

**MEETING MINUTES OF  
TOWN OF SHEBOYGAN SANITARY DISTRICT NO. 3 (WATER)  
AND**

**TOWN OF SHEBOYGAN SANITARY DISTRICT NO. 2 (SEWER)**

**Date: Monday, October 15, 2018**

**Place: Town Hall, 1512 N. 40<sup>th</sup> St., Sheboygan, Wisconsin**

**Time: 4:00 p.m.–Sanitary Dist. No. 3 Water 2019 Budget Public Hearing/Monthly Meeting**

**Time: To Follow San 3 Meeting–Sanitary Dist. No. 2 Sewer & Sanitary Dist. No. 3 Water Joint Meeting**

**Time: To Follow Joint Meeting–Sanitary Dist. No. 2 Sewer 2019 Budget Public Hearing/Monthly Meeting**

The 2019 Budget Public Hearing and monthly meeting of the Town of Sheboygan Sanitary District No. 3 (Water) Commission began at 4:00 p.m. and a joint meeting of the Sanitary District No. 2 (Sewer) and Sanitary District No. 3 (Water) Commissions began at 4:07 p.m., following the Water District meeting. The Sanitary District No. 2 (Sewer) Commission continued on with their 2019 Budget Public Hearing and monthly meeting after the matters in Joint Session had been discussed at 4:58 p.m. on Monday, October 15, 2018 in open session at the Town of Sheboygan Town Hall, 1512 N. 40<sup>th</sup> St., Sheboygan, WI 53081, Sheboygan County.

Notice of the meeting was given to the public at least 24 hours prior to the meeting by posting in three (3) different places and forwarding to all news media who have requested the same.

Upon motions duly made and seconded, the following resolutions were unanimously adopted and made a part of these minutes by reference as if fully set forth herein.

**1. Call to Order**

The Town of Sheboygan Sanitary District No. 3 (Water) Commission monthly meeting is called to order by President Dave Albright, Sanitary District No. 3 (Water) at 4:00 p.m. The following were also present at the meeting: Treasurer Jerry Hoepfner, Sanitary District No. 3 (Water); Secretary Spencer Lutzke, Sanitary District No. 3 (Water); Sanitary Districts No. 2 (Sewer) and No. 3 (Water) Alternate Commissioner Jeff Klosterman; Town Attorney Michael Bauer; Town Engineer Tom Holtan; Director of Public Works William Blashka; Office Manager Darla Free; Administrative Assistant Chris Steeb and those persons on the attached list.

**2. Public Hearing for the 2019 Budget**

Commissioner Albright opens the public hearing and asks if anyone has any comments or concerns regarding the proposed 2019 Budget. There are no comments or concerns.

“The 2019 Budget Public Hearing for Sanitary District No. 3 (Water) is closed per a motion by Commissioner Albright and a second by Commissioner Lutzke.” Motion carried.

**3. Approval of the 2019 Budget**

“The Town of Sheboygan Sanitary District No. 3 (Water) Commission hereby approves the 2019 Budget as proposed per a motion by Commissioner Hoepfner and a second by Commissioner Albright.” Motion carried.

**4. Approval of the Tax Levy for the Town of Sheboygan**

“The Town of Sheboygan Sanitary District No. 3 (Water) Commission hereby approves a tax levy for the Town of Sheboygan in the amount of \$100,000.00 per a motion by Commissioner Hoepfner and a second by Commissioner Lutzke.” Motion carried.

**5. Approval of the October 15, 2018 Monthly Bills**

Commissioner Lutzke asks what the LA Equipment/Green Meadow invoice was for. Commissioner Albright states that there was a water leak in the middle of the road in Green Meadow Subdivision.

“The Town of Sheboygan Sanitary District No. 3 (Water) Commission hereby approves the October 15, 2018 monthly bills as submitted per a motion by Commissioner Albright and a second by Commissioner Hoepfner.” Motion carried.

