

**Town of Algoma Sanitary District #1
January 10, 2019**

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 1:30 p.m. Also present were Utility Director Kevin Mraz, District Accounting Manager Mike Claffey, and District Attorney Ray Edelstein.
 - a) Jim noted the District is using a tape recorder for maintenance of the minutes.
 - b) Approve minutes of previous meeting. **Jim made a motion to approve the minutes of the regular monthly meeting on December 13 as submitted/second-Chad/carried unanimously.**
 - c) Approve cash receipts & investments for sanitary and water. **Jim made a motion to approve the cash receipts for sanitary and water for December as submitted/second-Chad/carried unanimously.**
 - i) Note any investment changes. Mike explained since the Fed has decided to slow the pace of future interest rate increases, he suggested the District transfer \$250,000 of general sewer funds at Community First Credit Union into a 15 month CD earning 2.71% interest. This is almost a 1.5% increase from what is currently being earned in the money market account and allows the District to lock in the current interest rate. After this CD purchase, the District would have a total of \$750,000 invested in CDs across all of its investments. **Peter made a motion to approve the investment change as presented/second-Chad/carried unanimously.**
 - ii) Note any balance adjustments. Mike explained two adjustments removed \$0.12 balances on two prorated Public Fire Protection Fee charges and the third recorded the District's annual 2018 cost of money charge for deferred water and sewer assessments of \$124,968.35. Total December balance adjustments were \$124,968.11. **Jim made a motion to approve the balance adjustments as submitted/second-Peter/carried unanimously.**
 - d) Approve pending bills and previous disbursements for sanitary and water. Mike mentioned the following information regarding pending bills:
 - Alliant Energy: one of the individual invoices was reduced by \$53.00, as included in the pending bills sheet sent to the Commissioners the previous day, for a revised total check of \$679.31.
 - City of Omro: the revised invoice total for treatment, including the credit balance received from the City, of \$27,727.98. The total Omro treatment expense for 2018 was \$109,865.35.
 - Schenck: invoice for interim field work completed in December for \$2,200.
 - Edelstein Law: invoice for services through the rest of 2018 for \$1,200.
 - Strand Associates: billing for well siting study progress from November for \$4,155. Jim noted the partial payment for the well study and asked if the District is going to pay as the study was completed. Kevin answered yes and stated he actually had a draft version of the study, as it was finished much quicker than anticipated. Staff is currently reviewing it to verify all questions the District asked of the engineer were addressed, and overall he thinks they did a good job. Once the District approves it, the engineer would provide the District with a final copy, which he anticipates should be available for the February meeting.
 - **Peter made a motion to approve the January pending bills and the December previous disbursements for sanitary and water as submitted/second-Jim/carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements.
 - Chad stated he submitted his paperwork to run for re-election this spring and he appreciated everyone's help.
 - As requested at the previous monthly meeting, Kevin researched how to increase the Commission's compensation and found under Powers and Duties of the Commission under Wisconsin State Statutes 60.77, that the Town Board may fix the compensation of the Commissioners or the District can develop a policy that addresses expenses incurred while being a Commissioner. Since the Commissioners receive numerous emails from Kevin, some options include covering their internet bill, providing a cell phone and paying the monthly plan, or purchasing a computer. These could be implemented within the next month. Peter suggested staff research the compensation of board members of other towns, and Kevin stated he would be happy to do so but it may take a while to gather that information.
- 5) Director's Report.
 - a) Review of District statistics. This was discussed under agenda item 5c): 2018 goals.
 - b) Correspondence. No discussion was had on this agenda item.
 - c) Status of 2019 projects.
 - Lake Vista Estates: Kevin presented a map of this subdivision that included the District's proposed watermain installation route. He explained he proposes to use the existing easement to bore the watermain from Lake Breeze

Road into the northeast corner of this development and there currently is an existing fire hydrant on Addie Parkway to access this development from the south. On the northwest side, the watermain could be installed through the proposed cul de sac, down Cherokee Lane to Leonard Point Road, which would provide a fire hydrant at that intersection, then head south down Leonard Point Road and back into the development by Jay Jones' property, making municipal water available to the six to eight homes it passes and adding another fire hydrant by the quarry. This figure eight pattern creates a watermain loop so these 30 lots, along with the future cul de sac and Veanna Boulevard, are not served by a dead-end watermain.

- Kevin provided a map of the arsenic level results from the District's arsenic study completed in 2013 and stated there are properties on Leonard Point Road and Cherokee Lane with private wells that contain arsenic within the safe drinking water level of less than 10 parts per billion (ppb) and a couple that are above that, some even above the "do not have contact with the water" level of 100 ppb. He also presented map of the most recent survey responses from 2013 for receiving municipal water service. These two maps show that some homeowners decide they do not want municipal water based on financial concerns rather than from a water quality and health perspective.
- Kevin would prefer sanitary sewer from this development flow to Lake Breeze Road to prevent pumping at Leonard Point Lane, however, the availability of gravity sewer depends on the ground contours and first floor elevations. He will know more when he meets with the engineer the following week. Once the preliminary plat is approved, the District will begin designing the water and sewer mains. Over next month or two the District will develop the water assessment and connection costs and will contact the homeowners on Cherokee Lane and Leonard Point Road to see if any are interested in receiving municipal water service.
- Ray told Kevin to be sure he receives all the easements he will need. Kevin stated the District already has a water, sewer, and stormwater easement throughout Cherokee Lane and another to bore the watermain from the hydrant on Addie Parkway into the development. The Developer is aware of the additional easements needed and has been informed a house cannot be built over an easement. The plat is currently in the preliminary process and easements can be added as a condition prior to approval of the final plat.
- The developers would like to start building this year, but utility construction would probably not be able to start before late fall. They applied for water and sewer permits the previous week for a model home to be built on the corner of Addie Parkway and Nelson Road, which is just south of this development. Kevin estimates the final plat process would take another two to two and a half months to be approved. Upon final approval, the District would begin designing and setting up task orders for the water and sewermain extensions, which may take up to 90 days for DNR approval and a total of about three to four months to obtain bids.
- Energy Efficiencies: Staff is in the process of purchasing LED lights and it will continue to use VFD drives, which utilize soft starts rather than instantaneous drives, to help reduce electrical expenses.
- Unaccounted Water: The District's fourth quarter unaccounted water rate has been reduced to around 1.9%, or 2.3 gallons per minute (gpm), so the water system is very tight. The unaccounted water rate for 2018 averaged 5.4%. Staff was able to listen to the fire hydrants to locate leaks and repaired some early in the fourth quarter, which resulted in unaccounted water dropping from 7.9%, or 14 gpm. Kevin anticipates having to repair additional copper water services in the Barony subdivision area in the future.
- Water Tower Painting: The Operators continue to work with the District's engineer and tower painting companies to determine the best method for repainting the water tower, either sandblasting the whole tower or just certain sections. It will be expensive, as the quotes are estimated at about \$150,000. Kevin asked if the District should consider allowing a company to pay to have their name or logo painted on the tower. Chad stated if it offsets the cost, then the District should consider taking advantage of it. Peter agreed, saying it does not hurt to check into it as long as the Town Board would also accept it. However, Jim was not in favor of it. Kevin concluded he would look into this further.
- Cell Towers: Kevin stated he also has staff seeking cell companies to install cell towers on the water tower to generate additional income. Throughout the Towns, there are currently cell towers located at the bus depot, on Rusch's parcel on Highway 21, at the Baptist Church, and on the farmer's parcel on Reighmoor Road.
- Clothing Policy: Kevin has staff developing a policy for safe, reflective clothing to be worn by District Operators while working in the road right-of-way. There are laws that require certain reflective clothing to be worn in certain speed zones. Staff will also purchase reflective pants and other clothing for working in higher speed zones.
- 2018 goals: Kevin stated the District met every goal set for last year which keeps us on budget.
 - Unaccounted Water: discussed previously.

- City of Oshkosh Wastewater Flow: Goal = 600,000 gallons per day. Actual = 529,000 gpd.
- City of Omro Wastewater Flow: Goal = 55,000 gpd. Actual = 54,658 gpd.
- Water Permits: Goal = 30. Actual = 37.
- Sewer Permits: Goal = 20. Actual = 21. Kevin added the District released its first water and sewer permits for 2019 on January 2.

6) Old Business.

- a) Discuss and act on the renewal of the wastewater treatment agreement with the City of Oshkosh. Kevin stated there was nothing new to report and no discussion was had on this agenda item.

7) New Business.

- a) Discuss and act on the proposal from L.W. Allen, LLC for pump upgrades at the Shorehaven Lift Station. Kevin presented pictures and explained the current quote was for \$118,550 which would allow the District to upgrade two of the three 15 horsepower (hp) motors to 50 hp motors at the Shorehaven Lift Station. The Sewer Utility has \$80,000 in this year's budget and had \$104,000 for capital improvements leftover from last year's projects. Currently, an Operator has to climb down 30 feet at this station every week to change the filter on each pump base, which keeps the shaft from wearing away. Staff decided to save \$9,000 per pump and continue this filter practice since they have to go to the station every week anyway, so the additional cost in the quote for a pump without the filter mechanism was removed.

- When all three 15 hp pumps run, the lift station currently has the capacity to pump 1,200 gallons per minute (gpm), but they typically only pump about 800 gpm each. The two new 50 hp pumps will be capable of pumping 1,400 gpm each at full load but would be paced closer to 400 gpm each, which would allow the motors to run more than twice as long as they used to before shutting off to reduce starts and stops. The District will use the third 15 hp motor until it stops working and keep the other two motors in inventory so staff can easily replace it. Kevin recommends the Commission approve the project, adding staff is excited to get the extra gallons per minute capacity into this station for high wet well occasions.
- The 80 kw generator at this location would have the ability to start one of the 50 hp motors and pump up to 1,400 gpm, which is more than the station is capable of pumping right now. It may be able to start and run a second pump; however, L.W. Allen could not guarantee it. The District would have to upsize the generator if it wants to run the two new pumps simultaneously.
- **Jim made a motion to approve the purchase for pump upgrades at the Shorehaven Lift Station from L.W. Allen, LLC for a total of \$118,550 as presented/second-Chad/carried unanimously.**

- b) Discuss and act on the purchase of park equipment for Our Park from Miller & Associates. Kevin asked for final approval of the quote staff received for \$24,950 for additional park equipment, with the invoice expected to be received in April. He explained staff has the necessary tools and supplies to install the equipment as it did previously. Otherwise, it probably would cost just as much to have it installed. Staff will strip the topsoil, obtain proper depth, and fill it in with certified woodchips that meet the standards for cushioning. Staff also inspects the equipment annually with a checklist which includes items such as proper mulch depth. Staff worked out deals with concrete companies and would also need to order woodchips for about \$2,000 to be placed around the base of the equipment.

- Chad asked how much the District spends per year to maintain the park. Kevin stated the biggest expense is the labor to mow it twice per week. A rough estimate for normal maintenance of the land, such as raking woodchips, smoothing out the parking lot, watering plants, planting grass seed, and fertilizing the grass is about \$5,000 per year including insurance. He believes this cost is offset by the additional connections in Sandhill Farms and the Barony Country Estates subdivisions. Chad feels the park is a definite benefit to the community as he sees it being used quite often. Peter suggested having the Town of Omro accept donations from anyone interested in donating money toward Our Park.
- Jim asked if the Town of Omro maintains any other parks, and Kevin answered Priske Park is east of Marquart Lane and Schnyder/Wendt Park is behind the current Town Recycling Center off of Hwy FF, with the Town also listing its Town Hall as a park on their website. There is currently no refuse provided at Our Park and Kevin proposes it remain a "leave no trace" park.
- **Jim made a motion to approve the purchase of park equipment for Our Park from Miller & Associates as presented/second-Chad/carried unanimously.**

- c) Discuss and act on the District's response to the removal of the equalized value of District property in the City of Oshkosh by the State of Wisconsin Department of Revenue. The District recently received a letter from the State of Wisconsin Department of Revenue (DOR) which states, "Sec. 60.79(2)(a), Wis. Stats., requires that an incorporation or annexation by a city or village of territory within a town sanitary district detaches that territory from the district. It is noted a town sanitary district may continue to service the territory by agreement, but the territory is officially

detached from the town district.” The District received a similar letter from the DOR in 2014, but after Kevin spoke with a department representative, the DOR dropped the issue. Kevin explained the DOR develops certified equalized values which are used for multiple things, including fire protection fees and to determine property taxes and general obligation debt limits. The District uses the equalized value to charge a tax levy for non-operating expenses including repairs and general obligation bond payments that are backed by the taxing authority of the District, which is spread across all property in the District based on equalized value.

- Ray stated the language in that code is classified under Towns and is not included in the revenue code. Due to the contract the District has with the City, it becomes a nonissue with the DOR because it has no impact on the City’s tax revenue. Kevin agreed, adding when property gets annexed to the City, its value should still be included in the District’s equalized value. He stated if the District loses the ability to tax those properties, the District would lose 18% of its equalized value, which amounts to about \$167 million, and the tax revenue from this area is over \$40,000 per year at a rate of about \$26 per \$100,000 of value. Kevin also mentioned the District’s general obligation debt limit, which is 5% of the District’s total equalized value, would be reduced.
- Staff found there are six other districts that have property within city boundaries and one other entity currently taxes these properties. Ray explained this is not merely a taxation issue, stating it would affect the District’s ability to issue bonds because it pledges taxing authority. Kevin agreed, stating if City properties are removed from the District, it could also affect the District’s bond rating.
- The DOR representative requested a preliminary letter from the District with the request for an extension. Ray suggested the letter specifically ask why properties annexed to the City must be removed from the District. He reiterated if the answer is due to the state code, then that has to do with the Towns and is not a revenue issue. Ray added there is language about detachment in the statutes, which states in 60.79(2)(d)1., “Any water or sewerage system, including all mains and property of the system, shall belong to and be operated by the district, or the city or village, in whichever the major portion of patrons reside on the date of the annexation or incorporation, unless other provision is made by agreement of the governing body of the city or village and the commission.”... Kevin added the District has multimillion dollars of infrastructure installed past these properties that have been annexed to the City. Staff will finalize the letter and submit it to the DOR in response. No action was taken.

8) **Chad made a motion to adjourn the regular monthly meeting at 2:57 p.m./second-Peter/carried unanimously.**

Respectfully Submitted:

Michael Claffey, Accounting Manager

Approved:

James Savinski, President

Town of Algoma Sanitary District #1
February 14, 2019

Regular Monthly Meeting.

- 1) Open regular monthly meeting.
- 2) Commission President Jim Savinski with Commissioners Chad Hayes and Peter Cernohous present called the regular monthly meeting for February to order at 12:00 p.m. Also present were Utility Director Kevin Mraz, District Accounting Manager Mike Claffey, District Attorney Ray Edelstein, and Utility Clerk Sara Gonzales.
 - a) Jim noted the District is using a tape recorder for maintenance of the minutes.
 - b) Approve minutes of previous meeting. **Chad made a motion to approve the minutes of the regular monthly meeting on January 10 as submitted/second-Peter/carried unanimously.**
 - c) Approve cash receipts & investments for sanitary and water.
 - Mike stated the District received a large amount of general fund cash receipts due to the January tax roll payments from the Town of Algoma and the Town of Omro, as well as payments from fourth quarter water bills and from the annual sewer user fee bills for residents in the City of Oshkosh. The District also received the second tax roll payment from the Town of Algoma for February recently.
 - The District also received its letter of credit from Community First Credit Union (CFCU), which collateralizes \$3.2 million of funds and is valid through February 13, 2020. This is in addition to the \$250,000 insured by the FDIC and the \$400,000 covered by the state guarantee fund.
 - **Peter made a motion to approve the cash receipts for sanitary and water for January as submitted/second-Jim/carried unanimously.**
 - i) Note any investment changes.
 - Mike explained he had one investment change that involved two inter-fund transfers. He recommended a transfer of \$75,000 in assessment funds to the general funds account at the Local Government Investment Pool (LGIP) and a transfer of \$75,000 of general funds to the assessment funds account at CFCU in order to have sufficient assessment funds available at CFCU to make the District's bond payment due on August 1.
 - To complete this withdrawal, the LGIP informed Mike it needs an updated signed copy of the District's resolution as well as the Designation and Withdrawal Account Instruction form. The resolution form states the District is authorized to open the account, lists the three Commissioners as the signers, and authorizes email and fax requests for account withdrawals. The original resolution on file was from when the District opened the account in 1992. The Designation and Withdrawal Account Instruction form allows the District to receive a check for withdrawal from the LGIP made out to the District and mailed to the District's address, with the previous form on file from when the previous withdrawal was made in 2015. Mike had both forms available for the Commissioners to review and sign at the meeting.
 - **Peter made a motion to approve the investment changes as presented/second-Jim/carried unanimously.**
 - ii) Note any balance adjustments. None.
- d) Approve pending bills and previous disbursements for sanitary and water. Mike mentioned the following information regarding pending bills:
 - JWM Coenen: install natural gas service for Samers Bay LS generator, for a revised total of \$3,010.10.
 - Bond Trust Services: principal and interest payment due prior to March 1 totaling \$234,403.13.
 - Strand & Associates: second pay request of \$5,095 for the Well #4 Site Study, for a total of \$9,250 paid thus far. Jim asked if there would be an additional payment due, and Mike stated and Kevin confirmed the contract was for a total of \$11,000. Kevin added the Well #4 Site Study is complete and was emailed to the Commissioners previously.
 - **Chad made a motion to approve the February pending bills and the January previous disbursements for sanitary and water as submitted/second-Peter/carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements.
 - Jim asked that staff verify both Chad and Peter are able to attend future monthly meetings in case he is unavailable.
- 5) Director's Report.
 - Kevin stated the District experienced a power outage that morning from about 7:00 a.m. to 8:00 a.m. throughout the Town of Algoma and parts of the City of Oshkosh, where seven of the District's lift stations and all three well facilities went offline. He thanked the Commission for allowing staff to install permanent generators at most of these sites recently as all the generators started up automatically. The Operators were able to monitor the generators powering these facilities remotely rather than responding quickly to transport portable generators to these locations in icy conditions. Kevin noted an hour is minimal time without power; however, morning hours are high flow times.
 - o Chad asked if staff is alerted when the generators start up and Kevin answered staff receives notice whenever there is a change in line voltage, loss of a phase, or reduced Hertz. The SCADA Telemetry System sent a communication fail notice within about a minute and a half of the power outage that morning. A small backup battery installed at each

location allows the system to continue communicating alarm status for a few more hours, and staff receives another communication fail notice when that discontinues as well. Staff turned off the generators at the well facilities because they did not plan on running them during that time anyway.

