire in 2015.
- 8) **Jim made a motion to adjourn at 7:10pm/second-Bob/carried unanimously.**

Respectfully submitted: _____
 Michael Claffey, Accounting Manager

Approved: _____
 Jim Savinski, Commissioner

Algoma Sanitary District #1
March 8, 2012

Meeting was not held due to the absence of quorum. No actions were taken.

Algoma Sanitary District #1
April 19, 2012

Regular Monthly Meeting

- 1) Open Regular Monthly Meeting
- 2) Utility Director, Kevin Mraz, with Commissioners Jim Savinski, Chad Hayes, and Peter Cernohous present, called the regular monthly meeting for April to order at 6:00 p.m. Also present were Joel Edson, Ray Edelstein, and Michael Claffey. Kevin explained that normally the President would open and run the meetings. He thanked the Commissioners for attending the Town board meeting the previous night. The Board appointed Peter to a term expiring April 2015 and Chad to a term expiring April 2013.
 - a) Kevin noted that the District is using a tape recorder for the maintenance of the minutes. No one else is using one.
 - b) Reorganization of the Commission due to public election and appointments.
 - (1) Kevin explained that statute requires the Commission to elect officers including President, Secretary, and Treasurer. He proceeded to explain the table of organization with residents at the top, followed by the elected Commissioners, legal counsel, and a separate treasurer, which Joel Edson has been since 1982. At the bottom is the District staff, including the Accounting Manager and the Utility Clerk, who take care of the office, the Water & Wastewater Lead Operator, and two additional Water & Wastewater Operators, all of which are full-time employees. Should the workload increase, there are additional part-time maintenance or inspector positions that can become available if necessary. There is also a volunteer or co-op position should a college or high school student be interested.
 - (2) Ray explained that this process requires that the Commissioners designate amongst themselves who is going to serve in which capacity. Everyone receives copies of all the reports the week prior to the meeting and anyone can bring up any issue they'd like to place on the agenda, regardless of their title. Issues with items in the reports can also be directed to Mike to resolve prior to the meeting. Ray noted that because this is now a larger district due to the consolidation, there are more items that need to be carefully monitored, including the additional bond deadlines.
 - (3) Kevin previously sent the Commissioners a list of guidelines each position is responsible for.
 - The President would chair the meetings and work directly with Kevin drafting the agendas. He would also perform Kevin's annual review later in the year and serve as District spokesperson if the Northwestern calls or if there is another public meeting. He would help set and approve major policies, develop the District philosophy, and target annual and long-range goals for the District's long-term benefit. Occasionally, Kevin will request additional meetings with the President to discuss how he would like to pursue certain District issues, such as negotiating long-term contracts.
 - The Secretary monitors the operating results and the financial condition of the District. He is responsible for verifying that the required information is published and for hiring an independent auditor. Mike explained that the District's current auditor is on a three year contract, but once it expires, they will submit a bid for approval. The Secretary must also be familiar with the annual review and approval of the District's budget. During the annual budget process, staff creates a binder of detailed budget information for the Commissioners to review.
 - The standard Commissioner must stay informed with Commission matters, be prepared for monthly meetings, work co-legally with the others, review and approve the District's budget, and approve major policies.
 - The responsibilities of the Treasurer include assistance with the District's annual budget, tax roll, and audit, and reporting his findings and recommendations on matters of financial impact to the Commission. He must also keep up with legislation and issues that may require oversight and see that the financial functions of the District and debt obligations are identified and met. He must verify that the tax roll and annual revenues are being collected and focus the Commission's attention on matters of institutional governance that relate to financial reporting and requirements.
 - All positions require meeting attendance of greater than 80% for the previous 12 months to receive their stipend.
 - c) Approval of the minutes of the previous meetings. **Peter made a motion to approve the minutes for the regular monthly meeting on February 9/second-Chad/carried unanimously.**
 - d) Approve cash receipts for sanitary and water.
 - iv) Approve the balance adjustments. Mike explained that when an adjustment is made in any of the three accounting programs, a balance adjustment is processed and the Commission approves them each month. **Peter made a motion to approve the February balance adjustments report as submitted/second-Chad/carried unanimously. Chad made a motion to approve the March balance adjustments report as submitted/second-Peter/carried unanimously.**
 - v) Approve investments for sanitary and water. Mike explained that the pie chart he sends the Commissioners with the meeting packet shows the total amount invested and the percent of total District funds allocated at each financial institution with the goal of having no more than 50% of funds at one financial institution. He also includes some possible options the District has if the Commissioners decide to move funds to receive a better return. At this time Mike recommends that the District does not make any transfers of funds since staff will have to add the two new signers at each financial institution. Kevin explained that the District's investment policy includes being FDIC or NCUA covered at each bank. Even after incorporating Omro's audited balances post consolidation, this policy will be met since the former Omro Sanitary District accounts are collateralized. **Peter made a motion to approve the sanitary and water cash receipts and investments for March/second-Chad/carried unanimously. Chad made a motion to approve the sanitary and water cash receipts and investments for February/second-Peter/carried unanimously.**

- e) Approve pending bills for sanitary and water. **Chad made a motion to approve the February disbursements as submitted/second-Peter/carried unanimously. Peter made a motion to approve the March disbursements as submitted/second-Chad/carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements.
- (1) Jim suggested the website be updated with the new Commissioners names and photos. Kevin suggested Chad and Peter make an appointment with Oswald Photography where the other staff members had their pictures taken.
 - (2) Jim asked about the status of the DNR enforcement conference regarding Olde Apple Acres. Kevin explained that the issue was with a road that was placed in the area of a wetland. Ray stated that henceforth the District will require the developer to sign a written agreement and provide documentation confirming they have received all necessary permits before proceeding a project.
 - (3) Jim asked if there is a succession plan in effect if something were to happen to the Utility Director. Ray suggested Kevin draft such a plan and put it on next month's agenda to discuss.
 - (4) Peter said he is glad to be a part of the Commission and he is interested in learning how the Sanitary District operates.
- 5) Director's Report.
- (1) The District inspects sump pumps to be sure they are not pumping clear water into the sanitary sewer. Of the approximately 2,400 homes in Algoma only four cannot be inspected at this time, but they will be upon selling the house. The District now has another 330 sump pumps to inspect in Omro, and a letter will be sent to those residents with their bill requesting they call to schedule an appointment. An adult must be present and the Operators must arrive in work trucks with the District logo. For those inspections that do not get scheduled, the District would then begin notifying residents that they need to take care of this. The goal is to complete this project within 6-10 months.
 - (2) The City of Omro flow station will be calibrated by an independent third party this Friday, which is usually done once per year to verify the device is accurate and the City of Omro bills for the correct flow. The Operators check the calibration of the District's flow stations weekly.
 - (3) Currently the District posts their agendas at four locations in addition to sending it to the Oshkosh Northwestern. Omro Sanitary District had posted their agendas at five places as well as the Omro Herald. Kevin wanted to verify the number of places to post the agenda now that the Districts have consolidated. Chad suggests continuing to post at the Omro Town Hall and the Omro Herald, and to consider posting at the Town dump and at Samers Bay.
 - (4) The alarm stations dialers in the Town of Omro now contain the District's pager in case of emergency.
 - (5) The District has identified two water services on Marquart Lane that each leak approximately five gallons per minute (gpm). The Operators will begin construction to replace the line with a high-density polypropylene pipe and the leak should be repaired within the next week or two. Algoma's unaccounted water currently is only 1.39 gpm, which is about 1.5% of the total gallons pumped. The Public Service Commission (PSC) allows a maximum of 15% of unaccounted water. Considering meters have a 1.5% margin of error, Jim commended the District on this accomplishment. Chad agreed and added it is especially outstanding compared to the high amount of unaccounted water in the old Omro Sanitary District.
 - (6) Upon receiving the certified referendum results, District staff will send them to the Secretary of Natural Resources and Winnebago County to complete the consolidation.
 - (7) The Town of Omro Sanitary District will have their last meeting the following Monday to clear up any pending bills.
 - (8) Due to consolidating the District has taken ownership of another truck, which totals five. Kevin is looking to sell the truck from Omro Sanitary District and the District's older plow truck that has some mechanical issues and to purchase a new one.
 - (9) Omro Sanitary District's insurance will be canceled as of May 1, 2012. McClone Insurance will order the District a new policy, called Full Prior Acts Coverage on Directors and Officers Insurance, which covers the Commissioners on any decisions that were made prior to consolidation. This covers any claim that could arise that wouldn't be covered under the current insurance. Because Omro Sanitary District prepaid their insurance through March 2013, the District will receive a substantial refund in the near future.
 - (10) District staff has been working with their billing software to email water bills to customers who are interested. They were able to set up a file that can be imported into an email format, most likely as a PDF, and are planning to begin emailing water bills 2-3 quarters from now. Since the District mails over 900 bills each quarter, this will save a great deal of postage. Further, interested residents who also sign up for automatic payment will save additional time and resources in accounts receivable.
 - (11) In order to be recognized as one water utility, the District had to send a letter to the PSC which states that the two Sanitary Districts have consolidated. The next step was to request a phase-in rate decrease for those residents located in the former Omro Sanitary District. The PSC has received and is processing this request with a 120-150 day turnaround time.
 - (12) Kevin was contacted by the East Central Wisconsin Regional Planning Committee following the referendum. He plans to have Jim and himself meet with them in early June to review the sewer service area.
 - (13) Chad stated that the District should contact the Town of Omro Board prior to their budget time to discuss private fire protection for the residents in the former Omro Sanitary District.
- a) Review of District statistics.
- (1) Kevin presented a graph of sewer flows versus rainfall per month. The level of sewer flows has a tendency to follow the trend of rainfall and the spring thaw because inflows and infiltrations exist in the system. District staff is constantly working on reducing this because the lower the amount of water that makes its way into the sewer system, the less money District spends for treatment. When a leak is repaired, or during the wetter years when people don't water their yards as often, the graph reflects a downward trend. The Commissioners should expect to receive these statistics each month.

- (2) Based on the annual budget, the District's goal is for 12 sewer permits and 30 water permits this year. As of the end of March, there have been four sewer permits and seven water permits applied for, with several more expected soon.
 - (3) The District plans to seal 100 manholes this year. Throughout the Town of Algoma, 303 manholes have been sealed so far, leaving 549 remaining. Lower areas in town, where water could be seeping through the adjustment rings of the manholes, are being targeted right now. The current plan does not include any manholes in the Town of Omro yet, however, the Operators toured the Town of Omro that day and found about a 17 gpm leak into the manholes and grinder pumps throughout town, which is about 25% of their total flow. At a cost of \$4.19 per 1,000 gallons of sewer flow treated, the District will work on reducing those leaks as much as possible. The District found as-built plans and the Operators will add the Town of Omro's manholes once the entire Town has been surveyed.
- b) Correspondence. None
 - c) Status of 2012 projects.
 - i) HWY 21 sewer relocation. Since disconnecting the 10" sewer line, which had a substantial amount of infiltration coming in, Algoma's overall flows have decreased. Following restoration and the installation of a new light-weight aluminum cover on the Brooks Lane lift station, the project will be complete.
 - ii) Sewer cleaning and televising. Since abandoning the sewer line by Hwy 21, there's not much inflow or infiltration to reduce in Algoma. Therefore, the District is going to target televising and leak checks in the Town of Omro since their cost for sewage is 7-8 times higher. The annual budget allows 25,000 feet of sewer main televising, most of which will be in the Town of Omro, which is 50% of their total sewer mains.
 - iii) Fire hydrant painting. The District has paint for 90 hydrants and will paint those needed most, mainly in the Town of Omro.
 - iv) Sanitary Sewer manhole replacement. The District will open bids on May 2 for the replacement of two manholes, one of which was built out of fiberglass and has caved in and leaks. The agenda for next month will contain a motion to approve the lowest bid, which is not likely to exceed \$25,000.
 - v) Audit review with Baker Tilly for 2011 scheduled for May 10. Baker Tilly will be at next month's meeting to discuss the details of the 2011 audit. Since the District has a contract with them, they will also perform a partial year audit for the Omro Sanitary District. They have worked with them in the past, but Kerber, Rose & Associates has performed their last four audits.
- 6) Old Business. None.
 - 7) New Business.
 - a) Review District mission statement and general powers and duties according to WI stats 60.77(4). Kevin reviewed the District's mission statement because he bases his decisions on this and the District's vision and goals, which are presented on the website.
 - b) Discuss, review, and act on approving check signers at financial institutions. All three Commissioners and the Treasurer must be authorized signers at all District financial institutions, but only two signatures are necessary on each transaction. The bond payments were approved as pending bills, but the wire to make this payment must be signed at the bank. Mike will retrieve the information necessary to begin this process. **Jim made a motion to add Chad & Peter as authorized signers at all District financial institutions/second-Chad/carried unanimously.**
 - c) Discuss, review, and act on consolidation with Town of Omro Sanitary District #1.
 - i) Consolidation process.
 - (1) Review terms. Kevin read aloud the terms of consolidation that were drafted and signed by the three Commissioners of each District on May 12, 2011. These were also submitted in the letter to the PSC.
 - (2) Review status of implementation. Kevin reviewed the process of consolidation, indicating what has been completed and what was left to be done. Ray recommended getting certified copies of the election results and keeping a few copies of them on hand to have proof should someone request it. Also, he suggested sending a letter to the title companies notifying them of the consolidation and that the ordinances of the Algoma Sanitary District are in effect for properties in the former Omro Sanitary District.
 - (3) Town of Omro hall office rental cancelation as of May 1, 2012. The letter notifying the Town of Omro of cancelation of the rental agreement has been sent registered and certified mail as the lease requests. Upon completion of Omro's last meeting on Monday, April 23, all records, files, and drawings will be removed from the office. Most of the small office equipment will not be used by the District. The District has already brought some of the critical items over and cleaned out the garage. Ray mentioned that there are some boxes at his office for the District to pick up also.
 - (4) Implementation of the SCADA system within the Omro Sanitary District. In order to bring Omro's equipment up to Algoma's standards of operational maintenance, Kevin planned for incurring the large expense of updating the radio telemetry system at their lift stations. This will enable the District to monitor all pumps and flow levels on a real-time basis. The company that implemented the District's current monitoring system, LW Allen, quoted the entire project at about \$50,000. The District has also received several additional quotes and the Commissioners should expect to see the results within the next couple of months.
 - (5) Review table of organization. See item 2b(1).
- 8) **Jim made a motion to adjourn at 8:03pm/second-Chad/carried unanimously.**