**6. Discussion/Action – Updates to Tower 1, Dixon Engineering**

DPW Blashka states that there are no updates; it's going out for bids next month.

## **7. Discussion/Action – WB-13 Vacant Land Offer to Purchase for New Water Tower Site**

Nick Franzen is in attendance for this agenda item. Ms. Free states that she delivered the signed offer to purchase to Mr. Hapeman a week ago and invited him to the meeting. Mr. Franzen states that they're waiting to hear back from the cell companies who have antennas on their tower to make sure our tower won't cause any issues for them. DPW Blashka states that AECOM said there won't be any issues, but he understands that they want to confirm this with their people. Attorney Bauer asks if there were any issues regarding the offer. Mr. Franzen states that he has to talk to his partner about it, who is out of state right now. DPW Blashka asks what cell companies rent antenna space from them. Mr. Franzen states that he doesn't know. Attorney Bauer asks who would be the best contact for the District. Mr. Franzen states that it would be Mr. Hapeman. Commissioner Albright states that we'll want to hear back as soon as they hear from the cell companies. Mr. Franzen states that he'll let us know. Commissioner Albright states that if they need anything from the District, they should let us know and he appreciates Mr. Franzen coming to the meeting today. Attorney Bauer states that if they have any questions regarding the contract, he or his partner should let us know. Mr. Franzen states that he looked it over last night and it looked good.

## **8. Communication & Correspondence Received After Posting of Agenda**

Nothing submitted; no updates.

## **Sanitary District No. 2 (Sewer) and Sanitary District No. 3 (Water) Joint Agenda – Immediately Following Completion of the Sanitary District No. 3 (Water) Monthly Meeting**

### **9. Call to Order - Sanitary District No. 2 (Sewer)**

The Town of Sheboygan Sanitary District No. 3 (Water) and Sanitary District No. 2 (Sewer) Commissions monthly joint meeting is called to order at 4:07 p.m. by Commissioner Albright and President Dave Griffin, Sanitary District No. 2 (Sewer). Treasurer Ken Katte, Sanitary District No. 2 (Sewer) is also in attendance.

### **10. Approval of the September 17, 2018 Monthly Meeting Minutes**

Commissioner Griffin states that agenda item one has him welcoming Ms. Steeb, that should be changed to Commissioner Albright; agenda item ten should have "bod" in capital letters; agenda item sixteen should state that this item was resolved and add that Mi-Tech/WPS will be doing the work under State Statute 893.28 and no additional easements are required at this time.

"The Town of Sheboygan Sanitary District No. 2 (Sewer) Commission hereby approves the September 17, 2018 monthly meeting minutes with corrections to agenda items one, ten and sixteen per a motion by Commissioner Griffin and a second by Commissioner Katte." Motion carried.

"The Town of Sheboygan Sanitary District No. 3 (Water) Commission hereby approves the September 17, 2018 monthly meeting minutes with corrections to agenda items one, ten and sixteen per a motion by Commissioner Albright and a second by Commissioner Lutzke." Motion carried.

### **11. Discussion/Action – Muth Mirror Expansion**

Lou Ashley is in attendance for this agenda item. Commissioner Griffin states that Muth Mirror was asked to attend today's meeting after they presented their expansion proposal at the Plan Commission meeting; they paid a \$2,000.00 initial sewer connection fee in 2011 based on 50 employees and another \$2,000.00 in 2014 for an expansion and an additional 50 employees; now they're proposing another addition with an additional 130 more employees; there's not a lot of room for growth; only once was there a discrepancy in flows. Mr. Ashley states that they had a problem with a water cooler and that was the cause. Mr. Griffin states that he submitted a document explaining that he'd like to use the District's Ordinance, Section 6.03, allowing the connection fee to be charged as one UCE for the first unit and .5 for the next five units, which limits the UCE's to 3.5 UCE's; this formula is not specifically designed for industrial users but has been used for calculating connection fees at Muth and other facilities in the past based on the judgement of the Commissioners; using this calculation, Muth's additional sewer connection fee would be \$3,000.00. Ms. Free states that sewer connection fees are paid when plans are submitted; since the plans have already been submitted, it should be paid before the work begins. Commissioner Griffin states that no additional connection fees should be charged to Muth at this location.