- a) Review of District statistics. No discussion was had on this agenda item.
- b) Correspondence.
 - The District has not received a response from the Department of Revenue regarding receipt of its letter stating the District's desire to continue to include District property located in the City of Oshkosh in its equalized value.
 - Kevin stated it is his understanding Lake Vista Estates has received all of the required preliminary plat approvals. Kevin stated the developer did not mention any delays for this project when he met with him recently, and Kevin believes final plat approval is still needed.
- c) Status of 2019 projects.
 - Kevin discussed some of the highlights of the Well #4 Site Study the District received from Strand & Associates. The Water Utility can currently serve just over 2,900 residential connections. There are now 1,200 connections, which means the District is able to serve an additional 1,700 homes (equivalent units) prior to needing another well facility. The total cost is about \$5.1 million, which includes \$1.1 million for about a half mile water and sewer main extension. With the addition of Well #4, the Water Utility would have the ability to serve an additional 1,600 connections for a total of 4,500 connections. The District assesses properties for the main as well as the supply charge for the tower and well facilities based on the estimated water use of each connection. The study estimates this supply charge would be about \$3,200 per equivalent unit, plus an additional amount toward a new tower.
 - The new Fresenius Kidney Care building proposed on Omro Road would be the District's largest water customer. The building's water calculation estimates over 300,000 gallons of water per quarter for a total usage of 1.3 million gallons per year. The Water Utility bases its supply charge on 17,000 gallons per quarter per equivalent unit. This building would have about 20 equivalent units or about a \$72,000 additional water supply charge to pay for its portion of use for the well facilities and water tower. The upfront sewer cost is \$10,700 and includes a 6 inch lateral at the property line. The District sent the cost information to the architect to forward to the owner and anticipates further communications in the near future. The District estimated the annual sewer user fee of \$4,700, which would be about half of City of Oshkosh's cost, and about \$8,000 in total annual water bills. The building plans include 13 beds that serve 3-4 patients throughout a 16 hour day over 2 shifts per day. If the owner supplies water usage from a comparable facility and proves it would use less water than the engineer's estimate, the District could adjust the cost accordingly. The bids are due the following week, and the architect informed the District the owner hopes to begin construction within the next couple of months. However, it may take longer to secure the additional required approvals.
 - Kevin attended a rally for safe drinking water funding in Washington, DC with the National Rural Water Association the previous week. He said the president of the Wisconsin Rural Water Association, who runs a water utility of about 500 people in Melrose, represented Wisconsin at the State of the Union Address. Kevin mentioned the governor declared 2019 "the Year of Clean Drinking Water" in Wisconsin, vowing to make it a high priority. Ray mentioned it would be a great opportunity for residents with municipal water available to receive funding to offset some of the cost to connect and/or abandon their wells rather than drill a new one. Kevin said he is open to suggestions to subsidize connection costs and get more people to connect and begin paying on their deferred assessment.
 - Peter mentioned he is on a long range planning committee, which met the previous night and Peter asked staff for a comparison of the District's connection costs to other communities.
 - o Kevin said he could retrieve the study that was completed on these costs previously for the Commission to review. He also stated one reason each community is a little different is due to the amount of road frontages. The Town of Algoma has numerous properties with 100 feet of road frontage versus other communities with only 60 feet, so it requires more watermain to be installed past each parcel.
 - o Ray mentioned assessment and connection costs also depend on when a project is completed. During times of high demand, bids come in higher, but when construction companies are more available, they are more willing to compete for the project.
 - o Kevin also mentioned most people do not know how much they are paying for water and sewer costs in many communities because they are often included in the lot prices. He also mentioned this area has the majority of new growth.
 - o Jim also mentioned the cost to drill a new well in this area is higher due to the minimum well casing depth requirement. Also, costs are higher due to having to cover the costs for the 30% of residents who chose to defer their water assessment because the District does not have a connection requirement.
 - Peter explained the Town of Algoma Administrator previously completed a survey and developed a future growth plan committee that listened to a presentation discussing different methods for developing the 800 acres of land around Clairville Road. It discussed the possibility that if Clairville Road is extended from Witzel Avenue to Highway 21, should the area be developed as residential or commercial or a combination, and would it include a park, etc. He added Town of Algoma residents would prefer to keep the town more residential.

- Kevin stated he was aware of the long-range plan that addressed those possibilities, including whether there should be driveways on the potential extension of Clairville Road. He suggested having the Town offset the road in order to move driveways off of it which would allow it to better support other area businesses.
 - Kevin also mentioned there is some potential commercial and industrial development being discussed south of Highway 21. He stated the District has a lift station in that area to help support whatever development occurs once the Department of Transportation (DOT) installs the round-a-bout proposed for the intersection at Leonard Point Road and Highway 21. He has communicated with the DOT regarding this, and they corresponded and carbon copied the Town Administrator stating the round-a-bout could be a standalone project that could be completed within two to three years as soon as approved as a hazard safety improvement program. The DOT estimated a cost of the intersection on improvement project (round-a-bout) is around \$2.7 million with real estate.
 - Peter mentioned with all of the development north of Highway 21, the Town should consider creating additional access points to the highway. Kevin agreed, adding the Water Utility currently has only one watermain crossing Highway 21. The water tower along with one well facility is north of Highway 21 while the other two well facilities are south of Highway 21, so if one well facility goes offline, the Water Utility is still in a good position to supply water to its residents. Watermain is also installed on Oakwood Road up to Highway 21 and to the end of the cul-de-sac on Olde Apple Lane. The District previously secured easements to continue watermain installation through Highway 21 to create additional watermain loops in the future.
 - Kevin stated these future land use plans and maps exist for the Town of Algoma and the District uses them to base infrastructure construction decisions on. Kevin will send the existing future land use and planning documents to the Commissioners.
- 6) Old Business.
- a) Discuss and act on the renewal of the wastewater treatment agreement with the City of Oshkosh. Kevin stated the District has not received a response from the City of Oshkosh regarding finalization of the sewer treatment agreement. He proposes to begin drafting a new agreement that includes adequate territory for the District's allocated capacity.
- 7) New Business.
- a) Discuss and act on approving task order with OMNNI Associates, Inc. for design-related services for Lake Vista Estates.
 - Kevin stated he forwarded to the developers the task order received from OMNNI Associates, Inc. for design of the water and sewer extension to serve Lake Vista Estates on Leonard Point Road across from the quarry. The cost is \$27,000 for the design and permitting plus \$16,000 for construction services. He also asked the developer to sign the Authorization to Design and the Authorization to Let Bids Developer's Agreements. Once received, the District President will countersign them and Kevin will sign the task order for the District's engineer to begin designing and receive public bids for the cost to install the water and sewer mains. Once the bids are received and the developer decides to continue, they would sign the Authorization to Proceed after Bids Developer's Agreement.
 - Ray asked if the District would require a bond, and Kevin answered the developer pays a \$1,000 deposit instead.
 - Chad asked if the District or the developer pays this cost and Kevin explained once the developer signs the agreements, the District charges them for 100% of the cost plus 1% for the District's overhead. The engineer bills the District, the District bills the developer, the developer pays the District, and then the District pays the engineer. Chad asked who is liable if the developer does not pay the District. Ray explained the developer exists as a legal entity, and if they do not pay, the District would seek a judgement which would become a lien against their property. Kevin stated the District would then collect its costs through the County when the property sells.
 - **Chad made a motion to approve the task order with OMNNI Associates, Inc. for design-related services for Lake Vista Estates upon receipt of the signed Developer's Agreements/second-Jim/carried unanimously.**
- 8) **Chad made a motion to adjourn the regular monthly meeting at 12:48 p.m./second-Peter/carried unanimously.**

Respectfully Submitted:

Michael Claffey, Accounting Manager

Approved:

James Savinski, President

Town of Algoma Sanitary District #1
March 14, 2019

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 March to order at 12:00 p.m. Also present were Utility Director Kevin Mraz, District Accounting Manager Mike Claffey, District Attorney Ray Edelstein, and Utility Clerk Sara Gonzales. Town of Algoma Administrator, Ben Krumenauer, was in attendance as well.
 - a) Jim noted the District is using a tape recorder for maintenance of the minutes.
 - b) Approve minutes of previous meeting. **Jim made a motion to approve the minutes of the regular monthly meeting on February 14 as submitted/second-Peter/carried unanimously.**
 - c) Approve cash receipts & investments for sanitary and water. Mike stated based on what he anticipates from the Federal Reserve, he predicts interest rates will be pretty flat for our investments going forward. **Peter made a motion to approve the cash receipts for sanitary and water for February as submitted/second-Chad/carried unanimously.**
 - i) Note any investment changes. None.
 - ii) Note any balance adjustments. Mike stated one adjustment removed a \$1.12 late fee for a City commercial sewer customer. **Peter made a motion to approve the balance adjustments as submitted/second-Jim/carried unanimously.**
 - d) Approve pending bills and previous disbursements for sanitary and water. Mike mentioned the following information regarding pending bills:
 - The \$100,000 bond principal wire was ready for signatures at Community First Credit Union. The interest payment of \$33,548.75 by ACH to the DTCC is scheduled on April 1.
 - Water Utility: transfer \$152,800 from the Sewer Utility for the 2019 rent of the administrative building and garage.
 - Water Utility: loan of \$500,000 from the Sewer Utility to be discussed under Agenda Item 6c).
 - Strand & Associates: final pay request of \$1,750 for the Well #4 Site Study.
 - CliftonLarsonAllen LLP: interim billing for the annual financial audit for \$8,600. The contract total is \$14,050, leaving \$3,250 remaining.
 - Alliant Energy: additional \$14.44 due for natural gas at the Samers Bay Lift Station for a total of \$701.69.
 - OMNNI: final bill for Sandhill Farms-Phase II of \$620 plus an interim bill for LakeVista Estates of \$1,419.40, totaling \$2,039.40.
 - **Chad made a motion to approve the March pending bills and the February previous disbursements for sanitary and water as submitted/second-Jim/carried unanimously.**
- 3) Public Forum. Ben Krumenauer, Town of Algoma Administrator, stated he was in attendance to hear the discussion on New Business and had nothing to state at that time.
- 4) Commissioner Statements. None.
- 5) Director's Report.
 - a) Review of District statistics. No discussion was had on this agenda item.
 - b) Correspondence.
 - Three fire departments responded to a house fire on Alida Lane in the Town of Omro. They used about 30,000 gallons of water from the District's fire hydrant at Sand Pit Road and Leonard Point Road to fill their tankers and put the fire out. This subdivision is currently not in the Sanitary District so the residents do not pay a public fire protection fee, however, they receive the benefit of public fire protection. Staff and the Commission hope the Town of Omro will see this as an opportunity to consider paying the public fire protection fee on behalf of its residents receiving the benefit and eliminate the need for the District to send its residents a direct bill.
 - Staff received a call regarding flooding on Reighmoor Road the previous day. This street is a private road so the residents are responsible for maintaining it. The ground is still frozen and the farm fields are full of water so staff anticipates many flooding issues in the near future. Staff tends to receive calls from residents this time of year because they see water coming up from curb boxes; however, this is not an indication of a water leak.
 - One of the District's operators chose to terminate his employment. Prior to the meeting he thanked the Commission for the opportunity to work for the District. Staff is actively working to fill two full-time positions.
 - c) Status of 2019 projects.
 - Dialysis office: the District recently received the plan set for the proposed dialysis building, parking lot, and stormwater detention pond on Omro Road from their engineer. The water and sewer utilities are on same side of the road. De Keyser Excavating submitted the lowest bid to complete the outside work at the building. The District obtained a quote from them for \$4,950 to tap the watermain and extend a 6" water lateral to the property

line. There currently is a fire hydrant installed at the southwest corner of this property and another one will be installed within 150 feet of the building. Staff provided a quote to the owner, Oshkosh RE, detailing the water and sewer connection costs and ongoing user fees. The single level 7,200 square foot building is projected to use 1.3 million gallons of water per year, which is equal to about 20 residential units at 17,000 gallons per quarter per equivalent unit, and the owner will be charged accordingly. Also, the owner was notified that the town is proposing to decrease the road grade by almost a foot. Kevin notified the architect that the watermain must remain at least six feet deep to avoid the frost. There is currently a watermain along the south property line.

- Watermain loop: Kevin plans to obtain easements from homeowners to extend the watermain from the water tower to the Barony subdivision in the future. This would create a watermain loop and improve fire flow, which would also increase the water pressure to that area in the Town of Omro.
- Storage units: The owner of a vacant parcel on Sand Pit Road and Hwy 21 was proposing to install storage units. This would have required a conditional use permit, which was denied by the Town Planning Commission. Water and sewer utilities are available to serve this property.

6) New Business.

a) Discuss and act on approving the task order with Strand Associates, Inc. to review and identify the impacts of the Omro Road reconstruction project.

- Kevin attended a public meeting at the Town Hall for this project on March 12. Kevin stated the engineers for this project contacted the District on February 19 and stated they were planning a construction project on Omro Road, and he received the current design plan set from the engineer at this meeting. This plan shows the Town is proposing to install eleven feet wide road lanes, five feet wide bike lanes, and five feet wide sidewalks on both sides of Omro Road from Leonard Point Road to Brooks Lane and stay within the 66 feet of road right-of-way. The project would also include a new storm sewer system with curb and gutter and would result in the road being lowered 1½-3 feet in some areas.
- The District's concern is that Strand Associates, who was both the District's and the Town's engineer at the time, coordinated the design and installation of the District's watermain to remain at least six feet deep to prevent freezing. If this project is completed as it is currently proposed, there would be the equivalent of about three feet of material over the watermain, which does not provide sufficient insulation. The watermain was installed 15 years ago and depreciates over a 100 year schedule, so it has served only 15% of its life expectancy.
 - o Chad asked Ben if the proposed elevation of the road was set in stone, and Ben answered no.
 - o Chad also asked if there was a way the District could protect its watermain, such as by laying additional insulation around it. Kevin answered yes and explained four inches of insulation is equal to one foot of depth. However, frost can still permeate around an encased pipe that is only three feet deep. Residential yards currently have about 17" of frost; however, in non-snow covered areas such as streets, the frost drives deeper and is currently 5-5½ feet deep. The Town's design plan currently proposes to install one foot of gravel and one foot of concrete which is not equal insulation value to a full foot each of native material.
- If the watermain must be removed and reinstalled, the District reviewed a few funding options for this substantial cost:
 - 1) Special Assessment: Property owners on Omro Road could be specially assessed, however, this option would be denied because they were assessed for the initial watermain when it was installed 15 years ago and the life of the watermain has not been depleted.
 - 2) Utility-Financed – Water Rates: This option would increase water rates, resulting in only water users throughout the whole District bearing the entire burden of this cost. Rates would increase to fund this cost over 100 years while having to pay bonds for the project over 20 years. This may, in turn, have a negative impact on Town growth due to higher water rates. The Public Service Commission (PSC) may require this project to be reviewed to determine other cost effective alternatives.
- Kevin contacted the Town's engineer regarding the District's concern. From an engineering standpoint, Kevin said it would be fairly easy to change the level of the road at this point. The design plans will also need to account for the location and grade of the storm sewer in relation to watermain setback requirements.
- Ray mentioned when the Department of Transportation (DOT) reconfigured Highway 21 at Washburn Street, the DOT covered the District's expense to relocate its sewer mains.
- Ben explained the following reasons for pursuing the reconstruction of Omro Road:
 - 1) The Town accepted a former state highway in the condition it was in and the driving reason for this road project is due to the age of the road, which has 75-100 year old concrete under the asphalt.
 - 2) The Department of Natural Resources (DNR) informed the Town they are required to do \$17-\$27 million of stormwater projects. In order to facilitate those enhancements, the Town has to convey the stormwater down the roadway, and underground piping works better than ditches.

- 3) Ben stated the Town's Comprehensive Plan as well as the State Regional Plan show Omro Road as a pedestrian/bicycle way. Two additional surveys and community outreach show 80% of Town residents want improved mainline roadways for walking and/or biking in addition to driving.
- Ben stated the Town received a \$2.5 million grant from the State of Wisconsin DOT to help cover at least 50% of the project, with anything that is non-coverable or the remaining amount matched by local funding. He explained the project was not set in stone, and it would be another 12-15 months before the final design plans are 85-90% complete. He acknowledged there were some locations with some pretty large cuts to the road elevation, and the purpose of lowering the roadway for this project is to provide adequate depth that is needed to raise the terrace a little bit for drainage with the installation of curb and gutter. The Town previously discussed insulating the watermain with its engineer and recognized it was a last resort.
 - Ben also stated Town staff called in 25 Diggers Hotline tickets, but the engineer and surveyor stated the watermain was not marked. The Town's engineer, McMahon Associates, located it as best as they could; however, they did not know exactly where the watermain was installed, making it hard to design around. He added utilities outside of the roadway and under the ditches would receive additional coverage once they are filled in.
 - o Kevin answered the District is a member of Diggers Hotline, but no Diggers Hotline notices were received from the Town or McMahon Associates for surveying. He mentioned District staff drive Omro Road all the time and are aware of any projects that are going on, such as when the gas line was relayed just last year.
 - Kevin also added the City of Oshkosh has a budget of \$324,000 to extend watermain on the east side of Omro Road from N. Westhaven Drive down to the DMV to create a watermain loop. They currently have watermain installed down N. Westhaven Drive toward Omro Rd as indicated by the yellow fire hydrants in that area. The City proposes to assess these properties on Omro Road for municipal water since they were recently annexed to the City.
 - Chad suggested a member of each party involved sit down together and come up with the most cost effective solution for all its constituents, and everyone agreed. Jim asked if the Town's engineer plans to redesign the project properly to protect the pipe or if they expect the District to lower it, and Ben answered the Town can also consider narrowing the roadway. Peter suggested the Town install sidewalks on one side of the street and leave the watermain installed as it is on the other side. Ben answered the State that is supplying the grant wants the road designed with two sidewalks, adding this is a great opportunity for the District to install its watermain to Mueller Auto while the road is being reconstructed like it discussed in the past.
 - Kevin mentioned the DOT informed him it would approve installing a round-a-bout at the intersection of Leonard Point Road and Omro Road as a standalone project that can be completed within 2-3 years. Ben clarified the DOT reversed that decision and canceled the planning study done in 2016. He further explained it could be paid for by the Town or a developer, but the DOT would not provide funding unless it reaches a safety threshold that is five times higher than current results.
 - Kevin concluded by asking if an additional \$1-2 million cost incurred by water and sewer customers would be worth the benefit of receiving the grant since both entities serve the same public. He added Strand Associates is in the process of contacting McMahon Associates to set up a planning meeting to determine the best design plan as a whole. Chad stated the goal of this meeting should be to keep the watermain where it is and have the project adjusted to make it work. Kevin asked if the Town plans to send this project to referendum for final approval and Ben stated the Town Board is not planning that at this time. If the project proceeds and the District replaces a mile of watermain, the areas that do not currently have watermain available on Omro Road would be added to the water system and the homeowners that benefit would receive a special assessment that offset the District's total cost. Chad asked staff for a report that breaks down the cost between replaced watermain and new watermain.
 - **Peter made a motion to authorize staff to sign the task order with Strand Associates, Inc. to review and identify the impacts of the Omro Road reconstruction project as described, not to exceed \$10,000/second-Jim/carried unanimously.**
- b) Discuss and act on water and sewer extension for LakeVista Estates and surrounding properties.
- Kevin stated the Developers Agreement had not been received from the developer yet, although he planned to drop it off later that day. Kevin presented a map showing the existing watermain on Lake Breeze Road and Addie Parkway. The Water Utility proposes to bore watermain through its five foot easement from Lake Breeze Road, through the development, down Cherokee Lane through an existing easement, which would require an additional easement from the developer which he is aware of, south on Leonard Point Road, and enter back into the subdivision. This would create a watermain loop and would allow the Water Utility to continue serving this area in the event of a watermain break without having to shut off more than 600 feet of watermain to repair it.

- Kevin requested the Commission agree to have staff contact the homeowners on Cherokee Lane and those on Leonard Point Road north of Jay Jones' house, making them aware of the Water Utility's proposal and asking their desire for municipal water. The District is aware of a couple properties on Leonard Point Lane that have stated they wanted municipal water in the past. Survey responses received, however, do not always match the quality of water.
 - Kevin explained staff and the District's engineer analyzed how much wastewater would be produced by this development and whether the lift station on Leonard Point Lane would have the holding capacity in case of a pump failure. They hoped the new sewer mains could flow to the existing sewer main on Lake Breeze Road and bypass the lift station; however, the existing grade would not allow it. The District can serve a vast majority of the development, but it would eventually need a larger wet well for storage capacity to allow for more holding time. The DNR currently requires a minimum of 5-6 minutes and the Sewer Utility would be approaching that threshold upon completion of the development. This subdivision is very low in some areas, and Kevin told the developer he would not accept grinder pumps being installed. Alternative options were analyzed, and this is the best way to provide basement service.
 - Kevin stated he met with the Town of Algoma Fire Department recently about possibly serving municipal water on Leonard Point Lane. He explained the District is looking to extend watermain to certain properties that may be interested in receiving municipal water service. The developer is willing to grant an easement to these lots to allow a fire hydrant to be extended up to that lane. Coincidentally, the Fire Department told Kevin Leonard Point Lane is one of the more difficult streets for them to serve and fully supported the installation of a fire hydrant on that very narrow, private lane. Kevin explained he is proposing to install them at two or three locations, on one side of the stormwater detention pond, close to the Lake Breeze Road cul-de-sac, and near 3406 Leonard Point Lane.
 - o The vice-president of the road association recently contacted the District and asked for more information on the idea of adding fire hydrants to Leonard Point Lane. They are also in full support of it and mentioned the developer is reviewing with the Association an easement and they are working on a proposal to install a turnaround at the end of the subdivision. The Water Utility would extend a fire hydrant just outside of the proposed cul-de-sac, which would allow the Fire Department to turn around and connect to the fire hydrant. The Association plans to inform all homeowners on the street of the proposal to install fire hydrants.
 - o The Water Utility's goal is to get municipal water service to properties that want or need safe drinking water. The District plans to survey all residents east of 3406 Leonard Point Lane to determine their interest in receiving municipal water service. Previous surveys indicated not much interest to the west of this property. The District proposes to extend the watermain with a fire hydrant to the south side of Leonard Point Lane, and can bore three to five water laterals to various properties off each extension since the most of the properties are less than 70' wide. Then everyone on the entire lane would receive public fire hydrant service because the Water Utility is required to install a fire hydrant at the end of every watermain.
 - o The District would charge \$10,000-12,000 for each connection. The previous survey in 2013 indicated at least four property owners wanted to receive municipal water service. One was near the pond, another near the cul de sac, the eastern most house on the lane, and one on the western end so spacing would work well since the Water Utility tries to keep hydrants less than 600 feet apart. Properties further west would likely not have access to a watermain. The Commission provided their full support for staff to proceed as explained. No action was taken.
 - c) Discuss and act on Resolution 2019-3-1 to approve a 10-Year loan of \$500,000 to the Water Utility at an interest rate of 2.30%. **Chad made a motion to approve Resolution 2019-3-1 to approve a 10-Year loan of \$500,000 to the Water Utility as presented/second-Peter/carried unanimously.**
- 7) **Peter made a motion to adjourn the regular monthly meeting at 1:14 p.m./second-Chad/carried unanimously.**

Respectfully Submitted:

Michael Claffey, Accounting Manager

Approved:

Charles Hayes, Secretary

Town of Algoma Sanitary District #1
April 11, 2019

Regular Monthly Meeting.