Respectfully submitted:

Michael Claffey, Accounting Manager

Approved:

Jim Savinski, President

Algoma Sanitary District #1
May 10, 2012

Regular Monthly Meeting

- 1) Open Regular Monthly Meeting
- 2) Utility Director, Kevin Mraz, with Commissioners Jim Savinski and Peter Cernohous present, called the regular monthly meeting for May to order at 6:00 p.m. Also present were Joel Edson, Ray Edelstein, and Michael Claffey. Commissioner Chad Hayes was excused.
 - a) Jim noted that the District is using a tape recorder for the maintenance of the minutes. No one else is using one.
 - b) Approval of the minutes of the previous meetings.
 - i) **Jim made a motion to table the minutes for the Omro Sanitary District regular monthly meeting on April 23/second-Peter/carried unanimously. Jim made a motion to approve the minutes for the regular monthly meeting on April 19/second-Peter/carried unanimously.**
 - c) Approve cash receipts for sanitary and water.
 - vi) Approve the balance adjustments. Mike explained that there were some small assessment changes necessary in order to match a resident's bankruptcy payments that were received. Another one was needed to credit and re-bill an annual sewer user fee for an apartment complex that was occupied a month later than anticipated. Finally, a couple of late fees were added to close out some account balances. **Peter made a motion to approve the April balance adjustments report as submitted/second-Jim/carried unanimously.**
 - vii) Approve cash receipts and investments for sanitary and water. **Peter made a motion to approve the sanitary and water cash receipts and investments for April as submitted/second-Jim/carried unanimously.**
 - d) Approve pending bills for sanitary and water. **Peter made a motion to approve the sanitary and water pending bills for April as submitted/second-Jim/carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements.
 - (1) Peter appreciates the information that is emailed to him, but thinks it would be helpful if he could receive the color packets prior to the meeting. Kevin said the District could drop off the colored packet for him beginning next month.
 - (2) Jim asked if the process of adding the new Commissioners as authorized signers on all accounts has been completed. Mike said he had some more paperwork for them to sign after the meeting, and he's waiting for a couple more forms from the remaining financial institutions.
 - (3) Jim also asked how the CMAR is coming along which is due June 30. Kevin stated it is available online to start filling out and the report will be approved in a separate resolution for each District at next month's meeting.
- 5) Director's Report.
 - a) Review of District statistics.
 - The District experienced 4" of rainfall on May 3, which caused substantial flooding in the area. Kevin explained that the storm water went over roadways and window wells. Residences that did not have a plug in the sewer drain of their basement could have potentially allowed clear water to enter the sewer system. Kevin presented a chart that showed high flows beginning at 1:15 a.m. and continued until 8:00 a.m. the following day. District staff responded immediately and reduced the levels in the sewer system to prevent sewer backups into properties, especially Aurora Hospital. It was necessary to bypass pump the lift stations on Brooks Lane, Leonard Point Road, and Shorehaven Lane, which are the typical areas that flood significantly. Kevin showed various pictures of the flooding throughout the Town. The District received five residential calls due to the effects of the heavy rainfall, with one call from a resident on Lansing High Point Road in Omro because their grinder pump alarm was going off. When the District arrived, Service Master was there because the crotch that is supposed to allow water to flow to the lake couldn't keep up with the rainfall and the basement floor had about 4" of water. The District put the residents that share that grinder pump on notice stating that if someone backs up, the District is not responsible. The homeowner was given notice that they must resolve the problem at their property. Sump pump inspections are set up for the following day to verify they are compliant with the District Ordinance.
 - The Commissioners would like District postings to include the Omro Town Hall.
 - The credit cards and phones used by Omro Sanitary District have been canceled. Jim would like verification that the accounts were closed. District staff will investigate further to confirm that the accounts have been deactivated.
 - The minutes of the last Omro Sanitary District meeting could not be approved because the only Commissioner that attended that meeting was not at the current meeting. Ray said they can be approved at the next meeting.
 - b) Correspondence.
 - Rural Mutual sent the cancelation notice of Omro's insurance as of May 1, 2012 and the refund has been received.
 - The Consumer Confidence Report Certification was sent to the Wisconsin DNR as required.
 - Kevin has a meeting planned with members of the Town of Omro Planning Committee and the Omro Town Board on Monday to discuss boundary agreements between the Town of Omro and the City of Omro. Jim asked if Kevin intended to discuss residential fire protection at that time as well. Ray recommends that by June the District submit a written request with the Commissioners' signatures to the Town of Omro to consider paying the fire protection fee from their tax levy when they begin their budgeting process. Jim suggests Kevin prepare the letter to be signed at the June meeting.
 - c) Status of 2012 projects
 - ii) HWY 21 sewer relocation.
 - iii) Sewer cleaning and televising.
 - iv) Fire hydrant painting.

v) SCADA upgrades.

vi) Omro Sanitary District Consolidation.

- Kevin also met with the electrical engineer that performed the SCADA telemetry to show him the lift stations in the Town of Omro. The previous quote is \$48,000, but they are trying to alter it to get it below \$25,000. He may consider receiving public bids, as the minimum bid amount is \$25,000. Jim asked if it was difficult for the Operators to see what was going on during the storms without having the SCADA system for the five lift stations in Omro. Kevin said it was and explained that the Town of Omro average flows are about 70,000 gallons per day (gpd), but that day they had 300,000 gpd. Likewise, the City of Omro averages 200,000 gpd and their flows were up to 3 million gpd that day. The District received alarms on the pager, but the Operators didn't know what the alarm was specifically for so their knowledge of the situation was very limited. Luckily there were no power failures. The waste water treatment plant has a standby generator that continues to monitor flows coming into the plant, so a backup battery is not needed there. However, the lift stations are only backed up by one generator in the shop that has to be driven around to power the stations. Therefore, they either have the capacity to use a trailer-mounted pump to pump into the force main and bypass their complete pumps to be able to continue pumping into the sewer system or have an additional trailer-mounted electrical generator on standby that they can plug into the station for electricity.
- Jim asked if the two water leaks that were found were in areas of corrosion. Kevin answered that there were substantial problems in that area and presented a chart that showed average gallons per minute (gpm) of unaccounted water in Omro, which was initially 8 gpm and began drifting upward. At the time of the repair it was up to 11 gpm, and dropped to 3 gpm afterwards. After the repairs, the District's total night flows dropped from 35 gpm to 28 gpm. Kevin clarified that the water lines are corroding from the outside in due to ground corrosion, not municipal water corrosion. Algoma has ductile iron mains with brass fittings and copper water lines. Omro uses HDPE pipe for the main with stainless steel saddles to brass fittings and copper water services back to brass curb stops. When a new home connects to the municipal water system, a new line is ran all the way out to the main so it can be replaced all at once if needed. Kevin is considering assigning staff to work at these repairs a few months in a row, and maybe renting a machine to complete it before the road is paved. He is currently analyzing the options of renting versus buying the machine for budget purposes.

6) New Business.

a) Review 2011 Annual Audit with Baker Tilly. Sarah Schleede, a CPA and Manager with Baker Tilly for eight years, stated that the Algoma Water and Sewer Utilities are doing very similar to last year. She highlighted the following items:

- Water: The number of gallons of water the District sold increased from 2010 to 2011. Although the Water Utility's rate of return decreased to 2.9%, it is still above the authorized rate of return of 1.4%. Operating revenues increased due to the simplified rate case that increased water rates by 3%. Operation and maintenance expenses increased slightly due to normal maintenance and wages increases, but it is very insignificant compared to prior years with the construction of the new administrative building. The balance sheet shows that the number of months of unrestricted cash on hand in 2011 was 12 months of cash versus 14 months in 2010. This is encouraging since the normal benchmark is only three months. The percentage of capital assets financed through earnings increases as debt is paid off, indicating how much assets are financed by debt. Jim asked if the District has been operating at a loss due to depreciation. Sarah confirmed, but explained that the 2.9% rate of return is a good indicator of how much the District is earning on its capital assets from operating activities.
- Sewer: As with water, the sewer rate increased in November 2010, which increased operating revenue. Again, operating and maintenance expenses increased a little, but there is no cause for concern. Depreciation expense also increased slightly. The number of months of unrestricted cash on hand decreased from 21 months to 20 months, which is still well above the three month benchmark, but unrestricted cash and investments increased. The sewer utility has no debt, which is very unusual. Sarah concluded by saying the audit went very smoothly and the District staff did a great job preparing for it.
- Kevin added that staff has several goals to maintain. One goal while incorporating Omro Sanitary District is to keep their total debt within Algoma's range of total debt. To accomplish this, the sewer utility targets operating revenues to cover operation and maintenance expenses, and the audit shows that these two amounts are close. It also has the tax levy to target non-operating expenses. Another District goal is to maintain 12 months of operating cash on hand. The Commissioners will see that addressed when the annual budget is developed later in the year. The motivation for this goal is to maintain good bond ratings and to have the additional capacity to plan for emergencies that may arise.
- Since the sewer utility has many additional months of cash on hand, Sarah suggests the District consider paying off some debt upon consolidation to save money in interest expense. Kevin explained he believes that it is safer to keep cash on hand than have less debt because if something catastrophic happens, the District does not have to borrow money at the risk of whatever interest rate is available at that time. Looking ahead, 2016 and 2017 will be slimmer years and the District must use a cash flow schedule that runs the entire length of the bonds, which will also be in the budget packet. Ehlers & Associates will be in to analyze Algoma & Omro's bonds within the next couple of months and will discuss refinancing to lower the interest rate a percent or two at that time.
- Baker Tilly had the following recommendations:
 - 1) Approve a policy that reports how much overtime is necessary and why. Kevin explained that each weekend one operator comes in to take water samples, which requires about four hours of overtime. When meetings take place they require additional staff overtime as well. He will develop a policy to be approved at next month's meeting.
 - 2) Formally approve wage increases with a motion in open session after the closed session discussion.
 - Baker Tilly realizes that because the District staff is quite small it will be difficult to segregate all duties and some conflicts will still remain with the current District staffing level.