"The Town of Sheboygan Sanitary District No. 2 (Sewer) Commission hereby approves a \$3,000.00 sewer connection fee for the Muth Mirror expansion per a motion by Commissioner Griffin and a second by

Commissioner Katte.” Motion carried.

## **12. Discussion/Action – CD Rates for District Investments**

Ms. Free states that based off of the Districts existing cds, the rate sheets submitted are different for each District’s review.

“The Town of Sheboygan Sanitary District No. 3 (Water) Commission hereby approves the purchase of a JP Morgan Chase Bank NA cd, rate 3.450%, 5-year term in the amount of \$250,000.00 or an equivalent cd using funds from the District’s money market, per a motion by Commissioner Albright and a second by Commissioner Lutzke.” Motion carried.

“The Town of Sheboygan Sanitary District No. 3 (Water) Commission hereby approves the purchase of a JP Morgan Chase Bank NA cd, rate 3.350%, 4-year term in the amount of \$200,000.00 or an equivalent cd using funds from the Wells Fargo Investment Holding account per a motion by Commissioner Albright and a second by Commissioner Lutzke.” Motion carried.

“The Town of Sheboygan Sanitary District No. 3 (Water) Commission hereby approves to have the balance of the Sallie Mae Bank cd, which matures on November 13, 2018, deposited into the Wells Fargo Investment Holding account per a motion by Commissioner Albright and a second by Commissioner Lutzke.” Motion carried.

Commissioner Katte asks if there are any concerns that there would be a major expense in the near future. DPW Blashka states no; maybe another lift station reinforcement or another force main, but nothing that would be an issue. Commissioner Griffin states that he’d like to open a \$200,000.00 cd now and maybe another cd purchase again in March.

“The Town of Sheboygan Sanitary District No. 2 (Sewer) Commission hereby approves the purchase of a UBS Bank USA cd, rate 3.250%, 4-year term in the amount of \$200,000.00 or an equivalent cd per a motion by Commissioner Griffin and a second by Commissioner Katte.” Motion carried.

## **13. Town of Sheboygan Plan Commission Update**

Commissioner Griffin states that there was a conditional use permit for the sale of mattresses and furniture at 3865 Enterprise Dr that was approved; the ordinance regarding outdoor advertising signs was amended; there was discussion regarding the master plan for The Sheboygan Senior Community which could affect both Districts; they’re working on their architectural master plan; they want some independent living and some assisted living; they were advised to look at the original agreement; we do have easements on Mueller Rd for infrastructure; they were told not to put any structures over the easement areas. He states that there was approval of a 9,000 square foot expansion for Muth Mirror and we discussed additional sewer connection fees for them under agenda item eleven.

## **14. Operator’s Report**

DPW Blashka states that everything’s running fine with the sewer system; one force main was plugged at the Pigeon River lift station; Mr. Witters had looked at the wrong discharge point; now it’s only going through one flow meter; we’ll get Energenecs in to make sure the meters are calibrated correctly. He states that someone spoke with Building Inspector Drager about opening a business in the Town Business Park to clean fish; this could affect the sewer system; we’ll want to watch for anyone coming to the Plan Commission with this request; they’re looking at the old River Rock Church building as their location.

Attorney Bauer states that the Village of Kohler’s new subdivision is under design and asks where they would need to connect to the North/South Interceptor. DPW Blashka states that he provided them with maps; they’ll connect by the Old Plank Trailhead path, three or four manholes down. Attorney Bauer states that they want the infrastructure done in 2019; the subdivision is on the west side of Woodland Rd; they’ll be replacing the lift station that’s by the Sports Core; there will be additional capacity for a Kohler Co expansion; the interceptor will be in the right-of-way by Hwy 23. DPW Blashka states that we’ll have to put in a metering pit as well; it will go right into the interceptor; we paid for this infrastructure and we have an agreement with the Village of Kohler that they have to reimburse us for their portion when they connect to the system.