- 1) Open regular monthly meeting.
- 2) Commissioner Chad Hayes with Commissioner Peter Cernohous present called the regular monthly meeting for April to order at 12:00 p.m. Also present were Utility Director Kevin Mraz, District Accounting Manager Mike Claffey, District Attorney Ray Edelstein, and Utility Clerk Sara Gonzales. Also in attendance was David Minch of CliftonLarsonAllen LLP, the District's auditor, for discussion on Agenda Item 7a). Commission President Jim Savinski was excused.
 - a) Chad noted the District is using a tape recorder for maintenance of the minutes.
 - b) Approve minutes of previous meeting. Mike mentioned the minutes were changed to be signed by Chad instead of Jim. **Chad made a motion to approve the minutes of the regular monthly meeting on March 14 as submitted/second-Peter/carried unanimously.**
 - c) Approve cash receipts & investments for sanitary and water. Mike stated the District received the \$1,000 deposit in March from the developer of LakeVista Estates as well as the 2019 rent for the administrative building from the Sewer Utility to the Water Utility. **Peter made a motion to approve the cash receipts for sanitary and water for March as submitted/second-Chad/carried unanimously.**
 - i) Note any investment changes. Mike stated the \$500,000 transfer occurred on April 2 and would be on the April monthly report.
 - ii) Note any balance adjustments. None.
 - d) Approve pending bills and previous disbursements for sanitary and water. Mike mentioned the following information regarding pending bills:
 - Miller & Associates: payment for playground equipment of \$24,950.
 - Wisconsin Environmental Improvement Fund: Safe Drinking Water Loan payment of \$732,593.94 due May 1.
 - McClone Insurance: 2019 E&O Insurance for \$9,658.
 - City of Omro: 3 connection charges at \$500 each for a total of \$1,500 plus the invoice to treat 6.965 million gallons at \$2.07 per 1,000 gallons plus 422 users, and a prorated credit of -\$29.65, for a revised total: \$31,829.16.
 - Witzke Electric: to wire the Samers Bay Lift Station generator building for \$6,907.88.
 - o Chad asked if the building is completed and Kevin answered it still has to be sided, however the electric is done and the pumps are operational with the natural gas powered generator. Chad also asked if the generator was added to the SCADA System and Kevin answered yes, stating staff can see whether the lift station is operating on standby or normal power.
 - Alliant Energy: an additional \$14.44 due for natural gas at the Samers Bay Lift Station for a total of \$891.70.
 - Martelle Water Treatment: revised total invoice of \$358.05.
 - **Chad made a motion to approve the April pending bills with the noted adjustments and the March previous disbursements for sanitary and water as submitted/second-Peter/carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements.
 - Chad stated best wishes to Jim and hopes he gets well soon and Peter agreed.
- 5) Director's Report. Kevin suggested the meeting continue with Agenda Item 7a).
 - a) Review of District statistics.
 - The warmer weather melted snow in the area which, along with the storms on March 14, resulted in some significant flooding and drastically increased sanitary sewer flows for last month. Flows to the Omro Wastewater Treatment Plant (WWTP) increased from a monthly average of about 60,000 gallons per day (gpd) to 111,000 gpd, an 80% increase. Flows to the Oshkosh WWTP increased from a monthly average of about 680,000 gpd to 720,000 gpd, a 48% increase.
 - o Staff is still analyzing why flows in the Town of Omro almost doubled. Kevin presented pictures of the District's lift station on Young Road, which is built above the flood plain. There are also higher white pipes on the grinder pumps which were not leaking at that time. He explained when water enters a house, the unplugged basement floor drain can allow several inches of stormwater to flow directly into the sanitary sewer system, which is not designed to handle that amount of water, and the sump pump is unable to keep up. The District tries to prevent this; however, this clear water is unfortunately sent to the WWTP. A lot of the houses built in this floodplain did not lay down sandbags to prevent water from entering. If they did not have sanitary sewer service, septic tank waste could have flowed downstream into the river. Staff is still inspecting a few manholes in the areas of higher water to verify whether the adjustment rings on the top are leaking. It's pretty common to have increased sewer flows during these types of events. Kevin offered to research other communities; however, many did not fare as well. He also explained if the river increases higher than the level of a manhole, unbolted covers could pop off

from the 20' of air pressure and allow water to flow in. The area of Young Road remained underwater for about a week.

- Chad asked if the City of Omro contacted the District during these storm events, noting Winnebago County closed Highway 21 through Omro, and he observed the City pumping out the storm sewer directly into the river. Kevin answered the District did not receive any correspondence from the City, so it continued to pump wastewater to the plant. Kevin also added there were many boat houses and homes along the river that were halfway under water.
- The District worked with Alliant Energy while they disconnected natural gas by Young Road because of the potential danger caused from hot water tanks floating and breaking. Chad mentioned his employer has a natural gas generator and Alliant Energy had to shut off electric and gas when his office flooded, disabling the generators. They are looking to convert the generator to a 500 gallon diesel tank underneath as a supplement to natural gas. Kevin stated staff is considering the same situation with the ability to use propane. The District also had the backup generator trailer and additional pumps nearby if needed.
- The District had no sanitary sewer backups during this flooding, and its Department of Natural Resources area representative was very impressed.

b) Correspondence.

- A few weeks after the flooding, staff received an email from a resident on Leonard Point Lane who had some damage in her basement, and the cleaning company told her it was due to a sanitary sewer backup. She received a check from her insurance company and then contacted the District with a potential claim. Staff televised that street in order to document flooding conditions before and after the LakeVista Estates development to see if they were better or worse. Staff showed this resident a video which clearly showed water running around her garage, up to her house, and then disappearing. This resident showed staff a video from the cleaning company which showed water in the basement; however, the bathtub was dry. Kevin explained to her if the sanitary sewer system backed up, the bathtub would have been at least at the same water level as the basement. In fact, the sanitary sewer system was the only thing holding water back. He explained this was clearly storm water that came in through window wells or by one of the unfinished drains that had gravel around it, and this resident understood. Kevin also noted this property had drain tile around the building foundation, but it did not have a sump pump, and the property just drained to the lake. Since the ground was still frozen, the drain was probably frozen as well. She stopped all claims of sanitary sewer damage. He added there are many houses around town that are digging up the footings around their basements to install drain tile because, as water pushes against the walls, the walls can cave in under the pressure. He also stated he spoke to one clean-up company that had 157 clients due to this flooding, so there were a lot of basements in this area that had issues.
- A District Operator received a call from a plumber recently regarding a home on Omro Road and North Westhaven Lane that was on a shared well that did not have water for weeks. This parcel was recently annexed to the City of Oshkosh; however, the City proposes to install watermain down Omro Road from North Westhaven Lane down to Turn Key Auto this summer. The Operator explained this property is in the City and the closest place the District has a watermain available is on the other side of the road by Conrad Street. After further research, it was discovered that the neighboring property where the shared well was located was in foreclosure, and as of April 1, the electric company can turn off the power, which means the well may no longer have been pumping water for the other residence. Kevin contacted City representatives who stated they would forward the information to the appropriate staff. Kevin noted there is a City fire hydrant next to this house, so they can serve them fairly easily, and the homeowner would be assessed when the City completes the watermain extension.
- A resident selling their house on Overland Trail came to the office recently to discuss their private well's water quality and their deferred special assessment. Municipal water is available and he wanted to find out his options for handling the deferred assessment. Kevin explained the assessment can remain in deferred status and the new owner is not required to connect to municipal water. He cautioned the home inspection would likely require a water sample and the raw water would be tested. The deferred assessment would be worked out in the closing documents, as the District does not get involved with the negotiation. He noted some banks may require a house served by a private well with contaminated water to connect to municipal water if it is available, adding the next owner may want safe drinking water and can connect to it at their leisure, much like an insurance policy for water quality due to high arsenic in the well.
- The Water Utility received fourth place (with 126 points) out of 19 samples submitted at the Annual State of Wisconsin Rural Water Conference. The Town of White Lake, which is northeast of Wausau, received first place with 131 points. As Director of the National Rural Water Association, Kevin recruited members of the Public Service Commission (PSC), the DNR, and the USDA, which is a primary funding source for many rural projects, to be judges for the water taste test. These entities share the same goal as the District, which is to provide safe drinking water, and the individuals chosen seemed to enjoy their role.
- Kevin invited the Town of Algoma Administrator, Ben Krumenauer, and their engineer, McMahan Associates, for a meeting recently regarding the Town's proposal for the reconstruction of Omro Road. Paul Dries, the District's engineer from Strand Associates, as well as the District's Lead Operator were in attendance as well.

- The road grade did not change much from the original plan and would still require relocation of water and sewer utilities if the road is installed as it is currently designed; however, the Town did not bring an additional copy of the new road plan to this meeting for the District to review. Kevin explained to the Town the District's goal is for its watermain to remain at least seven feet deep to prevent it from freezing and to minimize the need to lower sewer manholes, eliminating unnecessary costs for all District residents. He stated if this project is pursued as it is currently designed, it would be difficult to find manhole barrel sections to adjust the 20-40 year old manholes, which may result in having to replace entire manholes at about \$10,000 each, plus bypass pumping expenses.
 - When Chad asked if the Town of Algoma plans to assess the homeowners on Omro Road for this project, Kevin said Ben stated they were not. Kevin mentioned the Town is proposing to assess homeowners for the costs of three other stormwater projects on various streets this year, and District staff has seen itemized costs for these projects.
 - Kevin stated the Town held the first public hearing for the Omro Road project; however, only about 12 residents attended because only a small portion of residents on Omro Road received a notification of the meeting, even though the entire town would pay for it. The Town does not plan to hold another meeting until October when the project plans would be 85-90% complete. Kevin also stated he asked Ben if the Town plans to do a referendum for the Omro Road project, and Ben answered no.
 - Peter mentioned he spoke to a few residents about this project and they did not understand why the Town is proposing sidewalks on both sides of the street. They also were unsure why the Town was neglecting the much needed reconstruction of Leonard Point Road since that road has much more traffic. He also feels it is important for the Town install a roundabout at the intersection of Omro Road, Leonard Point Road, and Highway 21 before there is a fatality. Kevin added the Leonard Point Road intersection roundabout would cost about a \$2.7-\$3 million while the Omro Road project cost is \$5.8 million plus the additional costs for utility relocation.
 - Chad stated if the District's infrastructure must be lowered on this road due to this Town project, he is opposed to charging the District's water and sewer residents in the Town of Omro for it and Peter agreed. Chad stated he is willing to work with the Town, but the Town has to understand this project's indirect impact and the District cannot bear the cost of it. He also stated since the Town stated the reason for lowering the road is to handle the stormwater for properties on that road, the homeowners should be assessed because it directly benefits them.
 - Kevin stated he told Ben and McMahan Associates the Town paid to relocate water and sewer utilities for their Oakwood Road project and that past practice should be followed. When Kevin asked why they are proposing to lower the road, they answered in order to flow stormwater from the front yards to the curb and gutter. The Town could redesign this area in other ways, such as flowing stormwater to collectors in back or side yards. The District's engineer, who was the Town's previous storm basin engineer, stated there was no reason to install storm sewer in this area in the past and nothing has changed over the past ten years to warrant it now. Kevin explained to Ben that the municipal water system was originally designed to maintain seven feet of coverage based on the previous Town engineer and the Town Board knowing the future Omro Road would remain a rural road with ditches as it is now with no reason to install storm sewers. Kevin stated he does not want to interfere with how the Town designs its roads or storm sewer, but he clearly explained to the Town this utility infrastructure relocation should be a cost to the stormwater utility, and they understood his position.
 - Kevin stated if the Town plans to pursue this project as is, the District's annual Consumer Confidence Report mailed to all Town residents in late June would put everyone on notice and would explain the costs associated to the Water and Sewer Utilities due to this Town project. He added the District strives to do what the public wants or needs based on the feedback received from its residents.
 - Ray suggested the District send the Town a letter stating, due to the fact that this project is being designed to accommodate the new storm sewer, and since this is a voluntary project that is not mandated, and the District's current infrastructure is in good condition, it is the District's belief the Town should be responsible to pay the necessary costs for the other utility relocations if utilities need to be lowered due to their project. This project does not add, improve, or change anything for the purposes of the residents the District serves. This project would be considered maintaining existing service and this ought to be the Town's cost since this is a discretionary project. Kevin said staff could have a letter drafted for the Commission to follow-up on at the next monthly meeting.
- c) Status of 2019 projects.
- District staff plans to send a letter to residents on Leonard Point Lane with a map showing where fire hydrants are proposed to be installed from LakeVista Estates, with one location being just outside of the proposed cul-de-sac on the east end of the street. Staff is trying to strategically place additional hydrants at locations to also provide municipal water service to the three or four properties on this street that have expressed interest in the past. As an added bonus, all Leonard Point Lane residents would also receive better public fire protection. The fire department is in full support of installing fire hydrants on this very narrow lane to help fight fires and it agrees with the District's concept. The District plans to discuss the survey results at its next monthly meeting.
 - In response to an email received recently, the District submitted a sample to test for poly-fluorinated (PFAS) substances. This is a popular topic that has been discussed in the news lately as this contamination exists throughout

the nation. The District is pleased to announce its water has no detect of PFAS, PFOS, or any other related contaminants, and can now offer that information to residents when they call.

6) Old Business.

- a) Discuss and act on the renewal of the wastewater treatment agreement with the City of Oshkosh.
- Kevin stated the District created and submitted a map to the City of Oshkosh highlighting the area the District is proposing to include in the wastewater treatment agreement. This area includes the entire protected area of the Town of Algoma and area in the Town of Omro south of Highway 21, then follows the Spring Brook channel southwest to Witzel Avenue, and heads west to the town line. The boundary somewhat matches what the City of Omro terms the “buffer zone” around the City of Omro but includes a portion of it to prevent the City of Omro from having to bore a sewer crossing under the river to flow back to the City, which would be really expensive and not feasible. Having this area available to serve would allow the District to maximize its two million gallons of allocated capacity to the City of Oshkosh. Kevin informed the Town of Omro Chairman, Brian Noe, so he is aware of this as well. This area is not proposed to be developed right now, but including it in this agreement would allow for future planning. No action was taken.

7) New Business.

- a) Discuss and act on the 2018 financial audit completed and presented by CliftonLarsonAllen LLP. David Minch introduced himself and began a presentation of the Water and Sewer Utilities. He explained the audit results included an auditor’s report on the financial statements, including an unmodified opinion, which states everything in the District’s audit report is complete, accurate, and up to professional standards. The auditor’s report on internal control over financial reporting includes a finding that there is a deficiency in the segregation of duties due to the size of the District’s staff. The audit report also includes a separate management communication letter.

- **Water Utility**

- o **Operating Results:** The Net Operating Loss was consistent from 2018 to 2017 at about \$67,000. The Change in Net Position increased largely due to the increase in Capital Contributions.
- o **Rate of Return (ROR):** The Water Utility’s ROR has been very consistent at about 6% over the last four years. The authorized ROR from the Public Service Commission (PSC) is 1.4%. However, the Water Utility’s ROR is not yet sufficient to cover its debt service payments, requiring it to borrow funds from the Sewer Utility.
- o **Other Statistics:** The volume of water sold has been steadily increasing to over 66 million gallons in 2018 and will likely continue to increase as development continues. The Water Loss Percentage was 5%, which is the same as it was in 2017. David also noted there was no rate increase in 2018, and Kevin stated the last water rate increase was in 2015.
 - Peter asked how many gallons Kevin predicts the Water Utility will sell in 2019, and Kevin answered the Water Utility is on target to reach that total again. He added houses continue to be built, especially in the new Sandhill Farms Subdivision. Peter expressed his appreciation to see a positive change in net position, and Kevin estimated the Water Utility would be more self-sustaining once it is closer to selling 90 million gallons of water annually.
 - Chad asked what the water loss percentage was attributed to, and Kevin explained there were several leaking water services in the Town of Omro that were replaced around fourth quarter of last year. The unaccounted water for first quarter of 2019 was less than 3%, adding water meters have a default error rate of 1.5%, so the water system is currently very tight.
- o **Cash & Investments:** Cash balances increased in 2018 due to the increased amount of cash generated from operating activities. The number of months of unrestricted cash increased to six months. The Water Utility has needed to borrow funds during the last couple of years due to insufficient cash flow; however, that will end over the next several years as outstanding debt continues to decrease.
- o **Net Position:** Net Position has been very consistent over the last three years; however, the categories within have changed. Net Investment in Capital Assets is increasing due to paying down more debt, resulting in decreasing amounts of Unrestricted Net Position.
- o **Long Term Debt:** General Obligation Debt has been steadily decreasing which is very positive and eases restraints on cash flow. Kevin stated long-term debt is decreasing by about \$1.1 million each year and is a huge benefit for the Water Utility in the long run.

- **Sewer Utility**

- o **Operating Results:** Net Operating Loss is a little greater than the previous year largely due to expenditures being higher, mainly depreciation expense and treatment charges. The overall net position increased by about \$40,000, largely due to an increase in Non-Operating Revenue, which is mostly from investment interest, and the increase in Tax Levy. Overall, the results from operations are very consistent with the prior year.
 - Chad asked if it is typical to see an increase in depreciation, and David answered depreciation will increase as asset values increase. He explained depreciation will peak and then start to decrease as capital assets fully depreciate, adding he did not consider a \$30,000 increase in depreciation to be out of line. Kevin stated some contributors to the higher depreciation last year were the Sandhill Farms development, the permanent generators installed at two lift stations, and this year will include the LakeVista Estates development.