- Kevin explained that the District is in the process of setting up its billing software to email water bills to their residents, and asked Sarah if Baker Tilly has any customers that currently do this. Sarah answered yes, and said she would look into how they do this and get back to him. The District currently offers an ACH payment option for quarterly water bills which saves staff time and money.
 - Jim asked Sarah if the District could pay their bills electronically. Sarah explained that it would be hard to prove that the Commissioners approved an online payment when it is made whereas signatures provide an immediate and valid proof of approval. Jim said that some banks may have the ability to allow one person to set up the payments and another person review and submit them, and Sarah said that would be okay as long as a signer authorized the payments online with a separate log-in account before they were made. However, the District's current bank does not offer this type of service. **Jim made a motion that District staff further investigate their options for electronic bill payments by authorized personnel and report back to the Commissioners/second-Peter/carried unanimously.**
- b) Resolution approving Consolidation Services for Omro Sanitary District closeout with Baker Tilly. Sarah reviewed the financial information to get everything merged once the consolidation passed. She talked to the PSC, did some research on consolidation standards, and provided Kevin a comprehensive list of things that need to happen to consolidate. Some things on the list could be done by District staff. First, a mini audit will be conducted on Omro Sanitary District transactions from January 1 to April 30, 2012. Baker Tilly proposes that a balance sheet be created for yearly activity as of April 30. They will review everything, make sure it is stated correctly, help Mike come up with the entry to consolidate everything into Algoma's books as of May 1, 2012, and eliminate any unnecessary entries. They will also prepare the final PSC report for Omro as of April 30. Kevin stated that the public hearing with the PSC to implement Omro's first reduction in water rates is scheduled for June 12. That will begin the official merger process and everything will be finalized after receiving the mailing from the PSC. The telephonic hearing allows the public to come in and make comments, and then an administrative law judge makes the decision which will allow the District to consolidate and implement the new water rates as of July 1. The PSC wants the annual report to go through June 30. **Jim made a motion to approve Resolution 2012-5-1 to accept the proposal for consolidation services with the Omro Sanitary District #1 with Baker Tilly, not to exceed \$10,000/second-Peter/carried unanimously.**
- c) Discuss and act on contract for manhole replacement project number M1369A11 based on sealed bids opened on May 2, 2012. There are two manholes in the District that must be removed and replaced. The concrete on one manhole is deteriorating due to cascading from the force main and is currently not leaking, but the structural integrity of the manhole is continually worsening. The other manhole is constructed out of fiberglass that is not lasting and has about a 10 gpm leak, costing the District about \$8 per day. It may be strong enough to last a year, but the leak is getting worse. Kevin was very surprised that no contractors attended the bid opening since there was no deadline given to complete the project once awarded. The primary reason for the lack of submitted bids was because many contractors didn't think they would win due to the large expense of the project including cutting into the road. The District received two informal quotes, one from Parker Construction and the other from Advance Construction. Ray suggested that because this is a busy time of year for construction, the District should consider re-bidding the project later. In the meantime, there are a couple of ways to reinforce the manhole such as inserting a new liner for the one that is leaking. Jim asked if the District had a specific amount budgeted for this project. Kevin stated that the annual budget allows \$60,000 for general construction projects, but this project is not allotted a specific amount per say. The new manhole on Highway 21 cost about \$8,000 including installation. Replacing a manhole requires sliding into the existing sewer main which may cause some sewer bypass pumping costs and street repairs. **Jim made a motion to re-bid the project at a more convenient time/second-Peter/carried unanimously.**
- d) Discuss and act on quote from Water Tower Clean & Coat, Inc. in the amount of \$2,200 to touch up paint on the elevated water tower. Water Tower Clean & Coat cleaned the water tower and identified three rust spots. The quote to clean those spots to white steel, prime, and paint them was \$2,200. The District also received three other quotes; Kevin recommends the Commissioners approve this quote because it is very reasonable. **Peter made a motion to accept the quote from Water Tower Clean & Coat, Inc. for the amount of \$2,200/second-Jim/carried unanimously.**
- e) Discuss employee succession planning. Jim asked who has access to confidential files. Kevin answered that he keeps all confidential employee files locked in his office, which only he has access to, and confidential financial files are locked in Mike's office, which Kevin also has access to. The safe is used to hold deeds, passwords, and checks. He further explained the chain of command that identifies each member of staff to report to one person. The operators report to Dan, and Dan reports to Kevin; Sara reports to Mike, and Mike reports to Kevin. Kevin gives instructions to Dan and Dan passes them to the operators; Kevin gives instructions to Mike and Mike passes them to Sara. If something happens to Dan, Kevin can fill that spot on an operational level. If something happens to Mike, Kevin can fill that spot on an administration level. The District also has outsourcing services available from companies like Cadre and outside auditors which can provide instant backup. The employee handbook clearly states the various job descriptions and responsibilities for each position, and each employee has clearly defined roles. There are also policies and procedures in writing that instruct employees on how duties are performed. Should a major position become vacant, the Commissioners will decide which direction to pursue at that point. An assistant director is not worth the expense at this time. The District is operating at full capacity for employee workload, which provides security for each full-time position. Kevin said he keeps good notes and records and tries to pass his knowledge down to the other employees as much as possible. Ray said if something happened to Kevin, the long range planning of the Sanitary District would be delayed, but the day to day activities would continue. If the Commissioners wanted, they could require a time frame to recruit and replace a position if upper management wished to leave. Jim mainly wanted to document that this issue has been addressed.

- f) The Commissioners moved into closed session at 8:25 p.m. pursuant to WI Statute 19.85 (1) (e) to discuss matters in relation to the intergovernmental agreement between the City of Omro and the Algoma Sanitary District regarding wastewater treatment.
 - g) The Commissioners reconvened into open session at 9:38 p.m. to act on matters discussed during closed session. **Jim made a motion for District staff to proceed to meet with the City of Omro to gather information and to obtain influent sample data from the Town of Omro discharge and to obtain influent data for the City of Omro from the DNR/second-Peter/carried unanimously.**
- 7) **Peter made a motion to adjourn at 9:40pm/second-Jim/carried unanimously.**

Respectfully submitted: _____
Michael Claffey, Accounting Manager

Approved: _____
Jim Savinski, President

Algoma Sanitary District #1
June 14, 2012

Regular Monthly Meeting

- 1) Open Regular Monthly Meeting
- 2) President Jim Savinski with Commissioners Peter Cernohous and Chad Hayes present called the regular monthly meeting for June to order at 6:01 p.m. Also present were Utility Director Kevin Mraz, District Treasurer Joel Edson, Attorney Ray Edelstein, and District Accounting Manager Michael Claffey.
 - a) Jim noted that the District is using a tape recorder for the maintenance of the minutes. No one else is using one.
 - b) Approval of the minutes of the previous meetings.
 - i) **Chad made a motion to approve the minutes for the regular monthly meeting on May 10/second-Peter/carried unanimously. Chad made a motion to approve the minutes for the final Omro Sanitary District monthly meeting on April 23/second-Peter/carried unanimously.**
 - c) Approve cash receipts and investments for sanitary and water. **Chad made a motion to approve the sanitary and water cash receipts for May as submitted/second-Peter/carried unanimously.**
 - viii) Note any balance adjustments. Mike explained that two large balance adjustments were made to insert the outstanding balances of the Omro Sanitary District residents for sewer user fees and water bills into the District's system. Another one was to delete an invoice for some manhole repair costs that the District is no longer going to bill for. The others were to correct some minor interest adjustments. **Peter made a motion to approve the May balance adjustments report as submitted/second-Chad/carried unanimously.**
 - ix) Note any investment changes. There are three CDs that the Omro Sanitary District held with First National Bank that have matured. Mike proposes that the District use the funds from two of them, one for around \$75k and the other for around \$148k, and open a 12 month CD with West Pointe Bank, and deposit funds from the third CD for around \$102k into Omro's account at Citizens Bank. **Jim made a motion to approve the investment changes as proposed by Mike/second-Chad/carried unanimously.**
 - d) Approve pending bills for sanitary and water. Jim questioned what the two large invoices for McClone Insurance were for. Mike explained one invoice was the usual quarterly payment and the other was for E&O insurance, which is billed annually. Kevin stated that after thorough review of the District's insurance by former District President, Bob Nadolske, the District changed their payment schedule to quarterly instead of annually to capitalize on interest earnings. Mike also explained that following the annual insurance audit, the difference between estimated and actual insurance cost due to actual wages and the previous year's audited sewer expenses are either billed or refunded to the District. Another small invoice is expected next month for the fourth type of insurance that McClone has not billed for yet. Jim asked that staff include a brief description on the pending bills sheet stating what each invoice is for. Kevin would prefer the District revert back to paying insurance annually and Ray suggested that staff keep it in mind closer to the annual budget season. **Peter made a motion to approve the sanitary and water pending bills for May as submitted/second-Chad/carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements. Chad would like to meet with Kevin to discuss fluoride after undergoing further research. Peter thanked Kevin for explaining to him how Great Lakes televises the sanitary sewer system. Jim commended Kevin and staff for doing a good job at the Town of Algoma parade on volunteer time.
- 5) Director's Report. Kevin also appreciates that staff volunteer their time for the parade each year. Peter asked if Kevin offers any kind of compensation to staff for doing such things, and Kevin explained that he usually plans an outing at the end of the year and sometimes rewards staff upon completion of a specific project. Jim mentioned that the public has come to look forward to the District handing out water bottles each year, and Kevin added that he heard several good comments while disbursing them this year.
 - d) Review of District statistics.
 - The water utility pumps about 180,000 gallons of water per day on average, but on June 9 it pumped 464,000 gallons of water. This is mainly due to many residents watering their lawns since it has been so dry lately. The District designed a higher capacity water system and built the water tower to store surplus water to efficiently handle times of high flow when demand exceeds the pumping capacity of one pump.
 - Dry weather affects sewer flows as well. The District has decreased to 380,000 gallons of flow through the Washburn metering station to the City of Oshkosh, which is far below the normal average. Kevin is very happy with how the Operators are working at reducing the inflows and infiltration into the sewer system. The District is now working on televising in the Town of Omro. The seven inches of rainfall in May increased Algoma sewer flows by about 20%, but Omro sewer flows increased by about five times their daily average.
 - To date, the District has received 14 water and 9 sewer permit applications, which is on pace to meet the annual budget of 30 water and 12 sewer permits.
 - All but three sump pumps have been inspected in Algoma and seven sump pumps have been inspected in Omro. Next month the District will begin inspecting the approximately 323 sump pumps remaining in Omro.

- There are 303 manholes that are sealed in Algoma and, once the Operators finish televising in the Town of Omro, Kevin will know better how many manholes are located there and need to be sealed.
- e) Correspondence.
- The District received some calls from interested developers on some commercial land located in the Barony off Highway 21, west of Sand Pit Road. An auction will be held on three large parcels totaling about 27 acres.
 - The District also received a letter from the DNR Environmental Enforcement Specialist, Carl Rovers, regarding a development concern in Olde Apple Acres. Ray explained that the issue happened because some of the surveys that were relied upon during the development process were somewhat old. The DNR has now received the response they were looking for, and everyone involved understands the issue and will be more careful in the future. Although the file is closed, the DNR reserves the right to reopen it if further violations are discovered. Ray explained that the developer agreement allows the District to request reimbursement for legal expenses and staff time if something additional is required as a result of the project. Kevin intends on forwarding the time Ray bills the District along with staff time to Midwest for reimbursement.
 - Kevin has been corresponding with an agent from the Safe Drinking Water Funding Program. The District received a grant or principal forgiveness for the administrative building. They also began talking about grants that may be available to help fund a water main extension project to extend the water main 2.5 miles from Harbor Village Drive to the City of Omro. Kevin will continue to proceed through that and let the Commissioners know if he finds out anything certain. There are also a couple of other programs including a Community Block Development Grant and others available for rural areas that he is looking into. He is working on preparing the details to present to the City of Omro on this potential new extension.
- f) Status of 2012 projects
- i) HWY 21 sewer relocation.
 - ii) Sewer cleaning and televising.
 - iii) Water tower painting. Jim asked if the water tower painting has been completed. Kevin stated that Water Tower Clean & Coat removed the rust, primed, and painted the tower, but it dried a slightly different color from the rest of it. The District asked them to repaint it and will withhold payment until work is completed.
 - iv) Fire hydrant painting.
 - v) SCADA upgrades.
 - vi) Omro Sanitary District Consolidation.
 - vii) Town of Omro sump pump inspection program.
- 6) Old Business.
- a) Discuss and act on the quote received from Deuster Construction in an amount not to exceed \$10,000 to repair two manholes. Kevin received two quotes to repair the manholes on Highland Shores and Conrad Street and recommends the District accept the lowest one from Deuster Construction for \$7,020 with the ability to increase payment up to \$10,000 should any unforeseen circumstances arise. **Jim made a motion to authorize the Director to approve the quote from Deuster Construction not to exceed \$10,000/second-Chad/carried unanimously.**
 - b) Discuss and act on the Intergovernmental Agreement between the City of Omro and the Algoma Sanitary District regarding wastewater treatment services. Since the contract between the City of Omro and the Town of Omro Sanitary District for wastewater treatment services has expired, the District is in the process of negotiating a new one with the City. Kevin is waiting to receive the final rate structure the City of Omro is proposing to charge the District. Previously, they sent the rate structure that was used in 2006, and noted that fixed fees should decrease by 30% because the bonding rate for their plant was lower than anticipated, but the cost per 1,000 gallons of treatment would increase by 20%. However, they provided no evidence that supports these statements.
- 7) New Business.
- a) Discuss and act on the quote received from LW Allen in an amount not to exceed \$25,000 to install SCADA radio telemetry to the five lift stations that are located in the Town of Omro. LW Allen provided a quote for \$24,890 to complete the infrastructure necessary at all five lift stations. Another quote for \$10,755 was provided to set up the computer system, perform upgrades at the administration building, upgrade the verbatim dialer from 16 to 32 channels and the Wonderware package, and provide the computer, startup, and training for the new system. This is an essential maintenance tool because it will allow the Operators to know what alarms are coming in, the condition of the lift stations, how many times each pump starts, and how long they run. The other quote not being pursued at this time is for the monitoring of the flow station, which would indicate if there is a plug in the flow line and allow the Operators to unplug it sooner than if it were just checked weekly. Implementing this new system would eliminate the phone line expenses from each lift station that were necessary to dial out and notify the Operators of an alarm. The District planned for the entire project to cost about \$60,000, and has \$136,000 for capital items available in the annual budget. **Peter made a motion to approve LW Allen Proposal ID#110428150B to install SCADA radio telemetry at the five lift stations in the Town of Omro for**

\$24,890/second-Chad/carried unanimously. Peter made a motion to approve Proposal ID#12060113A&B for additional expenses associated with SCADA installation of \$10,755/second-Chad/carried unanimously.