DPW Blashka states that they’ve started checking hydrants for the winter; there haven’t been any leaks in the system. He states that he was contacted by Sixel & Schwinn because they worked with a resident on N 45<sup>th</sup> St,

north of Mueller Rd, whose private well tested bad; they shocked the well and it was still bad; we haven't heard from anyone else in the area; our quote from AECOM to extend water to this area was \$1.2 million, or \$7,200.00 per home; this resident's option is to put in a new well; Sixel & Schwinn said that most of the wells in that area are only 40-80 feet deep; all of the recent rain is part of the problem; the rain runs along the side of the casing and causes problems. Commissioner Albright asks if, based on the pumpage report, do we often have wells that don't pump. DPW Blashka states yes, especially when we have wet weather; Well 1 runs all the time, then we switch between Wells 2 and 3; if Wells 2 or 3 are running all the time, it tells us there's a leak.

#### **15. Communication & Correspondence Received After Posting of Agenda**

Commissioner Griffin states that we have a sketch for where the water and sewer service will connect for the proposed Kohler Credit Union building on Cth O and Cth Y; DPW Blashka gave them his recommendation; he told them that this item wasn't on the agenda for today but he'd talk about it with the Commissioners. DPW Blashka states that there aren't any issues for connecting to sewer because it's already on the south side of Cth O. He states that for the water, he recommended that they extend water south on Cth Y with a 12" service for future expansion, and that way they won't have to open cut Cth O; right now there's a 12" main on Cth O and a stub to the south side of Cth Y; because they don't need a 12" but we'd want it for future development, the District's policy is that we pay the difference for the upgrade from a 6" to the 12"; they wanted to run a 6" line from Cth O, then they'd add a hydrant; the Water Commissioners will also need to decide if they'll require a Cth Y extension to run to the end of their property line. Commissioner Albright states that we should follow policy and pay the difference of a larger service. Attorney Bauer states that you can reference your PSC rate; he asks if the Village of Kohler begins at the south end of KCU's property line. DPW Blashka states yes. Commissioner Griffin asks when they plan to start the project. Attorney Bauer states that they plan to raze the homes and pay the special assessments by next June. Commissioner Griffin states that they're proposing 140 employees, that's six UCE ratings which would be a sewer connection fee of \$12,000.00; he'd propose to use Ordinance 6.03 which calculates one full UCE and five at half, then the connection fee would be \$7,000.00; there's no reason to decide now; this item can be placed on the November agenda.

#### **16. Pending Item List Review**

The pending item list is reviewed and updated accordingly. The list is part of the minutes' book for review and record retention purposes.

#### **17. Adjourn – Sanitary District No. 3 (Water)**

"There being no further business, the Town of Sheboygan Sanitary District No. 3 (Water) Commission adjourns the meeting at 4:58 p.m. until Monday, November 19, 2018 at 4:00 p.m. per a motion by Commissioner Hoepfner and a second by Commissioner Lutzke." Motion carried.

### **Sanitary District No. 2 (Sewer) Agenda - Immediately Following Completion of Joint Agenda**

#### **18. Public Hearing for the 2019 Budget**

Commissioner Griffin opens the public hearing and asks if anyone has any comments or concerns regarding the proposed 2019 Budget. DPW Blashka states that he doesn't have any changes. Commissioner Griffin states that he'd like to raise interest earned on banks from \$2,000.00 to \$6,000.00 due to the purchase of cds and because rates are going up; Transportation Equipment –Vehicle Fuel could be changed; even with rising costs, our expenses haven't increased; we'll adjust it from \$2,000.00 to \$1,600.00; the Cth Y lift station is also pretty high and can be reduced from \$40,000.00 to \$38,000.00; Engineering expenses can be changed from \$3,000.00 to \$23,000.00; we also need to add \$5,000.00 for the Grease Trap Inspections.

