

Algoma Sanitary District #1
January 10, 2013

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 January to order at 6:04 p.m. Also present were Utility Director Kevin Mraz, District Attorney Ray Edelstein, and District Accounting Manager Michael Claffey. District Treasurer Joel Edson 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. **Chad made a motion to approve the minutes of the regular monthly meeting on December 13/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 December as submitted/second-Peter/carried unanimously.**
 - i) Note any investment changes. Mike stated that the CD the District holds at Choice Bank is due on February 10. He previously sent the Commissioners the investment rates and options Choice Bank has to offer. The current rate for a 12 month CD is 0.5% interest, which is down from 1.1% held previously, and a regular money market account earns 0.4% interest. Mike suggests the District utilize a money market account and reinvest the \$242k of funds in a CD when the rates increase. **Jim made a motion to transfer the funds from the Choice Bank CD to a money market account at 0.4% interest/second-Chad/carried unanimously.**
 - ii) Note any balance adjustments. Mike explained there were two large balance adjustments for December. The first was an annual cost of money adjustment to increase all the deferred assessments in the District by the interest rate that was assigned to the properties when they were assessed. The adjustment totaled about \$145,000 and is recorded each year a parcel is in deferred status. The second balance adjustment was to record a \$8,510 per parcel water cost for 27 parcels on Harbor Village Drive totaling \$229,770 that were not assessed when the water main was extended down the street. If one of these homeowners decides to hook up to municipal water they must agree to pay this cost either in full or on a payment schedule. However, if they never decide to hook up, these amounts will never be collected. Kevin clarified these are not water *assessments*, which is a legally binding dollar value, but rather water *costs* that is a current dollar value equal to what the other properties on Harbor Village Drive paid to have the benefit of a water valve at their property. This allows staff to provide a cost to hook up to water to a title company when someone sells their property. He also explained that the assessments that were levied did not match the amount of the bond payments and was short by about \$1.4 million. Additional adjustments will be added later in the year as the District continues to map out where the water mains are and see which properties have a valve extended to it that were not assessed. He stressed that this water cost is not required to be paid upon closing, but rather is a tool for District staff to know the cost of hooking up to water when asked. Mike explained from an accounting perspective, this balance adjustment creates an asset under assessments for that dollar amount and a corresponding liability under deferred assessments for the same dollar amount. Then when one of these residents decides to hook up to water, the amount for that property is transferred to a paying assessment because they have to agree to pay this water cost in order to hook up to water. Kevin added that the resident would then fill out a waiver of special assessment, sign the paperwork, and transform the water cost into a water assessment, payable over 20 years or some other payment plan. **Peter made a motion to approve the December balance adjustments report as submitted/second-Chad/carried unanimously.**
 - d) Approve pending bills for sanitary and water. Mike explained one change to the pending bills list that was emailed to the Commissioners the previous day is to remove the road deposit refund as the District intends to wait until spring to verify the road is in satisfactory condition before returning the deposit to the homeowner. Jim noted the payment to the City of Omro totaled \$32,639 for 4.285 million gallons of sewage which is \$7.61 per 1,000 gallons. Mike clarified the total also includes a fixed charge of \$44.50 each for 330 users. Jim asked if Wisconsin Public Service (WPS) was on the pending bills list without a dollar amount because the bill had not been received yet. Mike stated that the amount owed to WPS was included in the list sent out previously. The reason it was also on the pending bills list without a dollar value is because it is a recurring cost which allows the District to pay these bills by the due date if the invoice is received after the monthly meeting. **Peter made a motion to approve the sanitary and water pending bills for January as submitted/second-Chad/carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements. Chad stated that he received a lot of questions from Town of Omro residents regarding the \$691 annual sewer user fee that is now included on their property tax bills. He explained that it replaces the \$198 bills mailed out quarterly. Mike added that the District office received numerous phone calls with that question as well. Chad said Town of Omro residents are very anxious to complete the sewer contract negotiations to have their cost lowered and he reassured them that the District is diligently working towards that. It seems that most Town of Omro residents understand how the sewer user fee will be billed now.
- 5) Director's Report.
 - a) Review of District statistics.
 - District statistics have been finalized for the 2012 year and Kevin has reviewed the 2013 goals with District staff which are on display in the small meeting room. For 2012 the District targeted 30 water permits and received 29

for the year, not including the additional five in the Town of Omro. There were 12 sewer permits targeted and 22 were received, not including the additional three located in the Town of Omro.

- Sewer flows in the Town of Omro have reduced dramatically since the merger was completed and significant repairs on the sanitary sewer system began last June. Each of the last six months has averaged below the District's goal so Kevin feels it is a very obtainable goal to maintain throughout the year. Sewer flows in the Town of Algoma have also dropped substantially upon completion of the Highway 21 project. This will help keep the total flow to the City of Oshkosh low so the District doesn't reach its one million gallon capacity for the rate increase sooner than necessary. Jim asked who monitors the flow rate going to the City of Oshkosh. Kevin answered both the District and the City of Oshkosh receive instantaneous flow readings from the multiple District flow stations. Twice a week a District Operator cleans out the flow stations to make sure there is no debris and the District is notified if something gets plugged. City of Oshkosh also verifies the calibration monthly, and the District hires a third party to calibrate the flow stations annually. One flow station is located by Lowes and another is on Witzel Avenue across from Kwik Trip. The last one is for Aurora Hospital which measures the sewer effluent, and the hospital is then billed based on what enters the system through that flow station. This flow continues to the Washburn flow station and on to the Oshkosh treatment plant.

b) Correspondence. None.

c) Status of 2012 projects.

- i) Town of Omro sump pump inspection program. The District has given Town of Omro residents two or three opportunities to schedule an appointment at their convenience. There are 63 properties left to inspect and beginning next week they have all been assigned an appointment with the expectation that the homeowner will find a way to be there. Kevin assigned responsibility to the District Utility Clerk to find methods to complete this project by July 1.
- ii) Televising 25,000 feet of sewer main.
- iii) Seal 80 sanitary sewer manholes. Ditches or other low lying areas that have a lot of ground water that may submerge manholes are the ones to target first. The District will seal them to prevent water from leaking through the chimney seal, which is the top section of the manhole.
- iv) Remove 11 grinder pumps and replace with gravity sewer service. The Town of Algoma has two grinder pumps and the Town of Omro has thirty grinder pumps. The 2013 budget contains \$33,000 to remove 11 grinder pumps and District Staff can determine which ones they are going to remove.
- v) Refinancing and cash flow schedule. Kevin and Mike plan to meet with Dave Wagner of Ehlers and Associates the following Tuesday to review the District's cash flow schedule. Kevin does not want to make any refinancing decisions until he knows whether the District will require new bonding this year.
- vi) GPS 100% of all sewer manholes, valves, fire hydrants, and appurtenances to install into our GIS program. The District has its own Trimble GPS Locator Database that can program the location of all of its valves, fire hydrants, manholes, and water mains. The software transfers the data from the field into the GIS program and creates a map highlighting the location of these structures. The Operators can then place a County overview map with aerial photos and topography over it to use as a base. The District sent a staff member to Minnesota to do some training with this program and he has developed some beneficial maps, including the property assessment map discussed earlier. Within six months the District plans to create a map of its fire hydrants for the fire department to identify the closest fire hydrant to the address they are headed to. Jim suggested the District contact the fire chiefs that serve the area to let them know this information will be available in the near future. Kevin stated that he could place information on the cable channel about shoveling out the fire hydrant located by the street in front of the homeowner's house.

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. **Peter made a motion at 6:41 p.m. to move into closed session/second-Chad/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. **Peter made a motion to move back into open session at 8:05 p.m./second-Chad/carried unanimously. Chad made a motion to direct Kevin to send a letter to the City of Omro stating that the District would like to receive their next proposal by Friday, February 1/second-Jim/carried unanimously.**

7) New Business.

- a) Apply to East Central Wisconsin Regional Planning Commission for a Sewer Service Area Amendment regarding Town of Omro Properties to be removed from the Omro Sewer Service area and added to the Oshkosh Sewer Service Area. The next application date for a sewer service area amendment is February 8. **Peter made a motion to apply for a sewer service area amendment with East Central Wisconsin Regional Planning Commission upon receipt of all the proper documents including a letter from the City of Oshkosh, the opinion of probable cost, the rate analysis by John Mayer, and the rate structures for the two wastewater treatment plants/second-Jim/carried unanimously.**

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

Respectfully submitted: _____
Michael Claffey, Accounting Manager

Approved: _____
Jim Savinski, President

Algoma Sanitary District #1
February 14, 2013

Regular Monthly Meeting

- 1) Open Regular Monthly Meeting.
- 2) Commission President Jim Savinski with Commissioners Chad Hayes and Peter Cernohous present called the regular monthly meeting for February to order at 6:00 p.m. Also present were Utility Director Kevin Mraz, District Attorney Ray Edelstein, and District Accounting Manager Michael Claffey. District Treasurer Joel Edson was excused.
 - a) Jim noted that the District is using a tape recorder for maintenance of the minutes. No one else is using one.
 - b) Approval of the minutes of the previous meetings. **Peter made a motion to approve the minutes of the regular monthly meeting on January 10/second-Chad/carried unanimously. Chad made a motion to approve the minutes of the special meeting on February 4/second-Peter/carried unanimously.**
 - c) Approve cash receipts and investments for sanitary and water.
 - iii) Note any investment changes. Mike explained that when the District received payment from the Town of Omro for the amount collected on the tax roll, the check was deposited to the primary account at Community First. Since Citizens Bank was the primary financial institution for the former Omro Sanitary District, another check is needed to transfer a portion of that deposit for water and sewer assessments from Community First to Citizens Bank. **Peter made a motion approve the cash receipts for sewer and water and the investment change as explained by Mike/second-Chad/carried unanimously.**
 - iv) Note any balance adjustments. There were only a couple minor assessment adjustments that amounted to about \$1.00. **Jim made a motion to approve the January balance adjustments report as submitted/second-Chad/carried unanimously.**
 - d) Approve pending bills for sanitary and water. Mike stated that the District has a few bond payments that are due next month. Payment for the B Bonds is due on March 1 and the annual payment for the Public Land Loan is due March 15. The wire at Community First is ready for signatures as soon as the Commissioners are available. The General Obligation Bond payment for over \$140,798.75 is due April 1 and will need signatures after the meeting on March 14. The invoice from WaterISAC for \$200 was removed from the pending bills list that was previously submitted and will not be paid. **Peter made a motion to approve the sanitary and water pending bills for February as submitted, excluding WaterISAC/second-Chad/carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements.
 - Jim stated that the auditors called him to ask if he had any issues. He told them no and that he thinks everything is running smoothly and the District has a great staff.
 - Jim also mentioned the CPR/First Aid class offered to all employees was held on site on Monday, February 11. This class had a great instructor and he appreciated the opportunity to attend. Kevin added that, although confined space certification requires the Operators to take the class every two years, it is definitely a worthwhile commitment and gives all employees the confidence to respond appropriately should those situations arise at work, home, or in the community.
 - Jim also added that the CPR class included training on how to use an Automatic External Defibrillator (AED) and suggested the District have one available at its administration facility. Kevin stated that staff has already begun meeting with vendors that supply AEDs and received quotes for about \$1,200, which he thinks is a competitive price. The Commissioners may see an AED purchase included on next month's pending bills list.
- 5) Director's Report.
 - d) Review of District statistics.
 - Kevin is very satisfied with how the District maintained the sanitary sewer system since merging with the Omro Sanitary District last year. He presented graphs of sanitary sewer flows for 2012 in both townships which show spring thaw causes flows to spike up, but then they tend to decrease throughout the rest of the year. The lowest monthly average of daily flow in the Town of Algoma was 402,000 gallons. The total amount over that daily minimum flow for the entire year was 59 million gallons. This means the Town of Algoma could decrease their total annual flow by 59 million gallons. This would be close to zero inflow and infiltration in their sanitary sewer system. The graph for Town of Omro shows flows dropped substantially between May and June and then remained at record lows for the remainder of the year. The total annual flow over the lowest monthly average was about 9 million gallons. The average daily flow in the Town of Omro dropped from 72,000 in 2011 to 65,000 in 2012, and 49,000 in January 2013. The District uses this information as a tool to measure the status of field maintenance.
 - Kevin also added that he asked a staff member who was not on call to do some additional work in the Town of Omro that night. He appreciates that the Operator was willing to come in at a moment's notice on Valentine's Day, especially since he was not the one on call.
 - e) Correspondence. Jim asked about the status of the District's amendment change request that was sent to East Central. Kevin stated the request was sent out electronically and by mail the previous week, and East Central confirmed receipt on February 8. Also, the maximum wet month capacity of the Oshkosh Treatment Plant is 35 MGD, with 100 MGD as the maximum amount allowed with minimal treatment required. There have only been a few days over the past 5 years that the District has exceeded its 2 MGD capacity, or 10% of the plant. The District needs to confirm the details of the

contract to verify the maximum plant flow at the City of Oshkosh, the District's allocated portion of the plant, and if the recent plant capacity upgrades increased the District's allowable capacity amount.

f) Status of 2012 projects.

- i) Town of Omro sump pump inspection program. Only 13 sump pumps remain after mandatory inspections were completed over three days in January. Ray asked if any were found to be pumping clear water into the sanitary sewer system. Kevin stated a couple of homeowners were unaware that their sump pumps were non-compliant and they have since been corrected. There were also several that appeared to have been recently modified. Jim suggested those houses be re-inspected and Kevin explained that when Great Lakes televises the sewer system, additional surges of water coming through the mains can be identified.
- ii) Televising 25,000 feet of sewer main.
- iii) Seal 80 sanitary sewer manholes.
- iv) Remove 11 grinder pumps and replace with gravity sewer service.
- v) Refinancing and cash flow schedule.
- vi) GPS 100% of all sewer manholes, valves, fire hydrants, and appurtenances to install into our GIS program.

9) Old Business.

- a) Act on City of Omro correspondence regarding the Sewer Service Area revision and rate structure. The District gave the City a final proposal on January 31, but had not received a response. Ray said he talked to the City's attorney, and the City Council is supposed to vote to approve or reject the proposal at their meeting on February 19, but he doubts it will pass. He also said that if both parties agree to be bound by the rate structure that is recommended, it may be most beneficial to hire a neutral third party and split the cost of analyzing all the information and presenting the results to both sides. If the City rejects the final proposal, does not offer an appropriate rate, nor agrees to hire a neutral third party, Ray recommends the District continue to pursue the sewer service area change with the East Central Wisconsin Regional Planning Commission.

10) New Business.