- b) Discuss and act on resolution #2012-6-1 accepting the DNR compliance maintenance annual report as submitted. Kevin noted a couple of changes that were made to the report since it was emailed to the Commissioners for their review. Jim read the resolution text verbatim. **Chad made a motion to approve resolution #2012-6-1 to accept the DNR compliance maintenance annual report as submitted/second-Peter/carried unanimously.**
 - c) Discuss and act on any public comments received during the June 12, 2012 at 10:00AM Public Service Commission (PSC) of Wisconsin consolidation and water rate case public hearing. Kevin stated that since no one from the public attended the public hearing, there were no public comments to discuss or act on. He explained that the District is awaiting final PSC approval of the three step phase-in proposal for water rates for the residents of the former Town of Omro Sanitary District, which will be implemented starting July 1. Town of Omro residents will receive a letter with their next quarterly water and/or sewer bill explaining how the public fire protection (PFP) charge will be collected. The current proposal is to divide the annual PFP cost by the current number of users, which equals about \$109 per home per year. Although the annual charge would increase by about 3% each year, increases in the number of sewer customers would decrease the charge per home. If a mil rate was used, the annual PFP cost could be divided across the value of all District properties, including vacant lots. Another option would be to charge the PFP cost based on the equalized value across the entire Town of Omro on their property tax bills, resulting in a charge of \$20.93 per \$100,000 of value, but the Town of Omro Board would need to approve that. If the Town of Omro residents would like to approach their Town Board about including this PFP cost in the Town's tax levy as the Town of Algoma does, Kevin will assist them. The Town of Omro funded the PFP cost for its residents once, but they are unlikely to do so again unless residents pursue it.
 - d) Discuss and act on petition for addition to the Algoma Sanitary District for the following parcels: 002135301, 0021354, 002001404, 002001402, 002001410, 002001409, 002001408, 002001407, 016031701, 0160824, 0160825, 0160826, 0020175, 016036605, 016036604, 0160827, and 016038402. Kevin showed a map of the proposed parcels to be added to the District. Most of the parcels are located on Sunkist Road and Ormand Beach Court which have been serviced by the Algoma Sanitary District for several years. Petitioning to add them to the Sanitary District would allow the District to charge them a tax levy and sewer user fee on the tax roll rather than sending a separate bill to these property owners. It requires a petition signed by Kevin to be presented to the town with the greater equalized value and a resolution signed by the Commissioners. **Jim made a motion to approve resolution 2012-6-2 for the petition for addition as submitted/second-Chad/carried unanimously.**
- 8) **Peter made a motion to adjourn at 8:08pm/second-Chad/carried unanimously.**

Respectfully submitted: _____
Michael Claffey, Accounting Manager

Approved: _____
Jim Savinski, President

Algoma Sanitary District #1
July 12, 2012

Regular Monthly Meeting

- 1) Open Regular Monthly Meeting
- 2) President Jim Savinski with Commissioners Peter Cernohous and Chad Hayes present called the regular monthly meeting for July to order at 6:00 p.m. Also present were Utility Director Kevin Mraz, District Treasurer Joel Edson, Attorney Ray Edelstein, and District Accounting Manager Michael Claffey.
 - a) Jim noted that the District is using a tape recorder for the 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 for the regular monthly meeting on June 14/second-Chad/carried unanimously.**
 - c) Approve cash receipts and investments for sanitary and water. **Chad made a motion to approve the sanitary and water cash receipts for June as submitted/second-Peter/carried unanimously.**
 - x) Note any investment changes. Mike suggested the \$255,000 CD at First National Bank that is coming due at this time be rolled into a money market account so the District can access the money should it need to. He also suggested the District consolidate the funds from the Clean Water Fund assessments that Omro collected and transfer \$18,000 from Citizens Bank into the West Point Bank account. **Peter made a motion to approve the investment changes as proposed by Mike/second-Jim/carried unanimously.**
 - xi) Note any balance adjustments. Mike explained that other than a few miscellaneous interest adjustments and late fee write-offs, the only notable balance adjustment was to correct a \$60 bounced check that was later deposited as a cash receipt. The individual was also charged a \$25 bounced check fee. **Jim made a motion to approve the June balance adjustments report as submitted/second-Chad/carried unanimously.**
 - d) Approve pending bills for sanitary and water. Joel asked what constituted a business meal. Kevin answered any meal purchase for a conference or a business-related meeting. **Chad made a motion to approve the sanitary and water pending bills for July as submitted/second-Peter/carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements.
 - Peter asked why he received two copies of his water bill this quarter. Mike explained that the bills were printed without noting a date for the automatic payment withdrawal. Therefore, a copy of the bill was sent to a portion of ACH enrolled residents highlighting the automatic withdrawal date to those residents that received their bills before the mistake was corrected. Peter asked about District water capacity, and Kevin mentioned that the District tests its drawdowns and has always stayed within an acceptable range and has had plenty of water to meet residential demand without imposing any restrictions.
 - Jim appreciated receiving the reports showing the allocation of overtime that he requested. Jim asked Kevin if the Algoma Fire Department filled residential pools upon request. Kevin explained that the fire department used to fill pools, but there were a number of reasons why that has been discontinued. Sometimes, rust or debris from the tanker trucks discolored the water, and one time a fire hose got loose from the firemen and ripped the pool liner. The District has a backflow preventer that takes one to two people to install onto a fire hydrant and then a garden hose is connected to fill a pool. This device prevents back siphon damage to the municipal water system and the resident is charged a \$50 fee plus the water usage. The District will not run a hose across the street to avoid a liability concern if a car or bicycle runs over it. This process is not any faster than using a garden hose, but may reduce the amount of iron or salt usage if the residential well contains high amounts. Some residents that don't have municipal water available may also be concerned about running their well dry by using it to fill a pool.
- 5) Director's Report.
 - g) Review of District statistics.
 - The annual budgeted permits are on target; water permits are halfway to 30 and sewer permits are 1 below 12.
 - The District has inspected 80 sump pumps in Omro and have 18 more scheduled so far. Kevin hopes to complete 50% with the first mailing and realizes it will probably take about a year to be 100% complete. While the District was jetting and televising the sanitary sewer system, one residence was found to be non-compliant. The situation has since been resolved, and completing all of these inspections will have a substantial impact on total flows.
 - Kevin asked the Commissioners to set a date to review the preliminary budget packet in September. The budget must be approved by the Commissioners no later than November 10, and it must be published in the newspaper 15 days prior to that. Since Peter cannot make the monthly meeting on September 13, the Commissioners decided to move it to the 18th or 19th and include the budget meeting at that time.
 - h) Correspondence.
 - Kevin and Mike have a meeting with the Department of Transportation (DOT) on July 19 to discuss reimbursement for the Highway 21/Washburn project. The DOT reimburses 95-100% of total project expenses.
 - A residential request for water service on Omro Road was received due to arsenic problems in a shared residential well. Kevin met with the residents that morning to discuss the possibility of extending the water service for

approximately \$9,500 per parcel. Three of the four residents must be willing participants in order to proceed with the extension. If that minimum is reached, Kevin will also survey 15 additional properties that would be affected if the District were to extend the main to the last point it stopped on Omro Road, thus creating a loop in the system. The higher number of participants would equal a decreased cost per parcel for the extension.

- Kevin met with the contractor that is dredging materials for the Sawyer Creek project in the City of Oshkosh who is looking for sites to dump the clay. The District has two sites that could use the clay to bring the grade up: one is the 5 acre lot that the Omro Sanitary District owned that has some standing water on it during rains, and the other is the 18 acre parcel where the water tower is located. The parcel with the tower has some area designated as wetlands on it. The contractor would need to obtain the appropriate permits before proceeding with the disposal.
- Kevin received a request from the Town of Algoma to supply them with financial information for the District. The Clerk didn't know what exactly the Town Board was looking for and the topic was discussed along with their role in appointing District Commissioner vacancies. Kevin will bring the annual audit to present to the Town Board meeting next Wednesday. The Town just paid the 2012 Fire Protection Fee this month.
- The deteriorating manholes on Conrad Street and Highland Shores Lane have been framed up creating a new solid, strong structure with a 40" diameter instead of 48", which cost about \$7,800.

i) Status of 2012 projects

- i) HWY 21 sewer relocation.
- ii) Sewer cleaning and televising.
- iii) Water tower painting. This project has been corrected and the new paint now matches the previous shade.
- iv) Fire hydrant painting. Kevin was very impressed that staff painted every fire hydrant in the Town of Omro in one week. Jim and Chad added that the hydrants look good and staff did a good job. If the District had hired a company to complete this project, they would have been charged about \$100 per hydrant. Instead the District rented a sandblaster and completed the project in house in a timely manner.
- v) SCADA upgrades. These are planned to begin the week of July 23.
- vi) Omro Sanitary District Consolidation.
- vii) Town of Omro sump pump inspection program.
- viii) Petition for addition to Algoma Sanitary District update. This will be presented at Wednesday's Town Board meeting.

6) Old Business.

- a) Discuss and act on the Intergovernmental Agreement between the City of Omro and the Algoma Sanitary District regarding wastewater treatment services. Kevin and the Commissioners discussed the following possible changes to the contract with the City of Omro: 1) removing the buffer area and the fixed rate structure, and 2) reducing the volume charge to \$0.84 per 1,000 gallons of flow.

7) New Business.

- a) Discuss and act on agreement with wireless phone company for lease of space on water tower property. The water tower was designed to hold cell phone antennas as an additional source of revenue. The District currently has a wireless internet antenna rental contract with NTD for \$5,100 per year. U.S. Cellular had a rental contract that has expired and the company has recently inquired about renewing it. In 2009 the rental amount agreed to was \$1,500 per month. Any company that enters a rental agreement with the District would provide their own insurance coverage and provide notice before entering District property to make any necessary repairs. U.S. Cellular would build a brick structure next to the tower, similar to others they have done previously, and use the tower as their antenna. Kevin is waiting to receive confirmation from U.S. Cellular before entering into a contract with them.
- b) Chad wanted to discuss the reason for adding fluoride to the water. Kevin stated that the amount of fluoride that is added is based on dental hygienist recommendation. Chad stated that research has found that fluoride must be applied topically to receive the benefit of preventing tooth decay. He also mentioned that some utilities in Texas and Kansas have discontinued adding fluoride to their water and wondered if the District should consider doing the same. Jim asked Kevin to put together an analysis of the water treatment chemicals that the District uses to better inform the Commissioners of the treatment decisions being made.

