

Algoma Sanitary District #1
September 12, 2013

Regular Monthly Meeting

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

plumbers trying to develop quotes to get a sewer lateral to that parcel. The property was originally about 400 feet wide so it was given three water assessments, and now through a CSM it has turned into three lots. The cost of running a sewer lateral to the property is the burden of the property owner, and the District will work with the homeowner for placement of the laterals.

6) Old Business.

- a) Discuss City of Omro status update of non-binding mediation efforts to resolve wastewater treatment contract negotiations.
 - i) The Commissioners will go into closed session pursuant to Wisconsin Statute 19.85(1)(e) to discuss matters in relation to the intergovernmental agreement between City of Omro and Algoma Sanitary District regarding wastewater treatment services from the City of Omro. **Chad made a motion to go into closed session at 6:22 p.m./second-Jim/carried unanimously.**
 - ii) The Commissioners will reconvene into open session to discuss and act on matters discussed during closed session regarding the wastewater treatment services proposal from the City of Omro. **Chad made a motion to reconvene into open session at 6:38 p.m./second-Peter/carried unanimously. Chad made a motion that if there are not agreed upon contractual rates in place with the City of Omro by October 15, 2013, the District will begin paying the rates provided by Trilogy Consulting, LLC/second-Peter/carried unanimously.**
- b) East Central Wisconsin Regional Planning Commission upcoming meeting regarding the District consolidation and proposal to transfer Town of Omro wastewater from the City of Omro to the Village of Winneconne WWTF.
 - Kevin spoke with the Village of Winneconne Director who was very forthright with information and explained they already have other agreements with satellite collection systems, and he stated there is excess capacity available to treat Town of Omro sanitary sewer flows. The Village of Winneconne rates were very similar to what the City of Omro is looking to charge, and he didn't mention a buffer area requirement. The Village of Winneconne is a viable option. The Director mentioned the next step is to determine where the best discharge location could be, and they both were willing to meet in the future to discuss it in further detail.
 - Chad asked for an update on how the City of Oshkosh was resolving of their inflow and infiltration (I&I) issues. Kevin stated he had not received an update since they were cited by the Environmental Protection Agency (EPA), but it would be a good conversation to have with the City Manager and Engineer to find out what their plan of action is to meet the EPA requirements. The City of Oshkosh WWTF charges less per 1,000 gallons than the District's other two options. The maximum build out wastewater flow of both Towns combined would not exceed the District's 2.08 million gallons per day capacity allotment at the WWTF, which is sufficient to serve current and long-term future flows. Jim suggested the District obtain a copy of the permit from the EPA for a completion date or required steps, and Kevin said he would look into that because the City of Oshkosh WWTF is still a viable option.

7) New Business.

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

to qualify for SDWL, the District has to apply for priority ranking which requires greater than 50% of the wells in a geographic area to exceed the maximum contaminant levels. Arsenic is one of the most abundant contaminants to use in trying to obtain a higher priority ranking, which would result in reduced interest rate funding for residents.

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

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

Respectfully submitted: _____
Michael Claffey, Accounting Manager

Approved: _____
Jim Savinski, President