- o Cash & Investments: The ending balance is similar to the previous year; however, had the Sewer Utility not loaned \$500,000 to the Water Utility, the cash balance would have increased by that amount.
 - o Net Position: The Net Position is very consistent, and the Net Investment in Capital Assets is roughly the same. David stated it is important to note that Unrestricted Net Position, which is mainly related to cash flow from operations, increased by almost \$500,000 again this year, so Sewer Utility operations are very strong.
 - o Long Term Debt: Long Term Debt is steadily decreasing and was about \$100,000 less than the previous year. Chad asked if the Sewer Utility should consider paying off the remaining \$891,000 debt, and Kevin answered between the sewer and water debt schedules, the District's future cash flow schedule shows the undesignated cash balance is projected to decrease to about \$1.6 million in 2023. The District pays a low interest rate on its outstanding debt, so for the long term, it is better to keep that cash on hand as a buffer. Also, the District has increased the interest rate earned on its investments to about the interest rate paid on its outstanding debt. Mike and Kevin also stated some of the District's debt has restrictions and cannot be paid off until a later date.
- David stated the audit went very smoothly and thanked Kevin and Mike for being well prepared and helping the auditors throughout the process.
 - Kevin mentioned this is the last year of the three year contract for annual audit services, so staff will obtain requests for proposals in the next few months. The Commission can expect a future agenda item to consider proposals for another three year contract. No action was taken. The Commission resumed the meeting with Agenda Item 5a).
- b) Discuss and act on Resolution 2019-4-1 to approve continued participation in the Wisconsin Public Employers Group Health Insurance Program (WPE-GHIP). Kevin explained the Employee Trust Funds (ETF) is updating their paperwork and is requesting that all participating employers file a revised enrollment resolution form. Kevin recommended having the Commission approve and sign the updated resolution to continue participation in the WPE-GHIP, which would not change the health insurance offered to District employees. **Chad made a motion to approve Resolution 2019-4-1 for continued participation in the Wisconsin Public Employers Group Health Insurance Program as presented/second-Peter/carried unanimously.**
- c) Discuss and act on Resolution 2019-4-2 to approve the renewal of the 2009 10-Year loan of \$1,000,000 to the Water Utility at an interest rate of 2.20%. Kevin explained since the Water Utility is not able to begin paying back this \$1 million loan, he recommends renewing it for another 10 years at an interest rate of 2.20%. This interest rate has decreased from the previous rate of 3.8% and is based on current 10-year AA rated municipal bond rates from financing in the open market. Mike stated this would change the annual interest payment from \$38,000 to \$22,000, saving the Water Utility \$16,000 per year in interest. **Peter made a motion to approve Resolution 2019-4-2 to renew the 2009 10-Year loan of \$1,000,000 to the Water Utility at an interest rate of 2.20% as presented/second-Chad/carried unanimously.**
- 7) **Chad made a motion to adjourn the regular monthly meeting at 1:10 p.m./second-Peter/carried unanimously.**

Respectfully Submitted:

Michael Claffey, Accounting Manager

Approved:

Charles Hayes, Secretary

Town of Algoma Sanitary District #1
May 16, 2019

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 May to order at 12:00 p.m. Also present were Utility Director Kevin Mraz, District Accounting Manager Mike Claffey, District Attorney Ray Edelstein, and Utility Clerk Sara Gonzales. Also in attendance was Lynn Rollmann, a resident on Leonard Point Lane, for discussion on Agenda Item 7a).
 - a) Jim noted the District is using a tape recorder for maintenance of the minutes.
 - b) Approve minutes of previous meeting. **Chad made a motion to approve the minutes of the regular monthly meeting on April 11 as submitted/second-Peter/carried unanimously.**
 - i) The Commission shall elect officers including President, Secretary, and Treasurer. **Peter made a motion to maintain the Commissioner's current offices for at least the next year/second-Chad/carried unanimously.**
 - c) Approve cash receipts & investments for sanitary and water. **Peter made a motion to approve the cash receipts for sanitary and water for April as submitted/second-Jim/carried unanimously.**
 - i) Note any investment changes. Mike recommended transferring the funds from the CD at Choice Bank to Community First Credit Union (CFCU) when it comes due on June 16 since this financial institution is currently not offering an interest rate he can recommend accepting. **Chad made a motion to close the CD at Choice Bank on June 16 and transfer the funds to CFCU as recommended by Mike/second-Jim/carried unanimously.**
 - ii) Note any balance adjustments. None.
 - d) Approve pending bills and previous disbursements for sanitary and water. Mike mentioned the following information regarding pending bills:
 - 2009 & 2018 Sewer Loan Payments: interest payment for two inter-utility loans for a total of \$53,458.32.
 - City of Oshkosh: wastewater treatment invoice for fourth quarter of \$58,569.73, with a total of \$188,197.59 paid for 2018, or about \$0.94 per 1,000 gallons. Kevin noted this did not include any amount of capital costs.
 - Strand Associates: March and April invoices for engineering services related to the Town of Algoma's Omro Road Reconstruction Project for \$5,897.79.
 - Redmond Environmental: four grinder pumps for \$6,806.61.
 - Mulcahy/Shaw Water, Inc: annual flow meter calibration of four sanitary sewer flow meters for \$350.00.
 - **Peter made a motion to approve the May pending bills and the April previous disbursements for sanitary and water as submitted/second-Chad/carried unanimously.**
- 3) Public Forum. The Commission decided to have the meeting continue with Agenda Item 7a).
- 4) Commissioner Statements.
 - Peter asked for information on the development east of Clairville Road and north of 9th Avenue by the church, and Kevin answered the farmer decided to develop this property, which is located in the City of Oshkosh.
 - The Commission rescheduled the next monthly commission meeting for Thursday, June 20 at noon.
- 5) Director's Report.
 - a) Review of District statistics.
 - Kevin stated he produced some District statistical information for the Commission to review. Sewer and water connection permits continue to increase steadily. The year-to-date sewer flows in Omro are still relatively high because of the amount of rain the area has received but are gradually receding to a daily average of 81,000 gallons per day (gpd) during April, and the previous week they returned to about 51,000 gpd. Most importantly, the District experienced zero sewer backups. Peter mentioned there is standing water throughout the state.
 - Staff looked into the percentage increase of sewer flows at other area wastewater treatment plants per the Commission's request at the previous monthly meeting, but Kevin reported the City of Omro refused to provide the Omro Wastewater Treatment Plant (WWTP) influent flow data.
 - b) Correspondence.
 - Oakwood Elementary School: The Oshkosh Area School District notified parents in the Oakwood Elementary School that their well recently tested at 144 parts per billion (ppb) and 174 ppb for arsenic. The District installed a water service to the property line of the school back in 2005. The School District paid the water special assessment, so all they would have to do to connect to municipal water is install the service into the school. District staff let the School District know the Water Utility is willing to provide an Operator after hours so they could potentially begin construction on a Friday after school and work over the weekend to complete the project by Monday morning; however, the School District decided to wait until school is out in June. The school

provided bottled water to students, staff, and visitors, sent a communication to parents, and brought in portable hand washing stations.

- District staff sent the principal of Oakwood School the Wisconsin Department of Natural Resources' (WDNR) Arsenic in Drinking Water brochure that states the safe drinking water level is 10 ppb and there should be no skin contact with water over 100 ppb.
- The WDNR only requires the school to test their well water once every three years. District staff obtained historical results of arsenic testing for the school from the WDNR's website. In 2010, it was less than 1 ppb, 2013 it was 1.5 ppb, and by 2016 it was 8.1 ppb. Kevin explained there are many reasons why arsenic levels can change. Once a well contains a trace of arsenic, it can increase very quickly. He is unaware if the school has any kind of filtration system or internal treatment and thinks the maintenance crew would look forward to using municipal water for multiple reasons, including not having iron anymore.
- Peter thought the School District did a good job contacting the District and putting a plan in place. Kevin agreed and stated staff has been working directly with Jim Fochs, the Maintenance Director, and the District previously installed a 6" valve where the School District requested. The School District hired a contractor to perform the connection, which is scheduled for June 17. The District provided Robert Rubin, the School District's Master Plumber, with the size of the pipe and the pressure at the main and he was currently working on completing the water calculations. They intend to install a 6" pipe and the District suggests they install a 2" water meter, which is the same size meter as other businesses throughout the Town. There is currently no private fire protection at the school, but the 6" pipe would be large enough to allow for it to be added in the future. Once completed, the School District notified staff they plan to abandon their well.
- Peter asked if staff knew if other private wells in this area may also be affected by the increase in arsenic. Kevin explained staff worked with the WDNR and the Winnebago County Health Department and supplied a map as well as a list of properties that are connected to municipal water. Staff was told they were going to use that information to contact adjacent property owners, explain the arsenic issue at the school, and provide sampling bottles to send to the lab at the University of Wisconsin-Oshkosh to encourage people to test for arsenic. As a voluntary water system, the District only installs water where it is requested, and it is the Department of Health's responsibility to follow up with the properties that are not connected to municipal water. Kevin also stated the District has historical arsenic data from as early as 1998 which generally shows where arsenic exists. If a well has no trace of arsenic, it generally remains that way.
- Jim suggested the District use its Consumer Confidence Report (CCR) as a means to educate residents about the issue of arsenic and the importance of testing their private wells frequently, including where they can test it, because arsenic levels do change. Peter suggested it also explain what can cause arsenic levels to fluctuate. Kevin agreed and added disinfecting a well with chlorine can cause elevated levels of arsenic, as well as spring floods and other outside factors, including something a neighbor may do to their well.

c) Status of 2019 projects. No discussion was had on this agenda item.

6) Old Business.

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

- Kevin explained staff previously sent the City a 30-year contract proposal including a map of the sewer service area the District is proposing, which is labeled as "Exhibit A". This area includes parcels west of the Town of Algoma and avoids the area north of Witzel Avenue that the City of Omro labels their "buffer zone", so neither entity should have an issue with it. The District's current sewer service area in the Town of Omro does not flow to the City of Oshkosh for treatment and was not included in the exhibit.
- The District made it very clear to the City that the District currently could never utilize all of the 10.4% allocated capacity at the plant based on the Town of Algoma Cooperative Boundary Agreement. However, as long as the City is willing to provide additional acreage in the Town of Omro, the District is willing to pay 10.4% of the capital projects for the Wastewater Treatment Plant, including amounts the City neglected to bill the District dating back to 2004. If the District is unable to secure additional service area, Kevin recommends the District not pay for it. He stated the City sent the District its first bill for past WWTP capital projects, and he explained to the City both verbally and in writing that the District will not pay it until a contract is in place. No action was taken, and the meeting continued with Agenda Item 7d).

7) New Business.

Kevin presented an informational slideshow.

a) Discuss and act on watermain extensions from LakeVista Estates to serve interested property owners on Leonard Point Lane beginning with 3406 Leonard Point Lane and heading east.

- Residents received information regarding this potential extension in multiple ways, including emails from the homeowner's association and through multiple mailings from the District. Kevin explained the District targeted

areas that expressed a desire to receive municipal water in the past, and the District generally received the same responses to this survey as it did previously with five homeowners between 3406 and 3188 Leonard Point Lane stating they would like to receive municipal water service. Kevin presented the map staff sent to area residents showing where the District is proposing to install watermain to serve these five parcels. While there is not sufficient participation to extend a watermain down the entire lane, the LakeVista Estates development makes it possible to extend watermain and install fire hydrants on the south side of the asphalt, bore water laterals to prevent cutting the asphalt road, and install water valves at the property frontage north of the road to serve those five properties

- The private lane association is considering purchasing property to create a proposed a cul de sac at the east end of the lane, which would determine where the District installs a fire hydrant in that area. Kevin placed a plastic pipe in the farm field, about 90 feet off the pavement, so residents could visualize the turnaround. The District is also proposing to install two additional fire hydrants along Leonard Point Lane near the watermain from the development. These extensions would total 350-450 feet of watermain plus fire hydrants, with the property owners that agreed to pay a water special assessment helping to cover the expense. Kevin recommended not assessing those properties that indicated they do not want water.
- The District is unable to install watermain west of 3406 Leonard Point Lane because it does not have additional easements from the developer unless watermain is installed parallel to the street. Besides, most homeowners west of 3406 did not want municipal water in the past, with the next closest property owner requesting water about 600 feet away.
- Staff also met with the Town of Algoma Fire Department because one of the reasons for considering this watermain extension is to provide hydrants for fire protection. The Fire Chief stated it is a challenge for the fire department to serve that lane because it is very narrow and nearly impossible for two tankers to pass each other, so he fully supports installing hydrants there even if the District does not serve any homes with municipal water. Also, the homes are really close together, so having a quicker response with a larger volume of water available may prevent fires from expanding to other neighboring homes. The lots are typically only 50 feet wide, and even if people own two lots, when bigger houses are built, they end up being close together.
- Chad asked how many water services can be tapped off of one watermain, and Kevin answered the District can safely tap and install a service saddle a minimum of 18 inches apart. Chad asked why the District is willing to provide water services to select properties on this street rather than installing watermain down the entire road, and Kevin answered because there are only homes on the north side of road. The District may need to request additional easements from the developer to space each watermain extension about 600 feet apart to have watermain available within 300 feet of each property, with each new hydrant extended about 150 feet from the watermain serving the development. Currently, the longest water lateral installed in the District is about 500 feet for a shed recently built on Leonard Point Road. Generally, a cul de sac may require up to 300 feet of water service, so Kevin would be comfortable installing that length of water service, but any longer would diminish water pressure.
- Jim asked whose property the fire hydrants were proposed to be installed on. Kevin answered he placed temporary wood stakes south of the ditch, representing potential placements for the fire hydrants. There is not an exact design yet, but if the road association installs the cul de sac, that hydrant would be on a parcel owned by the private lane association. The rest of the hydrants would be installed on easements from the developer granted to the District, on the south side of the road, far enough away so they do not get hit by a snowplow. The exact placements would also depend on how drainage swales are created in the back of the development. The District's current easement is south of the road, and extends to the end of Leonard Point Lane to the Jones Farm, and extends 10 feet beyond the sewermain, which allows the District to have access to the road to install fire hydrants and bore water valves to the north side of the road to serve those properties.
- Kevin informed the LakeVista developers they would be responsible to create a watermain loop. One way to do that is by installing watermain down Cherokee Lane and Leonard Point Road. There are currently about 25 homes served by a dead-end watermain on Lake Breeze Road, so this development would create a watermain loop for those residents as well. A figure eight of watermain is proposed to be installed through LakeVista, plus additional main to Leonard Point Road would create another loop. The closest watermain on Leonard Point Road is currently on Duchess Lane. The developers have made no decision on the neighboring five acre parcel, but they would want to have municipal water available for whatever is decided.
- Once the Commission decides to design the three fire hydrants, staff would begin the preliminary special assessment process, which includes sending each homeowner a special assessment notice and a waiver of public hearing to sign and return. When quotes are received and the developer informs staff to proceed with this project, staff would begin the final assessment process. Most homeowners indicated they want to pay the estimated

\$11,000 special assessment over 20 years. Kevin estimates the cost to install a water lateral from the valve to the house would likely be less than \$2,000. Upon Commission approval, Kevin will hire the engineer to begin the design work since the developers of LakeVista signed off on it and will coordinate the project with them. This extension is contingent upon their development, and the District would likely bid out its portion of the project at the same time as the developer and have the same contractor install its portion of the watermain extensions. The developer will also do some exploratory drilling for about \$4,000-\$5,000 to determine the actual elevation of the rock in the area, which is generally 12-14 feet deep, which would help design the water and sewer and avoid rock. The depth of the sewer depends on the final plat grade and determination of the first floor elevations of the houses.

- **Chad made a motion to extend watermain to serve the interested property owners on Leonard Point Lane beginning with 3406 Leonard Point Lane and heading east as presented/second-Peter/carried unanimously.**
- b) Discuss and act on watermain extension from LakeVista Estates to serve interested property owners on Leonard Point Lane beginning with 3418 Leonard Point Lane and heading west.
 - The District received one verbal request for water in this section of Leonard Point Lane, and based on this, Kevin informed the resident the District is unable to serve their property at this time. The Water Utility would need to receive 70% participation from area residents because it would require a watermain extension down Leonard Point Lane, assuming the hydrant near 3406 Leonard Point Lane is installed from LakeVista Estates.
 - The challenge with extending this watermain is staying at least 8' away from the existing sewermain and avoiding the natural gas and overhead power lines that are installed on the north side of the road, which would require the watermain to be installed down the middle of the road. The District could bore the watermain if possible, but it would still have to excavate a water service to serve each property. This resident stated in addition to her property, her neighbor two houses to the west also wanted municipal water and the lot in the middle is for sale; however, the District did not receive any written confirmation of this.
 - Kevin notified the president of the road association the District obtained discounted arsenic testing at \$15 per sample; however, some residents responded to the survey before receiving their test result. Jim asked if the District is aware of arsenic in that area, and Kevin stated there are a few wells serving properties on Leonard Point Lane that have a trace of arsenic, but almost all of the results received are within the safe drinking water level.
 - **Peter made a motion not to extend watermain beginning with 3418 Leonard Point Lane and heading west until the District receives 70% participation from affected homeowners/second-Jim/carried unanimously.**
- c) Discuss and act on the watermain extension from LakeVista Estates through Cherokee Lane and Leonard Point Road to create a watermain loop.
 - The District is aware of high arsenic in this area, however only one property owner requested municipal water. Kevin estimates it would cost \$94,000-\$140,000 to extend 1,200 feet of watermain and cannot justify the cost for only one connection. He recommends the Commission not proceed with this extension. Instead, the District will require the developer install a 300'-450' watermain extension on the other side of these properties, which would provide multiple sources of water. Without this loop, there could be potentially 24 properties on Caden Court plus 34 units on Veanna Boulevard served by a long dead-end watermain, along with whatever is developed on the adjacent five acre parcel.
 - **Chad made a motion not to extend watermain through Cherokee Lane and Leonard Point Road as presented as sufficient interest was not received and to loop the watermain from Caden Court to Vienna Boulevard as presented/second-Jim/carried unanimously.** The meeting continued with Agenda Item 4).
- d) Discuss and act on written response to the Town of Algoma regarding their proposed Omro Road reconstruction project.
 - Kevin stated the Town previously held their 33% public informational meeting in February. The District's engineer, Strand Associates, requested the 30% drawings from the Town's Engineer, McMahan Associates, who informed Strand they would be sent when they are completed within two weeks, which would be the following day. Strand reminded McMahan of the estimated \$1.5 million in water and sewer relocation costs due to this design. Staff drafted a written response to the Town regarding their Omro Road reconstruction project, however the Commission decided to wait to see the 30% drawings before sending it in case they adjust the design to meet the District's needs. Kevin stated he would send the plans to the Commission once they are received.
 - Ray added that he spoke with an associate with Strand; however, the DOT project manager would not return his communications. Kevin also stated Strand offered to attend the meeting the Town will have with the Wisconsin Department of Transportation (DOT) to present their plans. Ray feels it would be well worth the District's additional cost to have Strand attend that meeting to note the additional "nonparticipating costs" associated with

the Town's decision to lower the road 2-3 feet and to have the DOT reinforce the idea that the Town may have to pay substantial utility relocation costs. If that meeting is held in Madison, it would be very convenient for Strand to attend. **Chad made a motion to authorize Kevin to recommend having Strand attend the meeting with the Town and the DOT/second-Jim/carried unanimously.**

- Jim asked if the information in the drafted letter had already been communicated to the Town, and Kevin answered it was stated at the public informational meeting on March 12, 2019, where he made the Town Administrator, Ben Krumenauer, and the Town Chairman, Joel Rasmussen, aware of the potential dollar value impact. The District also held a meeting on April 5, 2019, which was attended by the Town Administrator, Josh Frewerd of McMahon Associates, Paul Dreis of Strand Associates, Lead Operator Dan Benson, and Kevin of the Algoma Sanitary District, where staff reiterated the estimated relocation costs that the Town and residents would be responsible for based on lowering the road and transitioning from a rural road to an urban road cross-section design. Josh did not release any drawings or supply the District with any updated drawings at this meeting.
- e) Discuss and act on the purchase of a 35 KW natural gas generator from Wolter Power Systems for emergency backup electrical power production for the Brooks Lane Lift Station for \$12,770. Chad asked if this purchase was part of the capital improvement plan in the District's budget, and Kevin stated yes, the permanent, on-site generator will have a structure built around it with electricity for an additional cost. **Peter made a motion to approve the purchase of a 35 KW natural gas generator from Wolter Power Systems for emergency backup electrical power production for the Brooks Lane Lift Station for \$12,770 as presented/second-Chad/carried unanimously.**
- 8) **Peter made a motion to adjourn the regular monthly meeting at 1:28 p.m./second-Chad/carried unanimously.**

Respectfully Submitted:

Michael Claffey, Accounting Manager

Approved:

Charles Hayes, Secretary

Town of Algoma Sanitary District #1
June 20, 2019

Regular Monthly Meeting.