- a) Review and approve quote from OMNNI Associates to complete a facility plan addressing the amendment request to merge the Omro Sanitary Sewer Service Area into the Oshkosh Sewer Service Area. Kevin explained that the Wisconsin DNR may have to accept a facility plan from the District before the amendment request to change the sewer service area can be accepted or rejected by the East Central Wisconsin Regional Planning Commission. The only quote the District obtained was from OMNNI Associates, and Kevin is comfortable proceeding since they are a reputable firm and the quote is in the ballpark for this type of study. How this cost will be allocated in the budget depends on the outcome of contract negotiations with the City of Omro for wastewater treatment services. If the District stays with the City of Omro, this cost, along with a potential rate study cost, will be expensed. But, if the sewage is redirected to the City of Oshkosh, the cost of the project will be capitalized. **Chad made a motion to authorize Kevin to engage with OMNNI to complete a facility plan not to exceed \$15,000/second-Peter/carried unanimously.**

11) **Chad made a motion to adjourn the regular monthly meeting at 6:40 p.m./second-Peter/carried unanimously.**

Respectfully submitted: _____
Michael Claffey, Accounting Manager

Approved: _____
Jim Savinski, President

Algoma Sanitary District #1
March 14, 2013

Regular Monthly Meeting

- 1) Open Regular Monthly Meeting.
 - 2) Commission President Jim Savinski with Commissioner Peter Cernohous present and Commissioner Chad Hayes via skype called the regular monthly meeting for March to order at 6:00 p.m. Also present were Utility Director Kevin Mraz, District Attorney Ray Edelstein, District Treasurer Joel Edson, and District Accounting Manager Michael Claffey.
 - a) Jim noted that the District is using a tape recorder for maintenance of the minutes. No one else is using one.
 - b) Approval of the minutes of the previous meetings. Jim had previously submitted a minor wording change which was included in the final packet for the meeting. **Jim made a motion to approve the minutes of the regular monthly meeting on February 14/second-Peter/carried unanimously.**
 - c) Approve cash receipts and investments for sanitary and water. **Peter made a motion to approve the cash receipts and investments for sanitary and water as submitted/second-Chad/carried unanimously.**
 - i) Note any investment changes. Mike stated the only investment changes were included on the pending bills sheet. A check totaling \$55,359.70 was necessary to transfer funds from Community First to Citizens Bank to keep restricted assessment funds separate from other general funds.
 - ii) Note any balance adjustments. Mike explained that some minor balance adjustments were made to write off late fees that were not paid since Town of Omro residential sewer user fees are now placed on the tax roll instead of billing them directly. Another two were created to issue a refund checks for overpayment of sewer fees, one of which we need to reissue because the resident said they did not receive it. An additional one was created to add a \$25 non-sufficient funds fee to a resident's account. The remaining were minor interest adjustments that totaled over a dollar. **Jim made a motion to approve the February balance adjustments report as submitted/second-Peter/carried unanimously.**
 - d) Approve pending bills for sanitary and water. **Peter made a motion to approve the sanitary and water pending bills for March as submitted/second-Chad/carried unanimously.** Mike added that there is a \$100,000 wire to sign at Community First Credit Union for the General Obligation Bond payment due on April 1. Kevin added that staff created a large display of the District's next five years' bond payment schedule which lists each principal and interest payment and its corresponding due date. This valuable tool notifies the Commissioners of upcoming payments and remaining balances owed for the year.
 - 3) Public Forum. No one was in attendance from the public.
 - 4) Commissioner Statements. None.
 - 5) Director's Report. After experiencing 1.25 inches of rainfall within two days and consistently warmer temperatures, the District recently discovered a substantial leak from a broken private sewer lateral at an abandoned house on Samers Bay Road. Kevin showed pictures and explained that several lots in that area have drainage problems because the road does not productively drain toward the lake. They could tell there is a lot of groundwater pressure under the ground because the adjacent well sprays water about one foot in the air. The surface water drained toward the lake but instead was leaking through cracks in the corner of the foundation and under this house. As the water level increased, the broken lateral served as an open conduit into the District's sewer system. This water inflow exceeded what the lift station pump could handle, so to prevent property damage staff put in two extra pumps to bypass approximately 70,000 gallons of clearwater with approximately 900 gallons of wastewater in the area and prevented backing up any homes in the area. The District has already submitted a report of this event to the DNR, which is required.
 - This was an emergency that needed to be addressed immediately because the property owner failed to repair it after receiving a 24-hour notice of the situation. District staff did the proper action to temporarily resolve it. Staff cleared debris out of the lateral, cut the broken sewer pipe to create a smooth joint, and inserted an inflatable plug in the lateral as a temporary solution. Then, the District made the homeowner aware of the situation by phone message and gave notice to his designated representative, who was there onsite on the owner's behalf, that the owner must contact the District to remove the plug and make a permanent solution. The District will bill the homeowner for the necessary supplies and equipment, the excess cost of treating 189,800 gallons of rain and snow melt water, and staff time. This property is one of the five remaining in the Town of Omro that has not completed a sump pump inspection despite numerous contact attempts by mail, phone, and a note on the door. This inspection would have likely found the broken pipe and given the homeowner the opportunity to take action to repair the broken lateral prior to this inflow. There is also a garage on the property with a possible living space above it that could potentially be hooked up to sewer. The District needs to get into this building to assess the situation and make sure that there isn't an issue there as well.
 - Ray suggested the District send a letter to both the Town of Omro Chairman and the building inspector to put them on notice of the situation. Chad provided the name and phone number of Marty Johnson, the Town of Omro's building inspector. Kevin offered to contact them so they understand the situation and the current condition of the sewer lateral. Jim asked how staff became aware of this issue. Kevin explained the Operators identified an increase in pump run times, and the high water level in the lift station triggered an alarm to provide an early enough notice for the Operators to respond and identify a solution before any damage could occur.
- a) Review of District statistics.
 - b) Correspondence.

- Sara recently had her baby on February 25th, and both mom and baby are doing well. We expect her to be off over six weeks on maternity leave, and her workload will be covered by existing staff until her return unless it's too much.
- Kevin has a meeting scheduled with Winnebago County regarding the hiring of Houle Enterprises for the drainage issues on Witzel Avenue.
- The District also received a notice from the IRS stating that the rebate for its Build America Bonds will be reduced by 8.7% from the budget sequester. The 2013 rebate has already been received so this will have a \$4,000 effect on the District's budget next year unless Ehlers & Associates refinances it at a lower interest rate.
- Jim asked about the commercial property on the north corner of Highway 21 and Sand Pit Road. Kevin explained it is an undeveloped lot that is zoned B-2 Commercial property and is currently bank owned. The County has been paying on the special assessments since the owner has stopped paying its property taxes.

c) Status of 2012 projects.

- i) Town of Omro sump pump inspection program.
- ii) Televising 25,000 feet of sewer main.
- iii) Seal 80 sanitary sewer manholes.
- iv) Remove 11 grinder pumps and replace with gravity sewer service.
- v) Refinancing and cash flow schedule.
- vi) GPS 100% of all sewer manholes, valves, fire hydrants, and appurtenances to install into our GIS program. Jim asked if the District would find it helpful to have more than one GPS unit. Kevin answered that one device is currently enough for the department at this time.

6) New Business.

- a) East Central Wisconsin Regional Planning Commission upcoming meeting regarding the District consolidation and proposal to transfer Town of Omro wastewater from the City of Omro to the City of Oshkosh WWTF. East Central approved the modification of our Designated Management Agency, thereby replacing all mention of Omro Sanitary District with Algoma Sanitary District in its documents.

- The District has proposed to transfer wastewater flow from the City of Omro to the City of Oshkosh. East Central stated the District is the first municipality in the state to request a sewer service area amendment to divert wastewater treatment flow from one treatment facility to another, and they must draft a policy to handle such a request. East Central requested a facility plan approved by the DNR before moving forward.

- b) City of Omro status update to begin non-binding mediation in efforts to resolve wastewater treatment contract negotiations. The City of Omro and the District have agreed to hire a third party rate analyst to provide a non-binding analysis of wastewater treatment charges. Kevin drafted a request for proposal to send to potential companies, which the City of Omro Administrator also approved, and they both came up with a list of 6 companies to send it to. The quotes are due by March 28 so the bid can be awarded on April 15, after the District's April 11 monthly meeting. The work must be completed by June 14. Each entity has agreed to pay 50% of the total cost, which Kevin estimates to be about \$4,000-6,000 for each entity.

i) Review and act on the request for proposals from potential rate analyst's results. No action taken.

7) **Peter made a motion to adjourn the regular monthly meeting at 7:04 p.m./second-Chad/carried unanimously.**

Respectfully submitted: _____
 Michael Claffey, Accounting Manager

Approved: _____
 Jim Savinski, President

Algoma Sanitary District #1
April 11, 2013

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 April to order at 6:00 p.m. Also present were Utility Director Kevin Mraz, District Attorney Ray Edelstein, and District Accounting Manager Michael Claffey. District Treasurer Joel Edson was excused.
 - a) Jim noted that the District is using a tape recorder for maintenance of the minutes. No one else is using one.
 - b) Reorganization of the Commission due to public election.
 - i) The Commission shall elect officers including President, Secretary, and Treasurer. Jim explained that Chad had been reelected and currently Jim is the President, Chad is the Secretary, and Peter is the Treasurer. **Peter nominated Jim to be the Commission President/second-Chad/carried unanimously. Peter nominated Chad to be the Commission Secretary/second-Jim/carried unanimously. Jim nominated Peter to be the Commission Treasurer/second-Chad/carried unanimously. Jim appointed Joel to continue as the District Treasurer/second-Peter/carried unanimously.**
 - c) Approval of the minutes of the previous meeting. Jim noted “to bypass approximately 70,000 gallons in the area” should state “70,000 gallons of clear water with approximately 900 gallons of wastewater”. Also “gave notice to his friend” should state “to his *designated representative*”. **Chad made a motion to approve the minutes of the regular monthly meeting on March 14 with the indicated clarifications/second-Peter/carried unanimously.**
 - d) Approve cash receipts and investments for sanitary and water. **Chad made a motion to approve the cash receipts and investments for sanitary and water as submitted/second-Peter/carried unanimously.**
 - iii) Note any investment changes.
 - Mike stated that the \$687,790 wire for the Safe Drinking Water Loan payment due on May 1 needs to be signed at Community First. To fund this, the District can inactivate an account at Community First and transfer those funds of about \$75,000 without being subject to the minimum balance fee. If the account is needed in the future, it can be reopened. If the remaining \$50,000 needed is not received from residential water bill payments, the District can transfer funds from the water assessments account at Citizens Bank.
 - A wire of \$54,269.32 is needed for the Clean Water Fund Loan payment due May 1 from Citizens Bank, which has a Clean Water Loan Funds balance of \$56,895.54. Mike proposes to have Citizens Bank issue the District a check to move the remaining account balance for deposit at West Point Bank in the other Clean Water Fund Loan assessment funds account. This would eliminate multiple bank accounts with the same purpose while keeping total funds at West Pointe Bank under \$250,000. **Peter made a motion to approve the investments changes as presented by Mike/second-Chad/carried unanimously.**
 - iv) Note any balance adjustments. Mike explained two types of balance adjustments were used in March. The first involved interest adjustments of about one dollar to match the bankruptcy payment that the District receives every month. The second type was entered to write off late fee balances totaling about \$10 for Town of Omro residents since they are no longer billed sewer user fees directly. **Jim made a motion to approve the March balance adjustments report as submitted/second-Chad/carried unanimously.**
 - e) Approve pending bills for sanitary and water. Mike stated there are a few changes to the pending bills sheet that was emailed to the Commissioners the previous afternoon. First, the loan payment amounts listed were last year’s payments and they have been updated to match the bond payment schedule chart in the back of the board room. Next, Mike thought he was going to need additional funds to apply towards the Safe Drinking Water Loan payment, but since he worked with Community First and realized the District has access to \$75,000 (see 2di) of its funds without penalty, fewer transfers are necessary. The City of Omro provided their total invoice amount for first quarter sewage treatment of \$37,474.84 based on current rates, not the estimated \$40,491.00. Finally, the first BP statement was received that day totaling \$375.37 for four gas receipts from March 28 through April 4. Kevin noted that the District will request the statement dates be earlier in the month so the District can approve payment at the monthly meeting since the terms are net 15 and future payments would not be received by the due date. **Peter made a motion to approve the sanitary and water pending bills for April including the corrections and additions/second-Chad/carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
Peter made a motion to move to agenda item 7b) for the audit review/second-Chad/carried unanimously.
- 4) Commissioner Statements.
 - Jim congratulated Kevin on receiving the Operator of the Year Award for District 2 from the Wisconsin Rural Water Association. Kevin said he appreciated it and added it was a big reward to be recognized because it was based on peer review. He also said he is thankful to have a hardworking staff and the support of the Commissioners.
 - Peter said after listening to the auditor’s presentation he feels the District has a great team assembled that handles things very professionally.
 - Chad added that he has had a really good year working with the District and likes to see that the District runs more like a business than a political entity. Kevin agreed and expanded by stating the District carefully considered if the consolidation would be a good acquisition based on business models prior to actively pursuing it.

- Kevin mentioned that this was the final year of the three year contract with Baker Tilly, and staff will acquire proposals from them as well as others within a month or two so the auditor can be in place to guide the District through the remainder of the year. Mike added that staff reviewed and compiled the financial information of the Omro Sanitary District from the consolidation with the advice and assistance of Baker Tilly so it could be transferred over to the current District accounting software and assessment databases, which was a substantial undertaking and took several months. The Commissioners commended Mike for a job well done.
- Chad also said he requests the District ask the Town of Omro to include the Public Fire Protection Fee in their general tax levy on their next Town budget.

5) Director's Report.

- The Operators have been working diligently to find and remove leaks from the sanitary sewer system. The District's sewer camera revealed a sewer lateral on a vacant bank-owned property in the Barony Subdivision that was leaking an estimated 14,000-20,000 gallons per day since snow melting began the previous week. After further investigation with Great Lakes, staff discovered the end cap had broken when the lateral was buried and ground water had been flowing into the sanitary sewer system ever since, costing the District approximately \$70 per day in treatment expense. The District hired Freund Excavating for \$500 to fix this issue and will consider billing the owner for the costs the District incurred for this repair.
- There was also another property at 5442 East Reighmoor Road that the District found had water seeping into the sewer system about three feet below the crawl space. The previous house was torn down and a new one was put in on a slab around the time of consolidation. Unfortunately, the contractor negligent in failing to contact either District to have an operator on site to inspect the installation of the sewer lateral when the pipe was cut and the new building was hooked up to the sanitary sewer system. The homeowner was given a 60 day notice to have a contractor repair the leaking lateral pipe.
- The Town of Omro had 180,000 gallons of sewage the previous day due to rain and melting snow which is more than triple the average of about 50,000 gallons per day. The Operators estimate they have already removed about 70 gallons per minute of leaks from the system and have identified another 50 gallons per minute of existing leaks. By actively pursuing leaks, lift station pumps do not run more than they should, which minimizes the risk of a backup.
- In the Town of Algoma, BMO Harris Bank had a joint that was offset and water was flowing into the lateral from a leak inside the building. Hanson Plumbing has resolved the issue, but the District will keep an eye on it when it rains and watch for any increase in flow.
- Peter asked for an update on the abandoned property on Samers Bay Road in the Town of Omro that had the leak repaired last month. Kevin stated that a notice was sent to Chairman Brian Noe and he was taking it to the Town Board for a Raise or Repair Notice. Ray asked if the District had billed the homeowner for the repair and the treatment costs incurred. Kevin said he had a good conversation discussing the situation with the homeowner before the \$2,800 bill was mailed to him. The District has since televised the clean-out in the yard and found that the garage was not hooked up to the sanitary sewer system and no other leaks were found, so the inflatable plug that was inserted has stopped all water from flowing in.
- Kevin said there are still several leaks in the Town of Omro and showed a map of what areas the District would be targeting over the next few days.
- The District is working on completing a brochure highlighting the vacant lots for sale in the Towns of Algoma and Omro with water and sewer available. This is an excellent means of advertising intended to provide realtors and others, including both Town Halls, information to distribute to individuals and companies in the market for buying vacant lots to build a home. The brochure also includes the District's connection costs, a write up from the Town of Algoma regarding its future park, and a QR code that displays the District's webpage with additional sewer and water information. The District will print several hundred copies on brochure paper, upload it to the website, and have it available electronically.

d) Review of District statistics.

- Sewer flows in March averaged 77,000 gallons per day, and the monthly average flow for 2013 is still down from last year. The District is actively working on decreasing them, but the rain and snow melt has increased this amount.
- There are only five sump pumps in the Town of Omro that the District has not been able to schedule an inspection with the homeowners. The District has ways to verify if a lateral is leaking or whether a sump pump is discharging illegally into the sanitary sewer system. Thankfully, no private laterals were backed up after all the flooding caused by the snow melt.

e) Correspondence.

- Kevin met with two members of Houle Enterprises, LLC regarding the drainage issues on Witzel Avenue. He provided some pictures and a video that showed cracks in the road and standing water when Witzel Avenue was televised prior to the construction of the administrative building. Kevin also drove them around the area to show them sump pumps discharging even before the snow had begun to melt, surrounding farm land underwater, water flowing through the creek on Horseshoe Road, and tiles that an upstream neighboring farm put in before the District began construction. The farmer that sold the District its property it said was the lowest, wettest land on his farm and he had previously installed a drainage swale around the property. The District has not received any additional information to date.