"The 2019 Budget Public Hearing for Sanitary District No. 2 (Sewer) is closed per a motion by Commissioner Griffin and a second by Commissioner Katte." Motion carried.

#### **19. Approval of the 2019 Budget**

"The Town of Sheboygan Sanitary District No. 2 (Sewer) Commission hereby approves the 2019 Budget with adjustments to bank interest, fuel, the Cth Y lift station and Engineering expenses per a motion by Commissioner Griffin and a second by Commissioner Katte." Motion carried.

#### **20. Approval of the Tax Levy for the Town of Sheboygan and Town of Sheboygan Falls**

"The Town of Sheboygan Sanitary District No. 2 (Sewer) Commission hereby approves a tax levy for the Town of Sheboygan and the Town of Sheboygan Falls in the amount of \$60,300.00 per a motion by Commissioner

Griffin and a second by Commissioner Katte.” Motion carried.

Commissioner Griffin states that last year the Water District reduced their levy by \$50,000.00 and then we increased our levy by that same amount.

**21. Approval of the October 15, 2018 Monthly Bills**

“The Town of Sheboygan Sanitary District No. 2 (Sewer) Commission hereby approves the October 15, 2018 monthly bills as submitted per a motion by Commissioner Katte and a second by Commissioner Griffin.” Motion carried.

**22. Review/Approval – Capacity, Management, Operations & Maintenance Plan (CMOM) Addendums**

Commissioner Griffin states that he had requested that separate binders be prepared with the CMOM and Addendums for each Commissioner, the DPW, Engineer and Attorney; this was all approved at last month’s meeting and can be removed from the agenda.

**23. Discussion/Action – Policy on Maintenance Obligation, The Preserve at Briarwood**

Attorney Bauer states that they’re close to having a Board of Directors; the owners all got a letter and they have a majority; the Commissioners will have to sign off once the paperwork is all complete.

**24. Discussion/Action – Annual Grease Trap Maintenance Policy**

Commissioner Griffin states that he’d like to hold this item over until the November meeting. Attorney Bauer states that it’s an excellent idea to have in place; the example draft has “Town” instead of “Sanitary District No. 2 Sewer”, it should be changed throughout; it also references the City of Sheboygan Waste Water Treatment Plant. Commissioner Griffin states that there’s a lot of work to be done. Attorney Bauer states that you’ll want to limit it to your District; Section 10 refers to a Town ordinance that doesn’t exist and he recommends that they tie it back to the Sewer User Ordinance, your legal Chapter 12; you are going to enforce it through your Sewer Use Ordinance. Commissioner Griffin states that they may have to look at the fees from the inspections. Attorney Bauer asks who’s taking the lead on this. Commissioner Griffin states that next month we’ll go page by page through the document; we can have another draft presented at the December meeting; we want to know what we are inspecting and when we are inspecting, these are the things we want to look at; we want to simplify it and this is a starting point.

**25. Communication & Correspondence Received After Posting of Agenda**

Nothing submitted; no updates.

**26. Adjourn – Sanitary District No. 2 (Sewer)**

“There being no further business, the Town of Sheboygan Sanitary District No. 2 (Sewer) Commission adjourns the meeting at 5:17 p.m. until Monday, November 19, 2018 after the Water District monthly meeting per a motion by Commissioner Griffin and a second by Commissioner Katte.” Motion carried.

**Town of Sheboygan Sanitary District No. 2 Sewer**

**David Griffin**, President  
**Ken Katte**, Treasurer  
**Arthur Stewart**, Secretary

**Town of Sheboygan Sanitary District No. 3 Water**

**David Albright**, President  
**Jerome Hoepfner**, Treasurer  
**Spencer Lutzke**, Secretary