- 1) Open regular monthly meeting.
 - 2) Commission Secretary Chad Hayes with Peter Cernohous present called the regular monthly meeting for June to order at 12:00 p.m. Also present were Utility Director Kevin Mraz, District Accounting Manager Mike Claffey, and Utility Clerk Sara Gonzales. Commission President Jim Savinski and Attorney Ray Edelstein were excused. Town Administrator, Ben Krumenauer arrived during the discussion on balance adjustments.
 - a) Chad noted the District is using a tape recorder for maintenance of the minutes.
 - b) Approve minutes of previous meeting. **Peter made a motion to approve the minutes of the regular monthly meeting on May 16 as submitted/second-Chad/carried unanimously.**
 - c) Approve cash receipts & investments for sanitary and water. Mike noted the District received payment in May for the two deferred water special assessments and the water supply charge from the dialysis center for a total of \$98,681.83. **Chad made a motion to approve the cash receipts for sanitary and water for May as submitted/second-Peter/carried unanimously.**
 - i) Note any investment changes. **Peter made a motion to rescind the motion at the previous monthly meeting to withdraw the funds from the CD at Choice Bank and instead renew the CD for a 14 month term until August 2020 at 2.30% interest as recommended by Mike/second-Chad/carried unanimously.**
 - ii) Note any balance adjustments.
 - Mike noted there were a total of three balance adjustments this month. Two were to remove late fees for closed accounts for a total of -\$3.52. The other balance adjustment was to record a water supply charge of \$72,445.01, which amounts to 17.43 equivalent units of water supply to Oshkosh RE based on the water calculations received from Fresenius Kidney Center (FKC) at 2678 Omro Road, parcel #002-0102-16.
 - Kevin explained every property in the District is charged a water supply charge based on their proposed water consumption. FKC projected to use more than 22 gallons per minute (gpm) while a single family residence averages only 17,000 gallons per quarter.
 - **Chad made a motion to approve the May balance adjustments as submitted/second-Peter/carried unanimously.**
 - d) Approve pending bills and previous disbursements for sanitary and water. Mike mentioned the following information regarding pending bills:
 - City of Oshkosh: wastewater treatment invoice for the first quarter of 2019 for a total of \$39,133.49.
 - OMNNI Associates: April and May invoices for engineering services related to the design of the water and sewer infrastructure for LakeVista Estates totaling \$16,200.00.
 - Wolter Power: exchange and purchase of two switches for the standby electric generators for a total of \$1,100.00.
 - DeKeyser Construction: tap and install the District-owned portion of a 6" water lateral to serve FKC for \$4,950.00.
 - **Peter made a motion to approve the June pending bills and the May previous disbursements for sanitary and water as submitted/second-Chad/carried unanimously.**
- 3) Public Forum. Ben stated the Town would begin subdivision paving the following week in portions of Olde Apple Acres and Bellhaven Estates. The Town contractor, Northeast Asphalt, will notify the District of their schedule. Kevin asked for a map of those streets and Ben agreed, stating they would not pave areas without utilities where there could be future watermain extensions.
 - 4) Commissioner Statements.
 - Chad asked Kevin to have staff adjust the water collar in the road on Harbor Village by Whitecap Court, and Kevin stated he would have staff make it flush with the road surface.
 - The Commission verified the next monthly meeting is scheduled for Thursday, July 11 at 12:00 p.m.
 - 5) Director's Report.
 - a) Review of District statistics. No discussion was had on this agenda item.
 - b) Correspondence.
 - Bison Point Vacant Residential Lot: The water assessment for parcel #002-3126 was deferred since the Town previously declared the lot unbuildable. The District conditionally released water and sewer permits with the understanding that the property owner is required to obtain a building permit from the Town. Kevin communicated with Ben regarding this previously, and Ben stated the Town would release this building permit. The owner understands he will need to sign to reactivate the assessment upon water connection, which would likely be paid in full upon the sale of the completed house.
 - c) Status of 2019 projects.
 - Lift Station (LS) Generator: The District plans to install a permanent generator at its Brooks Lane LS later this year and confirmed with the Town Building Inspector, Dave Frank, that no further information was required to build a 10'x12' structure around it to protect it from the elements.

- 2018 Consumer Confidence Report (CCR): Kevin stated staff will distribute the 2018 CCR after the meeting for the Commissioners to review and he plans to post it on the District's website the following Monday pending any changes from the Commissioners prior to that date.
- 6) Old Business.
- a) Discuss and act on the renewal of the wastewater treatment agreement with the City of Oshkosh.
 - The City is continuing to review the map of the sewer service area the District sent previously, and Kevin stated no update has been received from City staff. This agreement may also affect the Wisconsin Department of Revenue (WDOR) as they plan to remove the equalized value of District parcels in the City of Oshkosh from the District's total equalized value for 2020. Kevin stated he plans to follow up with state representatives to try and change state codes to address the WDOR's concerns. Regardless, the District plans to continue serving District parcels in the City according to the terms included in the agreement.
 - b) Discuss and act on written response to the Town of Algoma regarding their proposed Omro Road reconstruction project.
 - i) The District's engineers had not received a copy of the Town of Algoma's 30% drawings for the Omro Road Reconstruction Project at the time of the meeting. Kevin noted the District is looking at about \$1.5 million in additional costs to the water and sewer utilities if the Town lowers the road by two to three feet as indicated in the original plan set, which would reduce the amount of coverage over the water and sewer mains.
 - ii) Ben stated the Town reviewed the drawings and the engineering firm should release them to the District any day now. He said they raised the road up pretty considerably in a number of areas to address the District's concern of maintaining seven feet of cover and to avoid having to relocate the District's utilities due to this project.
 - iii) Kevin stated there is no response needed at this time since the District did not receive any updated drawings prior to the meeting. No action was taken.
- 7) New Business.
- a) Discuss and act on Resolution 6-1-2019 to approve the submission of the 2018 Compliance Maintenance Annual Report for the Wastewater Utility to the Wisconsin Department of Natural Resources.
 - Kevin explained each year the District has to report information to the Wisconsin Department of Natural Resources (DNR) about its wastewater system, such as the number of sewer backups, total sanitary sewer flows, the total amount of gas and electric consumption, and any upcoming projects. The DNR distributes a grade based on the information provided, and the District received an A, with no basement backups.
 - Peter stated he believes the District is doing a great job in managing its sewer flows and is interested in comparing the District to other municipalities, and Kevin stated he will continue to track that information.
 - **Chad made a motion to approve Resolution 2019-6-1 for submission of the District's 2018 Compliance Maintenance Annual Report for wastewater utilities to the Wisconsin DNR as presented/second-Peter/carried unanimously.**
 - b) Discuss and act on modifying the employee handbook to include an annual opt-out incentive of \$2,000 in lieu of enrolling in the District's employee health insurance plan as authorized by the State of Wisconsin Department of Employee Trust Funds.
 - i) Kevin explained the District's employee handbook follows state health insurance plan requirements. In 2019, ETF added the ability for local employers to pay an annual incentive to employees who decline health insurance. The proposed annual incentive of \$2,000 would be paid in monthly installments and would match the terms offered to state employees who decline health insurance. Currently, the least amount an employee would contribute toward their health insurance coverage would be about \$1,200 per year for a single plan. The District's health insurance plan is voluntary and does not require employees to enroll. Kevin stated the benefit of offering this incentive would be to save the District about \$6,700 per year for a single plan after accounting for this incentive. Chad stated the private sector does not currently offer this type of incentive, and the only savings an employee receives is by deciding not to enroll in their employer's health insurance plan and save their monthly premium.
 - ii) **Chad moved to table this item and put it on the agenda next month to discuss with the full Commission present/second-Peter/carried unanimously.** Kevin stated he would look into what other municipalities are offering as a stipend for declining health insurance. Peter suggested looking at ways this stipend could potentially be offered tax-free toward an employee's health insurance savings account (HSA) or their retirement savings account. Chad suggested reviewing the potential of offering a step incentive program, such as \$1,000 for declining the single plan and \$2,000 for declining the family plan.
- 8) Adjourn. **Chad made a motion to adjourn the regular monthly meeting at 12:35 p.m./second-Peter/carried unanimously.**

Respectfully Submitted:

Michael Claffey, Accounting Manager

Approved:

Peter Cernohous, Treasurer

Town of Algoma Sanitary District #1
July 11, 2019

Regular Monthly Meeting.

- 1) Open regular monthly meeting.
- 2) Commission President Jim Savinski with Commission Treasurer Peter Cernohous present called the regular monthly meeting for July to order at 12:00 p.m. Also present were Utility Director Kevin Mraz, District Accounting Manager Mike Claffey, Utility Clerk Sara Gonzales, and Attorney Ray Edelstein. Commission Secretary Chad Hayes was excused. The owners of parcel #016-0860 on Lansing High Point, James Staerkel, Hans Kuster, and Frances Born, were in attendance for discussion on Agenda Item 7a).
 - a) Jim noted the District is using a tape recorder for maintenance of the minutes.
 - b) Approve minutes of previous meeting. **Jim made a motion to approve the minutes of the regular monthly meeting on June 20 as submitted/second-Peter/carried unanimously.**
 - c) Approve cash receipts & investments for sanitary and water. **Peter made a motion to approve the cash receipts for sanitary and water for June as submitted/second-Jim/carried unanimously.**
 - i) Note any investment changes. **Jim made a motion to transfer \$20,000 of assessment funds to the general funds account at the Wisconsin Local Government Investment Pool and to transfer \$20,000 of general funds to the assessment funds account at Community First C.U. as recommended by Mike/second-Chad/carried unanimously.**
 - ii) Note any balance adjustments. None.
 - d) Approve pending bills and previous disbursements for sanitary and water. Mike mentioned the following information regarding pending bills:
 - Bond Payments: a \$50,950 check to Associated Bank and a \$19,700 ACH payment to DTCC due by August 1.
 - City of Omro: the second quarter 2019 invoice to treat 6.264 million gallons for 426 users with a credit of \$114.71, for a total of \$30,458.35.
 - OMNNI Associates: June invoices for engineering services related to the design of the water and sewer infrastructure and soil borings for LakeVista Estates totaling \$6,000.00.
 - Business Card: revised check of \$4,651.52 for June credit card receipts.
 - **Jim made a motion to approve the July pending bills and the June previous disbursements for sanitary and water as submitted with corrections as noted/second-Peter/carried unanimously.**
- 3) Public Forum. The meeting moved to Agenda Item 7a) for the residents in attendance.
- 4) Commissioner Statements.
 - Jim stated he reviewed the 2018 CCR and it was excellent and gets better every year.
- 5) Director's Report.
 - a) Review of District statistics. Sewer flows to the City of Oshkosh and Omro WWTF declined due to less rainfall during the past few weeks.
 - b) Correspondence. No discussion was had on this agenda item.
 - c) Status of 2019 projects.
 - Bellhaven Home Construction Blasting: The blasting company removed rock on Tuesday, July 9 at 10:30 a.m. to extend a private sewer lateral into a lot. No damage occurred and no calls were received.
 - LakeVista Estates: The District performed some soil borings in the LakeVista Estates Subdivision, and the engineer was able to reroute the sewermain to avoid the rock that was found and limit the amount of rock removal that would have been required, which would save the developer money.
 - LW Allen: install pressure transducers at three more lift stations and program them into the SCADA system.
 - Bellhaven Lift Station: The add-a-phase motor starter started to vibrate and has become very loud, so staff plans to replace it with a Variable Frequency Drive when it is received within a month. If it breaks before then, staff will run the generator directly to the pumps, and start and stop them throughout the day.
 - Neenah Foundry: can create a custom casting for manhole covers for \$300 that can be reused for future projects.
- 6) Old Business.
 - a) Discuss and act on modifying the employee handbook to include an annual opt-out incentive of \$2,000 in lieu of enrolling in the District's employee health insurance plan as authorized by the State of Wisconsin Department of Employee Trust Funds.
 - i) Kevin explained the District is enrolled in the State of Wisconsin health insurance plan. In 2019, the Department of Employee Trust Funds added the ability for local employers to pay an annual incentive to employees who decline their health insurance. Kevin stated the benefit of offering this incentive would be to save the District about \$6,800 per year for a single plan after accounting for this incentive, with the proposed annual incentive of

\$2,000 to be paid in monthly installments. There is currently only one employee who would be eligible to receive this incentive. Peter asked if enrollment in the District's health insurance plan was voluntary, and Kevin stated it was. Jim asked if there was a difference in the incentive for a single versus family enrollment, and Kevin stated the proposed incentive would be the same for both. The employee handbook states that no payment in lieu of insurance is allowed, which is why the District would need to change the handbook in order to offer this incentive. Ray stated he thought it was a good idea to offer this incentive, saving the District \$6,700 while the employee would receive \$2,000 for not enrolling in health insurance. Peter added that Chad stated at the last meeting that he was going to vote no on this change since employees who chose not to enroll in health insurance would save their portion of the cost, and Peter would rather see this as a negotiated item in the employee compensation package. Kevin supported this policy and saw the benefits of it but would not place it on a future agenda. No action was taken.

7) New Business.

a) Discuss and act on request from owners of Parcel #016-0860 on Lansing High Point for Petition for Removal due to a pending Certified Survey Map (CSM).

- The homeowners originally bought this property as a buffer from a proposed condo development on the parcel south of it. The owners would like to combine their five lots into three lots, creating one parcel for each property owner to receive one property tax bill, and they hoped that investing in a CSM would convince the Commission to approve the petition. In order to combine the lots as part of the CSM, Winnebago County requires all of the parcels to be either in or out of the District. They are petitioning to remove parcel #016-0860 they jointly own from the District to match the parcels that contain their houses. Kevin added the homeowners have been patient while waiting for their CSM to be approved since they initiated this petition for removal back in 2015 when the survey work was started.
- Kevin explained these three houses were built between 1988-1993 and are currently utilizing private mound systems for their sewer service, which Hans Custer stated he re-cored a couple years ago for about \$12,000-\$13,000. Kevin stated the former Omro Sanitary District #1 completed a survey around 1999 to property owners on Lansing High Point, Ormand Beach, and Valley Heights to gauge their interest in receiving municipal sanitary sewer service and to be a part of what was called "Extension 4", and all of the current owners indicated they did not want sewer service at that time. Hans clarified by stating a sanitary sewermain was originally supposed to be installed behind their parcels and they paid for the cost of it, but their properties were later excluded when sewermain in the Lansing High Point area was installed and their funds were returned.
- Kevin stated properties on the eastern half of Lansing High Point are served municipal sanitary sewer service by grinder pumps that flow to Sally Lynn Court. He went on to explain sewer is currently not available to these properties and the District does not plan to extend sewermain to this area at this time. However, if they were in the District and one or more of their private sewer systems fail, upon the request of the homeowners, sewermain could be installed down the road for potentially less expense. In order to serve these properties sanitary sewer, the homeowners would either have to pay to install a grinder pump and pump to the gravity sewer system by the local manhole or the District would have to dig through some rock and extend the manhole to their properties. Kevin stated if the District only installs sewer to serve one property, he would not force the others to connect.
- Kevin read the District's Sewer Ordinance, Article VI-Use of Public Sewers Required, Section 4, which states "the owner of all houses, buildings, or properties used for human occupancy, employment, recreation, or other purposes, situated within the District and abutting on any street, alley or right-of-way in which there is now located or may in the future be located a public sanitary sewer of the District, is hereby required at his expense to install suitable toilet facilities therein, and to connect such facilities directly with the public sewer in accordance with the provisions of this Ordinance, within six (6) months after notice is published or given that the sewer main is operational and connections can be made."
- Kevin stated these properties are located in the Department of Natural Resources Arsenic Advisory Area, requiring new wells to have a 190 foot well casing. Per the Wisconsin DNR website, at least two of these three wells are about 140 feet deep with only about 40 feet deep casings, which is well above the current minimum well casing depth requirement. The safe drinking water level is less than 10 parts per billion (ppb) and safe skin contact level is less than 100 ppb for arsenic. He presented this information because Oakwood School recently experienced a spike in their arsenic level, rising from 8 ppb to over 170 ppb, and chose to connect to the municipal water system. District staff offered all three property owners free arsenic testing at Badger Labs if they were willing test their well water, as arsenic is a harmful chemical that cannot be smelled or tasted. Jim asked the residents how recently they sampled their wells, and Hans stated he tested his well within the last couple of years and the result was within the safe level for arsenic, and that his neighbor tested within the last week and it tested

safe also. James stated he tested several years ago and was willing to test his water for arsenic, as were the other two homeowners.

- The nearest watermain is about 300 feet to the east ending at 4966 Lansing High Point. In order for a watermain extension to be financially viable, the District requires 70% participation among the property owners served by it, unless their water quality causes a health concern. The District is a voluntary water system, where residents are not required to connect to a watermain if it is installed past their property; however, the property must be in the District in order to connect.
 - Kevin explained if their properties are added into the District, the homeowners would incur a few additional costs. Each parcel would receive an annual Public Fire Protection Fee invoice of \$85.20 as the fire hydrant located in close proximity to these properties would be used to combat a fire at these parcels, so they are currently receiving a benefit without paying for it. The homeowners were all willing to pay that fee, but the District can only charge parcels that are in the District and the Town of Omro has decided not to include this fee in their tax levy. The properties would also incur the District's tax levy of about \$26 per \$100,000 of assessed value, which would increase their annual property tax bill by \$105-\$120. Hans asked for more information on the additional costs they would incur if their properties were added to the District, and Kevin gave the homeowners a copy of the breakdown of the costs that staff prepared.
 - Jim stated he would rather see these parcels added to the District since they are five of seven contiguous parcels in this area located outside the District, and he asked the property owners what their concerns were of being added to the District. He added they have no guarantee their private system would continue working and re-drilling a well with proper casing would be a substantial cost without any guarantee of safe water. Being added to the District would provide them a sort of insurance policy should their private sewer system or well fail, and Ray agreed. Kevin added the District does not want to add these properties into the District in a few years after they were removed via this petition.
 - Jim mentioned that Statute 60.71 states in order to remove property from a Sanitary District, three conditions must not exist, which are "1. The proposed work is necessary, 2. Public health, safety, convenience, or welfare will be promoted", and "3. Property to be included in the district will be benefited by the district." and he does not feel these conditions do not exist. Kevin also mentioned the Town of Omro would make the final decision on the petition to remove these parcels from the District.
 - Peter added he understands the homeowner's situation and sees both sides of the issue. He stated the Commission was at an impasse and suggested the issue be tabled and placed on the agenda to discuss further at the next monthly meeting since one Commissioner was unavailable to attend this meeting, as he would like him involved in making this decision. The meeting continued with Agenda Item 4).
- b) Discuss and act on request to the East Central Wisconsin Regional Planning Commission to add Parcel #016-0362 into the District's Sewer Service Area to provide municipal water and sanitary sewer service for a proposed home.
- i) Kevin stated this property owner submitted a written request to receive municipal water and sewer services made available to serve his parcel when he begins building his home next spring. The District previously submitted a request to East Central to add a parcel owned by Oat Ventures, LLC just north of this parcel that was approved, and Kevin anticipates this request would be approved as well. For a small additional cost to the District, this extension would install watermain closer to completing a watermain loop from the Barony in the Town of Omro to the water tower. **Peter made a motion to approve the request to add Parcel #016-0362 into the District's Sewer Service Area (SSA) as presented/second-Jim/carried unanimously.** Kevin stated he would prepare this request and forward it to East Central Regional Planning Commission for their approval.
- 8) Adjourn. **Peter made a motion to adjourn the regular monthly meeting at 1:30 p.m./second-Jim/carried unanimously.**

Respectfully Submitted:

Michael Claffey, Accounting Manager

Approved:

Peter Cernohous, Treasurer

Town of Algoma Sanitary District #1
August 7, 2019

Regular Monthly Meeting.