8) **Peter made a motion to adjourn at 7:45 p.m./second-Chad/carried unanimously.**

Respectfully submitted: _____
Michael Claffey, Accounting Manager

Approved: _____
Jim Savinski, President

Algoma Sanitary District #1
August 9, 2012

Regular Monthly Meeting

- 1) Open Regular Monthly Meeting
- 2) President Jim Savinski with Commissioner Peter Cernohous present called the regular monthly meeting for August to order at 6:00 p.m. Also present were Utility Director Kevin Mraz, District Treasurer Joel Edson, Attorney Ray Edelstein, and District Accounting Manager Michael Claffey. Commissioner Chad Hayes was excused.
 - a) Jim noted that the District is using a tape recorder for the maintenance of the minutes. No one else is using one.
 - b) Approval of the minutes of the previous meeting. Jim reminded the Commission that during July's meeting they mentioned rescheduling September's meeting, and Kevin stated Tuesday, September 18 at 6:00 p.m. fit everyone's schedule for the monthly meeting and the preliminary budget workshop. **Jim made a motion to approve the minutes for the regular monthly meeting on July 12/second-Peter/carried unanimously.**
 - c) Approve cash receipts and investments for sanitary and water. **Jim made a motion to approve the sanitary and water cash receipts for July as submitted/second-Peter/carried unanimously.**
 - xii) Note any investment changes. None.
 - xiii) Note any balance adjustments. Mike explained that one sheet of balance adjustments is to set up all of Omro's assessments and integrate them into the District's system and the second sheet is the regular July balance adjustments. **Jim made a motion to approve the Omro balance adjustments report as submitted/second-Peter/carried unanimously. Jim made a motion to approve the regular July balance adjustments report as submitted/second-Peter/carried unanimously.**
 - xiv) **Jim made a motion to approve the July disbursements as submitted/second-Peter/carried unanimously.**
 - d) Approve pending bills for sanitary and water.
 - Jim asked why there was a zero dollar amount for petty cash and Mike explained that the amount was emailed previously, but wanted to include a more detailed description.
 - Jim also asked about the check to West Pointe Bank to transfer an Omro CWF Assessment Funds deposit and Mike explained that a resident issued one check to pay their sewer assessment and their quarterly sewer user fee upon closing. Since both payments must be deposited in different banks, a check needs to be issued to transfer the assessment payoff to West Pointe Bank.
 - Jim asked why the new truck purchase was listed on pending bills when the agenda indicates the Commission will approve the truck purchase later in the meeting. Mike explained that the Commissioners have to approve both the purchase and the payment of the truck. **Peter made a motion to approve the sanitary and water pending bills for August as submitted/second-Jim/carried unanimously.**
- 3) Public Forum. Algoma Supervisor Mike Kierszh was in attendance from the public to discuss the Town of Algoma's financial information request, but did not have any comments at this time.
- 4) Commissioner Statements.
 - Jim asked Kevin to explain the Operator's overtime chart that was provided. Kevin said that call-in hours either come from the SCADA system for mechanical failures such as a high wet well, electronic failure on a pump, or a power outage, or they come from a resident for occurrences such as a grinder pump failure in the Town of Omro. Each time an Operator is called in they receive a minimum of two hours of overtime and they have the option to either leave two hours early that Friday or receive two hours at time and a half. Other overtime included the usual two hours each Saturday and Sunday for daily monitoring of the water system as required by statute. Some office overtime was also necessary to complete the Omro Sanitary District audit.
 - Jim noted that second quarter sewage treatment from the City of Oshkosh was extremely low and Kevin agreed adding that the total bill amounted to \$0.54 per 1,000 gallons of sewage flow. The biggest reason the District's flows have decreased significantly is because the pipe by Highway 21 and Washburn Street that was closed off due to non-use was a previous source of inflows and infiltration (I&I). Kevin is very satisfied with the rate the District is paying the City of Oshkosh, which will help keep residential rates low.
- 5) Director's Report.
 - j) Review of District statistics. The District has achieved its goal of 12 sewer connections for the year and is currently on target to reach 30 water connections after receiving 16 so far.
 - k) Correspondence. Kevin received a letter from the Town's ISO officer regarding their insurance rating for the Algoma Fire Department. It stated that the Town received a new "public protection classification" for home insurance ratings. The rate wasn't provided or available though, so he was uncertain whether it had changed.
 - l) Status of 2012 projects.
 - i) Sewer repair and grouting. Kevin explained there are several leaking laterals in the Omro system, totaling about 10 gallons per minute, which need to be repaired. The District has been working with Great Lakes Televising to identify where the leaks are occurring and how to repair them. Several repairs have already been made around manholes and the barrel sections. For the leaks that occur deep within a main, a grout must be

injected through the crack which swells up and seals the crack, preventing the water from inflowing. This requires special equipment and will be further pursued with Great Lakes next month. Based on the number of residents in the Town of Omro, the District's goal is to decrease sewer flow to the City of Omro from 72,000 gallons per day to 48,500 gallons per day, which would reduce I&I by about 23,000 gallons per day.

- Jim noted the Town of Omro sewer flows appear to have declined already. Kevin answered that is due to the manholes the District sealed on roads that may flood, which caused the flows not to spike up as much when it rained, but it is too early to tell if the repairs will make a long term impact.
 - ii) SCADA upgrades. The newly implemented SCADA system for the Omro lift stations has allowed the District to track pump run times so the Operators can continually monitor how many times each pump starts and how many minutes it runs each time. They found that the pumps at the Sandhill Farms Lift Station ran only about $\frac{1}{10}$ of an hour per day, but they started 10-12 times each per day. Once that was realized L.W. Allen changed the start and stop set points so the pumps would run longer and start less often. This used to result in up to 25 starts per day and is now down to about 5 starts per day, which will prevent wear and tear on the motor and reduce the cost of run time for the amount of amps drawn for each startup. Three of the five lift stations are now on the SCADA system, and staff has been receiving quotes for extending the antennas on the remaining two about 50 feet in the air to provide a strong enough signal back to the control board. Electric companies will not share their telephone poles, so the District is looking to install the antennas on top of its own wooden poles. The first bid, and worse cast scenario, is \$3,300. Another option is galvanized metal antennas, but those would not fit in the neighborhood as well as wooden poles. Peter asked if this could be used in correlation with the rental space for antennas on the water tower, but Kevin mentioned they would need to be separate.
 - Jim asked if the payment authorization of \$45,645 to L.W. Allen for the SCADA upgrades was for all five lift stations or just the three that are complete. Kevin said it included all five, but the District will hold onto the check as L.W. Allen works on completing those last two stations and finalizing the computer setup.
 - iii) Omro Sanitary District final audit. Everything is going well as Mike has been working with Baker Tilly on the Omro Sanitary District final audit, and it is on pace to being completed as scheduled.
 - iv) Town of Omro sump pump inspection program. The District has inspected 143 sump pumps in the Town of Omro making the project 48% complete. Of those inspected, only one was found to be non-compliant and has since been corrected.
 - v) Petition for addition to Algoma Sanitary District update. The Town confirmed that they have published the notice of the public hearing for the petition for addition to be held at the Town Hall prior to the Town Board's approval at their following meeting. These parcels are currently being served by the Algoma Sanitary District sewer system, but once they are added into the District, the mil rate will be uniformly spread out across all properties receiving sewer service and will add about \$1 million worth of property value to the District.
 - Kevin suggested the Commission skip ahead to new business before going into closed session.
- 6) Old Business. Moved to the end of the meeting.
- a) The Commissioners will go into closed session pursuant to Wisconsin Statute 19.85 (1) (e) to discuss matters in relation to the intergovernmental agreement between the City of Omro and the Algoma Sanitary District regarding wastewater treatment. **Jim made a motion at 7:15 p.m. to move into closed session/second-Peter/carried unanimously.**
 - b) The Commissioners will reconvene into open session to discuss and act on matters discussed during closed session. **Jim made a motion to reconvene into open session at 8:14 p.m./second-Peter/carried unanimously. Jim made a motion to direct staff to complete the preparation of the letter to the City of Omro along with the package for the workshop as discussed in closed session/second-Peter/carried unanimously.**
- 7) New Business.
- a) Receive and act on financial records request from the Town of Algoma. Kevin received a request from the Town Hall staff about two months ago asking for the District's financial statements. He tried to work with the Town Clerk to determine what specific information was desired, but she wasn't sure at that time. He put together a power point presentation of an overview of how the Sanitary District is doing financially and discussed it at the Town's previous monthly meeting. Kevin stated to the Commission that the Town of Algoma and the Algoma Sanitary District are two separate governmental entities set up by Wisconsin Statutes with the Commission making decisions for the Sanitary District. Kevin told the Town he would bring their request for additional financial information to the Commission for a response. Jim stated that the District's finances are discussed at the monthly meetings which are open for anyone to attend and the minutes of the meeting are available online once they are approved. Ray said he was under the impression that the Town wanted to see income and expenses and, because it is public record, they can get it. Technically, the Town would have to make a formal written request every month, but it is the Commission's decision how they want to address this request for the long term. Ray recommends the easiest solution for the District is to send over a copy of the monthly meeting information packet so the Town can see what money comes in and goes out, but the District is not obligated to customize that

information to meet the Town's purpose. Kevin mentioned that, due to the Town appointing individuals for Commission vacancies because of death or consolidation and scheduling the hearing for the petition for addition for the Sanitary District, they might also think they have some financial responsibility to know where every check is going. Kevin is willing to do whatever the Commission decides, but he wanted everyone to be aware that according to Statute 60.77 titled Powers & Duties, "Authority of the Commission. The commission has charge of all affairs of the town sanitary district", and that's why the Commissioners are elected. Town Board Supervisor, Mike Kierszh, then stated that the Town does not want any authority over the Sanitary District because the Town thinks it is doing a good job on its own. Mike said they want this information because the members of the Town Board, as both supervisors and citizens of the Town of Algoma, have a right to see it under the open records law. He said that the Town would like to see the Sanitary District's financial information presented in the same way as the Town's financial information is presented at their meetings. They show the amounts received and paid each month, including individual payroll checks. He said there must be a simple way for the software to generate this without taking too much of the District staff's time. Joel mentioned that residents in the Town have also inquired about why the Town's Annual Report does not include the Sanitary District's audit, and Kevin mentioned that currently the auditors do not have the report completed and presented to the Commission before the annual report is printed before the Town annual meeting. Kevin and Jim thanked Supervisor Mike Kierszh for coming to this meeting to clarify to the Commission exactly what the Town is looking for. **Peter made a motion to direct staff to email receipts and disbursements to the Town of Algoma after they are approved each month/second-Jim/carried unanimously.**

- b) Act on purchase of a maintenance vehicle to replace the existing plow truck. The District currently has five trucks after inheriting another older truck from the Omro Sanitary District, but because the previous plow truck has transmission problems, the District is trying to sell both of them outright. District staff received three sealed bids for new comparable trucks with a 6.2 liter V8 engine, including the snow plow package with a transmission cooler and other electronics. The snow plow attachment itself will be purchased separately at a later date. The lowest bid was from Les Stumpf Ford for a 2012 F250 for \$23,650.38, which includes all available governmental rebates. The day after this meeting is the last day that Les Stumpf Ford can order a 2012 vehicle, and the truck will take about 6-8 weeks to receive. The 2013 model becomes available to order in a month and a half with another 6-8 weeks lead time, but Les Stumpf Ford was unable to provide a price for a 2013 vehicle at this time. Bergstrom Ford has a similar vehicle available on the lot for \$25,531, and the last quote received was for a Chevy 2500 for \$26,400. Jim was surprised that car dealerships in the area weren't able to provide an acceptable vehicle from their lots, but since the District wanted to stay with the same red color scheme as the other trucks, there were only a few possibilities available throughout the state. **Jim made a motion to purchase the 2012 F250 from Les Stumpf Ford for \$23,650.38/second-Peter/carried unanimously.**

8) **Peter made a motion to adjourn at 8:15 p.m./second-Jim/carried unanimously.**

Respectfully submitted: _____
Michael Claffey, Accounting Manager

Approved: _____
Jim Savinski, President

Algoma Sanitary District #1
September 18, 2012

Regular Monthly Meeting

- 1) Open Regular Monthly Meeting
- 2) President Jim Savinski with Commissioners Peter Cernohous and Chad Hayes present called the regular monthly meeting for September to order at 6:00 p.m. Also present were Utility Director Kevin Mraz, District Treasurer Joel Edson, Attorney Ray Edelstein, and District Accounting Manager Michael Claffey.
 - a) Jim noted that the District is using a tape recorder for the 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 for the regular monthly meeting on August 9/second-Chad/carried unanimously.**
 - c) Approve cash receipts and investments for sanitary and water. **Peter made a motion to approve the sanitary and water cash receipts for August as submitted/second-Chad/carried unanimously.**
 - xv) Note any investment changes. None.
 - xvi) Note any balance adjustments. Jim asked why the District issued a credit for a stop payment fee and a late fee and Mike explained the situation. **Chad made a motion to approve the August balance adjustments report as submitted/second-Peter/carried unanimously.**
 - d) Approve pending bills for sanitary and water. **Chad made a motion to approve the sanitary and water pending bills for August 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.
 - m) Review of District statistics. The telephone poles to be used as antennas at two lift stations in the Town of Omro have been installed and the radio telemetry is working well. Since adding all lift stations in the Town of Omro to the SCADA system, the District is able to constantly monitor information such as the number of times a pump starts and run times. By adjusting the float levels of one pump the District was able to reduce the number of pump starts from 13 per day to 2 per day. The implementation of the SCADA system allows the District to observe these issues and reduce wear and tear on the pumps and electrical usage.
 - The total number of sewer permits issued this year is 16, including 3 sewer permits in the Town of Omro. The total number of water permits issued this year is 23, including 3 water permits in the Town of Omro.
 - Kevin presented a graph that showed Town of Omro sewer flows increase with rainfall and that is why the District has been working on reducing inflows as much as possible. The District is also working to reduce inflows in the Town of Algoma and saw a substantial drop in average sewer flows after eliminating an unused sewer main.
 - n) Correspondence. There are four properties in the Town of Omro that have leaking sewer laterals. These leaks developed when the cast iron pipes that connected old private septic systems to the sanitary sewer system were replaced with new plastic pipes. Some of the leaks are 3-5 gallons per minute (gpm), so there will be a significant reduction in inflows upon repair. The District sent the homeowners a letter explaining that they are responsible for hiring an excavator to dig up and replace the pipe within 60 days. They may choose to run a PVC pipe all the way to the house or just repair the area that is leaking. The approximate cost to a homeowner should be no more than \$1,000 to complete this repair. One homeowner has completed the repair and the other three were working on coordinating their schedules. A District Operator will be on site while these repairs are being performed to make sure the excavator is providing a good repair for the homeowner.
 - o) Status of 2012 projects.
 - i) Sewer repair and grouting.
 - ii) SCADA upgrades.
 - iii) Omro Sanitary District final audit.
 - iv) Town of Omro sump pump inspection program. This process is coming along well with 194 properties inspected and 136 properties remaining. There will be another letter in the next quarterly sewer bill reminding those remaining Town of Omro residents to call to schedule this inspection. The District is currently drafting an additional letter detailing sewer and water rates and reminding all residents that their 2012 property tax bill will contain a \$691 annual sewer user fee that will replace the direct quarterly bills.
 - v) Petition for addition to Algoma Sanitary District update. The District received confirmation from the Winnebago County Tax Lister that the parcels to be added to the District have been recorded. The equalized values of these additional properties will be included in the tax roll next year. District staff will use a new program for inserting sewer user fees on the tax roll this year which may require a certain amount of additional staff time to learn.
 - vi) Generator replacement at Shorehaven Lift Station.
 - vii) Address inflow from private sewer laterals. (See Correspondence for details.)