- f) Status of 2013 projects.
- 6) Old Business.
- a) Discuss City of Omro status update to begin non-binding mediation in efforts to resolve wastewater treatment contract negotiations and act on request for proposals received from potential rate analyst companies. The District created a bid tab that identified the four rate analyst companies that submitted quotes for mediation services. Trilogy Consulting, LLC submitted the most thorough, organized, and qualified proposal, and also had the lowest price of \$8,000. The next closest bid received was from MSA Professional Services, LLC at \$9,850 and the others were substantially higher. Kevin spoke with the City of Omro the previous day and they verbally agreed that Trilogy was their top choice also and they agreed to pay half the cost. **Peter made a motion to grant Kevin the authority to make the decision for the District with Trilogy Consulting as its first choice and forward the award notice to the City of Omro to be signed, with MSA as its second choice/second-Jim/carried unanimously.**
- i) 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 services from City of Omro. **Peter made a motion at 7:20 p.m. to move into closed session/second-Chad/carried unanimously.**
- ii) The Commissioners will reconvene into open session to discuss and act on matters discussed during closed session regarding the wastewater treatment services proposal from City of Omro. **Chad made a motion to move back into open session at 7:35 p.m./second-Peter/carried unanimously. No further action taken.**
- b) East Central Wisconsin Regional Planning Commission upcoming meeting regarding the District consolidation and proposal to transfer Town of Omro wastewater from the City of Omro to the City of Oshkosh WWTF. Everyone saw the newsletter that the Planning Commission sent out, which was consistent with Kevin's report. There is no status change until the Planning Commission establishes a process to change an existing sewer service area.
- 7) New Business.
- a) Review District Mission Statement and general powers and duties according to WI stats 60.77(4). Kevin explained that he likes to review the District's mission statement, vision, strategies, and core values each year and proceeded to read them, which are also available on the District website. The Commissioners agreed they are well written and should remain in effect as is. Kevin also discussed the general powers and duties of a sanitary district according to state statutes, which also includes storm water management. He explained that the Town of Algoma currently handles their own storm water. The District is qualified and has the capability to manage storm water for either town, but does not plan to create a new entity until such time as the appropriate town board approves the District as the Storm Water Management entity with full control, authority, and responsibility. The District would also request a referendum prior to beginning the creation of a storm water utility to determine community support.
- b) Audit review with Baker Tilly for fiscal year ending December 31, 2012. Kevin introduced Sarah Schleede, a Certified Public Accountant with Baker Tilly, who also conducted the District's audit last year. She thanked staff for being very helpful throughout the audit process, especially in gathering all the financial data for the consolidation with the Omro Sanitary District and incorporating the new GASB standard relating to consolidations into the financial statements. Sarah proceeded to review the financial statements, and she explained that the 2012 financials cannot be compared to the previous year because they only include Algoma Sanitary District balances prior to consolidation. The numbers from the 2012 audit incorporate Algoma and Omro Sanitary Districts as if they were one utility the entire year, even though the consolidation was official on June 30, 2012. In general, the utility is in good shape. Sarah noted that expenses may have been higher due to consolidation, with sewage treatment cost being the largest increase, but she expects them to decrease next year. Because the utility has a small staff, it may be near to impossible to segregate duties as required by standards. The auditors are required to disclose this, but the District is aware of those requirements and separates duties as much as possible. The Commission also safeguards this weakness by reviewing and being involved in financial decisions.
- Water Utility: The number of gallons of water the District sold increased from 2011 to 2012, which is not attributable to the consolidation because the District had always provided water to the Omro Sanitary District. This was mainly due to the dry weather and was very typical of all utilities in Wisconsin. The rate of return was 3.99%, up from 2.9% in 2011, which is well above the authorized rate of return of 1.4%. Operating revenues increased due to increased water rates in Algoma, even though Omro's water rates decreased. The number of months of unrestricted cash on hand was 14 months, up from 12 months the previous year, with 3 months as the auditor's benchmark and 12 months as the District's self imposed goal. The percentage of capital assets financed through earnings was 30%. Baker Tilly would normally like to see this around 50%, but 30% is still pretty good. Ray asked what the interest subsidy was, and Sarah answered it is the amount of the interest rebate the federal government pays the District for the Build America Bonds issued in 2009. The federal budget changes from sequestration could decrease the interest subsidy by about 9% of \$40,000 in future years, but will not impact 2013 since the District had already received this year's payment. She suggests the District keep an eye on this development, and Kevin stated the District was aware this rebate could change and is looking into refinancing the loan through Ehlers & Associates.
 - Sewer Utility: The revenue and expenses for the sewer utility increased significantly in 2012 compared to 2011 due to consolidation. The Algoma Sanitary District increased their sewer rates by 6% as of January 1, 2012. Operating

losses increased due to increased depreciation from Omro Sanitary District assets, but the operating loss was less than depreciation in 2012 to put it in the black. Baker Tilly expects operation and maintenance expenses to decrease this year. The number of months of unrestricted cash on hand remains at 20 months which is due to the utility having less debt and less assessments than the water utility. The previous audit had indicated the sewer utility financed capital assets fully by revenue since there was no debt on the books, and in 2012 a small percentage of capital assets were financed through debt.

- Ray noticed that the levy did not seem to increase much. Mike explained that in 2011 the Town of Omro only levied \$10,000 for sewer and \$35,000 for water to cover the Public Fire Protection Fee. A portion of the levy was reported twice because the former Omro Sanitary District would pay about \$18,000 of that amount to the Algoma Sanitary District for the cost of providing fire protection. The 2013 Public Fire Protection Fee for Town of Omro residents was placed on the tax roll in the amount of \$67.93 per parcel while the Town of Algoma continues to collect the Public Fire Protection Fee for its residents through the general tax levy. Chad asked if the District requested to have the Town of Omro collect the Public Fire Protection Fee in their tax levy. Kevin stated he knows the Town received the District's letter with this request, but had not received a response. Chad added the District should ask the Town of Omro to include it in next year's budget.
 - Ray asked what the net effect of consolidation was on the financials, and Sarah answered it was an increase of \$5.1 million in net assets. Baker Tilly had no new management recommendations for this year. Sarah noted the District did not include the management discussion and analysis in the financial statements this year. Jim noted the District invests very little funds in the Local Government Investment Pool because the interest rate is so low and asked Sarah if investing in it would provide further protection if additional funds needed to be placed there temporarily. Sarah explained it is the decision of the staff and commissioners where funds are invested based on the interest earned, liquidity, and risk of its assets. Currently, all District funds are insured. Sarah mentioned the FDIC deposit insurance level for 2013 is \$250,000, with the state guarantee fund providing \$400,000 of total coverage.
 - c) Discuss and act on vacating existing easements located on parcel #91621500200 in the City of Oshkosh generally south of HWY 21 and north of North Washburn Street. When Highway 21 was rerouted, the sewer line was relocated, and now this lot is looking to be redeveloped and a revised CSM prepared. **Jim made a motion to vacate any District easements on parcel #91621500200 in the City of Oshkosh/second-Chad/carried unanimously.**
- 8) **Chad made a motion to adjourn the regular monthly meeting at 7:55 p.m./second-Peter/carried unanimously.**

Respectfully submitted: _____
Michael Claffey, Accounting Manager

Approved: _____
Jim Savinski, President

Algoma Sanitary District #1
May 9, 2013

Regular Monthly Meeting

- 1) Open Regular Monthly Meeting.
- 2) Commission President Jim Savinski with Commissioner Chad Hayes present called the regular monthly meeting for May to order at 6:00 p.m. Also present were Utility Director Kevin Mraz, District Attorney Ray Edelstein, and District Accounting Manager Michael Claffey. Commissioner Peter Cernohous was excused. District Treasurer Joel Edson announced his resignation last month.
 - a) Jim noted that the District is using a tape recorder for maintenance of the minutes. No one else is using one.
 - b) Approval of the minutes of the previous meeting. **Chad made a motion to approve the minutes of the regular monthly meeting on April 11/second-Jim/carried unanimously.**
 - c) Approve cash receipts and investments for sanitary and water. **Chad made a motion to approve the cash receipts and investments for sanitary and water as submitted/second-Jim/carried unanimously.**
 - v) Note any investment changes. Mike stated that in effort to consolidate some of the District's bank accounts, the biggest investment change includes closing an account under the Sewer Utility and moving the \$59,957.14 to another account at Citizens Bank. **Jim made a motion to approve the investments change as presented by Mike/second-Chad/carried unanimously.**
 - vi) Note any balance adjustments. Mike explained there were two types of balance adjustments used in April. The first involved writing off late fee balances, including about \$12 for Town of Omro residents since they are no longer billed sewer user fees directly, and less than \$5 for a closed account that sold recently. Another was for an account payment that was received the next day, excluding the late fee. The other adjustments were related to bankruptcy payments received which involved a posting date correction and an interest adjustment to match the payment amount. **Chad made a motion to approve the April balance adjustments report as submitted/second-Jim/carried unanimously.**
 - d) Approve pending bills for sanitary and water.
 - The District was notified earlier that day that the amount for the erosion control permit for the Town of Omro is \$55, rather than \$250 that was estimated on the pending bills sheet.
 - The next bond payment will be due August 1, 2013.
 - The District's former president, Bob Nadolske, was listed as the District's agent with Employee Trust Funds, which provides retirement, health insurance, and income continuation insurance for its employees. Since the District President has always been the agent in the past, Mike proposed the contact information be updated to list Jim as the agent and Jim agreed.
 - Jim asked why the District issues a check to the Town of Algoma for refuse fees received, and Mike explained when a new property is built the District must invoice the homeowner for a partial year's worth of sewer user fees. As a courtesy to the Town, the District also includes Town refuse fees on the invoice and forwards them to the Town periodically upon receipt. Sewer user fees and refuse fees for the following year are then placed on the tax roll. **Chad made a motion to approve the sanitary and water pending bills for May as submitted/second-Jim/carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements.
 - Chad stated that he and his family are no longer able to partake in handing out water bottles at the Town of Algoma parade on June 1. Jim added that he and his daughter and two grandkids will still attend.
 - Jim mentioned that he will be out of town during the meeting in July and asked that it be moved to Monday, July 15. This will be acted on during the June meeting.
 - Jim noted that the brochure map that highlights vacant lots in the District with water and sewer available ends before the east end of the Town of Algoma, potentially excluding additional parcels. Kevin explained that the map only highlights *residential* parcels in *developed subdivisions* and does not include lots that are owned by private citizens. He also added that staff placed 100 of these brochures in each of the four homes in the District that were in the Parade of Homes the previous weekend and one contractor said about 350-500 people entered their home on display. Jim asked if staff could create a map that shows all District parcels that have sewer, but not water available, and Chad added that would be a great resource on the website. Kevin answered the website currently has a map that shows which lots have water available, but it could also add a map of the entire Sanitary District that shows all lots that have sewer available, whether they are vacant or contain a structure. This would allow an individual to zoom in and see whether a particular lot in the District has sewer and/or water available. Chad added that the District could also put a link on each lot to the Winnebago County Geographic Information System website for more information.
 - Jim also mentioned that he had an interesting conversation with a resident who would like to have water available to his property, but lived in an area that did not produce at least 70% participation to receive municipal water. He went on to say that the water system has been established for long enough that the District should now be actively trying to serve all its residents and asked if the necessary participation percentage to extend water service could be lowered. Kevin explained that the Water Utility's budget will be tightest during years 2015 and 2016 because of its

bond schedule, but as it continues to grow the years will become easier. Prior to 2016, anything less than 70% participation would have to be strongly reviewed. He added that since the Water Utility has been well established and residents now understand how it operates, as properties change ownership and issues develop with private wells, there very well could be a change in opinion throughout the Town. Jim asked that it be added as an agenda item to discuss at the next meeting, stating that it would be a good idea to begin this project by sending out a water survey prior to the end of the year, and then we can also discuss the impact of a reduction in the percentage of participation required to pursue future water main extensions.

- Jim also noted that the District has a sign on its administration building that states weapons are prohibited. He asked that it be added as an agenda item to discuss whether the Commission would like to maintain this policy.
- Chad asked that the addition of fluoride to the District's water be added as an agenda item to discuss in the future as well. Jim agreed and added that the District may want to hold a public forum on the matter so residents can offer their opinion also.

5) Director's Report.

g) Review of District statistics. Kevin presented a graph that showed the total annual costs for wastewater treatment for the Town of Algoma and the Town of Omro over the past three years. The District has removed some major inflow and infiltration issues in the Town of Algoma, dropping total annual expenses from a high of about \$254,000 to about \$168,000 in 2012. The total annual treatment costs for Town of Omro flows were about \$166,000 in 2011, \$157,000 in 2012, and the District has budgeted for \$155,000 for 2013. In 2012 the cost to treat Town of Algoma flows at the City of Oshkosh WWTF was about \$0.82 per thousand gallons and Town of Omro flows to the City of Omro WWTF was about \$6.82 per thousand gallons. The total annual cost is almost identical in each town even though the Town of Omro flow is about 12% of the Town of Algoma flow.

h) Correspondence.

- The District received the final decision on the Simplified Rate Case application from the Public Service Commission (PSC). Effective July 1, 2013, water rates in the Town of Algoma will increase by the annual inflation rate determined by the PSC of 3% and the Town of Omro will enact the second phase of their three year phase-in period to match Town of Algoma's water rates. A residential water bill in the Town of Algoma will include a \$49.26 meter charge plus \$4.85 per thousand gallons of usage per quarter. A residential water bill in the Town of Omro will include a \$62.73 meter charge plus \$6.81 per thousand gallons of usage per quarter (it is currently \$74.71 plus \$8.61, which is around a 20% rate decrease). On July 1, 2014, Town of Omro's water rates will become the same as the Town of Algoma's water rates.
- Kevin previously sent the Commissioners a photo of the repair that was done in the Town of Omro on Notre Dame Drive and Marquart Lane showing a stream of water filling up an excavated trench. When staff analyzed pump times they found that both pumps ran 2.2 hours per day prior to the repair, but the following day they decreased to 0.2 hours each. At a treatment cost of \$4.19 per thousand gallons, that repair saved the District about \$150 per day.
- Staff previously sent the Commissioners an article from the Omro Herald that should have a positive impact on contract negotiations with the City of Omro for wastewater treatment services. Kevin explained that in the article the City of Omro states that about \$750,000 of excess funds received over several years from both City and Town residents that were not previously restricted on their financial statements are now dedicated for plant expenses and bond payments.
- The 2012 Consumer Confidence Report (CCR) must be sent out to all District residents by July 1, 2013. Kevin stated that staff could write an article explaining that the District intends to send out a water survey closer to the end of the year so residents have time to think about whether they are interested in receiving and paying for water at their property.
- Jim noted that the quote from LW Allen for a telemetry update of a flow station at the City of Omro Wastewater Treatment Plant is only valid for 30 days. Kevin stated that the total of the quote had actually decreased from the original one submitted so he was not worried that it would not be honored. He does not want to spend that money until the District receives the sewer rate analysis back. If the District was able to complete the project for a couple thousand dollars, he may have considered it, but at \$5,500 he is not willing to pursue it at this time. The City of Omro did a good job notifying the District that it had high flows coming into the treatment plant; however, he cannot guarantee they are always going to be efficient at informing the District of a problem in the future. The District was able to prove its pump times are very accurate compared to flow entering the plant, so staff asked them to adjust the bill accordingly. Somewhere between the force main discharge near the wastewater treatment plant entry gate and the flow station two manholes downstream, a relatively new 2 x 4 about 14" long was found, and since the District's pumps cannot pump a 2 x 4 that size, the District is researching how it could have entered the system.
- Jim also mentioned that the District's Compliance Maintenance Annual Report (CMAR) is due at the end of June and asked if the Commissioners will see a copy at the June meeting. Kevin answered yes, and said he had been working with the DNR to clear up a couple issues. For example, when the District had to bypass the pump on Samers Bay Road that was allowing surface water to enter the sanitary sewer system earlier this year, the CMAR reported it as an incident in 2012. He also found out that each pump or location is considered a different sewer system overflow, even if it's due to the same storm event. When the streets were flooding the previous year, the

District picked three different locations to remove storm water to prevent sewer backups. The District was docked 10 points for each one, decreasing its score to 70%. Kevin will keep that in mind next time so it does not knock down future report scores. Kevin stated that he would send out the CMAR as a PDF to the Commissioners before the next meeting.