- 1) Open regular monthly meeting.
- 2) Commission Secretary Chad Hayes with Commission Treasurer Peter Cernohous present called the regular monthly meeting for August to order at 12:00 p.m. Also present were Utility Director Kevin Mraz, District Accounting Manager Mike Claffey, and Utility Clerk Sara Gonzales. Attorney Ray Edelstein arrived during the discussion on the Status of 2019 Projects. Commission President Jim Savinski was excused.
 - a) Chad noted the District is using a tape recorder for maintenance of the minutes.
 - b) Approve the minutes of the previous meeting. Mike mentioned the minutes had been changed to be signed by Peter. **Peter made a motion to approve the minutes of the regular monthly meeting on July 11 with the change noted/second-Chad/carried unanimously.**
 - c) Approve cash receipts & investments for sanitary and water. **Peter made a motion to approve the cash receipts for sanitary and water for July as submitted/second-Chad/carried unanimously.**
 - i) Note any investment changes. None. Mike mentioned the Fed lowered the interest rate by 0.25% at the end of July, which moves the target to 2%-2.25%, and they are discussing lowering it at least another 0.25% at their September meeting. This would lower the interest rate the District earns at the Local Government Investment Pool since it follows the Fed's rate, and Mike anticipates a reduction in interest revenue for the rest of the year.
 - ii) Note any balance adjustments. None.
 - d) Approve pending bills and previous disbursements for sanitary and water. Mike mentioned the following information regarding pending bills:
 - NTD: August 2019 internet service and phone bill of \$327.08 received that morning.
 - Alliant Energy: an additional \$170.24 due for gas and electric for Omro lift stations, for a total bill of \$629.52.
 - Verizon Wireless: August 2019 cell phone bill of \$344.32.
 - WPS: July 2019 electric and gas service for Algoma lift stations and well houses, for a total bill of \$3,509.11.
 - Bond Trust Services: bond interest payment of \$21,253.13 due on September 1.
 - **Chad made a motion to approve the August pending bills and the July previous disbursements for sanitary and water with corrections as noted/second-Peter/carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements.
 - Peter stated he appreciated moving the meeting to that day. He also appreciated how Kevin handled the last monthly meeting with the homeowners from Lansing High Point. Peter stated he needed more information about the situation and was happy to receive it at that meeting. Kevin updated the Commission on that previous agenda item stating staff sent the petition for removal to one of the homeowners for them to work directly with the Town of Omro to remove their jointly-owned parcel from the District and complete their Certified Survey Map (CSM). He added the District would be available to these homeowners should they need municipal water or sanitary sewer service in the future.
- 5) Director's Report.
 - a) Review of District statistics. No discussion was had on this agenda item.
 - b) Correspondence. No discussion was had on this agenda item.
 - c) Status of 2019 projects.
 - Oakwood School: Scott Lamers Construction installed a private water service to serve Oakwood School, which connected to the municipal water system in July. There was residual sediment inside the water softener, but the plumber bypassed it and flushed the lines. The school will likely replace the water softener in the future. Kevin would look into when Oakwood School was initially built to determine the possibility of interior lead service lines.
 - City of Omro: Chad stated he was approached by a City of Omro resident who stated the City said water rates would increase due to their Well #3 project but the City would not say by how much. Kevin explained the Public Service Commission of Wisconsin (PSCW) has a simple tool on their website that can provide an estimate of how much rates would change after a utility completes a new construction project. The PSCW would also require a construction authorization since the cost of this project would be greater than 25% of the prior year's operating revenues.
- 7) Old Business. None.
- 8) New Business.
 - a) Discuss and act on a potential development with Commerce Partners, LLC in the Town of Omro on Springbrook Road.

- Kevin stated Commerce Partners, LLC recently purchased three large parcels in the Town of Omro, with Springbrook Road running through the middle parcel. The District has a gravity sanitary sewermain installed down Springbrook Road to the District's lift station, and the District's nearest watermain is installed at the Leonard Point Road and Harbor Village Drive intersection. The developer understands they would be responsible for the cost to extend watermain about one-half mile down Leonard Point Road from Harbor Village to their development. The watermain would pass a few properties on Springbrook Road that could help offset the developer's cost if the homeowners were interested in connecting to it within 10 years of construction.
 - Kevin handed out a draft map of this proposed development, which could create 30 new residential lots, a few of which would be on the lakefront, with the possibility of adding a community pier that would provide water access for the rest of the subdivision. Kevin met with the developer to explain some of the facts and challenges. These parcels are zoned as R-1, which is single family residential, and the Town of Omro Future Land Use Plan also labels these parcels as residential. The Commissioners instructed Kevin to move forward on planning with the developer. No action was required.
- b) Discuss and act on providing sanitary sewer and municipal water service to Parcel #016-0331-02.
- i) Kevin presented a map of this parcel, which is located just west of the Town of Algoma line off Leonard Point Road by Bellhaven Estates. The homeowner stated they currently have a concerns about their private septic system behind the house along with a private well, and their contractor stated the property is not large enough for a new private sewer system. The District has municipal sanitary sewer service at a manhole that is within 120' of this property corner, and Kevin would propose to tap the nearest watermain to provide both sewer and water service to his property line, with the homeowner responsible for installing utilities from the property line into his house.
 - ii) The former Omro Sanitary District installed 17 water and sewer services throughout the large parcel to the north of this parcel along the proposed Lakeland Drive to Roeder Court; however, the plat was never finalized. The property was foreclosed, and Kevin contacted Winnebago County, the owner of this parcel, about obtaining an easement through the proposed Lot 26. The County Treasurer told Kevin she would present a request for an easement to their Corporate Council and would notify him whether the easement would be granted.
 - iii) Kevin informally provided the homeowner costs of about \$12,000 each for municipal water and sanitary sewer service. The homeowner would not be required to connect to water, but he would connect to sewer as soon as it was made available. If the County grants the easement to provide water and sewer service to this parcel, Kevin asked for Commission approval to proceed with the estimate of \$12,000 each to the homeowner. Ray explained the request would have to go to the County Board, which could take a few months to be approved, but he did not think they would have an issue with granting it. Kevin explained the cost to install sanitary sewer to the property line, and the homeowner would pay that in addition to the Contribution in Aid of Construction Charge plus a \$500 connection charge to the City of Omro Wastewater Treatment Plant. Kevin recommended this project and sought Commission approval to pursue it.
 - iv) Kevin also stated the District is not seeking to receive payment for the sewer special assessment on the parcel to the north for the proposed 17 future lots because it would be received when that parcel develops in the future. Once the final plat is approved, the entire development would be ready for sale. The homeowner mentioned possibly buying Lot 26, but he cannot submit an offer to purchase until the final plat is approved. Kevin explained the homeowner would need to petition to be added to the Sanitary District, which he is willing to do. **Peter made a motion to allow staff to pursue providing sanitary sewer and municipal water service to Parcel #016-0331-02/second-Chad/carried unanimously.**
- 9) Adjourn. **Chad made a motion to adjourn the regular monthly meeting at 12:45 p.m./second-Peter/carried unanimously.**

Respectfully Submitted:

Michael Claffey, Accounting Manager

Approved:

Chad Hayes, Secretary

**Town of Algoma Sanitary District #1
September 18, 2019**

Regular Monthly Meeting.

- 1) Open regular monthly meeting.
- 2) Commission Secretary Chad Hayes with Commission Treasurer Peter Cernohous present called the regular monthly meeting for September to order at 12:00 p.m. Also present were Utility Director Kevin Mraz, District Accounting Manager Mike Claffey, District Attorney Ray Edelstein, and Utility Clerk Sara Gonzales.
 - a) The Commission and staff recognized a moment of silence in honor of the late Commission President, James Savinski. Jim was remembered more thoroughly during the Commissioner Statements.
 - b) Chad noted the District is using a tape recorder for maintenance of the minutes.
 - c) Approve the minutes of the previous meeting. **Chad made a motion to approve the minutes of the regular monthly meeting on August 7 as submitted/second-Peter/carried unanimously.**
 - e) Approve cash receipts & investments for sanitary and water. Mike mentioned the District received the \$165,827 Public Fire Protection Fee payment from the Town of Algoma in August. **Chad made a motion to approve the cash receipts for sanitary and water for August as submitted/second-Peter/carried unanimously.**
 - i) Note any investment changes. None. Mike mentioned the Fed is projected to lower the interest rate by 0.25% that day, down to a targeted rate of 1.75%-2.0%, and he expects the interest rate the District earns at the Local Government Investment Pool to decrease accordingly since it generally follows the Fed's rate.
 - ii) Note any balance adjustments. Mike stated one balance adjustment recorded the \$54.66 refund check that was issued for a duplicate final water bill payment the District received and another removed an \$11.12 sewer late fee balance, for a total of \$43.54. **Peter made a motion to approve the balance adjustments for August as submitted/second-Chad/carried unanimously.**
 - f) Approve pending bills and previous disbursements for sanitary and water. Mike mentioned the following information regarding pending bills:
 - Ehlers: 2019 annual disclosure filing fee invoice for \$2,800.
 - ASCE: American Society of Civil Engineers 2020 annual membership for \$295.
 - DNR: numerous certification exams for the new Operators for a total cost of \$225.
 - City of Oshkosh: 2nd quarter invoice to treat 4.41% of the total wastewater treatment plant flow for \$44,892.45.
 - Wolter Power Systems: a new backup power generator at the Brooks Lane Lift Station for \$12,770.
 - **Chad made a motion to approve the September pending bills and the August previous disbursements for sanitary and water as submitted/second-Peter/carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements.
 - Peter said he would miss Jim's extremely detailed approach as a Commissioner for the District.
 - Chad agreed stating Jim's presence will be missed. He would like the District to do something that honors Jim's legacy and previously mentioned to Kevin the possibility of rededicating the park or playset in Jim's name. He added Jim was instrumental in completing that project and in the consolidation with the former Omro Sanitary District. Chad also expressed his appreciation for the numerous District representatives at Jim's memorial service. Kevin agreed, adding Jim had a wealth of experience and also was the District's wastewater basin engineer at the DNR. He was a role model and a leader and he appreciates the District taking some time to make an informed decision for how it will honor him. Peter suggested an article in the next CCR detailing what Jim accomplished and announcing what the District decided to dedicate in his name.
- 5) Director's Report.
 - a) Review of District statistics. No discussion was had on this agenda item.
 - b) Correspondence. No discussion was had on this agenda item.
 - c) Status of 2019 projects.
 - Wisconsin AWWA (WI-AWWA) Conference Water Taste Test: The Water Utility tied for second place for groundwater utilities at the annual water taste test competition. Ray added he is now a District water customer and really enjoys the taste of the water. Peter agreed, adding the water quality is good enough that he feels his house does not need a water softener.
 - LakeVista Estates: The bid opening for this project was scheduled for 3:30 pm that day. After bid opening, the District's engineer will finalize the bid tab and District staff will work with the developers to award the bid. Once completed, the District will obtain the Notice to Proceed portion of the Developer's Agreement along with providing financial assurance that the developers have funds available to pay for the project. Kevin explained the District will pay the contractor and the developer will then repay the District. Once the Developers Agreement is

- received, District staff will assess the properties on Leonard Point Lane that requested municipal water service approximately \$12,000 after the waivers are received from the benefitted property owners.
- 4900 Leonard Point Road Sewer & Water Extension Update: The owner signed all the required paperwork and staff is still waiting for the easement from Winnebago County. Once the easement is received and the property is added to the District, staff will assess the property for sanitary sewer and municipal water.
 - Sand Pit Road Sewer & Water Extension Update: Kevin recently received an email from the East Central Wisconsin Regional Planning Commission (East Central) that stated the owner of this parcel is not able to build a house where he intends to and receive municipal sewer and water services because it is further than 300 feet away from the existing sanitary sewer and municipal water mains.
 - o If the owner is willing to move his proposed house within 300 feet of the mains or the District is able to extend mains within 300 feet of the proposed house, the District may be able to serve this parcel. District staff future plans involve installing a watermain loop along a potential new road from Sand Pit Road to the tower.
 - o Another option is to request East Central amend the District's Sewer Service Area in order to serve this parcel. Since the District has already exceeded East Central's population projection for 2030, this may allow staff to request adding more acreage to the SSA. However, this process could take up to six months.
 - o Staff's preferred method would be to extend water and sewer along the future proposed road and allow the homeowner to install less than 300 foot laterals. Kevin stated this property owner, along with the owner of the properties to the east and north, plan to develop this area in the future, and he intends to have additional conversations with East Central regarding their response.
 - Town of Algoma Omro Road Reconstruction Project: Kevin met with the Town of Algoma's engineer, McMahon Associates, Town Chairman Joel Rasmussen, Town Interim Administrator Dave Tebow, and Josh Straka from Strand Associates to discuss the Water Utility's concerns, including potential costs and utility conflicts, with this project. The McMahon plan did not identify the depth of the watermain, so they used Strand's drawing to discuss potential conflicts and identify cost effective options.
 - o Kevin asked the Town's representatives whether the road could be expanded to provide greater than 11 foot lanes, and the Town generally said no. He also asked if the Town could adjust the road location south and install a 10 foot recreational trail rather than two sidewalks and two bike lanes to save money and space, which would prevent the watermain from being directly under the storm sewer inlets and catch basins. Again, the Town said no stating the current layout is required due to the grant and by East Central.
 - o Kevin asked how the District would be notified that the project is guaranteed to proceed so the Water Utility knows when to invest in plans and designs to lower the watermain. He also asked if the Town would hold a referendum, which the Town representatives stated they are not planning to. Kevin explained that the Water Utility needs to verify the watermain is deep enough after this project and he would prefer not to move it.
 - o The original plans were revised and currently only show lowering the road for about 1,000 feet where the watermain would be less than 5-1/2 feet deep and in danger of freezing. The Public Service Commission (PSC) states the Water Utility shall prevent freezing, and the District would need to review the best way to protect its existing watermain. Staff estimates the cost to install a temporary water service, remove the old watermain, and relay the new watermain at \$250 per foot for a total cost of a minimum of \$250,000 up to a maximum of \$500,000, which includes about \$10,000 already paid to Strand Associates.
 - o The Town of Algoma received a \$2.5 million grant toward this project, which was originally an 80/20 cost share. This project now has a total cost of between \$5.3 million to \$5.8 million, which would be closer to a 40/60 split. The Town is looking to issue 10 year bonds for about \$3.0 million to fund its portion of the project, which would result in a tax increase.
 - o Ray stated if the main stated purpose of lowering the road is due to the Town of Algoma receiving a grant for stormwater, the District can inform the Town it's their responsibility to pay the cost of lowering the watermain. Kevin stated ultimately, the same people are going to pay for it and he considered developing a stormwater fee to pay for the Water Utility's portion of cost for this project. Kevin explained if the District has an easement in an area, the Town would pay for the costs incurred in it; however, if the costs occur within the road right-of-way, they will not. He also stated even if the Town fully adjusts the road to prevent lowering the watermain, the District would still incur costs of between \$50,000-\$100,000 due to adjusting sewer manholes and other related expenses.
 - o Kevin noted the City of Oshkosh is currently installing watermain on the east part of Omro Road by North Westhaven Drive that was recently annexed to the City. The City is aware that the existing main will only be about 4-1/2 feet deep upon completion of the Town of Algoma's Omro Road project.
 - o Peter asked if there is a major stormwater issue on Omro Road, and Kevin answered that, after receiving about 2-1/2" of rain recently, there was little to no standing water in the ditches between Oakwood Elementary School and

the Sheldon Nature Center, which is the shallowest watermain in this portion of the road. Many residents would agree that Omro Road is not the worst part of town for stormwater issues. The Town plans to have their 60% drawings completed by January of 2020 to be on schedule for construction in 2021.

- o In conjunction with this Town road project, the District would need to decide if it would install new watermain on Omro Road between Tammy Road and Lake Breeze Road, which currently does not have watermain available. The Phase IV Watermain Extension Survey the District conducted in 2013 only resulted in one property owner in this area requesting water service. Kevin noted there is also a childcare center located near this area on Elmhurst Lane. The Water Utility cannot justify a watermain extension at this time, but staff realizes it would be even more expensive to extend it in the future.
- o Chad suggested the District send out a questionnaire to make the Town of Algoma residents aware of the Town's potential \$5 million project and see if anyone is interested in receiving water while the Town is reconstructing Omro Road. Peter agreed and suggested staff could include an informational insert with the quarterly water bills, which would reach about one third of Town residents.
- Fire Hydrant Painting: The fire hydrant painting project was completed for the year.

6) Old Business. None.

7) New Business.

a) Discuss and act on Resolution 2019-9-1 to recommend the appointment of Raymond Edelstein to serve the remaining term of James Savinski until 2023.

- Kevin stated he gave the Town a letter and Jim's written response that he fully supports having Attorney Edelstein take over his remaining term. He will take this signed resolution to the Town prior to their next board meeting when they make their decision. Ray stated he is happy to serve with the other Commissioners.
- **Chad made a motion to approve Resolution 2019-9-1 as written to recommend the appointment of Raymond Edelstein to serve the remaining term of James Savinski until 2023/second-Peter/carried unanimously.**

b) Discuss and act on three year proposal for conducting the District's annual financial audit.

- i) Kevin explained the District received quotes from auditing firms and CliftonLarsonAllen LLP, who conducted the District's three previous annual audits, came in with the lowest cost at \$13,500 for the first year with increases over the remaining two years. He recommended the District continue working with them as he is satisfied with how they have conducted the financial audits for the District over the previous three years.
- ii) **Chad made a motion to accept the three year proposal from CliftonLarsonAllen, LLP/second-Peter/carried unanimously.**

8) Adjourn. **Chad made a motion to adjourn the regular monthly meeting at 1:15 p.m./second-Peter/carried unanimously.**

Respectfully Submitted:

Michael Claffey, Accounting Manager

Approved:

Peter Cernohous, Treasurer

**Town of Algoma Sanitary District #1
Meeting Minutes - October 10, 2019**

Regular Monthly Meeting.

