

Little Suamico Sanitary District #1
2018 Budget Hearing Minutes and Minutes of Monthly Meeting
Monday, October22, 2018 – 6:30 p.m.

On October 3, 2018 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 in the Oconto County Reporter on 10/03/2018. The budget hearing was opened for public comments at 6:30 p.m. and there were no comments. 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, Dan Herzberg, Troy Schaden, Terry Malcheski, and George Thompson of Cedar Corporation. Also present, Frank Nowak

Approve agenda for October 22, 2018 meeting – A motion was made by Chad Fischer to approve the agenda for the meeting. The motion was seconded by Darrel Pagel and the motion carried with Fischer, Pagel, and Herzberg in favor.

Approve minutes from September 17, 2018 meeting – Darrel Pagel made a motion to approve the minutes from the September 17, 2018 meeting as presented. The motion was seconded by Chad Fischer. The motion carried with Fischer and Pagel in favor. Herzberg abstained as he was not present at the 9-17-18 meeting.

Agenda Item #1/Discussion, action, and approval of 2019 budget, which may include approval of a tax levy for the December 2018 property tax bills and approval of a sewer service rate increase effective January 1, 2019. The commissioners may also take action on other fees associated with the budget process (connection fees, permit fees, etc.) –Prior to tonight’s meeting, copies of the proposed budget for 2019 were provided to the commissioners for their review. It was noted the Phosphorus Rule project will again have an impact on sewer use rates. The anticipated costs of the project were discussed, as were the anticipated costs for maintenance and televising. Troy Schaden noted the PVC pipes as the treatment plant will need repair and this project will be more involved than initially thought and is beyond his expertise. The costs to repair will be rolled into the phosphorus project. George Thompson noted project design will be done in 2019, with construction to begin 2020/2021. As discussed at previous years’ budget hearings, it was noted it would be necessary to increase the user fees to meet the costs of the phosphorus project. It was determined to raise the fees incrementally over the next few years. The sewer use rate for 2017 was raised \$3.00 per month/per RUE and in 2018 the sewer rate increased to \$53.00 per month/per RUE. In 2016 a letter was sent to the customers explaining the phosphorus project and its impact on sewer use rates. After reviewing the proposed 2019 budget and the costs associated with the phosphorus reduction project, it was determined to raise the sewer use rate to \$55.00 per month/per residential unit equivalent effective January 1, 2019. The commissioners also agreed to maintain the \$15,000 levy as in past years. A motion was made by Chad Fischer to increase the user rate from \$53.00 per month/per RUE to \$55.00 per month/per RUE effective 1-1-2019, to budget \$15,000.00 for engineering (costs not associated with the phosphorus project), designate \$20,000.00 for repairs and maintenance, and to set the levy at \$15,000.00. It was noted the budgeted cost of \$30,000 for phosphorus engineering can be removed from the 2019 budget, as costs for phosphorus will be paid via funds obtained from the Clean Water Fund loan program, rather than monies received through sewer use fees to pay operation and maintenance costs. The 2019 advisory fee for Cedar Corporation will remain at approximately \$6,000. The motion was seconded by Dan Herzberg. The motion carried with Fischer, Pagel, and Herzberg all in favor. Resolution 10222018-01 is assigned to \$15,000 tax levy and resolution 10222018-02 is assigned to user fee increase to \$55.00 per month/per RUE.

Agenda item #2/Maintenance and operations report and any needed action, to include update on Hugo Asphalt sewer permit and any needed action - Troy Schaden indicated the stake at Hugo’s property is still outside of the foundation and assumes the building is not yet connected. Mr. Nowak was present to inquire of the board as to the date the sanitary permit was issued to Mr. Hugo. The Little Suamico Sanitary District #1 issued the permit to reconnect to the sanitary sewer on August 28, 2018. Mr. Hugo obtained a land use permit after the sanitary permit was issued, which is the process followed by Oconto County. Dan Herzberg will telephone Mr. Hugo to

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reiterate with him the connection requirements outlined in the permit, which were also reviewed with him at the time the sanitary permit was issued.

Agenda item #3/Phosphorus reduction and any needed action by board –George Thompson reviewed the bench test summary (page 2), which was done by Nexom. Ferric chloride was added ahead of the filter and the results were good. Based on the data on page 4, a couple of gallons of ferric chloride per day should obtain the desired phosphorus levels, which will equate to approximately \$10,000 per year in chemical costs. Sludge removal frequency will increase. Overall the bench test results were very favorable and the board determined to proceed with plant design based off of the results obtained from the bench test.

Agenda item #4/Discussion and action regarding infiltration and sump pumps connected – violation of Sewer Use Ordinance – No update at this time. Keep as a standing agenda item.

Agenda item #5/Ordinance Review/Adoption – Discussion and any needed action./ Statement of Values for submission to commercial insurance agent – any needed discussion and action – No update at this time. Keep as a standing agenda item

Agenda item #6/Approval of Expenditures and discussion and action on principal payment to Clean Water Fund for loan 4486-03– A checkbook register of all of the expenditure from the last month was provided to each board member. The expenses were reviewed. Invoices and bank statements were also made available for review. Dan Herzberg made a motion to approve the expenditures as outlined in the checkbook register. The motion was seconded by Chad Fischer. The motion carried with all in favor. A motion was made by Darrel Pagel and seconded by Chad Fischer to pay \$200,000.00 onto the principal of Clean Water Fund Loan 4486-0, as there are monies available in the Debt Retirement Fund. The motion carried with Fischer, Herzberg, and Pagel all in favor. Terry Malcheski will make arrangements at Huntington Bank to wire transfer the funds to Clean Water Fund, as pre-arranged with Aaron Hintz of WI Dept of Administration.

The next meeting date is Monday, November 26, 2018. This will be the fourth Monday of the month, rather than the third Monday of the month. The change is being made due to deer hunting season and Thanksgiving holiday.

A motion was made by Darrel Pagel to adjourn the meeting at 7:32 p.m. and the motion was seconded by Dan Herzberg. The motion carried with all in favor.

Recorded by Terry Malcheski.