- i) Status of 2013 projects.
- 6) Old Business.
 - a) Discuss City of Omro status update to begin non-binding mediation in efforts to resolve wastewater treatment contract negotiations.
 - i) 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 services from City of Omro. **Jim made a motion at 6:38 p.m. to move into closed session/second-Chad/carried unanimously.**
 - ii) The Commissioners will reconvene into open session to discuss and act on matters discussed during closed session regarding the wastewater treatment services proposal from City of Omro. **Jim made a motion to move back into open session at 7:12 p.m./second-Chad/carried unanimously. No further action taken.**
 - b) East Central Wisconsin Regional Planning Commission upcoming meeting regarding the District consolidation and proposal to transfer Town of Omro wastewater from the City of Omro to the City of Oshkosh WWTF. The District has not received any procedure or policy updates from ECWRPC at this time.
- 7) New Business.
 - a) Discuss the financial and maintenance impact of the existing grinder pumps.
 - i) Determine the actual ownership and responsibility of the grinder pumps. Staff was unable to find a signed document from the former Omro Sanitary District files that specifically states whether the homeowner or the District is responsible for maintaining grinder pumps. It has been past practice that the homeowner paid the initial cost and the District paid to maintain them.
 - ii) Discuss the cost of retaining and maintaining a grinder pump. Staff created a spreadsheet that was previously sent to the Commissioners of all past expenses related to grinder pump maintenance and determined the District incurs an annual expense of about \$202 per grinder pump.
 - iii) Discuss the process and potential cost of removing a grinder pump. Since the current cost for a new grinder pump is about \$3,000, Kevin explained the District's goal is to remove 11 grinder pumps with a budget of \$33,000 this year. The District is actively pursuing upgrading properties with grinder pumps to gravity sewer to remove as many from the sanitary sewer system as possible. District staff will speak to each homeowner before submitting a written document requesting permission to coordinate access to the property to remove each grinder pump. It will explain how the work will be performed, include a picture of a basement with a removed grinder pump, and state that if the homeowner refuses to allow the District to remove it, then they agree to take on full ownership and responsibility of maintaining it. Each letter to the homeowner will be adjusted to meet their specific situation and at least a two week notice will be given. One alternative to this situation is if the homeowner does not want the grinder pump to be removed, but also does not want the responsibility of maintaining it, then the District can offer continued maintenance for an additional cost of \$202 added to the homeowner's sewer user fee, which is currently \$691. The cost of removing grinder pumps from basements will be more than for ones that are outdoors because more extensive work is required. Jim asked about the annual electrical costs for a grinder pump, and Kevin answered it was about \$9-15 per month. Jim asked if the District was able to combine grinder pumps, thereby reducing the number in a given area, and Kevin answered that several grinder pumps on Lansing High Point Road can be removed and reduced to one lift station for the area. Ray asked if a grinder pump backs up, would the basement overflow, and Kevin answered the sewer lateral would be backed up and flow would come up the first opening, depending on plumbing in the house.
 - b) Review and act on quote to remove grinder pump at 5273 Leonard Point Road. The District received a verbal quote to remove the grinder pump from the basement of 5273 Leonard Point Road for \$5,800. They would dig from the sewer main in the middle of the road to the sewer lateral, disconnect the pipe, remove the grinder pump, connect the outside sewer lateral under the concrete to gravity sewer, knock out the wall area to extend the lateral, backfill the trench, and lay the top soil and grass seed. The contractor would bring the ground back to grade and then staff may need to lay additional topsoil once it settles. **Chad made a motion to approve the removal of the grinder pump at 5273 Leonard Point Road at a cost not to exceed \$6,000/second-Jim/carried unanimously.**
- 8) **Chad made a motion to adjourn the regular monthly meeting at 7:30 p.m./second-Jim/carried unanimously.**

Respectfully submitted: _____
Michael Claffey, Accounting Manager

Approved: _____
Jim Savinski, President

Algoma Sanitary District #1
June 13, 2013

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 June to order at 6:00 p.m. Also present were Utility Director Kevin Mraz, District Attorney Ray Edelstein, and District Accounting Manager Michael Claffey. Judy Lloyd of 4100 Forte Road was in attendance from the public.
 - a) Jim noted that the District is using a tape recorder for maintenance of the minutes. No one else is using one.
 - b) Approval of the minutes of the previous meeting. Jim previously suggested adding a "by sending out a water survey" to page 2 and another clarification and those changes have been made to the final copy. **Peter made a motion to approve the minutes of the regular monthly meeting on May 9/second-Chad/carried unanimously.**
 - c) Approve cash receipts and investments for sanitary and water. **Chad made a motion to approve the cash receipts and investments for sanitary and water as submitted/second-Peter/carried unanimously.**
 - i) Note any investment changes. None.
 - ii) Note any balance adjustments. **Chad made a motion to approve the May balance adjustments report as submitted/second-Peter/carried unanimously.**
 - d) Approve pending bills for sanitary and water. The amount due for Fabco has been decreased from \$51.78 to \$18.42. **Peter made a motion to approve the sanitary and water pending bills for June as submitted including the small decrease indicated/second-Jim/carried unanimously.**
- 3) Public Forum.

Judy Lloyd, homeowner of 4100 Forte Road, explained that when they built their house (in 1991) they had to drill a private well because the water utility did not exist. Within the last two weeks, the walls of their 125 foot deep well caved in and the pump is under 15 feet of sand, which resulted in sand in the water and very little water pressure. Both Action Water Well & Pump Services and Rogers Pump Company LLC have declared their well be abandoned because it cannot be fixed and a new well cannot be drilled in their back yard due to access nor in their front yard because setback regulations for a residential well on their lot require a distance of greater than 50 feet from the road. Judy and her husband are currently using bottled water and are able to shower, but stated eventually the water in their well will run out and completely evaporate.

Kevin explained that the water main passes Forte Road on both ends because it is installed down Amy Jo Drive and Emily Anne Drive. The four corner properties have a water service valve, however the four houses in the middle would be affected by a potential water main extension to serve this property. Judy has already checked with her three neighbors to see what their situation is with their private wells and to find out whether they may need municipal water also. She stated that the two houses across the street had a new well dug by the DNR; one set of homeowners put in an osmosis system and plans to sell their house within a few years, and the other set of homeowners cannot afford a water assessment. The Lloyds received permission from their next door neighbor to use their well for the time being, however, they were unable to siphon water with a hose even though both pump companies inspected the connection and said it was hooked it up correctly. Kevin offered to send an Operator to their house the following morning to get water from the neighbor's well into their house, but explained that it would not be potable due to using a hose and they will receive low pressure from it due to the length the hose is extended. Jim asked if Kevin knew of a water supply company that could deliver a tank of water, but he had nothing to recommend.

Kevin stated the District has surveyed the homeowners on Forte Road on two separate occasions. In 2003 all four properties said they did not want municipal water available past their property and in 2006 the District received two no's and the other two did not respond. He displayed a map of the arsenic levels found in that area in 2002. 4107 Forte Road tested at 110 parts per billion (ppb) and 4097 Forte Road tested at 170 ppb. The amount considered safe is 10 ppb and that is why the DNR drilled a new well for those properties. A new well would need to be drilled with at least 240 feet of casing pipe in order to meet current DNR guidelines. Judy stated that they never wanted municipal water when they were surveyed because they tested their well with Badger Labs every year and it has always been clear of arsenic and iron.

Another option the Lloyds have is to convert their neighbor's private well into a shared well. Chad explained that the well would have to be tested to ensure there is adequate pressure and water available to serve two properties, and then it would have to be tapped off and an additional pump installed. If all that is possible, it may be a viable option and it would be much cheaper than completing the entire project. Judy thinks an issue would arise when her neighbor decides to sell as she is close to retiring and she plans to move to a condo. Ray explained that a shared well agreement remains with the properties. If one house sells, the property owner would disclose to the new buyer that there is a shared well with the neighbor and that one property is obligated to serve the other property.

Kevin explained the fire hydrant in Judy's next door neighbor's yard was installed as a flushing device and is necessary on the end of any extension. If the District were to install water service down Forte Road the hydrant would be removed, three driveways would be dug through, and about 355 feet of water main pipe would be installed on the north side of the street to connect to the existing main. The first step of this process is to send a letter to the three neighbors explaining the Lloyd's situation with their well and determine whether they are willing to pay a water assessment. Kevin estimates the entire project would cost about \$35,000, or about \$12,000 per parcel, which would be payable in full or on the tax roll over

20 years at 3.75% interest. In order to financially justify this extension, 70% participation must be received, or three of the four homeowners would have to agree to pay the assessment. The remaining cost of any water extension is recovered through water rates because that is the utility's only other revenue source. If the homeowners do not want the water system, the water assessment can be deferred and the amount would not come due until the current or future homeowner elects to participate in the municipal water system. At that time, the homeowners would also be responsible to hire an excavator to bring the water line from the street to their house and a plumber to hook the water up inside the house. Kevin added they could ask their neighbor to the west that plans to hook up within a month how much he's paying and if they all collaborate, it could be cheaper. They would also have to decide whether to permit or abandon their private wells.

Judy asked if it was possible to extend the water main just far enough to serve her property and not affect the other homeowners on the street. Kevin explained that although the District *could* tap the water main and extend it to serve one property, it is not ideal. The proper way to handle this situation would be to extend the main down the length of the street to complete the loop. Ray agreed and stated that from an operational standpoint it might be faster and more reasonably priced to engage all the property owners. Since the District is currently working with an engineer to design a sanitary sewer extension for Leonard Point Road, it may be possible to bid this water main extension at the same time to reduce total bidding costs. If all owners wanted to hook up to the municipal water, they could all hire the same contractor that could give them a discount. It takes mobilization just to extend a water main, and all of the same general costs would still exist. Although the current homeowners may not be interested in receiving municipal water at this time, at some point in the future, they or a different homeowner may find themselves in a similar situation.

The District will send out a survey to the four affected homeowners on Forte Road to gauge their interest and to see if they would be willing to sign the waiver of special assessment form even if they are not interested in receiving municipal water and would choose to defer the water assessment. If the District can at least get the homeowners to sign a waiver of special assessment and bypass the public hearing and publishing of the preliminary notice, then the District can proceed in a timely fashion and formally act on acceptance of the project at a July meeting. The District wants to serve areas that want water, and if the 70% participation limit is not achieved, the District would need another reason, such as water quality or quantity issues, to pursue the project. Since Judy's property has a quantity issue and the two properties on the south side of the street have an arsenic issue, the District could possibly justify continuing with the project whether or not the three additional homeowners are willing to pay the assessments.

- 4) Commissioner Statements. Jim mentioned to Chad that he still needs to provide the office with a personal write up for the website.
- 5) Director's Report.
 - a) Review of District statistics. The District received six water permits and three sewer permits during May bringing totals for the year between both towns to 14 water permits and 8 sewer permits.
 - b) Correspondence.
 - Since Joel has officially resigned as District Treasurer, Mike drafted a short letter for the Commissioners to sign asking all District financial institutions to remove Joel as a signer, since he no longer serves in any capacity for the District, and retain the three commissioners as signers.
 - Peter mentioned that a resident on Creek Side Drive asked him about the possibility of water becoming available in his area. Kevin explained that to serve that street, the District would have to secure an easement that goes through Honey Creek Road from two additional properties to bring a water main to that area. Jim told Peter that since the District has been receiving numerous requests for water, it plans to distribute a water survey this fall to determine if there is sufficient desire to cost-effectively extend water mains to additional areas of the community.
 - c) Status of 2013 projects.
 - The District has received a few phone calls from interested buyers regarding the availability to hook up to the municipal sewer system on a privately owned one acre lot on North Oakwood Road. The original design included a road that was never installed so the lateral does not extend all the way to the property. Jim mentioned that the District should attempt to bore paved roads rather than excavate them whenever possible, but since the sewer pipe is about three quarters across the street, excavation is necessary to connect into the sewer main. The District also considered two alternatives to hook the property up to municipal sewer: 1) via Wyldewood Road, which also has the pipe located in the middle, or 2) from Manor Drive. Both of these options require a longer extension, some cleanouts, and an easement. Kevin told the contractor and the homeowner to talk to the Town of Algoma to determine the requirements for digging up the road. He also added that the District actively tries to plan projects before a road is paved, with the Marquart Road project as an example. A grinder pump there was being removed and the District also stubbed in a water lateral during the same excavation so the road will not be dug up again once it is asphalted.
 - Kevin has been working on the District site on Reighmoor Road that will become a park for the community. He wanted to publically thank Caterpillar for supplying a bulldozer and Lowes for providing grass seed at no charge. Also Michel's Materials provided a discount on price for gravel and Zillges trucked it to the site. Kevin was happy to see the community come together to help support the District in completing this park project, which hopefully will be available for the community later this summer.
- 6) Old Business. The Commissioners moved on to new business before discussing old business.
 - a) Discuss City of Omro status update of non-binding mediation in efforts to resolve wastewater treatment contract negotiations.

- i) 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 services from City of Omro. **Chad made a motion at 7:31 p.m. to move into closed session/second-Peter/carried unanimously.**
- ii) The Commissioners will reconvene into open session to discuss and act on matters discussed during closed session regarding the wastewater treatment services proposal from City of Omro. **Jim made a motion to move back into open session at 8:18 p.m./second-Chad/carried unanimously. No action was taken.**
- b) East Central Wisconsin Regional Planning Commission upcoming meeting regarding the District consolidation and proposal to transfer Town of Omro wastewater from the City of Omro to the City of Oshkosh WWTF. No discussion was had on this subject.
- 7) New Business.
- a) Act on Resolution 6-1-2013 approving the Department of Natural Resources annual wastewater 2012 Compliance Maintenance Annual Report “CMAR” report. As explained last month, the District received a score of 70 because of its decision to bypass the sewer in three locations last year. Staff will consider bypassing at one point in the future, however they feel it is more important that private sewer laterals do not back up sewage into people’s homes. Jim read the resolution verbatim. **Peter made a motion to approve Resolution 6-1-2013 to accept the 2012 CMAR as submitted/second-Chad/carried unanimously.**
- b) Update regarding sewer extension on Leonard Point Road from Sandpit Road to Carlet Drive. Kevin explained this extension will require about 1,350 feet of sewer main which is currently 25 feet deep to serve three properties on the north side of Leonard Point Road, one of which has begun building to be ready for the Parade of Homes this fall. To avoid unnecessary private sewer systems from being installed, the District sent a letter to all affected homeowners stating that sewer will likely be extended past their property, and they will be required to hook up because they are in the District. Kevin asked the engineers to design this gravity sewer extension either north or south of the new asphalt road to flow to the City of Omro Wastewater Treatment Plant, and he expects to receive the plans from the surveyor the following day. Surveying the area and design of the project will cost about \$3,000, and to bid it out will cost about \$2,000. There is currently an existing main along Sand Pit Road, but the District does not need to maintain the maximum depth that it is. Carlet Drive can be served from Swallow Banks Road with an easement. Once a design is established, the District will need approvals from the East Central Wisconsin Regional Planning Commission, the City of Omro, and the Wisconsin Department of Natural Resources. Kevin estimates plans will be completed by June 14, and specification for bids and permit applications to be received by June 20, with construction likely to begin in August. A water main runs on the north side of the road and can be easily tapped. There is one farm house on the south side of the road that is not in the District, but it was notified of this sewer extension and asked to contact the District if they are interested in hooking up. Jim asked how many of the affected lots Zillges Pines Development Inc. still owns and Kevin answered they own one five acre parcel, which contains a large oak tree that Zillges indicated they would like to preserve, but are willing to discuss other possibilities. Kevin explained the maximum amount a parcel can be divided into is four parcels per CSM, and after five years the five acre parcel can be divided into another four parcels.
- c) Act on proposals received for annual financial audit services for up to a three year contract. Staff sent out two requests for proposals for financial audit services, but Baker Tilly, who is the District’s current auditor, was the only firm to respond. Mike stated that the District is satisfied with their work and their prices are in line with their previous audits. Kevin added that it’s beneficial to lock in a three year term. **Peter made a motion to continue with a three year contract with Baker Tilly as the District’s financial auditor/second-Chad/carried unanimously.**
- d) Act on scheduling the regular July meeting date and time. **Chad made a motion to move the next regular monthly meeting to Monday, July 15 at 6:00p.m./second-Peter/carried unanimously.**
- 8) **Jim made a motion to adjourn the regular monthly meeting at 8:19 p.m./second-Chad/carried unanimously.**

Respectfully submitted: _____
 Michael Claffey, Accounting Manager

Approved: _____
 Jim Savinski, President

Algoma Sanitary District #1
July 15, 2013

Regular Monthly Meeting

- 1) Open Regular Monthly Meeting.
- 2) Commission President Jim Savinski with Commissioner Chad Hayes present called the regular monthly meeting for July to order at 6:05 p.m. Also present were Utility Director Kevin Mraz, District Attorney Ray Edelstein, and District Accounting Manager Michael Claffey. Commissioner Peter Cernohous arrived as pending bills were discussed.
 - a) Jim noted that the District is using a tape recorder for maintenance of the minutes. No one else is using one.
 - b) Approval of the minutes of the previous meeting. **Chad made a motion to approve the minutes of the regular monthly meeting on June 13/second-Jim/carried unanimously.** Jim commended staff on how thorough the minutes are written and Chad agreed.
 - c) Approve cash receipts and investments for sanitary and water. **Jim made a motion to approve the cash receipts and investments for sanitary and water as submitted/second-Chad/carried unanimously.**
 - i) Note any investment changes. Mike had no investment changes at the time. He recently researched interest rates and the best rates he found were between 0.25-0.5%. However, rates are slowly increasing so there should be better options in the future and the District can consider taking advantage of them when that happens.
 - ii) Note any balance adjustments. The biggest balance adjustment was to record a water assessment on 4901 Ormand Beach Court that was deferred but not recorded in the financials. The \$8,510 total includes the cost of money adjustments from the time it was levied in 2004 through the end of 2012. The others were for small interest adjustments and late fee write-offs. The District received a duplicate final water bill payment of \$122.63 that has been refunded and a balance adjustment removed the credit on the account. The last one removed a bill for the prorated refuse fee of \$92.75 on a condo that is not yet ready for occupancy. The homeowner has paid the sewer user fee, but the refuse fee will be handled separately by the Town. **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. Mike stated there are two bond payments coming up, but only one wire is necessary because both payments will be transferred from Citizens Bank to Associated Bank. The total payment of \$135,926.25 is for the former Omro Sanitary District's General Obligation Bonds due on August 1, which includes \$75,000 of principal. Ray asked how many years were left on these bonds, and Mike answered this is only the first payment that included principal, as their payment schedule included interest-only payments since 2007. **Chad made a motion to approve the sanitary and water pending bills for July as submitted/second-Jim/carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements. None.
- 5) Director's Report.
 - The Wisconsin Department of Natural Resources has granted the District approval to install a water main on Forte Road as requested by a homeowner at the regular monthly meeting on June 13, 2013.
 - Kevin explained the usual budget process includes the preliminary review in September, approval for publishing in October, and a public hearing held at the regular monthly meeting in November. The Commissioners agreed to use the same process again this year. Staff has begun to consider new projects for next year, such as a new water main extension. The District also looked into refinancing some of its debt, but it has determined it would merely break even. More details of this and a review of the debt payment schedule will follow at the preliminary budget review in September.
 - a) Review of District statistics. The number of sewer and water permits distributed has continued to climb steadily since March, and the District is on track to reach its annual budgeted permit total.
 - b) Correspondence. The District is working with the Town of Omro to have Marquart Road asphalted from Leonard Point Road to the Barony Subdivision, which should increase interest in the vacant lots for sale in the area once this project is completed.
 - c) Status of 2013 projects. Jim mentioned the Director's Report included a new generator to be installed at the Youngs Road and Springbrook Lane Lift Stations, and he asked if either of those lift stations currently had one. Kevin stated that when the Sanitary Districts consolidated, staff found that one portable generator was used as the backup power source for all five lift stations. However, if a station had both pumps running at the same time, the generator would be undersized, and also each of the two larger lift stations require a different voltage setting. About 90% of the Town of Omro's sewage flows through the Springbrook Lane Lift Station and 100% flows through the Youngs Road Lift Station before flowing into the City of Omro Wastewater Treatment Plant, so the District must be sure both of these lift stations are capable of handling all of the flow sent to them. The District anticipates quotes for permanent enclosed generators, but if they are not reasonable, it will consider buying one that is trailer-mounted or using portable pumps. One of the bigger projects staff is working on this year is to figure out how to maintain electricity or the ability to pump at all lift stations.
- 6) Old Business.
 - a) Discuss City of Omro status update of non-binding mediation in efforts to resolve wastewater treatment contract negotiations.