- 6) Old Business.
- a) Review and discuss the intergovernmental agreement Workshop #1 with the City of Omro. Chad thinks overall the session went well. There was a lot of information presented and each entity has a better understanding of where the other one stands. Kevin asked the City of Omro for information regarding their municipal water needs and for additional data to review, but he had not received anything from them.
 - b) The Commissioners will go into closed session pursuant to Wisconsin Statute 19.85 (1) (e) to discuss matters in relation to the intergovernmental agreement between the City of Omro and the Algoma Sanitary District regarding wastewater treatment from the City of Omro and providing wholesale municipal water service to the City of Omro. **Chad made a motion at 6:20 p.m. to move into closed session/second-Jim/carried unanimously.**
 - c) The Commissioners will reconvene into open session to discuss and act on matters discussed during closed session regarding the upcoming intergovernmental agreement Workshop #2 with the City of Omro. **Jim made a motion to reconvene into open session at 7:22 p.m./second-Chad/carried unanimously.**
- 7) New Business.
- a) Discuss and approve the replacement of the generator at the Shorehaven Lane Lift Station. Kevin showed the Commissioners pictures of the existing 60kw diesel generator on site. He explained that the generator is from the World War II era and, although its current rebuilt engine still works, it gets bogged down because of its size, age, and wear when all three pumps run at the same time. The District hired an independent electrical consultant who determined that an 85kw generator would be more appropriate to meet the needs of the lift station. The generator would be placed in the same building and the current switch gear that is in place would be used when the new meter is installed. The District budgeted \$35,000 for this purchase over the past two years. Several quotes have been received, but the lowest quote is \$21,675 for a Cummins 85kw power generator with warranty, which is the same type of generator at the other lift stations so the Operators will have continuity running it. An installation quote was also received from Faith Technologies for \$13,323 to make it operational. Jim asked if the old generator is saleable and Kevin stated that the firm putting in the new one offered to purchase it from District, but they have not provided a dollar value yet. Because the previous quotes received were between \$43,000 and \$48,000, Kevin is comfortable with these prices and asks the Commissioners to approve these purchases.
 - i) **Jim made a motion to approve the purchase of an 85kw Cummins power generator in the amount of \$21,675/second-Chad/carried unanimously.**
 - ii) **Peter made a motion to approve the quote from Faith Technologies for installation and startup of the generator in the amount of \$13,323/second-Jim/carried unanimously.**
 - b) Coordinate a date to begin working with Ehlers and Associates to obtain financing for upcoming projects and to refinance existing debt schedules with lower interest rates. Since consolidating, the District is looking into refinancing some of the debt of both entities into one bond to receive a lower interest rate and to ensure sufficient cash on hand for upcoming years. The District must meet with Ehlers and Associates to review their projected cash flow schedule prior to the monthly meeting in November to allow consideration before the 2013 budget is finalized. Kevin wanted the Commissioners to have the option to meet with Ehlers and Associates since they must sign off on all refinancing decisions, but the Commissioners decided District staff should meet with Ehlers and Associates on their suggested date of November 1 during business hours and report the highlights at the following monthly meeting. Ideally, the District would want to consider refinancing in conjunction with a possible bonding next year to save money on the sale of the bonds. The Water Utility currently has cash on hand to cover its bond payments, however, during 2016 and 2017, it is projected to have a negative cash balance and may need to acquire another loan from the Sewer Utility to fund those future bond payments. The Sewer Utility currently collects 3.8% on their \$1 million loan to the Water Utility. Kevin stated that the District also has the option to refinance now and receive a new bond to finance a project next year. He asked Ehlers and Associates to analyze the variations of including a project between \$500,000 and \$1 million to determine if there is a certain dollar amount that is best. Jim stated that although it's good to know the District's options, these long term decisions do not need to be finalized immediately. Ray added that it's to the District's advantage to receive the best interest rates as possible because all of its debt is pledged by assessments.
 - c) Discuss and act on replacing water services on Marquardt Lane. Kevin explained there are 21 water services on Marquardt Lane in the Town of Omro that the District is proposing to repair prior to the road being repaved. Several quotes have been received to replace the copper pipes with poly pipes including Advance Construction for \$1,000 per service and Four-Way Construction for \$1,100 per service. Kevin presented graphs that showed the unaccounted water in the Town of Omro had decreased from 34 gpm to 10 gpm after a few repairs were made in 2011. Another repair earlier this year on two lots in the Town of Omro decreased unaccounted water from 11 gpm to 5 gpm. Parts of these copper pipes that were replaced were available for the Commissioners to examine so they could see the corrosion that had developed over time. The District knew water loss was an issue in the Town of Omro prior to the consolidation with the former Omro Sanitary District and the projected cash flow schedule reserved about \$300,000 to cover this expense. Kevin recommends the Commission allow staff to contract with

Advance Construction to complete these repairs this fall. **Peter made a motion to accept the bid as submitted from Advance Construction to complete the 21 water lateral replacements on Marquart Lane for \$21,000 each/second-Chad/carried unanimously.**

- d) Discuss and approve hiring an engineering firm to design Young Road and Springbrook Lane Lift Station renovations and forcemain extension. Kevin stated that staff is looking to hire an engineering firm to begin researching the opinion of probable cost of installing a forcemain to take Town of Omro sewage flow from the Springbrook Lane Lift Station on Young Road to the City of Oshkosh Wastewater Treatment Plant rather than continuing to flow to the City of Omro Wastewater Treatment Plant. He is asking the Commissioners to set a certain dollar amount they are not to exceed while researching this alternative. **Chad made a motion to approve the hiring of an engineer firm to design the Young Road and Springbrook Lane Lift Station renovations not to exceed \$5,000/second-Jim/carried unanimously.**
 - e) Discuss and act on determining the implementation method of collecting the Town of Omro Public Fire Protection (PFP) Fee. Kevin displayed a map of the Sanitary District in the Town of Omro and explained that the District has three main options for collecting the PFP Fee. First, they could divide the \$36,272 total fee by all parcels connected to the municipal sewer system which would total \$109 per parcel. The second option is to charge all parcels with improved values, regardless of whether they are connected to the municipal sewer system, an equal amount of \$95 per parcel. The third option is to charge every parcel in the District, whether or not it has an improved value, an equal amount of \$61 per parcel. Since the District only has tax jurisdiction over District parcels, they cannot charge all parcels in the Town of Omro a PFP Fee. If the District were to request the Town of Omro collect the PFP Fee, their 2010 budget of around \$650,000 would increase by over 5%. **Chad made a motion to direct the Director to send a written request to the Town of Omro Chairman and its members requesting that they include the Public Fire Protection Fee for the portion of the District that is servicing their residents into their Town budget/second-Jim/carried unanimously.** Jim asked why the District doesn't have the option of charging each parcel based on a percentage of their equalized value. Mike stated that the Winnebago County Tax Lister informed the District that a specific dollar amount must be entered on this particular tax roll code rather than a percentage of value. **Chad made a motion that the 2013 Public Fire Protection Fee be distributed to all Sanitary District parcels in the Town of Omro, totaling \$61 per parcel/second-Jim/carried unanimously. Jim made a motion to amend the previous motion to add "unless the Town of Omro decides to take it on"/second-Chad/carried unanimously.**
- 8) **Jim made a motion to adjourn the regular monthly meeting at 7:55 p.m./second-Chad/carried unanimously.**

Respectfully submitted: _____
Michael Claffey, Accounting Manager

Approved: _____
Jim Savinski, President

Algoma Sanitary District #1
October 11, 2012

Regular Monthly Meeting

- 1) Open Regular Monthly Meeting
- 2) President Jim Savinski with Commissioners Peter Cernohous and Chad Hayes present called the regular monthly meeting for October to order at 6:00 p.m. Also present were Utility Director Kevin Mraz, Attorney Ray Edelstein, and District Accounting Manager Michael Claffey. District Treasurer Joel Edson arrived shortly after.
 - a) Jim noted that the District is using a tape recorder for the maintenance of the minutes. No one else is using one.
 - b) Approval of the minutes of the previous meeting. **Chad made a motion to approve the minutes of the regular monthly meeting on September 18/second-Peter/carried unanimously.**
 - c) Approve cash receipts and investments for sanitary and water. Mike stated that one addition to the information that was sent to the Commissioners previously involved moving \$15.86 from the sewer assessment receipts to the sewer O&M receipts. **Peter made a motion to approve the sanitary and water cash receipts for September as submitted with the addition of the \$15.86 adjustment/second-Chad/carried unanimously.**
 - xvii) Note any investment changes. None.
 - xviii) Note any balance adjustments. Mike explained the biggest balance adjustment was to void the second quarter water bill for the Town of Omro Sanitary District from the Utility Billing system. For the rest of the year the District will treat all water sales from Town of Omro residents as a direct sale from the customer. Other adjustments included refunds for duplicate final water bill payments, small bankruptcy interest adjustments, and a late fee write off for a customer that is no longer living in the District. **Jim made a motion to approve the September balance adjustments report as submitted/second-Chad/carried unanimously.**
 - d) Approve pending bills for sanitary and water. Jim noted that the amount due to the City of Omro for wastewater treatment services based on the total number of gallons treated equaled \$7.18 per 1,000 gallons. Kevin stated that the total amount charged includes fixed charges, and went on to explain that bills received from the City of Oshkosh and the City of Omro for second quarter wastewater treatment services were \$33,341 for 55 million gallons and \$49,000 for 8 million gallons respectively. According to the year-to-date budget for the first two quarters, the District has paid relatively the same amount to the two entities thus far resulting in wastewater treatment services being the single most expensive line item. Jim also mentioned there are some bond payments due November 1, and asked if there was additional action necessary. Mike stated that he would send the information for the bond wire to Community First Credit Union and asked that two Commissioners stop by prior to November 1 to sign them. **Jim made a motion to approve the sanitary and water pending bills for October as submitted/second-Chad/carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements.
 - Peter thanked everyone for attending Workshop #2 with the City of Omro, for providing input, and demonstrating patience with what the District is trying to accomplish for residents living in the Town of Omro.
 - Chad thanked Kevin for all the time and effort he has spent preparing for meetings with the City of Omro.
 - Jim agreed and added that Kevin and District staff has done an outstanding job thus far.
- 5) Director's Report.
 - p) Review of District statistics.
 - Jim noted that Town of Omro flows have continued to stay low for the last several months. Kevin agreed and added that Town of Algoma flows have also remained low since the completion of the construction work on Highway 21.
 - A reminder letter was included with the second quarter sewer bill to those Town of Omro residents who have not had their sump pump inspected yet. There are currently 229 sump pump inspections complete with 101 homes left. An additional 22 homes were added to the completion list this week so the bill insert certainly helped the District take a proactive stance in verifying that sump pumps do not discharge into the municipal sanitary sewer system.
 - Although permit totals stayed pretty flat this month, the District previously reached its annual total of budgeted sewer permits and has also connected 20 water permits of 30 permits targeted, not including the Town of Omro.
 - q) Correspondence. Kevin previously forwarded an email to the Commissioners that he received from the Winnebago County Highway Commissioner regarding water drainage on Witzel Avenue. The climate has been very dry lately, but during wetter seasons there is often standing water in the ditches. Strand Engineering, the storm water engineer for the Town of Algoma, designed the water, sewer, and storm water drainage plan for the Sanitary District Administration Building. Prior to beginning construction of the building, the street was televised with the Winnebago County Highway Commissioner and these videos, which are readily accessible on Kevin's computer, show the condition of the ditches beforehand and illustrate that the issue existed previously. Area farmers are constantly doing things to take care of drainage, and the farmer whose land is adjacent to the

administration building asked if he could drain his farm through the District's land a couple weeks ago. An individual who lives near the building also told Kevin that before and after the building existed their sump pump constantly pumped water into their ditch. Jim suggested Kevin reply to the email stating that although the Town of Algoma is responsible for storm water management, the District looks forward to assisting with the investigation and providing any relevant information. Ray added that the District should also have the plan approval from the County on hand because they would have had to consider drainage as an issue at that time.