- 1) Open regular monthly meeting.
- 2) Commission Treasurer Peter Cernohous with Secretary Chad Hayes via telephone called the regular monthly meeting for October to order at 12:00 p.m. Also present were District Accounting Manager Mike Claffey, District Attorney Ray Edelstein, and Utility Clerk Sara Gonzales. Utility Director Kevin Mraz, serving as the National Director of the National Rural Water Association, was attending the press conference with the United States Environmental Protection Agency Administrator, Andrew Wheeler, that day in Green Bay announcing the Lead and Copper rule changes and was excused from the meeting.
 - a) Peter noted the District is using a tape recorder for maintenance of the minutes.
 - b) Approve the minutes of the previous meeting. **Chad made a motion to approve the minutes of the regular monthly meeting on September 18 as submitted/second-Peter/carried unanimously.**
 - c) Approve cash receipts & investments for sanitary and water. Mike mentioned the District has received the final payments from all municipalities for the 2018 tax roll. There was also about \$1,200 in revenue added to the water financial report for September that was sent out previously. **Peter made a motion to approve the cash receipts for sanitary and water for September as submitted/second-Chad/carried unanimously.**
 - i) Note any investment changes. Mike mentioned Bank First National decreased its interest rate on the District's money market account to 1%. **Peter made a motion to allow Mike to negotiate a rate for a CD at Bank First National not to exceed an 18 month term for its current account balance of \$260,720.93/second-Chad/carried unanimously.**
 - ii) Note any balance adjustments. Mike explained the numerous balance adjustments were to write off unpaid late fees for the annual Fire Protection Fee bills in the Town of Omro received after the due date for a total of \$11.68. **Chad made a motion to approve the balance adjustments for September as submitted/second-Peter/carried unanimously.**
 - d) Approve pending bills and previous disbursements for sanitary and water. Mike mentioned the following information regarding pending bills:
 - Safe Drinking Water Loan: interest payment of \$39,734.44 due November 1.
 - NTD: estimated payment of \$340.00, with actual bill of \$328.89 received later, and a credit would be applied.
 - Verizon Wireless: estimated payment of \$499.99, with actual bill of \$334.34 received later, and a credit would be applied.
 - City of Omro: third quarter invoice of \$27,606.21 to treat 4.811 million gallons and 428 connections.
 - East Central Wisconsin Regional Planning Commission: \$75 fee to review the sewer extension to provide municipal sanitary sewer service to a Town of Omro property owned by John Kiekhafer.
 - **Peter made a motion to approve the October pending bills and the September previous disbursements for sanitary and water as submitted/second-Chad/carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements.
 - Peter stated the Commission was working on filling a vacancy. As the recommended nominee, Ray explained the Town of Algoma wanted him to attend its meeting on October 16; however, he would be out of town that day. The Town advertised the open position on its website with an application deadline of October 9. Peter and Chad wanted to attend the meeting, but they both would be out of town also. Ray stated he would do his best to make himself available to answer any questions. Kevin previously stated he planned to attend the meeting to speak on the Commissioner's behalf.
 - Peter said he appreciates the communication the Commission receives by email from Kevin throughout the month.
- 5) Director's Report. No discussion was had on this agenda item.
 - a) Review of District statistics.
 - b) Correspondence.
 - c) Status of 2019 projects.
- 9) Old Business. None.
- 10) New Business.
 - a) Discuss and act on awarding the bid for watermain and sewermain extensions for LakeVista Estates.
 - i) Acknowledge receipt of signed Developer's Agreement from LakeView Estates, LLC.
 - ii) Verify financial commitment for completing the project.
 - Mike explained the District had not received the Developer's Agreement or the financial commitment from the developer at that time, and presented Kevin's recommendation to have the Commission award the bid subject to receiving the signed Developer's Agreement and financial commitment. Chad asked if the developers were

aware of the date of this meeting, and Mike stated they were, along with the deadline for awarding the contract. Ray stated he spoke to Kevin and he agreed with awarding the bid with these two contingencies due to meeting the deadline for awarding the contract. Mike stated if the deadline for awarding the contract lapses, the District would have to negotiate an extension with the winning bidder, PTS Contractors, or the project would have to be re-bid. **Chad made a motion to award the bid for watermain and sewermain extensions for LakeVista Estates contingent upon receiving the signed Developer's Agreement and the financial commitment from the developer by the end of the business day on November 12/second-Peter/carried unanimously.**

- b) Discuss and act on 70% sewer user fee credit at the following parcel:
 - i) Vacant building at 2725 Omro Road, Parcel #002-0111.
 - Mike explained this property, currently owned by Mary Jean Irvine, is uninhabitable and the District grants this 70% sewer user fee credit each year per the District's Ordinance since there is no flow entering the sanitary lateral. **Peter made a motion to approve the 70% user fee credit of \$207.90 for 2018 for parcel #002-0111/second-Chad/carried unanimously.**
 - c) Discuss and act on proposed 2020 Annual Budget.
 - i) Approve proposed 2020 Annual Budget for publication.
 - ii) Schedule the public hearing for 2020 Annual Budget on November 14, 2019 at Noon.
 - Mike stated this motion would approve the proposed amounts for publication in the Oshkosh Northwestern, but it does not necessarily make them final, and sets the public hearing date for the budget. **Peter made a motion to approve the proposed 2020 Annual Budget for publication and to schedule the public hearing at the administration building on November 14, 2019 at Noon/second-Chad/carried unanimously.**
 - d) Discuss and act on Resolution #2019-10-1 to set the 2019 Property Tax Levy at \$250,000.
 - Mike explained the District's equalized value determined by the Wisconsin Department of Revenue was higher than he projected, which results in a decrease to the tax levy rate from about \$26.53 to about \$26.06 per \$100,000 of equalized value. The total proposed tax levy of \$250,000 would be an increase of about \$8,000 from last year. **Chad made a motion to approve Resolution #2019-10-1 to set the 2019 Property Tax Levy at \$250,000/second-Peter/carried unanimously.**
 - e) Discuss and act on Resolution #2019-10-2 to Approve a Final Resolution declaring the Sanitary District's intent to exercise its police power, pursuant to Section 66.0703 of the Wisconsin Statutes, to levy Special Assessments upon Parcel #002-1009, 002-1014, 002-1018-01, 002-1022, 002-1031, 002-1035, in the Town of Algoma Sanitary District No. 1 benefitted by the improvements.
 - i) Acknowledge Receipt of the Waivers of Special Assessment Notices and Public Hearings in Accordance with Wisconsin Statute 66.0703(7)(b).
 - Mike stated the District received the waivers from all six homeowners and explained this motion would be contingent upon receiving the Developer's Agreement and financial commitment from the developer.
 - The Commission decided to table this motion since the water special assessments are not scheduled to be placed on their 2019 tax bill and to discuss it after awarding the contract for the LakeVista Estates project.
- 10) Adjourn. **Chad made a motion to adjourn the regular monthly meeting at 12:28 p.m./second-Peter/carried unanimously.**

Respectfully Submitted:

Michael Claffey, Accounting Manager

Approved:

Charles Hayes, Commissioner

**Town of Algoma Sanitary District #1
Meeting Minutes – November 14, 2019**

Public Hearing for Proposed 2020 Annual Budget.

- 1) Open Public Forum. Commissioner Chad Hayes with Commissioners Peter Cernohous and Sue Drexler present opened the Public Forum at 12:00 p.m. to take comments from the public regarding the 2020 Water and Sewer Utility Budgets. Also present were Utility Director Kevin Mraz, District Accounting Manager Mike Claffey, District Attorney Ray Edelstein, and Financial Utility Clerk Sara Gonzales. No one was in attendance from the public.
- 2) Adjourn. **Peter made a motion to adjourn the public hearing for the 2020 Water and Sewer Utility Budgets at 12:01 p.m./second-Sue/carried unanimously.**

Regular Monthly Meeting.

- 1) Open regular monthly meeting.
- 2) Commissioner Chad Hayes called the regular monthly meeting for November to order upon completion of the public hearing for the proposed 2020 Water and Sewer Utility Budgets at 12:01 p.m.
 - a) Chad noted the District is using a tape recorder for maintenance of the minutes.
 - b) The Commission shall elect officers including President, Secretary, and Treasurer.
 - **Peter made a motion to nominate Chad as District President/second-Chad/carried unanimously.**
 - **Chad made a motion to have Peter continue in his role as Treasurer/second-Peter.** Sue mentioned her interest in this role, stating she is a Certified Municipal Treasurer of Wisconsin, and Peter explained the roles of the Commissioners do not differ much outside of the meetings. **Motion carried unanimously.**
 - **Peter made a motion to nominate Sue as Secretary/second-Chad/carried unanimously.**
 - c) Approve the minutes of the previous meeting. **Chad made a motion to approve the minutes of the regular monthly meeting on October 10 as submitted/second-Peter/motion carried 2-0-1 (Sue abstained).**
 - d) Approve balance adjustments. None. Mike explained any adjustment outside of a standard billing, including the recording of assessments, are compiled each month for the Commission to approve.
 - e) Approve investment changes. None. Mike explained an investment chart is now included in the packet emailed to the Commission the Friday before the meeting and any proposed investment changes will be listed in red on the bottom.
 - f) Approve cash receipts & investments for sanitary and water. **Peter made a motion to approve the cash receipts and investments for sanitary and water for October as submitted/second-Sue/carried unanimously.**
 - g) Approve pending bills and previous disbursements for sanitary and water. Mike explained the previous disbursements report for the current month was approved as pending bills at the previously monthly meeting. Once the pending bills report for November is approved, the checks are ready to be signed by Chad and Peter since Sue is not yet listed as an authorized signer on the District's bank accounts. He also noted no additional bills were received since the packet was sent out on Friday. **Chad made a motion to approve the November pending bills and the October previous disbursements for sanitary and water as submitted/second-Peter/carried unanimously.**
- 3) Public Forum. No one was in attendance from the public.
- 4) Commissioner Statements.
 - Peter welcomed Sue to the Commission and wished her the best. He said he believes this is a well-functioning group under Kevin as Utility Director that has accomplished a lot in the past ten years, such as obtaining fair wastewater treatment rates through the Public Service Commission (PSC) with the City of Omro with Ray's excellent legal assistance.
 - Peter asked Sue for more information on the route the Town of Algoma Board took in appointing her to this position. Sue stated she could not speak on behalf of the Town Board, but believed the Board was waiting for someone to come forward, and while their decision did not follow how this situation had been handled in the past, it is part of the process stated in Wisconsin Statutes.
 - Chad agreed with Peter stating the Commission presented a recommendation to the Town Board months before their meeting to fill Jim's elected position on the District Commission, which was supported by Jim himself, and the Town Board did not even acknowledge it. Kevin stated when he attended that meeting he was informed there were two additional candidates for the position. He explained as a standalone entity, when this situation happened in the past, the Commission submitted a unanimous nomination to the Town and the Town approved it. Peter stated he was disappointed by the lack of communication from the Town and believes this appointment was not handled professionally. Kevin agreed, adding the Commissioners were not given the opportunity to interview any of the Town candidates and not one of the Town Board members contacted the Commission.
 - Sue's response was that she was under the impression that the Town communicated with the District regarding this and invited the Commissioners to contact the Town Chairman, Joel Rasmussen, for more information. She said the Town Board was expecting a candidate of the District to attend the meeting, adding Kevin represented the District well. Peter

stated that he, Chad, and Ray all had other commitments out of town that night. Chad added a resident attended the meeting on Ray's behalf, and Ray stated he informed the Board prior to the meeting that he would be available by phone. Peter also mentioned that when he and Chad were appointed to their positions in 2012 due to the passing away of one of the Commissioners before later being elected, neither of them nor the Commissioners were asked to attend that Town Board meeting.

- Chad thanked staff for revising the format of the financial documents and the packets prepared for the monthly meetings.
- Chad asked Kevin to provide an update on the Town of Algoma's Omro Road Reconstruction Project.
 - o Kevin stated he recently received a submittal from the Town's engineer requesting the elevation of the water and sewer mains near the box culvert on Omro Road. He sent this information as well as the location of the District's sewer utility easement. He went on to explain the District was first contacted by the Town's Engineer regarding the Omro Road project on February 19, 2019. The initial concept design from February 25 showed the road being lowered 2-3' for about 90% of the length of the road to accommodate installation of storm sewer infrastructure, which would require the previously installed watermain to be lowered at an estimated cost of about \$2 million. The watermain was initially installed about 15 years ago off the edge of the road based on the Town stating at the time it was staying with a rural road design. This watermain has a projected lifespan of 100 years, and portions of this project would result in watermain only having 4' of coverage instead of maintaining a minimum of at least 7' of coverage. The District is responsible to prevent the watermain from freezing, and staff commonly sees up to 6' of frost in the ground.
 - o The current revised design plans sent by the Town's engineer show the road is going to be lowered to accommodate the Town's new storm sewer, which will impact at least 1,000 feet of watermain. The cost to install temporary water services, remove the current watermain, and reinstall new watermain for this portion of the project plus additional conflicts such as storm catch basins and storm sewer main is about \$500,000-\$1,000,000. However, it is very important to note that once the Town's engineer completes the 60% drawings, which they want to complete by January, they are unlikely to make additional changes.
 - o Kevin explained the residents on Omro Road with a watermain available have already been assessed, and the Water Utility cannot assess them again because they are not receiving an additional benefit. Whether Town of Algoma residents are paying this cost as part of the road, the watermain, or the storm sewer, it would be coming from the same people. The Town has several options to pay for the cost to reinstall the watermain to accommodate the Town's storm sewer project:
 1. The Town could include the cost as part of the overall cost of the project to be financed.
 2. Finance the cost in the Town's general tax levy.
 3. The Town of Algoma could create a storm sewer utility and collect a stormwater fee from its residents.
 4. The District could create a storm sewer utility. However, the Town is the current stormwater provider.
 5. Include the cost in the District's water rates. In order for this to occur, the Water Utility would be required to request a Construction Authorization from the PSC, which would then open a Notice of Investigation. The PSC would require additional engineering to identify the most cost effective alternative for water customers. However, if water rates are increased to cover the additional costs from this storm sewer project, Town of Omro water customers would end up paying for a Town of Algoma road construction project. This would not be fair, and Chad stated he would not let that happen.
 - o Sue stated she did not think the Town Board understands this potential impact on the Water Utility and suggested a joint meeting be held with the Town Board and the District Commission. Chad stated the District has always been open and transparent with this information by fully documenting it in the District's meeting minutes, and the Commission empowers Kevin to represent the District. Kevin attended the open house held by the Town on March 12, 2019, which the Town did not send notice to the District about, and brought an engineer from Strand & Associates, Paul Dreis, to notify the Town Administrator, Ben Krumenauer, the Town Chairman, Joel Rasmussen, and the Town engineer of the potential dollar impact this project could have on the Water Utility. This was further discussed at another joint meeting held on April 5, 2019, which was attended by Town and District staff as well as engineers from both entities. Kevin also had two additional meetings with the Town Chairman since then, along with attending the Town's meeting regarding the financing of this project where he was the only resident in attendance. Peter added Ben, who is no longer the Town Administrator, previously attended several District monthly Commission meetings where this has been discussed. He also said when the Commission asked to meet with the Town Board in the past, Ben stated there was no need to because he would inform the Town Board of the potential cost impact this project could have on the Town. Sue stated she was currently unaware how the Town was planning to charge residents for this project and was going to try and find out the answer for herself. Sue also stated she was surprised the board would be unaware there was an additional cost of \$2 million, and Peter and Chad stated the Town has been told this numerous times.

- Chad stated residents seem to lack knowledge about the design of this Omro Road project, and he asked Sue if the Town planned to hold a referendum. Sue answered no, stating the Town received a grant and it would obtain bonding that does not require it. Chad believes the perception is this project is purposely not being communicated, and Sue disagreed, stating the project is explained on the Town's website and the meetings are properly noticed. She agreed the Town should send more information to residents about the design of the project, adding it should come from the Town as opposed to the Sanitary District.
 - District staff and the Commissioners have heard several residents state they do not want sidewalks, and definitely not on both sides of Omro Road. When asked why the Town is pursuing this project, Sue explained the road is being reconstructed because it is in poor condition underneath, and the grant requires sidewalks on both sides of the road. The Commission believes the Town should understand that receiving a grant is not always worth the additional expense incurred for the project. Peter mentioned the Town performed a public survey in 2017 and a resounding 80% of residents stated they did not want sidewalks. He also asked if the grant could be modified, and Kevin stated the Wisconsin Department of Transportation (DOT) has representatives that handle urban road design and can address requests for changes. The state also offers the same grant for rural road designs.
- 5) Director's Report.
- a) Review of District statistics. No discussion was had on this agenda item.
 - b) Correspondence.
 - Bond Rating: Standard & Poor's is performing a three-year review on the District's bond rating, which is currently AA-. Staff will complete the questionnaire that was received the previous day and the District hopes to maintain its current rating, which helps to secure low interest rate bonding in the future.
 - McClone Insurance: Staff met with the District's insurance agent, Brian McClone, recently regarding the District's liability insurance and an additional \$1 million umbrella, which costs about \$47,000 annually. This includes Officers & Directors coverage, which is similar to Errors & Omissions coverage and insures the actions and statements of the Commissioners and Directors.
 - Town of Omro: Kevin spoke with the Town of Omro Chairman, Brian Noe, regarding a two acre parcel on Sand Pit Road and Highway 21 which is zoned B-3. The DOT is looking to relinquish ownership of it and asked if the District had any use for it. The DOT proposed an interchange for this area in the future, and the DOT may have to acquire other land to install a roundabout. Kevin informed Brian the District already has a site on Reighmoor Road approved for its Well #4, so the Water Utility does not have a need for it, but he offered our support if the Town of Omro needed the District to work with them in taking ownership. Some other options discussed for this parcel are a Park & Ride or an ATV/snowmobile drop off point since the snowmobile trail is about one mile to the west and right now the closest one is at the Sportsman's Club. If the Town does not obtain the parcel, there is currently an interested commercial company established in the area that is also looking into purchasing it.
 - Bank signatures: Staff is actively working to add Sue as a signer for the District.
 - c) Status of 2019 projects.
 - Our Pier: Kevin explained the District acquired a property next to Interstate 41 from the DOT last year. If the Water Utility ever experiences a problem with the groundwater, such as the volume reduces or becomes contaminated, if the fee charged by the Great Lakes Compact for using the aquifer were to dramatically increase, or if regulations become more strict and the District was no longer able to withdraw from it, this location would provide an access point to obtain surface water from Lake Butte des Morts.
 - Kevin stated his appreciation for the latitude the Commission provided him to budget \$10,000 to maintain and improve this site. Some staff members and volunteers, including former Town of Omro Parks Committee member Barb Stanek, worked together with the help of some DNR representatives to apply for a grant through National Resource Damage Assessment, which provides funding due to the effect of PCBs throughout the Fox River basin. Kevin was extremely pleased to announce the District was approved for a grant of over \$79,000. The Commission congratulated staff for securing such a large amount. Ray encouraged Kevin to verify whether the grant obtained restricts the future use of the property in perpetuity once the pier is installed.
 - The District placed a large sign on the site stating a kayak launch was coming soon based on potential grant funding. The grant application staff submitted provided several possible illustrations of 100' long piers. This grant could fully fund the pier plus other projects such as interpretative signs, fish sticks to benefit the fish population, landscaping and grading, and other improvements so ice fishermen can continue to use this site. Staff has several meetings with pier companies scheduled on December 5 and hopes to finalize the plan and develop a "wish list" to determine which items are most desirable.
 - Peter suggested staff contact some fishing clubs such as Otter Street and Southwest Rotary, which run community events like the "Battle on Bago" and encourage children to be more involved in conservation. He

also said this area could be a good location for the Oshkosh Area School District to utilize when they take kids with disabilities out fishing. Chad added this could be a great opportunity for boy scouts to get involved for Eagle Scout projects, and they could help raise additional funds, do landscaping, bring in materials, or help improve the site.

6) Old Business.

- a) Discuss and act on awarding the bid for watermain and sewermain extensions for LakeVista Estates.
 - i) Verify receipt of signed Developer's Agreement and Financial Commitment from LakeView Estates, LLC.
 - Kevin explained the developer's financial institution is the former Choice Bank and the recent merger with Nicolet National Bank has delayed the finalization of their financial commitment, so the developers asked for a 30 day extension. **Chad made a motion to extend the deadline by 30 days to December 17, 2019 for awarding the bid for the watermain and sewermain extension for LakeVista Estates/second-Peter/carried unanimously.**
- b) Discuss and act on Resolution 2019-10-2 to Approve a Final Resolution declaring the Sanitary District's intent to exercise its police power, pursuant to Section 66.0703 of the Wisconsin Statutes, to levy a Special Assessment upon Parcel #002-1009, 002-1014, 002-1018-01, 002-1022, 002-1031, 002-1035, in the Town of Algoma Sanitary District No. 1 benefitted by the improvements contingent upon LakeVista Estates development.
 - i) Acknowledge receipt of the Waivers of Special Assessment Notices and Public Hearings in accordance with Wisconsin Statute 66.0703(7)(b).
 - Kevin presented a map and stated the District received the waivers and participation forms from all six property owners that requested municipal water service. The District proposed to assess them each \$11,000, contingent upon the approval of LakeVista Estates. This extension would provide several fire hydrants on Leonard Point Lane, which the Algoma Fire Department strongly supported when staff met with them previously. The cul-de-sac shown at the end of the road is not yet approved and the exact placement of that hydrant would depend on that. **Peter made a motion to approve Resolution 2019-10-2 as read, contingent upon awarding the bid for the LakeVista Estates project/second-Chad/carried unanimously.** Kevin added excavation could begin as early as the next few weeks.

7) New Business.

- a) Discuss and act on Resolution 2019-11-1 to approve the 2020 annual sanitary sewer user fee for Town of Algoma Sanitary District #1 residents per equivalent unit.
 - i) Set the user fee for properties discharging to the Oshkosh Wastewater Treatment Facility at \$330.
 - ii) Maintain the user fee for properties discharging to the Omro Wastewater Treatment Facility at \$525.
 - **Chad made a motion to approve Resolution 2019-11-1 as read to set the 2020 sewer user fees/second-Peter/carried unanimously.**
- b) Discuss and act on Resolution 2019-11-2 to increase the 2020 Contribution in Aid of Construction (CAC) by 3%.
 - Kevin explained the CAC is charged upon permit application and is used to help offset sanitary sewer expenses that are not directly assessed to a specific project, such as lift stations, wastewater treatment plants, upsizing of mains, and highway crossings. For example, a single lift station is designed to serve about 1,000 people, and each new connection pays their proportionate share of that expense. The calculation of that fee was derived by dividing all the expenses by the total development of the District so that everyone pays for past infrastructure to serve new connections. Mike stated this increase would total \$2,431 per single family connection with an existing sewer lateral.
 - **Peter made a motion to approve Resolution 2019-11-2/second-Chad/carried unanimously.**
- c) Discuss and approve the 2020 Annual Budget for the Water and Sanitary Sewer Utilities.
 - Chad thanked staff for putting together the budget information to review before the meeting. Mike mentioned the budget was published on October 22 and was posted in three places, which met the posting requirements.
 - Sue stated it was excellent to see the 2019 projected net income from operations for both the Water and Sewer Utilities would each be greater than \$300,000. Kevin agreed, explaining the Water Utility is in very good condition operationally; however, bond expenses are not shown in the operating budgets, and the funds received from assessment payments are still short of the funds required for bond payments, as shown in the Budget Dashboard.
 - **Chad made a motion to approve budget for 2020/second-Peter/carried unanimously.**
- d) Discuss and act on Resolution 2019-11-3 to Approve a Final Resolution declaring the Sanitary District's intent to exercise its police power, pursuant to Section 66.0703 of the Wisconsin Statutes, to levy a Special Assessment upon Parcel #016-0331-02 in the Town of Algoma Sanitary District No. 1 benefitted by the improvements.
 - i) Acknowledge receipt of the Waiver of Special Assessment Notices and Public Hearings in accordance with Wisconsin Statute 66.0703(7)(b).