- i) The Commissioners decided not 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 services from City of Omro. Kevin had not received any formal response from the City of Omro since the last combined workshop with Trilogy Consulting, LLC, held on June 27, 2013. The City of Omro Council normally meets the first Tuesday of the month, which next month would be on August 6, so hopefully they will send something to the District for discussion at the next regular monthly meeting on August 8.
 - b) East Central Wisconsin Regional Planning Commission upcoming meeting regarding the District consolidation and proposal to transfer Town of Omro wastewater from the City of Omro to the City of Oshkosh WWTF. No policy recommendations were received from them, but this item has been kept on the agenda to allow for the ability to discuss something that may come up on this topic in the future.
- 7) New Business.
- a) Approve quote to remove grinder pump at 5090 Malibu Cove and install gravity sewer to existing sewer lateral exiting the home.
 - Chad asked how the previous grinder pump removal on Leonard Point Road went last month. Kevin stated it took the excavator a couple more days than expected, but the work went well and the homeowner seemed happy with the new gravity sewer service. The contractor also stubbed water in to the property line and up to the house for future use. The Operators still need to lay topsoil and grass seed to complete the landscaping on the site.
 - The District received two quotes, one for \$6,100 and the other for \$6,300, to remove the grinder pump on Malibu Cove. Kevin thinks contractors may be hesitant to accept these projects because there is a lot of water in the area, and to pump it out of the trench is an increased expense they would have to contend with. He considered asking the contractor who gets awarded the Forte Road Water Main Extension if they would also be interested in removing this grinder pump since the two locations are very close to each other. Currently, the grinder pump on Malibu Cove pumps out to the street, up the road, and into the manhole. Gravity sewer goes down Malibu Cove and has the necessary grade, so the District is getting quotes to dig under the footings and extend gravity sewer service from the corner of the house to the road. Unfortunately, the quotes are coming in higher than the District is willing to pay, so staff would like to continue requesting quotes and asked that the Commissioners allow staff to accept a quote up to a certain dollar amount. There is no deadline for this project, but the grinder pump down the street is running continuously, so the sooner it can be done the better.
 - Chad asked how much the District had budgeted for grinder pump removals. Kevin answered since it cost the District about \$3,000 to replace a failed grinder pump, he budgeted 11 grinder pump removals for \$33,000 in 2013. However, as staff has pursued these removal projects, they are realizing it is an unrealistic goal because the two removed thus far have cost about \$6,000 each, and those were the ones located the closest to gravity sewer. There are about 33 grinder pumps throughout the District, and the remaining ones will be more expensive to remove because they are farther away and may require bidding out. Kevin considered renting equipment and allowing staff to remove a few grinder pumps rather than hiring other companies to complete the work. Also, about 6-10 grinder pumps are so remote that they cannot be cost-effectively replaced with gravity sewer. Hopefully, future removals will also enable the District to provide sanitary sewer service to additional properties, which would help fund these projects and lower the cost per property. Chad suggested the District receive future quotes to remove more than one grinder pump at a time because more guaranteed work for a contractor usually means a cheaper total project cost than doing them individually. **Chad made a motion to have the grinder pump at 5090 Malibu Cove removed for an amount not to exceed \$6,000/second-Jim/carried unanimously.**
 - b) Update regarding the sewer extension of approximately 1,300 linear feet down Leonard Point Road starting at the corner of Sand Pit Road and going to 5004 Leonard Point Road. Kevin explained that before the Wisconsin Department of Natural Resources will approve this sanitary sewer main extension, the District must receive approval from the wastewater treatment plant owner, which is the City of Omro. The District engineer is working to contact the City and is awaiting a formal response, which the Commissioners will be notified of once it has been received. The public bid is available for contractors to review and submit bids for this project.
 - i) Status of receiving waiver of special assessment preliminary notices and public hearing.
 - o Three of the four properties benefiting from this sanitary sewer main extension have submitted signed waivers. Two of those homeowners chose to pay the assessment in full by November 1, 2013 and the other elected to pay it on the tax roll over 20 years.
 - o Kevin verbally informed the homeowner of the lot next to 5004 Leonard Point Road that this extension was in progress to find out if they were interested in receiving sanitary sewer service as well, but they were not. The District also informed the homeowner of the 20 acre farm on the south side of Leonard Point Road, which is currently not in the District, of this extension on several occasions, but she has not responded.
 - o Kevin has been conversing with the homeowner of the five acre lot with the retention pond in the corner. Because it is three times the length of the other lots on the north side of the road, the District sent the homeowner a letter saying the parcel would be charged three equivalent sewer assessments based on having about 200 feet of road frontage per lot after it is divided. Since a lot can only be divided a maximum of four times per CSM every five years, and there are three years remaining until the homeowner can divide the parcel again with a new CSM, the homeowner is currently trying to sell the lot as a full five acre parcel. He is willing

to pay the interest on one assessment over 20 years and defer the other two assessments, but before he will sign the waiver, he asked that interest not accumulate on the two deferred assessments because he does not know if the lot will be divided in the future. Kevin explained to the Commissioners that this project is funded by the District and all the other parcels will have 5% interest on their assessments. Ray stated that a title company would not be aware of any side agreements between the District and a homeowner, which could become an issue when the property sells. He suggested the District assign the single parcel a higher dollar value for official records, and if the lot is divided in the future, the assessments for the newly created lots can be dealt with at that time. The other option would be to have the deferral only be for a certain length of time, say 10 years for example. Timing is an issue here since one of these lots is currently having a home built on it, which the owner wants to have connected to sewer service by the end of August for the Parade of Homes.

- The Commissioners agreed to levy this parcel with three equivalent assessments at 5% interest and defer two assessments, extended indefinitely with no deadline to pay. Kevin explained that rather than inserting any laterals for this parcel when construction occurs, the District will tap the sewer main and place the laterals at the most logical location when the parcel develops in the future.

ii) Status of obtaining all required permits. Subject was discussed above.

iii) Schedule for bidding and final assessment and construction. No discussion was held on this subject.

- c) Resolution 2013-7-1 regarding water system special assessment deferral adjustment for Parcel 002-3126 located on Bison Point based on the findings submitted in writing from the Town of Algoma stating this as an unbuildable lot due to a temporary cul-de-sac. Jim asked for clarification as to why the Town had declared this lot unbuildable. Kevin showed a picture of the lot and explained the Town required a cul-de-sac at the end of the street, and the only place to build one was on part of that lot. The District previously informed the homeowner that if the Town determines this to be an unbuildable lot, the water assessment on the property could switch from participating to deferred status until either the cul-de-sac is removed or the adjacent parcel to the north is developed, but the assessment balance due would continue to accrue interest while in deferred status. Placing this lot in deferred status will not put the District under the overall minimum water participation rate requirement of 70%. **Chad made a motion to approve Resolution 2013-7-1 to defer the water system special assessment for Parcel 002-3126/second-Peter/carried unanimously.**

8) Chad made a motion to adjourn the regular monthly meeting at 7:19 p.m./second-Peter/carried unanimously.

Respectfully submitted:

Michael Claffey, Accounting Manager

Approved:

Jim Savinski, President

Algoma Sanitary District #1
August 8, 2013

Regular Monthly Meeting

- 1) Open Regular Monthly Meeting.
- 2) Commission President Jim Savinski with Commissioner Chad Hayes present called the regular monthly meeting for August to order at 6:00 p.m. Also present were Utility Director Kevin Mraz, District Attorney Ray Edelstein, and District Accounting Manager Michael Claffey. Commissioner Peter Cernohous was excused.
 - a) Jim noted that the District is using a tape recorder for maintenance of the minutes. No one else is using one.
 - b) Approval of the minutes of the previous meetings. **Chad made a motion to approve the minutes of the regular monthly meeting on July 15/second-Jim/carried unanimously. Chad made a motion to approve the minutes of the special meeting on July 22/second-Jim/carried unanimously.**
 - c) Approve cash receipts and investments for sanitary and water. **Chad made a motion to approve the cash receipts for sanitary and water as submitted/second-Jim/carried unanimously.**
 - i) Note any investment changes.
 - The District has a sewer account with a balance of \$899 that is not being used at First National Bank. Mike suggested closing the account and depositing the funds with the other unrestricted funds at Community First.
 - Mike also suggested combining the two water assessment fund accounts at First Merit Bank.
 - The interest rate for the Wisconsin Local Government Investment Pool decreased from 0.08% to 0.07%. The District will keep those funds there for now, but the time to move them elsewhere is coming soon. Right now most banks offer no more than 0.25-0.50%, but Mike will try to find a better rate next month at a financial institution the District does not currently hold funds at. **Chad made a motion to close the NOW account at First National Bank in the amount of \$899/second-Jim/carried unanimously.**
 - ii) Note any balance adjustments.
 - The biggest balance adjustments were to remove credit balances on two accounts that were refunded for overpayment of sewer user fees since Town of Omro residents are no longer being billed directly.
 - The Horicon Bank location on Omro Road opened on July 1, so a balance adjustment applied their \$9.03 credit they had from a previously overcharged sewer user fee. Another entry removed the posting of their prorated annual bill since the bank will be charged based on their water usage similar to the other City of Oshkosh businesses within the District. The bank will receive their first interim sewer bill in August.
 - The others included interest adjustments for the monthly bankruptcy payment received and late fee write offs for a couple payments that were not delivered to the proper address by the post office. **Jim made a motion to approve the July balance adjustments report as submitted/second-Chad/carried unanimously.**
 - d) Approve pending bills for sanitary and water.
 - Mike explained the \$51,308.86 bill from the City of Oshkosh for Town of Algoma sewage treatment was higher than usual because their first quarter bill of \$11,532.82 only included one month's worth of expenses, with the difference being charged on the second quarter bill. He noted sewage treatment with the City of Oshkosh has cost the District \$62,841.68 so far this year.
 - The other large invoice was from the City of Omro for Town of Omro sewage treatment. The District has paid \$77,564.24 so far this year based on the current rates set by the old contract. When staff analyzed the bill using the rates that Trilogy suggested based on the District's current flow, it roughly cuts the invoice total in half. **Chad made a motion to approve the sanitary and water pending bills for August as submitted/second-Jim/carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements.
 - Chad was glad to hear the City of Omro approved the sanitary sewer extension on Leonard Point Road.
 - Jim agreed and also asked how hiring of a new operator was going. Kevin said there were several applicants with experience in the field and many appeared to meet the job requirements. The first interview was held the previous day and three more were scheduled the following Monday.
 - Jim also mentioned that overtime seemed to be fairly steady, even with the shortage of an operator. Kevin agreed but stated this week will require more overtime because the Forte Road Water Main Extension project requires an operator to start each day at 7:00 a.m.
- 5) Director's Report.
 - a) Review of District statistics.
 - One of the Operators' annual goals was to decrease Town of Omro sewage flows to 48,000 gallons per day (gpd). The total average sewage flow for July was 46,000 gpd. Because the District was able to reduce total sewer flows to the City of Omro Wastewater Treatment Plant, these savings will be passed on to Town of Omro residents by a reduction in sewer user fees. The 2014 Town of Omro residential sewer user fee will be based on total sewage flows from July 2012 through June 2013, plus the anticipated population increase from new connections, for an estimated average of 57,000 gpd. If a contract is signed with the City of Omro by October 2013, the District can adjust the 2014 Town of Omro sewer user fee further based on the new sewage treatment rates.

- The District has distributed 20 of its targeted 25 water permits and 13 of its targeted 15 sewer permits so far this year. Although the District saw a slow start to water and sewer permit applications, quite a few connections have been made in the past few months.
 - Annual staff reviews have begun and staff will continue to work through that process internally.
- b) Correspondence. The District has received several calls from homeowners, including ones on Waldwic Lane and Scarlet Oak Trail, requesting water connections in areas that do not currently have a water main available. Kevin explained in order to extend the water main 200-300 feet to service the homeowner on Scarlet Oak Trail, a great deal of rock would have to be removed, making it an expensive extension. If the District were to include this street in the water survey this winter, it would have to include an additional surcharge for rock removal. Ray added that the homeowners on Scarlet Oak Trail were made aware of the massive amount of rock in the area when the municipal water system was installed. If that street had been rolled into the District-wide water main project, those homeowners would have paid the same amount as everyone else, but since that street did not want water service at that time, they were notified that water availability would be very expensive if it was ever pursued in the future. Kevin agreed and added that in order to consider installing a water main on Scarlet Oak Trail, it either would have to be installed down the entire street or not at all. Another call was from a potential buyer of a house on Brooks Lane that had arsenic levels of over 100 parts per billion (ppb), which is ten times higher than the safe drinking water level. Staff views these numerous requests for water service as an opportunity to address the potential water quality issues within the community, especially as the needs and owners of homes continue to change throughout the District.
- c) Status of 2013 projects. The Forte Road Water Main Extension project is about halfway complete. To prevent damage to the asphalt, the excavator will bore under the road to serve the two houses on the opposite side of the street. The system is isolated and will sit over the weekend with chlorine, and a bacteriological test will be taken the following week. The extension is shut off from rest of the municipal water system to eliminate the possibility of contaminating other areas. Hopefully, the homeowners that requested the water main extension will be able to hook up to the system by the end of the following week. They currently have a contract to bring water to the house, but will have to wait until the District completes its remaining bacteria and pressure testing requirements before the water system can be turned on.
- 6) Old Business.
- a) Discuss City of Omro status update of non-binding mediation efforts to resolve wastewater treatment contract negotiations.
- i) The Commissioners decided not to 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 services from City of Omro. The District is thankful that the City of Omro has approved the sanitary sewer extension on Leonard Point Road. It will submit the signed letter it received from the City to the Wisconsin Department of Natural Resources (WDNR) and see if they request something more formal. The City originally decided to deny this extension, but correspondence with their attorney and their Director of Public Works resulted in a change of mindset.
- ii) The City of Omro had not submitted a proposed sewage treatment contract as of this meeting date, so there was nothing new to review. Their engineer needed additional time to review the rate study, and they mentioned that they are scheduled to discuss this issue at their next city council meeting on August 20.
- b) East Central Wisconsin Regional Planning Commission upcoming meeting regarding the District consolidation and proposal to transfer Town of Omro wastewater from the City of Omro to the City of Oshkosh WWTF. Correspondence with ECWRPC continues, but no official response had been received at that time.
- 7) New Business.
- a) Update regarding sewer extension of approximately 1,300 linear feet starting at Leonard Point Road and Sand Pit Road to 5004 Leonard Point Road.
- The District received all of the required signed waivers to proceed with this project. The property on the south side of the street is not in the Sanitary District, so the District does not have authority to assess the property and it is not included in the resolution. The Utility Clerk spoke with the homeowner, who explained the house is being sold to a grandson and he is not interested in receiving municipal sanitary sewer service due to its high cost. There are six equivalent assessments of \$10,000 each on the properties on the north side of the street: three on the five acre lot, two of which are deferred, and one on each of the other three lots.
 - Of the 13 construction companies that were prequalified to submit bids, only 2 responded. Carl Bower & Sons was the lowest bid at about \$105,000 and Advance Construction bid the project at about \$184,000. Kevin was disappointed with the lack of response from contractors, and he found that the most common reason was due to the short turn-around time and this is the busiest time of year for construction companies. The homeowner of 5004 Leonard Point Road wants his home completed for the Parade of Homes, which runs from October 18-20, 2013. Carl Bower & Sons has done some work around the District previously and is a reputable company, so the District has no concern about them as a contractor.
 - The following are estimated reductions in the total project cost: 100 feet less of main, which saves \$6,100, 43 feet less of services, since the two deferred assessments will not have a service installed at this time, and 75 feet less to

auger under the road to service the farm house, which saves about \$3,000. The total project cost will decrease by about \$11,000 based on these reductions.