- r) Status of 2012 projects. Advance Construction is scheduled to replace copper water lines on Marquart Lane in the Town of Omro beginning on Monday. Earlier in the day they repaired a water service on the northern-most property of Harbor Village Drive. Kevin is happy to report there was no visible deterioration on that pipe, so corrosion does not appear to be an issue that far north. As the District continues to replace water lines, the Operators will catalog their conditions to identify what areas corrosion is most likely to exist.
 - i) Sewer repair and grouting. Of the four personal sewer lateral repairs necessary in the Town of Omro, one has been completed and the other three homeowners are actively pursuing them as the excavators have already contacted the District.
 - ii) Omro Sanitary District final audit. Kevin commended Mike for a great job in completing the former Omro Sanitary District's final audit with Baker Tilly and merging their financial information into the District's accounting system.
 - iii) Town of Omro sump pump inspection program. (See Section 5a: Review of District Statistics.)
 - iv) Petition for addition to Algoma Sanitary District update.
 - o Ray stated that although Winnebago County prefers petitions for additions contain full legal descriptions for each parcel, they will accept the abbreviated legal descriptions provided. The petition for addition was filed with the County, but contained some errors. Ray recommended it be sent back to the Town to amend the order, add sufficient portions of the legal descriptions where necessary, and correct some typos.
 - o Parcels in the former Omro Sanitary District (OSD) also have to be removed as OSD parcels and added as Algoma Sanitary District (ASD) parcels with the County. The County cannot simply change all former OSD parcels to ASD parcels and, since they will not accept a parcel number listing because parcel numbers are not considered to be proper descriptions and can change, the District has three options to obtain legal descriptions for every OSD parcel in the District:
 1. The District could hire a title company to provide the full legal description of each former OSD parcel. This would move any risk that the descriptions are incomplete or inaccurate from the District to the title company. Ray received a quote from Assurance Title for \$15 per parcel for a total of about \$10,000 to provide the full descriptions for the entire District.
 2. Another alternative for the District is to hire a surveyor to survey the entire District and create one full legal description of the District boundary. Although this may be less expensive than researching the full legal description of each individual parcel, it may be difficult to create since the District's boundary does not consist of straight lines.
 3. The District could research and compile the abbreviated legal descriptions for the entire District and risk that the legal descriptions found online may be incomplete or inaccurate. This could require additional amendments if inconsistencies were found when they are filed.
 - o Ray recommended the District use complete legal descriptions and hire a title company to do the research so they are responsible for any errors that may occur in the filing. Kevin recommended the District use staff time to compile the abbreviated legal descriptions for the County and, when a list of erroneous parcels is potentially received back from them, it can then be forwarded to a title company to research the full legal description. This would probably cost more than the \$15 per parcel from Option 1 because that quote included a volume discount for doing the entire District. Jim and Chad also recommended the District pursue the filing method using the abbreviated legal descriptions.
 - v) Generator replacement at Shorehaven Lift Station. The District has not received a delivery date yet from Cummins NPower, LLC for the generator. Shorehaven Lane is scheduled to be paved by Northeast Asphalt the week of October 22. If the generator is installed before then, the District will also request a quote to pave the lift station driveway.
 - vi) Grinder pumps removal goal. This was not addressed at this meeting.
 - vii) Refinancing and cash flow schedule. This was not addressed at this meeting.

6) Old Business.

- a) Review and discuss the intergovernmental agreement Workshop #2 with the City of Omro.
- b) The Commissioners will go into closed session pursuant to Wisconsin Statute 19.85 (1) (e) to discuss matters in relation to the intergovernmental agreement between the City of Omro and the Algoma Sanitary District regarding wastewater treatment from the City of Omro and providing wholesale municipal water service to the City of Omro. **Jim made a motion at 6:55 p.m. to move into closed session/second-Peter/carried unanimously.**

- c) The Commissioners will reconvene into open session to discuss and act on matters discussed during closed session regarding the upcoming intergovernmental agreement Workshop #3 with the City of Omro. **Peter made a motion to reconvene into open session at 8:09 p.m./second-Chad/carried unanimously. No action was taken.**
- 7) New Business.
- a) Preliminary budget review.
- i) Approve 2013 annual budget for publishing. Kevin stated that the District is required to publish the annual budget as a Class I legal notice at least 15 days prior to the public hearing, which could be scheduled before the next monthly meeting on November 8 at 5:45 p.m. The District has always published their annual budgets in the Oshkosh Northwestern and the former Omro Sanitary District had published their annual budgets in the Omro Herald. Kevin asked the Commissioners if they would like to have the annual budget published in just the Northwestern, which is the main paper in the area and has the biggest circulation, or published in both papers at an additional cost of about \$450. Chad suggested that since the consolidation is new this year, the District should publish the annual budget in both papers. **Chad made a motion that the 2013 District budget be published in the Oshkosh Northwestern and the Omro Herald/second-Peter/carried unanimously.**
- ii) Schedule the annual public hearing for 2013 annual budget. **Chad made a motion to hold the annual public hearing on November 8 at 5:45 p.m./second-Jim/carried unanimously.**
- b) Discuss and act on determining an exemption policy for the implementation method of collecting the Town of Omro Public Fire Protection (PFP) Fee. There are several breakwater parcels in the District without an improved value that do not have road access for wheeled vehicles. A majority of these water-locked parcels exist north of Reighmoor Road and two additional parcels are off of Springbrook Lane. After exempting these 23 parcels and dividing the 2013 PFP Fee among the remaining parcels, the annual cost per parcel would be \$63.64. Ray suggested the exemption also state that if a parcel becomes improved, it would be removed from the exemption list. **Peter made a motion to accept the exemption policy as presented by Kevin for the implementation method of collecting the Town of Omro Public Fire Protection Fee effective until a parcel receives an improved value/second-Chad/carried unanimously.**
- c) Approve sewer user fee credit for unoccupied parcels. Mike explained that the Sanitary Sewer Ordinance includes a policy which allows temporarily unoccupied single family residences to receive a 70% reduction in sewer user fees if the parcel is unoccupied for greater than nine months of the year. Since user fees are charged in advance, this credit would show on the tax roll as a reduction of the following year's user fee. Kevin stated there are two properties requesting this credit. One is basically uninhabitable and the other has been unoccupied for about a year and a half. Ray mentioned there are several properties in the Town of Omro that are only used occasionally, but they would not be exempt from the sewer user fee because they are habitable structures. Chad agreed and added that at least three or four Town of Omro residents asked the Commission prior to consolidation why they were being billed the same sewer user fee amount as the other residents when they were hardly ever there. He suggested the issue be readdressed after the start of next year. Jim directed staff to follow the current District policy on unoccupied parcels and grant the 70% credit to these two applicants.
- d) Approve quote from Freund Excavating to remove the grinder pump at 4482 Harbor Village Drive. The District received a quote from Freund Excavating in the amount of \$2,575 to remove the grinder pump at 4482 Harbor Village Drive. **Chad made a motion to approve the removal of the grinder pump at 4482 Harbor Village Drive as presented in the amount of \$2,575/second-Peter/carried unanimously.**
- e) The Commissioners will go into closed session pursuant to Wisconsin Statute 19.85 (1) (c) to discuss matters in relation to annual employee evaluation. **Chad made a motion at 8:26 p.m. to move into closed session/second-Peter/carried unanimously.**
- f) The Commissioners will reconvene into open session to discuss and act on matters discussed during closed session regarding employee evaluations. **Peter made a motion to reconvene into open session at 8:28 p.m./second-Chad/carried unanimously. Chad made a motion stating that Kevin's performance was reviewed and his compensation was set/second-Peter/carried unanimously.**
- 8) **Chad made a motion to adjourn the regular monthly meeting at 8:29 p.m./second-Peter/carried unanimously.**

Respectfully submitted: _____
 Michael Claffey, Accounting Manager

Approved: _____
 Jim Savinski, President

Algoma Sanitary District #1
November 8, 2012

Public Hearing for Proposed 2013 Budget

- 1) Chad opened the public hearing at 5:50 p.m. No one was in attendance from the public.
- 2) **Peter made a motion to adjourn/second-Jim/carried unanimously.**

Regular Monthly Meeting

- 1) Open Regular Monthly Meeting.
- 2) Commissioner Chad Hayes with President Jim Savinski on Skype and Commissioner Peter Cernohous present called the regular monthly meeting for November to order at 5:52 p.m. Also present were Utility Director Kevin Mraz, District Treasurer Joel Edson, and District Accounting Manager Michael Claffey. Attorney Ray Edelstein arrived shortly thereafter.
 - a) Chad noted that the District is using a tape recorder for the 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 October 11/second-Jim/carried unanimously.**
 - c) Approve cash receipts and investments for sanitary and water. **Peter made a motion to approve the sanitary and water cash receipts for October as submitted/second-Jim/carried unanimously.**
 - xix) Note any investment changes. None.
 - xx) Note any balance adjustments. Mike explained there was a new water connection on Harbor Village Drive that had not been previously assessed so the amount of \$8,165.00 was added to the Assessments database. There were also two write-offs of \$198.00 & \$636.87 for parcels that were not connected to the sanitary sewer system. The remaining balance adjustments included minor interest adjustments and fees. **Peter made a motion to approve the October balance adjustments report as submitted/second-Jim/carried unanimously.**
 - d) Approve pending bills for sanitary and water. Mike stated that the District received the third quarter sewage treatment bill from the City of Oshkosh in the mail that day and asked that the amount of \$39,165.74 be approved for payment in addition to the pending bills list. Chad asked for an explanation of the purchases under the term "Collection" on the credit card. Mike explained the largest item was for \$1,120.20 to Wisconsin Tubing to put in a culvert to allow access to the vacant lot that the District owns on Reighmoor Road. Chad also asked what was included in the \$945.78 total under "Employee Benefits". Mike stated that \$831.36 was for six months of premiums for Kevin's dental insurance and \$114.42 included Kevin's annual clothing allowance. **Jim made a motion to approve the sanitary and water pending bills for November as submitted with the addition of the City of Oshkosh invoice/second-Peter/carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements.
 - Chad will provide his new email address to the office for sending the monthly packets and other information.
 - Jim asked if it was necessary to include the pending bills sheet with the packet that is emailed to the Commissioners the week before the meeting since the final sheet for approval is also sent the day before. Kevin explained that sending the pending bills sheet with the packet allows the Commissioners to receive the information for their review as soon as possible. The final pending bills sheet is sent the day before the meeting to also include the bills that were received since the packet was sent. Jim also asked what information the District has been sending to the Algoma Town Hall and Mike answered the information that is approved at the meetings.
- 5) Director's Report.
 - s) Review of District statistics. Kevin briefly reviewed the information that was previously emailed to the Commissioners:
 - o The District has 22 new water connections and 15 new sewer connections in the Town of Algoma for 2012. There are several additional connections in the Town of Omro that are not included in these totals.
 - o The graph presented showed that average daily sewer flows in the Town of Omro continue to decrease as the Operators pursue their goal of reducing flow sent to the City of Omro Wastewater Treatment Plant.
 - t) Correspondence. None.
 - u) Status of 2012 projects.
 - i) Sewer repair and grouting. A few sewer laterals have been repaired on the collection system by private contractors and Great Lakes will repair a few more throughout the next month. These are necessary because tree roots have grown into the sewer laterals in search of water which, luckily, did not cause sewage backups.
 - ii) Town of Omro sump pump inspection program. There are 71 sump pumps remaining to be inspected. The District will include a letter with a scheduled date and time for those remaining inspections with the last sewer bill in January. If the homeowner is not available for the assigned time, they can call the office to reschedule.
 - iii) Petition for addition to Algoma Sanitary District update.