- Kevin explained the District received three quotes for extending water and sewer laterals to this property line. The property owner signed to pay \$12,000 for each and was very pleased to learn when he spoke with Kevin the previous day that the water assessment would be finalized at \$11,413.97 and the sewer assessment would be \$3,849.93. The sewer CAC due upon permit application would be an additional \$3,912 for 2019. The homeowner would like the District to pursue this project immediately. He plans to install sanitary sewer into his house and abandon his private system soon and install a water service into his house, but he may not use the water right away. The Commission commended staff for moving quickly in obtaining an easement from Winnebago County and for adding this property to the Sanitary District, which was just approved the previous month.
- **Peter made a motion to approve Resolution 2019-11-3 as read to levy special assessments on Parcel #016-0331-02 in the amount of up to \$11,413.97 for water and \$3,849.93 for sewer/second-Chad/carried unanimously.**
- e) **Peter made a motion to go into closed session at 1:16 p.m. pursuant to Wisconsin Statute 19.85 (1) (c) to discuss matters in relation to annual employee evaluation, compensation, and benefits/second-Chad/carried unanimously.**
 - i) **Peter made a motion to reconvene into open session at 1:40 p.m. to discuss and act on matters discussed during closed session regarding employee evaluations/second-Sue/carried unanimously. Chad made a motion to increase Kevin's salary based on his score of 90.5% on his performance evaluation/second-Peter/carried unanimously.** Chad added the Commission requests a contingency plan be developed for all of the District's administrative roles, including the Director, Accounting Manager, and Financial Utility Clerk. If one of these individuals were to be unable to perform their job responsibilities, a binder of documentation can be referenced for an easier transition. Kevin stated a lot of that information was already compiled, including the timing of required bacteriological tests and other schedules.
- 8) Adjourn. **Peter made a motion to adjourn the regular monthly meeting at 1:43 p.m./second-Chad/carried unanimously.**

Respectfully Submitted:

Michael Claffey, Accounting Manager

Approved:

Charles Hayes, President

**Town of Algoma Sanitary District #1
Meeting Minutes – December 12, 2019**

Regular Monthly Meeting.

- 1) Open regular monthly meeting.
- 2) Commission President Chad Hayes with Commissioners Peter Cernohous and Sue Drexler present called the regular monthly meeting for December to order 12:00 p.m. Also present were Utility Director Kevin Mraz, District Accounting Manager Mike Claffey, District Attorney Ray Edelstein, and Financial Utility Clerk Sara Gonzales. Town of Algoma Administrator, Rich Heath, as well as Josh Straka of Strand Associates, were also in attendance.
 - a) Chad noted the District is using a tape recorder for maintenance of the minutes. **Peter made a motion to move Agenda Item 6b) to the end of the agenda/second-Sue/carried unanimously.**
 - b) Approve the minutes of the previous meeting. **Chad made a motion to approve the minutes of the regular monthly meeting on November 14 as submitted/second-Peter/carried unanimously.**
 - c) Approve balance adjustments. Mike explained the District received two past due water bill payments after the tax roll entry was posted, and balance adjustments were made to accept these payments and remove the amounts from the tax roll for a November total of \$190.15. **Sue made a motion to approve the balance adjustments for November as submitted/second-Peter/carried unanimously.**
 - d) Approve investment changes. Mike proposed an investment change to renew the CD at Verve, a Credit Union for their special rate of a 14 month term at 2.20%. Mike mentioned this rate was less than the current rate of 2.52%, which was due to the Federal Reserve's moves to reduce interest rates in 2019. Sue also added she thought 2.20% was a good rate for this investment. **Peter made a motion to approve the renewal of the 14 month CD with Verve at 2.20% as suggested by Mike/second-Sue/carried unanimously.**
 - e) Approve cash receipts & investments for sanitary and water. **Chad made a motion to approve the cash receipts and investments for sanitary and water for November as submitted/second-Peter/carried unanimously.**
 - f) Approve pending bills and previous disbursements for sanitary and water. Mike explained the previous disbursement report for the previous month is located at the end of the monthly packet after the pending bills report. He also mentioned staff received the actual NTD invoice of \$324.98 versus the estimate of \$330, which is the only change to the pending bills report since it was sent the previous Friday. Also, he noted the third quarter invoice from the City of Oshkosh was \$52,589.59, for a total of \$136,615.53 for 2019, where the District was 4.44% of the total treatment plant flow at a cost of \$0.82 per thousand gallons. Kevin mentioned, in response to Chad's question regarding the generator buildings, the concrete pads were poured but the early cold weather has prevented completion of the buildings. **Sue made a motion to approve the December pending bills and the November previous disbursements for sanitary and water as adjusted/second-Chad/carried unanimously.**
- 3) Public Forum. No one from the public had any comments at this time.
- 4) Commissioner Statements.
 - Sue prepared a statement, which she read and will be attached to the minutes for the record. She mentioned that she has much to learn, and the "information provided is very helpful when it contains all the facts of what needs to be considered for any Sanitary District agreement or project." She noted the agenda item regarding the discussion of the pending impacts of the Omro Road project. She also noted the invitation to the Town Board to attend this meeting two days prior, which she felt was not sufficient time, stating the Town would need to post a meeting notice if a majority of the board attended. She added, "I now believe that a joint meeting is not necessary. The DOT, the East Central Planning Commission and the Town of Algoma all agree that an urban road is the best plan for health and safety which requires the road to be lowered. We should be supporting that decision and partnering with them for the best results for our shared community."
 - Chad congratulated everyone on a great year and wished everyone a happy holidays and a Merry Christmas.
- 5) Director's Report.
 - a) Review of District statistics. Kevin stated the District released 23 sewer permits and 39 water permits for 2019, which are above the annual goals. District sewer and water flows are right at the goal levels for the year.
 - b) Correspondence.
 - The Abraham family contacted the District and would like to be involved with planning the development of the Our Pier site. They were the original owners of the parcel and farmed it prior to its purchase by the DOT.
 - c) Status of 2019 projects.
 - Water Valve Turning: District staff has completed about 90% of water valve turning for 2019, with only Town of Omro water valves remaining.
 - Pump Upgrades at Shorehaven Lift Station: This is scheduled to be completed this winter.
 - Preliminary Audit: Chad was able to meet with the auditors that week during their preliminary audit fieldwork.
 - Our Pier: Staff received several quotes within the amount of the grant the District received from the NRDA.

- Upgrade Meter Reading Software: The District plans to upgrade its meter reading software in January for \$7,360. The District will also have to purchase a meter reading device, as the existing device is out-of-date.
 - Omro Road Reconstruction Project: In response to Sue's statement, Kevin stated the District welcomes the Town to attend its next monthly meeting to discuss the Omro Road Reconstruction Project. He added District staff drops off its agendas at the Town Hall for posting the Friday before each monthly meeting.
- 6) Old Business.
- a) Discuss and act on the renewal of the wastewater treatment agreement with the City of Oshkosh.
- The City of Oshkosh presented a 1-year extension to the current agreement, which would last through 2020. District staff confirmed the City had this item on its December 10 meeting agenda, which was approved at this meeting. This would allow the City and the District time to negotiate a new long-term agreement, with the goal of reaching an agreement lasting the life of the current bond schedule. The City would like to modernize the agreement and create a new "master agreement" with all of the Sanitary Districts flowing to the Oshkosh Regional Wastewater Treatment Facility, placing all of them under the same terminology.
 - Ray said he explained to the City's Attorney the District's strong desire for maintaining its capacity guarantee in the new agreement. He stated the City plans to have the agreement finalized by September of 2020 for budget purposes. He also asked for the District to receive information with time to review before any scheduled meeting.
 - Peter expressed his appreciation to Kevin for taking the initiative to contact the other Sanitary Districts to present a unified front. The District hopes to achieve proportional charges within this agreement. **Chad made a motion to extend the inter-governmental agreement between the City of Oshkosh and the Town of Algoma Sanitary District #1 for one year/second-Sue/carried unanimously.**
- b) Discuss and act on the pending impacts the proposed Omro Road revisions changing from a rural road to an urban road will have on underground water and sanitary sewer utilities. (Peter left during this discussion at 1:05 pm)
- Chad began by stating the Commission is in place to help and serve the community, and it is not our intent to impede a project. It is our duty to share information with our constituents if there is a cost associated with a project. This District is unique in that it serves constituents in other communities outside of the Town of Algoma.
 - Kevin expressed his appreciation to Rich Heath, the current Town Administrator, for attending this meeting. Kevin explained he and Strand attended the open house held by the Town of Algoma last March, where he mentioned the expensive impact of about \$2 million that lowering the road by 2-3 feet would have on the watermain to accommodate this storm sewer project. The latest engineering plans received from McMahan Associates do not show the storm sewer on the profile drawing, so the District cannot accurately account for all the cost.
 - The District sent Town of Algoma Board Members an email inviting them to this meeting and included an illustration of where the sanitary sewer manholes and watermain are generally located. Kevin explained the manholes would generally be located where the future curb is proposed and the watermain would be within the frost depth. The Public Service Commission requires Water Utilities to protect their watermain from freezing to protect the Utility and its customers. The watermain is currently about 8 feet deep and would become only about 5 feet deep after the road is lowered. Kevin noted the Utility has never had a frozen water service or watermain break, nor has it had a "run water notice" like several other communities during the "Polar Vortex of 2014", because its watermain was installed below the frost level. Kevin explained state code dictates sufficient watermain depths, which vary based on the zone the utility is located in and cover material. Watermain installed under granular material is required to be at least 7.5' deep, and if it is under clay, watermain can be 6' deep.
 - Kevin detailed several alternatives that can be easily implemented to save residents over a million dollars:
 - 1) Implement an alternate drainage design, such as the one the Town implemented on North Oakwood Road, where the storm drain was installed behind the curb which allowed the road to remain at the same grade and prevented road intersections and driveways from being lowered.
 - 2) Move the road 5 feet generally to the south. This would change the proposed 9-1/2 foot terrace between the sidewalk and the curb and gutter and adjust it to an approximately 14 foot terrace on one side and about a 5 foot terrace on the other side of the road. This would place the watermain in the terrace and the manholes in the road so neither is located under the curb and gutter. This would also provide adequate burial depth for the watermain, with a potential watermain repair located outside the road, and potentially save \$1.5-\$2 million on the project.
 - 3) Remove the two sidewalks and the two bike lanes and install just one dual-use path, saving the cost of an additional 10 feet of concrete. The Town could meet with East Central and the Wisconsin DOT to discuss allowing alternate cross-sections.
 - Sue asked what the cost would be to narrow the terrace by 2 feet on each side, as she believed the most recent drawings included 7-1/2 foot terraces. Josh from Strand stated he believed the sidewalks were brought in two feet

to provide sufficient space for other utilities to be located outside of the road right-of-way. He added storm sewer inlets are about 4 feet deep with 16" sumps, for a total depth of about 5-1/2 feet. He stated there are two ways to solve the issue of having watermain located too close to the storm sewer: 1) reinstall the watermain, or 2) bend the watermain out and around every inlet, which is not feasible from a maintenance standpoint.

- Sue asked what obstacles the Town may encounter by moving the road 5 feet south, and Josh stated often times the road bed is reused, but since the Town is replacing the road bed, that is not an obstacle. Josh explained the current design changes the road from a rural section to urban, which requires lowering the road and filling in the ditches. Therefore, there really is no reason to keep the center of the road where it is, and 4-5 foot terraces are sufficient for snow storage. Chad added the bike lanes could be moved to the terrace and widened, which would be much safer, and Peter mentioned if one sidewalk is eliminated, shifting the road would be much easier.
- Rich said the project design is constantly evolving. There were meetings held in July, August, and September, and Kevin added there was an open house in March. Rich thought the District's concerns may have already been addressed since the watermain depth was now only an issue for about 1,300 feet, and Chad added the District was not aware of it because that had not been communicated to us. Rich said Town staff met with McMahan the previous day and are willing to meet with the District's engineer to discuss the project. Rich stated this is an urban project with stipulations and guidelines in the grant application. If certain deadlines are not met, the project could be delayed and the Town could lose the \$2.5 million grant. He asked the District to submit a list of concerns by the end of December, adding there is still opportunity for modifications, and a meeting could be scheduled in January with McMahan, District staff, and Town staff. He believes staff and the two engineering firms can resolve these issues and find the most innovative, long-lasting, obtainable option and minimize the cost before the 60% drawings are released in February or March.
- Rich mentioned the Town invested significant money in this project over the last two years. Peter asked if the Town could contact the DOT and explain it could save its residents millions of dollars if certain things that the current grant requires were eliminated. Rich was not sure if the design could be changed. Kevin mentioned the Town has until 2024 to complete this project. He also mentioned the Town could consider looking for another grant since there are rural road grants available. He is uncomfortable driving on a road with bikers, especially while pulling a trailer, since the design includes shrinking the width of the road from 12 feet to 11 feet.
- Josh explained a DOT project like this has pretty rigid timelines. When the 30% plans are released, all of the affected utilities react, and at the 60% level, the engineers start to finalize plans, which is when the other utilities receive notice and are asked how they plan to relocate their infrastructure.
- Chad stated the District's biggest concern is how to fund the reinstallation of 15 year old watermain depreciated over 100 years that was already assessed. The District serves residents in multiple municipalities, and residents in the Town of Algoma as well as in the Town of Omro and the City of Oshkosh would bear this cost. He said this project could change how the District applies fees throughout its boundary, as Town of Omro residents currently pay \$200 more per year due to higher treatment costs from the City of Omro versus the City of Oshkosh. Ray added if a City of Oshkosh resident within the District sees a cost increase because of a Town of Algoma project, the District would likely be sued and no court would say a resident could be charged for something that is outside of the affected area, even though they are part of the District.
- Chad asked if the public understood why the Town is doing this project, and Rich stated there are significant drainage issues throughout the Town. Kevin stated he was not sure if the Town's engineers were aware that District vehicles currently have to drive through 4-6 inches of water over Omro Road by the BP Station during a storm in order to get to its lift station. Josh explained that the typical design of lowering the road would only capture the 10-25 year storm, and when there is a larger storm, storm water would remain there until it drains.
- Kevin mentioned the District uses the Town's future land use plan, Town surveys, and Town Board decisions regarding the types of roads the Town desired when designing and installing watermain. The District used that information to make the best decision based on the existing Town Board's road plan at the time. If the Town had notified the District that Omro Road was going to change in the future, the District would have installed the watermain differently.
- Ray said he is unaware of how the Town was going to finance the cost of this project above the grant, adding statutes apply over improvements and assessments, and if a property receives a benefit, the municipality has to specially assess those properties. Kevin added there may be some state codes that require sidewalks to be assessed. Sue stated and Rich agreed that they were not aware of any special assessments as part of the Omro Road project and the Town planned to obtain a capital improvement loan and spread the cost across the entire Town because Omro Road is a collector road.
- Sue said this cost should be a direct bill to the Town of Algoma rather than being paid by water or sewer customers, that way it would become a taxing issue as it should be. Ray stated that would be more acceptable

since the Town has to raise the money for the project. Chad added if the Town covered this cost, the District would protect its utilities however the Town engineer decides, which Sue stated would be the most cost effective way. Chad stated to Sue that when you are at a District meeting as a Commissioner, you need to act in the best interest of the District and not for the benefit of the Town, where you serve as an employee. Ray mentioned the District would have to complete the utility relocation contracts. Kevin wondered if the Town absorbed this cost, would McMahon keep the same design once it realized the Town would incur an additional \$1.5-\$2 million as currently designed or if it would be considered as an all-inclusive project and look into alternatives. He added the gas lines were recently relayed and may have to be redone as part of this project since they may not be installed deep enough.

- Chad asked if the Town had asked their constituents if they wanted this project as it was currently designed and whether they planned a referendum. Sue stated the Town held an open house but would not hold a referendum. Rich added if a referendum was held on this project, one would have to be held for every project, stating a majority of Town residents would not vote to pay for a project that would not directly affect them, so the Town could never accurately assess whether residents want a project.
- Chad stated the entire project is ultimately paid by the same people and all costs need to be considered when evaluating a project, including for all of the underground utilities, and it is the Commission's and the Town Board's job to do their due diligence in their review to save the public money. No action was taken.

7) New Business.

- a) Accept receiving grant funding for "Our Pier" from the NRDA in the value of \$79,340. Chad thanked Kevin and staff for their work on this and thinks it will be a great project for the community. Ray's previous discussion regarding his concern about the perpetuity of the grant was addressed, with Kevin stating the NRDA does not want things to change once they are installed, but changes are able to be made if necessary. **Peter made a motion to accept grant funding from the NRDA for \$79,340 as presented/second-Chad/carried unanimously.**
 - b) Discuss and act on the purchase of vehicle not to exceed \$36,000. Kevin stated he received two sealed bids for a vehicle, with the lowest cost quote received from Holiday Ford for \$32,971. He also stated there may be some additional items added to the quote, so he is requesting for approval not to exceed \$36,000. His current plan is to keep the oldest truck for use by the summer employees. **Peter stated since this is a budgeted item, he made a motion to approve the purchase of a vehicle from Holiday Ford, with pending modifications, at a cost not to exceed \$36,000/second-Chad/carried unanimously.**
 - c) Discuss and act on purchase and installation of a network server and appurtenances from Rhyme not to exceed \$13,000. Kevin stated staff received a quote for \$12,127 for a new server and cloud storage and requests approval up to \$13,000 in case there is additional labor required for installation. The new server would eliminate the need for staff to take a backup tape offsite every night. Chad asked staff to verify whether there would be an annual license cost to Veeam for their backup program. **Sue made a motion to approve the purchase and installation of a network server, including any required accessories, at a cost not to exceed \$13,000/second-Peter/carried unanimously.**
- 8) Adjourn. **Chad made a motion to adjourn the regular monthly meeting at 1:25 p.m./second-Sue/motion carried 2-0 (Peter was absent).**

Respectfully Submitted:

Michael Claffey, Accounting Manager

Approved:

Charles Hayes, President

December 2019 Commissioner Statement – Sue Drexler

As a brand new commissioner there is much I need to learn.

Information provided is very helpful when it contains all the facts of what needs to be considered for any Sanitary District agreement or project.

The December agenda item 6b states: "Discuss and act on the pending impacts the proposed Omro Road revisions changing from a rural road to an urban road will have on underground water and sanitary sewer utilities."

When the monthly packet was received on December 6, there were no attachments for this item. My thought was that the discussion would be when and how to schedule and engage all the parties involved for a joint meeting.

I was alerted by text on December 10, at 5:27 pm that I should check my email because an invitation had been extended to the Town of Algoma Board for the district's monthly meeting on December 12. I had just picked up the tax bills at 4:15 from the county and my mind was on getting a volunteer crew together to stuff tax bills on Wednesday.

My response to Kevin was that it was a good idea for the Town of Algoma Board to be invited, but I felt it was last minute. As you know if over 3 board members appear at any event it creates a walking quorum, which then needs to be publicly noticed 24 hours in advance.

I now believe that a joint meeting is not necessary. The DOT, the East Central Planning Commission and the Town of Algoma all agree that an urban road is the best plan for health and safety which requires the road to be lowered.

We should be supporting their decision and partnering with them for the best results for our shared community.