- i) Accept waivers of special assessment preliminary notice and public hearing. The waivers were made available for the Commissioners to review and the receipt of them all was acknowledged, but no further action was taken.
 - ii) Status of obtaining all required permits. The District received approval from East Central, obtained an erosion control permit from the Town of Omro, and most recently received an owner approval letter from the City of Omro, but it still needs to submit a request to the WDNR for final approval. Kevin asked that the Commissioners give him the authorization to approve the project and the assessment resolution pending obtaining WDNR final approval, which should be received sometime this month.
 - iii) Resolution 2013-8-1 authorizing public improvement and levying special assessments for municipal sewer system on Lot 1,2,3, and 4 of CSM 6571 also identified as parcel number 0160330, 016033003, 016033004, 016033005. Mike noted the interest rate is 5% and the date of interest is September 15, 2013, which is different from the resolution the Commissioners received previously. **Chad made a motion to approve Resolution 2013-8-1 to authorize public improvement and to levy special assessments for municipal sewer service on Lot 1,2,3,and 4 of CSM 6571 pending WDNR approval/Jim-second/carried unanimously.**
 - iv) Award contract to install the municipal sewer system on Leonard Point Road in the Town of Omro. **Chad made a motion to approve the contract from Carl Bowers & Sons in an amount not to exceed \$115,000, contingent upon WDNR permit approval/second-Jim/carried unanimously.**
- 8) **Chad made a motion to adjourn the regular monthly meeting at 6:45 p.m./second-Jim/carried unanimously.**

Respectfully submitted: _____
Michael Claffey, Accounting Manager

Approved: _____
Jim Savinski, President

Algoma Sanitary District #1
September 12, 2013

Regular Monthly Meeting

- 1) Open Regular Monthly Meeting.
- 2) Commission President Jim Savinski with Commissioner Chad Hayes present called the regular monthly meeting for September to order at 6:04 p.m. Also present were Utility Director Kevin Mraz, District Attorney Ray Edelstein, and District Accounting Manager Michael Claffey. Commissioner Peter Cernohous arrived as pending bills were discussed.
 - a) Jim noted that the District is using a tape recorder for maintenance of the minutes. No one else is using one.
 - b) Approval of the minutes of the previous meeting. Jim complimented the detail of the minutes and Chad agreed. **Chad made a motion to approve the minutes of the regular monthly meeting on August 8/second-Jim/carried unanimously.**
 - c) Approve cash receipts and investments for sanitary and water. **Jim made a motion to approve the cash receipts for sanitary and water as submitted/second-Chad/carried unanimously.**
 - i) Note any investment changes. None.
 - ii) Note any balance adjustments. Upon completion of the watermain extension on Forte Road, four balance adjustments were inserted to record each of the \$12,000 water assessments, three are deferred and one is paid-in-full. **Jim made a motion to approve the August balance adjustments report as submitted/second-Chad/carried unanimously.**
 - d) Approve pending bills and previous disbursements for sanitary and water. Chad asked for explanation on the invoice for the Leonard Point Road investigation and Kevin explained the District hired an engineer to survey some existing grinder pumps to determine if there was sufficient elevation in the areas to serve those properties with gravity sewer. **Chad made a motion to approve the sanitary and water pending bills and previous disbursements for September as submitted/second-Jim/carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements. Jim stated he continues to be pleased with how well the District operates and Kevin said he appreciated the compliment adding it requires a lot of hard work from all the employees.
- 5) Director's Report.
 - a) Review of District statistics.
 - As of the end of August, the District reached its annual goal for budgeted water and sewer permits. Some marketing techniques, such as the vacant lot brochure, which was distributed to realtor companies, helped achieve this well before the end of the year.
 - The Barony Subdivision in the Town of Omro is expected to be completely asphalted by November 1, 2013.
 - Kwik Trip has installed the sewer lateral at its new location on Highway 21 and Washburn Street and it was tested successfully.
 - b) Correspondence.
 - Because of the numerous calls the District has received requesting water in areas that currently do not have it available, staff has begun asking residents to submit their requests in writing. As they start to accumulate staff will map these requests for reference.
 - The Director discussed the process that occurs when a house sells. An addendum for safe drinking water is completed, which usually includes a private well test for numerous contaminants. If an issue arises, it must be addressed prior to closing. If the house has a water service available, the seller can hook up to municipal water fairly quickly.
 - Jim asked if the homeowners that requested the watermain extension on Forte Road had abandoned their well yet. Mike answered they are planning to, but was unsure at that time whether the District received a copy of the well abandonment form from the licensed plumber.
 - Kevin met with the Town of Omro Planning Committee to discuss the Valley Heights Road concept plan and to help get them acquainted with the District process for designing water and sewermain extensions. Kevin explained to the Town that the District creates water and sewer plans based on the final plat as approved by the Town. Kevin felt the meeting went well and was glad the committee members were able to meet him following the Town of Omro Sanitary District consolidation with the Algoma Sanitary District last year.
 - c) Status of 2013 projects.
 - Jim asked if the sewermain extension on Leonard Point Road had begun. Kevin answered the sewer had already been extended outside of the intersection and the excavation company was working on the grass area on the north side of the road. The electric company came to hold the power pole up as they placed the sewermain under it and on Monday it will go past the oak tree, so they will see if they are able to preserve it.
 - Jim asked about the status of the northern parcel from the large lot on North Oakwood Road that was previously split three ways and was recently sold. Kevin answered the District had been contacted by several excavators and plumbers trying to develop quotes to get a sewer lateral to that parcel. The property was originally about 400 feet wide so it was given three water assessments, and now through a CSM it has turned into three lots. The cost of

running a sewer lateral to the property is the burden of the property owner, and the District will work with the homeowner for placement of the laterals.

6) Old Business.

- a) Discuss City of Omro status update of non-binding mediation efforts to resolve wastewater treatment contract negotiations.
 - i) 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 services from the City of Omro. **Chad made a motion to go into closed session at 6:22 p.m./second-Jim/carried unanimously.**
 - ii) The Commissioners will reconvene into open session to discuss and act on matters discussed during closed session regarding the wastewater treatment services proposal from the City of Omro. **Chad made a motion to reconvene into open session at 6:38 p.m./second-Peter/carried unanimously. Chad made a motion that if there are not agreed upon contractual rates in place with the City of Omro by October 15, 2013, the District will begin paying the rates provided by Trilog Consulting, LLC/second-Peter/carried unanimously.**
- b) East Central Wisconsin Regional Planning Commission upcoming meeting regarding the District consolidation and proposal to transfer Town of Omro wastewater from the City of Omro to the Village of Winneconne WWTF.
 - Kevin spoke with the Village of Winneconne Director who was very forthright with information and explained they already have other agreements with satellite collection systems, and he stated there is excess capacity available to treat Town of Omro sanitary sewer flows. The Village of Winneconne rates were very similar to what the City of Omro is looking to charge, and he didn't mention a buffer area requirement. The Village of Winneconne is a viable option. The Director mentioned the next step is to determine where the best discharge location could be, and they both were willing to meet in the future to discuss it in further detail.
 - Chad asked for an update on how the City of Oshkosh was resolving of their inflow and infiltration (I&I) issues. Kevin stated he had not received an update since they were cited by the Environmental Protection Agency (EPA), but it would be a good conversation to have with the City Manager and Engineer to find out what their plan of action is to meet the EPA requirements. The City of Oshkosh WWTF charges less per 1,000 gallons than the District's other two options. The maximum build out wastewater flow of both Towns combined would not exceed the District's 2.08 million gallons per day capacity allotment at the WWTF, which is sufficient to serve current and long-term future flows. Jim suggested the District obtain a copy of the permit from the EPA for a completion date or required steps, and Kevin said he would look into that because the City of Oshkosh WWTF is still a viable option.

7) New Business.

- b) Discuss and act on schedule and steps required to develop the water main extension phase IV.
 - i) Review the frequency and reasons residents are requesting water main extensions.
 - The watermain extension on Forte Road completed over the summer was due to a residential well collapse resulting in sand in the well, which prevented water from being pumped.
 - The District received a written request from a homeowner on Scarlet Oak Trail that has well issues and there are other residential wells in that area that had sediment enter their wells causing elevated levels of arsenic.
 - Another recent call was from a potential buyer for a home on Brooks Lane who said the arsenic tested at 109 parts per billion (ppb). The District followed up on the sale of this house and learned that since it was not close to the watermain, the seller had to drill a new well for a cost of over \$15,000.
 - The District has also received calls regarding the commercial property on Omro Road which is only a couple hundred feet from the watermain. When the parcel transitions, the new business would like municipal water.
 - Another property on Forest View Road tested positive for coliform bacteria and will connect to the watermain that is available within the next couple of days.
 - There is a homeowner on Creekside Drive that continually asks what has to be done to get water to his property.
 - As properties change hands and water quality changes, the District feels this is a good time to survey all of the residents that currently do not have water available to determine if they want or need safe drinking water.
 - ii) Review the map identifying parcels with municipal water already available and identify adjacent areas to include in the arsenic water quality study.
 - The District is in the process of an arsenic study. Not only will the results provide residents with their current arsenic level to help them make an informed decision about making water available to their home, it will also allow the District to potentially receive Safe Drinking Water Loan (SDWL) funding, which would save residents who chose to finance their assessment about 2% on their interest rate, or in excess of \$2,000 over the life of the loan. If SDWL financing is obtained, the overall carrying expense on those deferred assessments would also be reduced, preventing this large phase extension from needing to be subsidized by increasing water rates. In order to qualify for SDWL, the District has to apply for priority ranking which requires greater than 50% of the wells in a geographic area to exceed the maximum contaminant levels. Arsenic is one of the most abundant contaminants to use in trying to obtain a higher priority ranking, which would result in reduced interest rate funding for residents.

- Kevin presented a map highlighting all Town of Algoma parcels in the Sanitary District that do not currently have water available. This survey will exclude two private roads, Waldwic and Shorehaven Lane, because when making municipal water available was discussed with those homeowners previously, it was determined they would have to provide an easement before proceeding. Of the highlighted parcels in the Town of Omro, some are in the District and some are not, and some are within a close proximity to a watermain and others are not. However, they will all be included in the arsenic study so the District can determine the full extent of the arsenic issues in the area. If enough residents are willing to pay for water in an area that is remote from the current municipal water system, the District will try to figure out a way to serve them. Ray suggested the District make it known to residents that their support would be much appreciated when it comes time to petition for addition to the District, and Kevin said the map that will be distributed would explain that the parcels must be added to the Sanitary District before they can be served.
- iii) Review and act on contracting with a certified lab to analyze up to 1,000 arsenic samples to acquire the information required to obtain a higher priority ranking and allow the District to secure a Safe Drinking Water Loan at a low interest rate. The District received a quote of \$10 per sample to analyze the first 100 samples and it decreased by \$0.50 per bottle for each 100 additional samples, capped at \$8 for 500 or more samples. Chad suggested the District provide residents with a bottle and charge \$5 for those that want their well tested for arsenic. Jim asked if the reduced price testing would be available to residents that have water available but are not hooked up, and Kevin said he would consider it if residents requested, but he did not intend on offering it to them at this time. Ray suggested surveying those residents later to see if they are ready to hook up. The District will compile a list of parcels that are to receive the mailing and are eligible for this test, track which residents choose to participate and pay the \$5 fee, and will also provide residents with a receipt upon drop off of their sample. **Chad made a motion to pursue sampling residential wells in the Phase IV project area for a fee of \$5 per sample, with the District cost to Northern Lake Services, Inc. not to exceed \$4,000 for sampling/second-Peter/carried unanimously.**
- iv) Review the schedule of water main extension phase IV critical dates including the financing and plan design with a target of beginning construction in approximately the late summer of 2014.
 - First the District will offer reduced cost arsenic testing to residents that are either in the District or within a close proximity to a watermain. The lab will take 2-3 weeks to analyze the results. Upon receiving results from the lab, the District will send the participation survey with each specific test result, asking if they want to participate in the water system. The District will request participation survey responses from residents by December 1, 2013. The District would then need to submit the Intent to Apply (ITA) and Priority Evaluation and Ranking Form (PERF) by December 31, 2013 to be eligible for 2015 SDWL funding.
 - Based on the total number of houses and the total footage of watermain required to serve those properties, staff calculated an approximate cost per foot to determine an assessment value to provide to residents. Lots containing less than 199' of road frontage cannot be divided so each parcel receiving the benefit of water service would receive the same assessment cost. There are some parcels that have one house on multiple lots or large farm fields that have 500 feet of road footage. Those are variables that would be addressed as this project progresses. Each neighborhood is slightly different in terms of cost per foot, and by excluding certain areas, new main costs are calculated. Based on project costs, engineering, and contingencies from the last large water phase, the watermain cost would be about \$7,400, plus the water supply charge of about \$3,700, equals a total of about \$11,100, plus or minus about \$800.

8) Chad made a motion to adjourn the regular monthly meeting at 7:25 p.m./second-Peter/carried unanimously.

Respectfully submitted: _____
 Michael Claffey, Accounting Manager

Approved: _____
 Jim Savinski, President

Algoma Sanitary District #1
October 10, 2013

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 October to order at 6:00 p.m. Also present were Utility Director Kevin Mraz, District Attorney Ray Edelstein, and District Accounting Manager Michael Claffey.
 - a) Jim noted that the District is using a tape recorder for maintenance of the minutes. No one else is using one.
 - b) Approval of the minutes of the previous meeting. Jim noted previously that “chloroform” should be “coliform” and suggested on page 3 item 3 “for a cost of \$5 per sample” should read “for a fee of \$5 per sample”. **Chad made a motion to approve the minutes of the regular monthly meeting on September 12 incorporating the changes Jim mentioned/second-Peter/carried unanimously.**
 - c) Approve cash receipts and investments for sanitary and water. **Peter made a motion to approve the cash receipts for sanitary and water as submitted/second-Chad/carried unanimously.**
 - i) Note any investment changes. The 11 month CD the District has at Capital Credit Union will mature next month. Mike has been researching possible investment opportunities for those funds and found the District could roll it into another 11 month CD at Capital Credit Union at 0.7% interest rate, which is down from 0.95%, but still good a good rate compared to others. Mike will make his final recommendation next month.
 - ii) Note any balance adjustments. Upon completion of the sewermain extension on Leonard Point Road, six balance adjustments were inserted to record each of the \$10,000 sewer assessments. Another one was recorded for a water cost payment of \$8,510 for one of the properties on Leonard Point Road that decided to hook up to municipal water while he was connecting to sewer and was not previously assessed for water originally as part of the Extension 6 Town of Omro SD project. The last two were for minor interest adjustments. **Peter made a motion to approve the September balance adjustments report as submitted/second-Jim/carried unanimously.**
 - d) Approve pending bills and previous disbursements for sanitary and water.
 - Mike explained that the wire set up last month to pay the District’s bi-annual interest payment on the GO Bond did not need to be done because the interest was set up to be withdrawn automatically. On September 26, the day after the wire was sent and Mike realized it should not have, he contacted the Depository Trust & Clearing Corporation (DTCC) to cancel the recurring interest withdrawal set up for October 1. They emailed back that same day and said they had canceled the automatic withdrawal for October 1. On October 2, he noticed this automatic withdrawal was submitted anyway. He mentioned that the District had requested a rebate of \$39,798.75 for the duplicated District wire. He received the forms from the DTCC to refund the duplicate interest payment and requested to have them signed upon approval of pending bills, and he will make sure the refund is received.
 - Community First Credit Union had a policy change and would not allow Mike to endorse future petty cash checks until the signers give him written approval. All petty cash checks are approved at the meetings prior to being signed. The bank requested to have a form signed by the authorized signers to allow Mike to endorse petty cash checks and receive the funds. Mike read aloud the entire form he requested to have signed. **Chad made a motion to approve the correspondence that will allow Michael to cash petty cash checks/second-Peter/carried unanimously.**
 - Mike requested the invoice received that morning from Freund Excavating for \$1,431 be added to pending bills. Kevin explained that he received a call from the Town of Omro stating that the contractor was going to start paving the Barony Subdivision the following Monday and all repairs were to be completed as soon as possible. The District hired a contractor to raise nine water boxes and do some additional adjustments which were finished the previous day. The District will then bill the Town of Omro, and they will include this cost in their road assessment. **Chad made a motion to approve the sanitary and water pending bills for October and previous disbursements for September as submitted/second-Peter/carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements. Jim recommended that when the District has to notify the Town of Algoma or the Town of Omro, the notice be sent to the Board and the Clerks in addition to the Chairmen. Kevin stated that he sent the Chairmen the Watermain Extension Phase IV brochure so they were informed about what was going on in the community and allowed them to decide whether to pass the information on to their Board. All other communication is sent to all board members of each affected Town.
- 5) Director’s Report.
 - a) Review of District statistics.
 - District stats were sent to the Commissioners previously. Kevin noted the total number of sewer connections decreased because Statewide Razing removed two houses owned by Mercy Medical Center. This required two sewer lateral abandonments, and the sewermain can be tapped in the future to serve that 20 acre property.
 - b) Correspondence.
 - The Commission previously decided to discontinue the water assessment on a vacant lot on Bison Point that was determined unbuildable by the Town of Algoma due to the temporary cul-de-sac on it. The District has notified the owner of this decision, but recently received a request from the owner for reimbursement of the assessment paid.