- The legal descriptions that the Town of Algoma had previously submitted contained some typos and incomplete descriptions, so the District asked the Town Clerk to correct them. Two of the properties listed were removed from the filing because they were already coded correctly, so the District will include them when the entire consolidation transfer recoding is processed. Ray verified that the Register of Deeds office was satisfied with the list before it was sent to Karen Marone, the Town of Algoma Legal Counsel.
 - Liz Nichols, the Winnebago County Tax Lister, informed Ray that the list of Algoma Sanitary District parcels located in the Town of Omro that the District obtained from the Winnebago County GIS Department contained inconsistent descriptions. Ray met with her and the Register of Deeds office, which had a better legal description list of the parcels. The Register of Deeds office volunteered to go through the list and indicate which descriptions do not meet their satisfaction. The District would then do an addendum to the list which should be sufficient to transfer the former Omro Sanitary District parcel codes to the Algoma Sanitary District parcel codes. This will hopefully be accomplished relatively soon. In the meantime, the District is waiting on the Town to follow up on the petition for addition that they acted on previously and for the Register of Deeds office to finish reviewing the list. Kevin thanked Ray for his time and effort on this matter.
- iv) Generator replacement at Shorehaven Lift Station. The generator is expected to be installed within the next week or two.
 - v) Grinder pumps removal goal. The District has removed its first grinder pump in the Town of Omro. The Operators placed the pump in inventory to use if another one fails. Kevin showed before and after photos of the construction site and is happy to announce that the surrounding trees did not need to be removed and the road and driveway did not appear to be damaged. When the Operators flush that area, they will use a fire hose to wet the trench to help the ground settle, and then lay top soil and seed in the spring. The homeowner is aware that the area will have some construction dirt for most of the winter. A small leak was found between the house and the grinder pump, so completing this project may have removed one to two gallons per minute from the sewer system.
 - vi) Refinancing and cash flow schedule. Dave Wagner of Ehlers and Associates provided updated financial schedules based on the District's financial information that Kevin sent him. The District will most likely work on refinancing later in December or January, which will allow the District more time to determine financing needs if the Town of Omro flows are to be reversed to the City of Oshkosh for treatment.
- 6) Old Business.
- a) Review and discuss the intergovernmental agreement Workshop #2 with the City of Omro. **This was tabled until after new business.**
 - b) The Commissioners will go into closed session pursuant to Wisconsin Statute 19.85 (1) (e) to discuss matters in relation to the intergovernmental agreement between the City of Omro and the Algoma Sanitary District regarding wastewater treatment from the City of Omro and providing wholesale municipal water service to the City of Omro. **Peter made a motion at 6:30 p.m. to move into closed session/second-Chad/carried unanimously.**
 - c) The Commissioners will reconvene into open session to discuss and act on matters discussed during closed session regarding the upcoming intergovernmental agreement Workshop #3 with the City of Omro. **Peter made a motion to reconvene into open session at 7:55 p.m./second-Chad/carried unanimously. No action was taken.**
- 7) New Business.
- a) Resolution #2012-11-1 to approve the 2013 sanitary sewer user fee for Algoma Sanitary District residents per equivalent unit. Prior to consolidation, the District notified all residents that the proposed post-consolidation annual sewer user fees were to be \$300 in the Town of Algoma and \$691 in the Town of Omro and the uniform tax levy would be \$27 per \$100,000 of value. Once the consolidation went into effect, the District found these charges were adequate to balance the annual budget. Chad asked that the District notify its Town of Omro residents that it met its goal of reducing the sewer user fee and will continue to work on lowering it in the future. Kevin agreed to send a notice with the last sewer user fee bill in January. **Peter made a motion to set the 2013 sanitary user fee to \$300 for properties discharging to the Oshkosh Wastewater Treatment Facility and \$691 for properties discharging to the Omro Wastewater Treatment Facility/second-Jim/carried unanimously.**
 - b) Resolution #2012-11-2 to set the 2012 property tax levy at \$201,935. The District contains infrastructure throughout the Town of Algoma, the Town of Omro, and the City of Oshkosh. The equalized value received from the Wisconsin Department of Revenue for each community in the District is \$531 million, \$69 million, and \$148 million respectively. The 2012 property tax levy will be about \$27 per \$100,000 of assessed value and distributed based on each community's proportion of the District's total equalized value. **Jim made a motion approve Resolution 2012-11-2 to set the property tax levy at \$201,935 to be distributed amongst the three communities/second-Peter/carried unanimously.**

- c) Discuss and approve an increase of 3% for the 2013 Contribution in Aid of Construction (CAC). The Commissioners asked Kevin to elaborate on the term CAC and the other water and sewer charges that are due upon permit application. Kevin stated that CAC is the legal format through the statutes for the Sanitary District to receive payment for infrastructure construction costs that have not been assessed to an individual property at the time of installation, including lift stations and wastewater treatment plants. The current CAC for a single family residential structure is \$1,917, and the 3% increase will raise it to \$1,975. This amount is due upon sanitary sewer permit application along with the \$150 permit fee. The water permit fee of \$40 is set by the Public Service Commission. During 2012 new sewer connections in the Town of Omro cost an additional \$500 which goes directly to the City of Omro. Jim asked if the District had any undeveloped properties in the City of Oshkosh. Kevin answered yes and explained that most are commercial properties which would have an acreage CAC base charge, but would follow the same process and increase by 3%. When the District installed 1,700 water valves throughout the Town of Algoma, it special assessed each property and the current homeowner(s) had the option to defer it, pay it in full, or finance it on the tax roll over 20 years. Upon merging with the Omro Sanitary District, the District found some properties had water valves that were not assessed. Staff researched assessments in the area and developed a water charge equal to other lots with water services. When a commercial building is built a user fee is established based on the size of the parcel and the estimated water usage. Kevin would like to review these costs again and streamline them to make it as simple as possible to relay them to future homeowners and developers. Chad asked that the amounts discussed for the Town of Algoma and the Town of Omro be displayed on the District's website. **Peter made a motion to approve Resolution 2012-11-3 to increase the 2013 Contribution in Aid of Construction by 3%/second-Jim/carried unanimously.**
- d) Discuss and approve the 2013 annual budget. **Peter made a motion to approve the 2013 annual budget as previously discussed/second-Jim/carried unanimously.**
- 8) **Chad made a motion to adjourn the regular monthly meeting at 7:56 p.m./second-Peter/carried unanimously.**

Respectfully submitted: _____
Michael Claffey, Accounting Manager

Approved: _____
Jim Savinski, President

Algoma Sanitary District #1
December 13, 2012

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 December to order at 6:00 p.m. Also present were Utility Director Kevin Mraz, District Treasurer Joel Edson, District Attorney Ray Edelstein, and District Accounting Manager Michael Claffey.
 - a) Jim noted that the District is using a tape recorder for the maintenance of the minutes. No one else is using one.
 - b) Approval of the minutes of the previous meeting. **Chad made a motion to approve the minutes of the regular monthly meeting on November 8/second-Peter/carried unanimously.**
 - c) Approve cash receipts and investments for sanitary and water. **Chad made a motion to approve the sanitary and water cash receipts for November as submitted/second-Peter/carried unanimously.**
 - xxi) Note any investment changes. The District currently holds a 9 month CD at Capital Credit Union that will come due December 20 that has a renewal interest rate of 0.7%. Since there is no need for those funds to be available in the near future, Mike suggests the District roll it into an eleven month CD at 0.9% interest. Jim noted that West Pointe Bank offers a slightly higher interest rate than at Capital Credit Union, but the District already has the maximum amount of funds invested at that financial institution. **Jim made a motion to approve the purchase of an eleven month CD at Capital Credit Union at 0.9% interest/second-Peter/carried unanimously.**
 - xxii) Note any balance adjustments. The only balance adjustments for the month included a couple small bankruptcy payment interest adjustments amounting to \$0.83. **Chad made a motion to approve the November balance adjustments report as submitted/second-Peter/carried unanimously.**
 - d) Approve pending bills for sanitary and water. Jim asked that the pending bills spreadsheet have headers only for the items that have information included for that particular month. He also asked what the asterisks meant and Mike explained they were listed next to the bills that had either been added or changed since the packet was emailed to the Commissioners the previous Friday. Kevin instructed Mike to include an explanation for the asterisk in the footnote of the worksheet. **Peter made a motion to approve the sanitary and water pending bills for December as submitted/second-Jim/carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements. Jim thanked the others for allowing him to attend the November meeting via Skype and added that Chad did a good job running the meeting.
- 5) Director's Report.
 - v) Review of District statistics.
 - w) Correspondence. None.
 - x) Status of 2012 projects.
 - vii) Sewer repair and grouting. Great Lakes had been grouting sewer laterals, manholes, and mains since Monday of that week and just completed their work earlier that day. District staff estimates about 10 gallons per minute has been removed from the sanitary sewer system in the Town of Omro and has already seen a reduction in pump times of four-tenths of an hour at the last lift station that pumps to the wastewater treatment plant. The District also became aware of another gallon per minute leak from a private sewer lateral that leads to a grinder pump, resulting in about 40-50 pump starts per day. The homeowners were notified that they are responsible for hiring a company to remove the leak since it is beyond the scope of the District's ability to repair. The sewer repair and grouting is complete for the year. Next year a few miles of sanitary sewer pipe will be televised.
 - viii) Town of Omro sump pump inspection program. The notices included with the second and third quarter sewer bills have asked residents to call to schedule this inspection at their convenience. The final quarterly sewer bill to be sent in January will have an inspection date and time scheduled for the remaining 63 properties. Jim asked if they are year-round residences. Kevin answered most of them are, but if a homeowner calls to cancel the scheduled inspection, the District will note their call and schedule the inspection upon their return or with a home caretaker or neighbor who can let the operator inside the home.
 - ix) Petition for addition to Algoma Sanitary District update. Ray stated that he is waiting for a corrected order approved by the Town of Algoma board. He emailed the Town of Algoma Legal Counsel, Karen Marone, on December 7 asking the status of his request dated November 6. He has not heard back from her and has also called her office several times and always gets the answering machine. He asked Kevin if it was on the agenda for the Town's monthly meeting the following week, but the final agenda is posted the day before the meeting. He also tried calling the Town Clerk, but she was not available. Ray thinks the list of former Omro Sanitary District properties from the Register of Deeds is ready to continue forward, but this corrected order has to be completed before these parcels can be coded as Algoma Sanitary District parcels. Kevin told Ray he

is hoping to have this completed by the end of January and to let him know if he needs any additional resources.

- x) Generator replacement at Shorehaven Lift Station. The generator was delivered the day before the meeting and staff worked late to install it and get it running. It currently operates all three pumps with no issues, but it had not been tested by the manufacturer at that time. The mechanical contractor offered \$500 for the old generator, but the District is currently trying to sell it on Craigslist and has received a few calls from interested farmers thus far.
 - xi) Grinder pumps removal goal. The grinder pump on Harbor Village Drive that was removed about a month ago seems to be operating efficiently on gravity sewer. The District received another quote to remove the grinder pump on Marquart Lane and Leonard Point Road for \$8,300, included laying of top soil and fertilizer seed which the Operators could do and decrease the cost to \$6,700. The cost is high because the lateral is 140 feet long and the grinder pump is in the homeowner's basement so additional concrete repair of about \$1,000 is necessary after removal. The District will continue to request a few more quotes, but it is possible to remove it before year end. Grinder pumps are the responsibility of the District, therefore, the District must pay for removing them rather than the homeowner(s). Since the District is pursuing removal of the grinder pump, it will be responsible to pay for the cost of installing a new lateral to connect the impacted property(s) to the sewer main. When a grinder pump fails it costs the District \$3,000 to replace it, so each one removed pays for itself after two failures. The District budgeted \$33,000 next year to remove 11 grinder pumps at an average of \$3,000 each. Kevin asked for acknowledgement from the Commissioners that he is pursuing this project because of the long-term advantage the District will receive.
 - xii) Refinancing and cash flow schedule. The District will delay further action until contract negotiations with the City of Omro are concluded. If additional bonding becomes necessary, the District can coordinate refinancing at that time. Ray agreed waiting is wise since the announcement from the Federal Reserve indicates that rates will not change any time in the near future.
- 6) Old Business.
- a) The Commissioners will go into closed session pursuant to Wisconsin Statute 19.85 (1) (e) to discuss matters in relation to the intergovernmental agreement between City of Omro and Algoma Sanitary District regarding wastewater treatment from City of Omro and providing wholesale municipal water service to the City of Omro. **Chad made a motion at 6:23 p.m. to move into closed session/second-Jim/carried unanimously.**
 - b) The Commissioners will reconvene into open session to discuss and act on matters discussed during closed session regarding the sewage treatment services proposal for the City of Omro. **Jim made a motion to move back into open session at 8:16 p.m./second-Chad/carried unanimously.** Jim commended Ray on the letter he prepared to the City of Omro on behalf of the District. He read, "Since the expiration of the contract, the parties have been governed by the last existing agreement and will continue to do so in the future until such time as the District implements some alternatives and the use of the City of Oshkosh process facility." Ray said he would send the letter to the attorney for the City of Omro and also email it to Kevin for him to forward to the City of Omro Administrator so she would receive it sooner than the U.S. Postal Service could deliver it. **Peter made a motion that the District utilizes the letter created by Attorney Edelstein to be sent to the City of Omro Council that addresses the District's response to their proposal of the sewer contract for wastewater treatment services/second-Chad/carried unanimously. Jim made a motion to direct Kevin to also prepare a letter to the City of Omro Council and the City Administrator advising them of the discrepancies in the documentation they submitted regarding the prices for sewage treatment and announcing his intent to appear before the Council at their meeting on December 18 to explain that letter in further detail/second-Peter/carried unanimously.** Kevin stated that he would deliver the letter to the City of Omro the following day.
- 7) New Business. None.
- 8) **Chad made a motion to adjourn the regular monthly meeting at 8:21 p.m./second-Peter/carried unanimously.**

Respectfully submitted: _____
Michael Claffey, Accounting Manager

Approved: _____
Jim Savinski, President