

Little Suamico Sanitary District #1
2017 Budget Hearing Minutes and Minutes of Monthly Meeting
Monday, October 24, 2016 – 6:30 p.m.

On October 2, 2016 notice of the public budget hearing was posted at the Little Suamico Town Hall, the Little Suamico Post Office, and Building Blocks Daycare Center on County S, Sobieski, WI. Notice was also placed on the Oconto County Reporter on 10/12/2016. The budget hearing was opened for public comments at 6:30 p.m. There wasn't any attendance by the public. The public hearing for comments was closed at 6:35 p.m. and the monthly meeting was called to order. Present were: Chad Fischer, Darrel Pagel, Dave Szela, Ken Yost, Terry Malcheski, and Dennis Steigenberger and George Thompson of Cedar Corporation

Approve agenda for October 24, 2016 meeting – A motion was made by Darrel Pagel to approve the agenda for the meeting. The motion was seconded by Dave Szela and carried with all in favor.

Approve minutes from September 19, 2016 meeting – Darrel Pagel made a motion to approve the minutes from the September 19, 2016 meeting as presented. The motion was seconded by Chad Fischer. The motion carried with Fischer, Pagel, and Szela in favor.

Agenda Item #1/Discussion, action, and approval of 2017 budget, which may include approval of a tax levy for the December 2016 property tax bills to assist with payment of existing debt and approval of a sewer service rate increase effective January 1, 2017. The Commissioners may also take action on other fees associated with the budget process (connection fees, permit fees, etc.) – Copies of the proposed budget for 2017 were provided to the commissioners prior to tonight's meeting. It was noted the Phosphorus Rule will have an impact on sewer use rates. At the September meeting it was suggested that an increase of **approximately** \$17.00 per month would be needed. Upon additional analysis, it was determined if the district borrows from the Clean Water Fund for a term of 20 years with an interest rate of 2%, the rate increase could be lower than the anticipated \$17.00 per month. The 20 year term, coupled with using the funds that are currently in the Connection Fee Account (approximately \$200,000) would further reduce the anticipated increase. The loan closing would take place near project completion. Rural Development has 40 year terms for borrowing and entails more paperwork. The loan life would go beyond the project life (20 years). Rate increases would be done in increments over approximately three years. After reviewing the proposed budget and discussing the costs of the phosphorus project and its associated engineering fees, it was determined to increase the monthly rate for 2017 from \$47.00 per residential unit equivalent to \$50.00 per month/per residential unit equivalent. With regard to the 2017 budget, the board allocated \$14,000 for 2017 engineering costs associated with the phosphorus project (water quality & trading phase), \$6,000 for engineering advisory fees, \$6,000 for televising (add to repairs and maintenance allocation), and \$2,000 for legal fees. The board maintained the \$15,000.00 tax levy to be collected on the 2016 property tax bills. A motion was made by Chad Fischer to approve the budget for 2017 with: \$3.00 per month/per unit increase in sewer rates effective 1-1-17, \$14,000 for engineering fees related to phosphorus project, \$6,000 for engineering advisory fee, \$6,000 for televising, \$2,000 for legal fees, and a tax levy of \$15,00.00. The motion was seconded by Dave Szela and the motion carried with Fischer, Pagel, and Szela in favor.

Agenda Item #2/Property on County S – discussion of easement/property rights with current owner and any needed action– Mr. Tom Kussov was unable to attend tonight's meeting, but he did stop by the office earlier in the day and Terry provided him with a copy of the road agreement and the easement. Darrel Pagel secured a copy of the easement from Oconto County. The road agreement has a term of 25 years and is applicable to him and his children.

OVER

Agenda Item #3/Authorized Representative Resolution – Environmental Improvement Fund – To borrow money through the Clean Water Fund, an *Authorized Representative to File Applications for Financial Assistance from State of Wisconsin Environmental Improvement Fund* needs to be executed. As president of the board, Dave Szela is the designated authorized representative. Dave signed the document and it was witnessed by Terry Malcheski. A copy of the document will be included in the Clean Water Fund application. Resolution to approve Dave Szela as the representative was approved via a motion from Chad Fischer and a second by Darrel Pagel. The resolution carried with all in favor and resolution #10242016 is assigned. It was noted that access needs to be granted to the WAMS account with the state of WI so that representatives of Cedar Corporation can assist with financial aspects of the project.

Agenda Item #4/Discussion and action on notice from WI DNR regarding WPDES Permit Renewal – A letter dated 10/19/16 was received from WI DNR notifying the district the WPDES permit needs to be renewed by April 4, 2017. This process is done online. Ken Yost will investigate the renewal process with help from George Thompson, if needed.

Agenda item #5/ Phosphorus Removal – An Engineering Addendum will be presented at the November meeting for execution by the board. The Addendum will be in the amount of \$14,000 for costs associated with the water quality trading phase of the phosphorus removal project. The next step of the project will be design.

Agenda item #6/Maintenance and Operations – Ken Yost noted a WET test needs to be done and sent in November to the lab in Superior, WI. Ken will use the credit card to pay for the shipping of the test. Chad Fischer reviewed run times of the pumps at lift-stations #1, #5, and #6. The percentages of run times at the mobile home park at this time are consistent with the use of Riverview Estates. Monitoring will continue.

Agenda item #7/Approval of Expenditures – Each board member was supplied with a print of the checkbook register indicating the checks completed for payment of expenses. Dave Szela made a motion to approve the expenditures as presented. Chad Fischer seconded the motion and the motion carried with all in favor

The next meeting date is Monday, November 21, 2016.

A motion was made by Darrel Pagel to adjourn the meeting at 7:47 p.m. and seconded by Dave Szela. The motion carried with all in favor.

Recorded by Terry Malcheski.