After further research the District found that, although it has received payment for assessments charged to the property on the tax roll from Winnebago County, the owner has not paid the property taxes on this parcel. Kevin has a copy of the signed request for water on that parcel when the water system was originally being designed, and he will let the Commissioners know if he needs any further assistance in this matter.

- Kevin forwarded correspondence from the City of Omro to the Commissioners. Nothing further has been received.
 - Peter asked how road paving affects the District. Kevin explained that the District initially lays water and sewer covers below the grade of the road to avoid being hit by snow plows. When a road project is ready to begin, the Operators televise the sewer mains and pressure tests the water pipes. Then, they work with the contractor to insert adjustment rings, which the District has in inventory if the contractor does not have them, to raise manholes from grade level to final asphalt grade. The Town or the contractor is charged for this cost, and it is built into the road assessments that are the responsibility of the owner or the developer.
- c) Status of 2013 projects.
- Paving of the binder coat in the Barony Subdivision is complete.
 - Jim asked how serious the repair of the stainless steel piping at Well #2 will be. Kevin explained a reaction could be occurring on the stainless steel manifold in the heat-affected zone on the face of the iron filtration tank causing water to drip possibly due to when manganese oxide is added to remove radionuclides. He stated the cost to repair this is built into next year's budget and explained the District has three options to resolve it. They can replace it with brand new piping, line it with a thicker mil powder coating, or use an insert to seal it. The Operators were given a quote of \$7,400 to replace it, however, other options will likely be less expensive. This happened about five years ago and staff previously thought it was a quality control issue when it was welded, however, Well #1 has stainless steel piping and does not have that problem. Kevin will contact other people who use the same chemical treatment to see if they have this problem with stainless steel.
 - Jim asked if the District had received a copy of the administrative order from the Environmental Protection Agency for the City of Oshkosh. He explained the City submitted their plan of action which had to be implemented within one year. Each month they must show how they are implementing the plan and review the results after one year. Chad asked if the District might be able to start to flow its sewage there for treatment after one year and Kevin stated if the order is lifted, he can then begin having those conversations with the City.
- 6) Old Business.
- a) Discuss City of Omro status update of non-binding mediation efforts to resolve wastewater treatment contract negotiations. The third quarter bill for sewage treatment will probably be received from the City of Omro the week following this meeting.
- i) 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 services from the City of Omro. **Chad made a motion to go into closed session at 6:30 p.m./second-Jim/carried unanimously.**
 - ii) The Commissioners will reconvene into open session to discuss and act on matters discussed during closed session regarding the wastewater treatment services proposal from the City of Omro. **Chad made a motion to reconvene into open session at 6:55 p.m./second-Jim/carried unanimously.**
- b) East Central Wisconsin Regional Planning Commission upcoming meeting regarding the District consolidation and proposal to transfer Town of Omro wastewater from the City of Omro to the Village of Winneconne WWTF. The next ECWRPC meeting is scheduled in January of 2014.
- 7) New Business.
- c) Preliminary budget review.
- i) Approve 2014 annual budget for publishing. Staff made a couple adjustments since the budget workshop held the previous week. Kevin distributed new charts showing proposed user fees of \$309 for Town of Algoma residents and \$581 for Town of Omro residents, as well as the new proposed budget the District intended to publish. The 2013 sewer user fee for residents in the Town of Omro was \$691, resulting in a \$110 reduction.
 - ii) Schedule the annual public hearing for 2014 annual budget for November 7, 2013. Peter stated he would be out of town on November 7, and Jim suggested changing next month's meeting to November 6 to accommodate that. This date tentatively worked for everyone in attendance. **Jim made a motion to schedule the public hearing for the 2014 annual budget for November 6, 2013 at 6:00 p.m./second-Chad/carried unanimously.**
- d) Discuss and act on the watermain extension phase IV.
- i) Financing update regarding the SDWL and other public bonding options.
 - Kevin stated the interest rate for 11-20 year funding from the Commission of Public Land is 4.5%, with a limit of \$10 million for the entire project. If the District extended watermains to all areas being surveyed, with the exception of Springbrook Road, he does not think it would exceed that limit. The District has done other loans with Public Land previously and believes it is a good program because it supports the local school districts.
 - The current interest rate for Safe Drinking Water Loan (SDWL) funding is 1.925% which is through the Wisconsin Department of Natural Resources (WDNR) and is federally funded and state subsidized. In order to qualify, municipal water utilities must serve a population of less than 10,000 people and have a household median income less than 80% of the state median household income. The District meets the first requirement, but

not the second, which is why it proceeded with the arsenic study. To be eligible for SDWL funding, at least 50% of all residential wells in a geographic area must be above the limit for a single contaminant, and arsenic is the most abundant contaminant in the area. If eligible, the District has a high probability of receiving principal forgiveness. If certain streets produce samples with high arsenic, Kevin is willing to reach out to other residents on that street to request additional arsenic samples to try to obtain SDWL funding. The difference in interest rates between the two funding options will save residents who finance their water assessment on the tax roll over 20 years in excess of \$2,000, which makes it well worth the effort. There is a slideshow on the District website that contains examples of 20 year payment schedules for 2% versus 4.5% interest rate financing. Kevin found the WDNR has \$25 million available for current fiscal-year SDWL financing, but there is a \$500,000 maximum project limit of principal forgiveness in each community. If the watermain is only extended to a few streets, it could be a large portion of the project, but staff will not know until the results of the participation survey are received (see section biii). Kevin explained that the Algoma Sanitary District is the only entity that has qualified for SDWL funding for a new or expansion of an existing water system. The District has the ability to do different phases for different areas and apply for different funding for each area.

- ii) Arsenic study update including a map of parcels submitting sample. The District distributed almost 1,000 bottles for arsenic testing and about one-third of residents submitted a sample. Kevin presented a map of the District showing where these samples came from. The Commissioners were disappointed in the lack of participation from the residents, since properties that did not submit samples are considered as a no detect according to the WDNR. The \$5 cost for this arsenic test was significantly less than what it would cost if residents would go out and do this on their own. Jim inquired about having residents that have had problems with their well talk about their situation at a public meeting to promote the new extensions since they may be good advocates for us. The District also received test results from four residents who tested their wells for arsenic recently, one of which was above the safe drinking water level of 10 parts per billion.
 - iii) Review and approve the participation letter to be mailed in November. Staff is still actively working on the participation letter that will allow residents to indicate whether they are interested in participating or not participating in the municipal water system. The letter will be mailed with the arsenic test result on the lab's letterhead, for those that submitted a sample, along with a self-addressed stamped envelope to return their responses. Commission approval is not necessary, but Kevin will send the letter to the Commissioners before distributing it to the residents. No action was taken.
 - iv) Review the schedule of water main extension phase IV critical dates including the financing and plan design with a target of beginning construction in approximately the late summer of 2014. Pending receipt of the arsenic test results, the District plans to mail the survey letter to residents by November 1, with responses requested back by December 1, so staff can apply for funding by the end of December. Kevin verified that the District will be allowed additional time if further samples are needed to secure SDWL funding.
 - e) Approve sewer user fee credit for unoccupied parcels. The District's Sewer Ordinance states that structures that are unoccupied for at least 9 months of the year are eligible for a credit of 70% of their sewer user fee on their next property tax bill. The two homes that applied for the credit were 2725 Omro Road, which has been deemed uninhabitable for quite some time, and 3454 Leonard Point Lane, which was recently demolished and rebuilt. **Chad made a motion to approve the user fee credit for the parcels mentioned/second-Peter/carried unanimously.**
 - f) The Commissioners will go into closed session pursuant to Wisconsin Statute 19.85 (1) (c) to discuss matters in relation to annual employee evaluation. **Jim made a motion to go into closed session at 7:27 p.m./second-Peter/carried unanimously.**
 - g) The Commissioners will reconvene into open session to discuss and act on matters discussed during closed session regarding employee evaluations. **Chad made a motion that the Director's performance has been reviewed and to approve the merit pay and to set the compensation increase at 2.1%/second-Peter/carried unanimously.** All documents were signed by the Director and Commission President.
- 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 6, 2013

Public Hearing for Proposed 2013 Budget

- 1) **Chad made a motion to open the public hearing at 6:00 p.m./second-Jim/carried unanimously.** No one was in attendance from the public.
- 2) **Chad made a motion to adjourn the public hearing at 6:01 p.m./second-Jim/carried unanimously.**

Regular Monthly Meeting

- 1) Open regular monthly meeting.
- 2) Commission President Jim Savinski with Commissioner Chad Hayes present called the regular monthly meeting for November to order at 6:01 p.m. Also present were Utility Director Kevin Mraz, District Attorney Ray Edelstein, and District Accounting Manager Michael Claffey. Commissioner Peter Cernohous arrived as the cash receipts were discussed.
 - a) Jim noted that the District is using a tape recorder for maintenance of the minutes. No one else is using one.
 - b) Approval of the minutes of the previous meeting. **Chad made a motion to approve the minutes of the regular monthly meeting on October 11 as submitted/second-Jim/carried unanimously.**
 - c) Approve cash receipts and investments for sanitary and water. Mike mentioned the District received the refund in October for the duplicate interest payment made the previous month. **Peter made a motion to approve the cash receipts for sanitary and water as submitted/second-Jim/carried unanimously.**
 - i) Note any investment changes. Mike explained at the previous month's meeting that the 11-month CD the District holds at Capital Credit Union would mature this month. He proposes the District let it renew automatically at the current interest rate of 0.70%. **Chad made a motion to renew the CD at Capital Credit Union/second-Peter/carried unanimously.**
 - ii) Note any balance adjustments. Mike explained the minor adjustments included the correction of an interim sewer bill, the refund of a credit for a closed water account, small interest adjustments for the monthly bankruptcy payment received, and to bill and remove a bounced check fee due to special circumstances. **Jim made a motion to approve the October balance adjustments report as submitted/second-Chad/carried unanimously.**
 - d) Approve pending bills and previous disbursements for sanitary and water.
 - Mike explained the payment amount for December's health insurance premiums was undetermined because the new Operator still had to decide whether he was going to choose a health insurance plan offered by the District.
 - Jim asked for further explanation on the customer refunds for quarterly water bills. Mike explained one was for a resident that had previously enrolled in the District's automatic payment plan but also sent an online check for a large amount. The other was from a tenant/owner relationship that ended and the owner paid the tenant's portion since he was unsure the tenant would pay. Then, the tenant paid, so the District owed the owner a refund.
 - Jim asked if the quote from Abraham Generator Sales was for the generator the District was looking to purchase. Kevin explained the quote of \$23,000 was for a Kohler generator from a local equipment rental company. The exact same generator was found in North Dakota for \$16,900, but also required \$600 in shipping and \$500 in additional cords. This generator was manufactured in 2006 and was in excellent condition with only 1,182 hours of run time, which was probably only for normal monthly run cycles. It has variable voltage so it could be run at all the lift stations by rotating the voltage adjustment to 480, 230, or 208. The company selling it agreed to have the District run a load bank on the machine once it arrives on-site before agreeing to purchase it, even though it passed their own load bank testing. If it performs as they say it should, Kevin recommends the Commissioners approve the purchase. The generator should be in place before this spring in case there are power outages at the Omro lift stations, but it will also be helpful in Algoma as well.
 - Jim mentioned that Kevin will hand deliver the payment for third quarter sewage treatment to the City of Omro on November 18. **Chad made a motion to approve the November pending bills for sanitary and water and previous disbursements for October as submitted/second-Peter/carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements.
 - Jim asked if anything further was necessary for the assessment deferral on the undevelopable vacant parcel on Bison Point, which was discussed at a previous meeting. Kevin explained once staff goes through the tax roll process for this year, the owners will see there is no longer a cost on that parcel. He will wait for any further response and let the Commissioners know if there is anything additional to discuss.
 - Jim also asked if Kevin had followed up with other utilities that had a stainless steel manifold on their wells to find out if they had a leaking issue when they add manganese oxide to remove radionuclides. Kevin stated he had not followed up on that yet, but would inform the Commissioners when he had some new information.
- 5) Director's Report. Kevin announced the District hired a new Operator, Andrew Chandler. In the few days he has been here he was involved in the grinder pump removals and asphalt paving in the Town of Omro and four or five water and sewer connections for new home constructions, and he is putting forth good effort with water testing. He previously worked for an area water and electric utility; he has since moved to Oshkosh and the District is excited to have him on staff.
 - a) Review of District statistics. The District received four inches of rain the previous week which had some impact on sewer flows. Staff knows where some of the inflow and infiltration is coming from, and Kevin is very satisfied with the

total annual projected District sewage flows. Jim asked if the District had any manholes that submerge under water during storm events, and Kevin stated some manholes may need to be raised in the lower area of the parking lot near the boat landing by the Harbor Village Subdivision.

- b) Correspondence. The Operators have been working with the asphalt company that is paving the Sandhill Farms Subdivision to repair bent water valves and to make sure the District's utilities are protected. There appears to be no developer's agreement between the developer and the Town of Omro, who are currently in dispute over aspects of the project. The work could be completed as soon as the end of the week.
 - c) Status of 2013 projects.
- 6) Old Business.
- a) Discuss City of Omro status update of non-binding mediation efforts to resolve wastewater treatment contract negotiations.
 - i) 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 services from the City of Omro. **Chad made a motion to go into closed session at 6:30 p.m./second-Jim/carried unanimously.**
 - ii) The Commissioners will reconvene into open session to discuss and act on matters discussed during closed session regarding the wastewater treatment services proposal from the City of Omro. **Chad made a motion to reconvene into open session at 6:35 p.m./second-Jim/carried unanimously.** No further action was taken.
- 7) New Business.
- a) Resolution #2013-11-1 to approve the 2014 annual sanitary user fee for Algoma Sanitary District residents per equivalent unit. Jim notified staff previously that the word "appreciation" should be changed to "depreciation", and the resolution to be signed at the meeting was the updated version.
 - i) User fee for properties discharging to the Oshkosh Wastewater Treatment Facility to be set at \$309.
 - ii) User fee for properties discharging to the Omro Wastewater Treatment Facility to be set at \$581.
 - **Chad made a motion to approve Resolution 2013-11-1 to set user fees for wastewater treatment at \$309 for Town of Algoma residents and \$581 for Town of Omro residents/second-Jim/carried unanimously.**
 - b) Resolution #2013-11-2 to set the 2013 property tax levy at \$203,750. **Jim made a motion to approve Resolution 2013-11-2 to set the 2013 property tax levy at \$203,750/second-Peter/carried unanimously.**
 - c) Resolution #2013-11-3 to set the fire protection fee in the Town of Omro in the amount of \$70.09 per District parcel. Prior to the meeting, staff modified the resolution to read "To set the *method to collect* the fire protection fee". Chad asked if the District had heard anything from the Town of Omro regarding collection of the public fire protection charge on the tax roll. Kevin stated the Town did not respond to the District's notice that was mailed to the Town Chairman at the Town Hall as well as emailed to the Town Chairman, two supervisors, and the Town Clerk on September 10, 2013. Chad asked if there was anything the District can do to encourage the Town of Omro to respond to future requests. Ray explained the statute states Towns must provide fire protection to its residents, but it is their discretion as to how the charge for it is passed to their residents. Jim added the District relies on the Town of Algoma to continue collecting the public fire protection fee from its residents in the tax levy, as they have for numerous years. Kevin stated the District sent notice for the 2014 public fire protection fee of \$156,308 to the Town of Algoma Clerk and Treasurer on August 16, 2013 to include in their annual budget. Their annual budget meeting is scheduled that night and Kevin can verify the following day that it is still included. Chad asked for verification that the fee is spread across all District parcels in the Town of Omro and not just sewer and water customers and Kevin stated that is correct. **Peter made a motion to approve Resolution 2013-11-3 to set the method to collect the Town of Omro public fire protection fee/second-Jim/carried unanimously.**
 - d) Resolution #2013-11-4 increase of 3% for the 2014 Contribution in Aid of Construction (CAC).
 - Prior to approving this resolution, Kevin explained how the CAC charges are calculated based on the type of structure to be built, the total parcel acreage, and the anticipated water flow in gallons per minute. Single family residential units with a single lateral are charged the base amount, with an additional \$500 due for parcels in the Town of Omro that the District forwards to the City of Omro. Larger residential buildings with 2-10 units incur a higher cost, and commercial properties are charged an additional cost plus an acreage charge, which was set previously based on the developable land in the protected area of the Town of Algoma. The CAC charge enables the District to collect all expenses for existing infrastructure, such as the treatment plant, lift stations, flow stations, and other non-assessable items, and the District's policy is to increase it by 3% each year. For example when Kwik Trip applied for sewer permits for their new store and car wash, the District charged the commercial CAC amount for each building plus an additional cost per acre. Kevin also showed a plan for 4 new condo buildings in Wyldewood Village, which included estimated drainage and water supply fixture units for each 8 unit building. CACs are due upon permit application for the construction of each new building.
 - Chad asked if the CAC was increasing by 3% because District costs are increasing by 3%. Kevin explained the increase in CAC fees enables the District to recover the interest paid on bonds the District holds to pay for the capacity that will be used to service future additional customers. There is one year remaining on the bonds for the Oshkosh Wastewater Treatment Plant, but since consolidating, the District is also paying on sewer bonds from the former Omro Sanitary District (OSD). Kevin created the CAC schedule four years ago based on the developable

acreage as well as all the expenses necessary to serve those areas. He plans to reanalyze those calculations next year based on the remaining bonds, including the OSD bonds which have varying interest rates. Jim explained if the District raises its fees gradually, residents will not see a sudden jump in prices, and if the costs are not increased, existing customers would be subsidizing costs related to new additional customers. **Chad made a motion to approve Resolution 2013-11-4 to increase the CAC 3% for 2014/second-Peter/carried unanimously.**

- e) Discuss and approve the 2014 annual budget. No changes were made to the budget as previously approved and published. **Chad made a motion to approve the 2014 annual budget/second-Peter/carried unanimously.**
 - f) Review and act on water main extension phase IV.
 - i) Review the arsenic study results and identify areas that meet the safe drinking water loan financing requirements.
 - Kevin presented a map that showed that, of the 331 parcels that participated in the arsenic study, 32% had no detect, 59% had a trace between 0.1-9.99 which is within the safe drinking water level, and 9% had a result above the safe drinking water level. Some areas had high concentrations of arsenic while others had no trace. Since subdivisions are usually developed around the same time, we could expect similar results in neighboring residential wells that are typically drilled under the same regulations, however, geological composition is variable underground. The well with the highest level of 1,000 parts per billion (ppb) was on Kirkwood Drive. Other concentrated areas with higher levels included Honey Creek Circle, Creek Side Drive, a portion of Willow Way, and Brooks Lane, but there were traces of arsenic as far west as Highway 116 and Cleve Street. The District asked that the sample be extracted from a raw water tap, but there is no guarantee residents complied or did not sample before a filtration system.
 - Considering only about 33% of residents participated in the arsenic study, and less than 10% of those had a result above the safe drinking water level, it may be difficult to obtain low rate financing for a watermain extension. However, there are additional reasons people may want to have municipal water available, such as the possibility of a caved well like the residents on Forte Road experienced. Jim mentioned the District could send residents without water available a newsletter that explains potential issues that could happen to their well along with the survey results. Kevin reiterated that if a few more sample results allowed certain areas to qualify for safe drinking water loan financing, the District will attempt to obtain them by calling residents or knocking on their doors.
 - ii) Update regarding the survey sent to residents that are due back by Monday December 2, 2013.
 - Residents that did not participate in the arsenic study should have received the survey the previous week and surveys with arsenic results were mailed upon receipt from the lab earlier that week. Thus far, the District received less than 200 responses, most of which were not in favor of the watermain extension, but about 5-10 chose to participate. Staff will map out the final results for the next meeting in December.
 - Jim asked when the last District-wide arsenic survey was completed, Kevin stated in 2000, and Jim added he is interested in a comparison of the results. As he stated at a previous meeting, he thinks it is a good idea that the District is surveying its residents. Kevin agreed, stating the District was aware of residential well issues in the Town of Algoma, but he also wanted to know the opinion about water availability from Town of Omro residents since consolidating with the OSD. He added that developers want to have water available in their future subdivisions.
 - iii) Financing updates.
- 8) Chad made a motion to adjourn the regular monthly meeting at 7:14 p.m./second-Jim/carried unanimously.**

Respectfully submitted: _____
Michael Claffey, Accounting Manager

Approved: _____
Jim Savinski, President

**Algoma Sanitary District #1
December 12, 2013**

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 Attorney Ray Edelstein, and District Accounting Manager Michael Claffey.
 - a) Jim noted that the District is using a tape recorder for maintenance of the minutes. No one else is using one.
 - b) Approval of the minutes of the previous meeting. **Peter made a motion to approve the minutes of the regular monthly meeting on November 6 as submitted with the paragraph in question removed/second-Chad/carried unanimously.**
 - c) Approve cash receipts and investments for sanitary and water. **Peter made a motion to approve the cash receipts for sanitary and water as submitted/second-Chad/carried unanimously.**
 - i) Note any investment changes. None. Mike mentioned the interest rate for the CD renewed at Capital Credit Union was 0.70% as he presented at the November meeting.
 - ii) Note any balance adjustments. Mike explained the biggest reason for balance adjustments was to remove the September late fees on sewer user fees for Town of Omro residents totaling about \$53 since they were not eligible to be placed on the tax roll. The other large balance adjustments were to credit two customer accounts for refunds the District issued in November. **Jim made a motion to approve the November balance adjustments report as submitted/second-Chad/carried unanimously.**
 - d) Approve pending bills and previous disbursements for sanitary and water.
 - Jim asked why payment in full to the City of Omro for third quarter wastewater treatment was included in pending bills since the Commission approved payment of the treatment bill based on the rates proposed by Trilogy Consulting, LLC. Kevin explained he recommends approval of the payment based on conversations at the meeting with the City of Omro the previous day. He also stated that this would be discussed further during closed session and the Commission withheld approval until after that discussion (see Old Business).
 - Jim also asked if the quote for \$11,700 to replace the stainless steel manifold on Well #2 was included on pending bills because it had been completed, and Kevin stated the District received the quote and is working on scheduling the installation of the replacement.
 - Jim asked for explanation on the quote to Four Way Construction to bypass some of the District's lift stations. Kevin explained four of the five lift stations in the Town of Omro do not have bypass ports installed in them to hook a pump up to and bypass the lift station. If the electric circuits break and the Operators cannot use the electric panel, they would not be able to plug in a generator. In the event of a mechanical failure, this upgrade would allow the lift stations to be bypassed by pumping through a pipe to the forcemain down to a pump in the wet well.
 - Jim asked why a pump for the Brooks Lane lift station was on the pending bills list. Kevin explained the District continues to get cotton and other cloth materials caught in the gap around the wear ring of this pump so the bowl at the bottom of the pump, called a volute, has to be replaced. The quote also includes a new impeller and wear ring for that station. **Jim made a motion to approve the December pending bills for sanitary and water, with the exception of payment to the City of Omro to be discussed during closed session, and previous disbursements for November 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.
 - a) Review of District statistics.
 - The District distributed 35 water and 25 sewer permits this year which has far surpassed its target of 25 water and 15 sewer permits.
 - Jim asked if the reason the District received a quote for a new generator was because it was unable to get the used generator that it was previously considering to purchase. Kevin explained he decided against purchasing the generator in South Dakota because the company would have charged a 25% restocking fee if the District chose to return it, which was too expensive of a risk. Staff looked at a brand new Magnum generator at their facility which has all same features without any runtime. Chad asked if the District had any other generator options and Kevin stated staff obtained multiple quotes and feels this is a good purchase for less than \$34,000.
 - Kevin stated he reviewed the previous arsenic data and map from the year 2000, but he had not compared those results with the current arsenic study. Some of the highest results at that time were 15,000 parts per billion (ppb) on Emily Anne Drive, 3,800 ppb on Greenbriar Trail, and 2,389 ppb on Witzel Avenue, and a majority of these properties now have water available from Phase III.
 - Jim mentioned that he spoke with a Town of Algoma Board member that lives on Creek Side Drive about the survey responses the District received for a watermain extension there. Of the 14 homes on that street, only 2 said yes, 5 said no, and 7 did not respond. It would take a really long extension, require several easements, and result in a watermain going past many properties that said no in order to make water available to that cul de sac which would only serve an additional two customers. The District will not survey that street again, but if residents petition

their neighbors and can get 70% to agree to pay a water assessment, Kevin can begin the process. Jim thinks people may still be somewhat confused, but a big reason so many residents may have said no or did not respond was because the financial burden may be prohibitive. Kevin stated the District would continue to accept additional responses or changes to their submitted response, but they would not likely change the results. The District is not going to amend current policy to make water available to the entire Town of Algoma or require mandatory hookups.

- b) Correspondence. None.
 - c) Status of 2013 projects. No discussion was had.
- 6) Old Business. Chad suggested the Commission discuss new business prior to old business.
- a) Discuss City of Omro status update of non-binding mediation efforts to resolve wastewater treatment contract negotiations.
 - i) 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 services from the City of Omro. **Chad made a motion to go into closed session at 6:55 p.m./second-Peter/carried unanimously.**
 - ii) The Commissioners will reconvene into open session to discuss and act on matters discussed during closed session regarding the wastewater treatment services proposal from the City of Omro. **Chad made a motion to reconvene into open session at 7:30 p.m./second-Jim/carried unanimously. Chad made a motion that the District accept the conditions of the letter submitted by Attorney Edelstein on December 11 to the City of Omro concerning the wastewater treatment contract/second-Peter/carried unanimously. Peter made a motion to approve the pending bill of \$18,176.67 to the City of Omro/second-Chad/carried unanimously.**
- 7) New Business.
- h) Review and act on water main extension phase IV.
 - i) Review the participation survey results and identify the areas that meet our 70% financial criteria. Kevin explained that staff reviewed each parcel that chose to “Participate” in the potential watermain extension to determine how and if the District would be able to serve them municipal water.
 - The property that had an arsenic result of 1,000 ppb was on Kirkwood Drive, however that property owner did not return a response to this survey. The District Operators contacted a few of the residents on that street that did not respond to determine whether the watermain could be extended partially down Kirkwood Drive to serve a vacant lot that would like municipal water. The residents verbally stated that they did not want water, but the District is waiting for written confirmation before that potential extension is ruled out. The older arsenic data presented some residential wells on Kirkwood Drive with 600 ppb, and Kevin stated vacant lots in that area would probably want municipal water because it would be a pretty big risk to drill a new well. If property owners on the east side of the street had agreed to participate, Kevin would propose extending the watermain 600 feet and moving the current hydrant. If the extension would go down the entire street the District would have to place another hydrant toward the south end of the street at the Oshkosh City / Algoma Town boundary. However, it is not feasible to extend a watermain 200 feet to only serve one property.
 - It would take a 500 foot extension to serve St. Paul's United Church of Christ at Highway 21 and Leonard Point Road. Once the church submits water calculations to determine what size valve is needed, the District will look further into how it can serve them.
 - A property owner near Oakwood School would like municipal water, so the District is communicating with two additional homeowners nearby to determine if the 200 foot extension to serve that property is feasible.
 - The owner of a parcel on Sherrin Street wants municipal water and has a fire hydrant across the street. The District can go through the assessment process, provide a valve to the property, and get them hooked up fairly easily. Another resident who built a house on two lots and also owns an adjacent vacant lot on Sherrin Street would like municipal water, but it is not likely that any extension would go that far north for only one additional connection.
 - There are three homeowners on the northern part of Partridge Court that would like municipal water and could be served with an extension from Lake Breeze Road as three out of four affected properties meets the 70% criteria.
 - In order to serve the parcel on the east end of Leonard Point Lane, the District would need an additional easement from Lake Breeze Road. However, staff would prefer to run a watermain all the way down the street rather than just inserting a small service valve.
 - The northern and the southern-most properties on the west side of Scarlet Oak Trail without water would like to have municipal water made available to them, but the District is not proposing to serve them because it would require removing a large portion of rock and would be very expensive to service only one property. The properties on the east side of the street chose not to participate so these two extensions do not meet the 70% criteria.
 - One property on Lansing High Point indicated they wanted municipal water and already has a service valve available, so the District can implement an assessment on this parcel and notify the owner it is available for connection. The District also intends on extending the watermain a little bit further west on Lansing High Point for a homeowner who previously requested municipal water for when they demolish and rebuild their house next year. There were also some additional parcels further to the west of that parcel that wanted it, but there was not enough interest to run watermain far enough down the street to be able to serve them.

- Oak Crest Drive, Westmoor Road, Oakwood Lane, and Oakwood Circle are eliminated from the Phase IV Watermain Extension service area because they did not produce enough participation to pursue at this time.
 - ii) Financing updates public lands loan rate and maximum loan amount per project. Based on the survey results received, the District does not plan to obtain Safe Drinking Water Loan funds or large bond issue at this time. If some small extensions are planned, the District will consider funding through the Public Lands program.
 - iii) Act on survey and arsenic results to develop an outline of properties to be included in a watermain extension beginning with an engineering design.
 - Jim feels the District extended quite a bit of effort by offering arsenic testing and surveying residents without access to municipal water but, unfortunately, many chose not to test or respond. Kevin agreed and said if the District receives a large number of additional responses, it can re-analyze the results, but at this time the only areas he is considering minor watermain extensions are listed under 7a i) and no formal action is necessary.
 - Since so few people will be affected, Kevin is considering creating a map to notify homeowners whose streets are not included in Phase IV to avoid sending out another letter to all surveyed homeowners. Or, the District could send a letter at a later time to inform residents what the decisions were.
 - Since the consolidation, staff wanted to know the opinion for extending safe municipal drinking water to additional areas in the Town of Omro and feels it has received this information. The responses received were pretty uniform, and it seems the District is currently serving only the areas that want municipal water. A few additional homeowners on Springbrook Road, Cleve Street, and Reighmoor Road chose "Participate" on their survey response form, but not enough responses were received to justify pursuing any extensions at this time.
 - i) Discuss and act on the general liability umbrella insurance coverage amount. The District currently has a one million dollar umbrella policy in addition to the one million dollar general liability policy. The District's insurance agent, who is one of six exclusive agents assigned to represent legal municipalities in Wisconsin, recently suggested the District increase its umbrella insurance coverage in 2014 to \$2,000,000 per incident since they have seen claims in excess of the current coverage amount for an additional cost of \$1,679. Currently, the District is paying \$36,700 annually for insurance plus an additional \$10,000 for E&O coverage. It was mentioned that insurance companies are currently encouraging customers to increase the dollar amount of the liability insurance they carry. The District recently reviewed its level of insurance coverage under its former President who was employed as an insurance agent, but the District will survey other districts for the coverage they currently carry to see if it is comparable. **Chad made a motion to table the discussion of the general liability umbrella insurance until further information is obtained/second-Peter/carried unanimously.**
 - j) Discuss and act on the process to amend the special assessment on parcel 002-0178 to reflect the actual cost of infrastructure installed on this property. Kevin explained the previous developer originally wanted to develop this parcel currently owned by Citizens First Credit Union into 47 lots, and the District recorded the assessment with the Register of Deeds based on the cost to serve all 47 lots. The property failed to develop and is now on the market with a deferred assessment balance of over \$490,000. Ray and Kevin recommended the District adjust the assessment for this parcel to \$117,475 to reflect the exact cost of pipe that is installed in the ground. Individual assessment amounts would come due as houses hook up, with the balance remaining in deferred status. The District will not give up its easement on this parcel since this watermain connects the tower to the rest of the system. **Chad made a motion to reduce the assessment on parcel 002-0178 to the value of the infrastructure previously installed in the ground, subject to the approval and signing of the assessment waiver/second-Jim/carried unanimously.**
- 8) **Chad made a motion to adjourn the regular monthly meeting at 7:32 p.m./second-Peter/carried unanimously.**

Respectfully submitted: _____
Michael Claffey, Accounting Manager

Approved: _____
Jim Savinski, President