

**MEETING MINUTES OF
TOWN OF SHEBOYGAN SANITARY DISTRICT NO. 2 (SEWER)
AND
TOWN OF SHEBOYGAN SANITARY DISTRICT NO. 3 (WATER)**

Date: Monday, February 16, 2015

Place: Town Hall, 1512 N. 40th St., Sheboygan, Wisconsin

Time: 4:00 p.m. Sanitary District No. 3 Water Monthly Meeting

Time: 4:15 a.m. Joint Meeting – Sanitary Dist. No. 2 Sewer & Sanitary Dist. No. 3 Water

Time: To Follow Joint Meeting – Sanitary District No. 2 Sewer Monthly Meeting

A monthly meeting of the Town of Sheboygan Sanitary District No. 3 (Water) Commission began at 4:10 p.m. and a joint meeting of Sanitary District No. 2 (Sewer) and Sanitary District No. 3 (Water) Commissions began at 4:30 p.m. The Sanitary District No. 2 (Sewer) Commission continued on with their monthly meeting after the matters in Joint Session had been discussed on Monday, February 16, 2015 in open session at the Town of Sheboygan Town Hall, 1512 N. 40th St., Sheboygan, WI 53081, Sheboygan County.

Notice of the meeting was given to the public at least 24 hours prior to the meeting by forwarding the complete agenda to the official Town newspaper, *The Sheboygan Press*, and to all news media who have requested the same, as well as posting in three (3) different places.

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 Mark Flasher at 4:10 p.m. The following were also present at the meeting: Commissioner Jerry Hoepfner, Treasurer; Commissioner Spencer Lutzke, Secretary; Attorney Michael Bauer; Engineer Tom Holtan; Director of Public Works William Blashka; Office Manager Darla Free and those persons on the attached list.

2. Approval of the February 16, 2015 Monthly Bills

Commissioner Flasher states that there were a lot of miscellaneous purchases from Menards this month; for a ladder and other items; do we keep one of each of these items at each well house. DPW Blashka states yes, but after Well 3 was complete, he didn't have time to purchase these items. He states that John Witters has been doing a lot of catching up since the weather's been so cold; he changed a drain pipe in Well 3. Commissioner Flasher asks how old Well 3 is. DPW Blashka states about four years. Commissioner Flasher asks if anything in Well 3 is still under warranty. DPW Blashka states no; the heating and some of the other mechanics were warrantied for a year.

"The Town of Sheboygan Sanitary District No. 3 (Water) Commission hereby approves the February 16, 2015 monthly bills as submitted per a motion by Commissioner Flasher and a second by Commissioner Hoepfner." Motion carried.

3. Discussion/Action – Maturity of Community Bank Public Funds CD

Commissioner Flasher states that this cd has a maturity balance of \$19,674.80 and recommends that the account be closed and the funds be put into the District's general money market because cd rates are so low right now.

"The Town of Sheboygan Sanitary District No. 3 (Water) Commission hereby approves closing the Community Bank Public Funds CD 33625 and depositing the balance into the District's Wisconsin Business Bank general money market per a motion by Commissioner Flasher and a second by Commissioner Hoepfner." Motion carried.

4. Discussion/Action – Attendance at 2015 WI Rural Water Association Conference for DPW Blashka and Joe Winscher

DPW Blashka states that this is the annual conference that keeps him and Mr. Winscher certified operators. He states that eventually he'll alternate between having Mr. Winscher and Mr. Witters attend; whoever doesn't attend this spring conference will attend the fall conference; Mr. Witters is going to be attending the

fall conference this year; this conference is the WRWA, the fall conference is the Wisconsin Water Association.

“The Town of Sheboygan Sanitary District No. 3 (Water) Commission hereby approves the attendance of Mr. Blashka and Mr. Winscher for the 2015 Wisconsin Rural Water Association Conference in Green Bay per a motion by Commissioner Flasher and a second by Commissioner Hoepfner.” Motion carried.

5. Discussion/Action – Tower 2 Upgrade Verizon Wireless

DPW Blashka states that the plans have been sent to Dixon Engineering; Dixon’s changes have been sent to Verizon; Dixon said there were still some things lacking, so the plans have been sent back to Verizon.

6. Update - Comprehensive Water System Master Plan

DPW Blashka states that Engineer Holtan brought in the contracts; they were sent to Attorney Bauer. Attorney Bauer states that over the last month Dane Checolinski, Director of the Sheboygan County Economic Development Corporation, has been looking into how the Hwy 42 N corridor would be developed; it would affect us, the Town of Mosel, Howards Grove, Town of Herman; they’re looking at where water would come from; it would come from us; this should be added to the Comprehensive Water Study; if you don’t think it’s worth it, you don’t have to. Commissioner Flasher asks what the cost would be to include this to the study. Engineer Holtan states that he’d have to ask Don Swales, but it would probably be between \$5,000 and \$10,000. Attorney Bauer states that the Sheboygan County Economic Development Corp has about a \$35,000 grant for the development of the Hwy 42 N corridor; he could ask Mr. Checolinski if they’d cover some of the expense. Commissioner Flasher states that it would probably be more cost-effective to add it to the study now. Engineer Holtan asks how far north they’re looking at going. Attorney Bauer states along the Hwy 42 N corridor, maybe to Howards Grove. He states that, from a contract standpoint, it looks like the corporate operations for AECOM go to California. Engineer Holtan states that there have been new terms and conditions a few years ago. Attorney Bauer states that he pulled the old and the new language; they’ve made significant changes that need to be talked about. He states that the first change makes clear that there are no warranties or guarantees; this is good for the engineers; the only remedy is to get the documents back; their contract language would be to re-design plans. Commissioner Flasher asks if this contract is just for the study. Attorney Bauer states yes; this is the new standard for whatever we do; maybe we can talk to someone at AECOM. Engineer Holtan states that the District could send a redline version to corporate. Attorney Bauer states that he has concerns for Wisconsin open record laws; if we’re required to release, there’s liability if we don’t comply; I have language on that. He states that our old insurance was \$500,000; now it is employer’s liability insurance with coverage of \$1,000,000; commercial general liability insurance with coverage of \$2,000,000; this is all good. He states that still, if there’s any liability under contract, we’re agreeing our limit is fees paid; the language “the greatest amount we’d have to pay...”, we’ve always gotten rid of this; it doesn’t apply. He states that the attachments are what they’re doing for us today; either party can terminate within 30 days’ notice; there’s an added phrase “reassignment of personnel, sub consultant termination costs and related close-out costs”, we would strike out this last phrase. Commissioner Flasher asks what happens if they terminate, then we’d have nothing; why would we be obligated to pay for nothing. Attorney Bauer states that it works by performance-to-date; it’s reasonable that we’d pay for this. Commissioner Katte states that’s not necessarily true; a lot of the work is what’s in the engineers’ heads. Engineer Holtan states that the plans, etc., the Districts would get. Attorney Bauer states that we’d pay for what we’re receiving; there’s no open-ended assignment of staff. He states that there are a couple of other things that he would like to redline in the document. Engineer Holtan states that the Districts could probably work with Engineer Aaron Fairfield, he’s out of Boston; corporate is in Los Angeles. Attorney Bauer states that in Services, Exhibit A, he’s added the Hwy 42 N corridor; under Task 6 – Study Report, item 2, it says you’ll send use the report; we’ll also want something electronically, pdfs. He states that for right now, no action is needed; Engineer Holtan will work with AECOM with what we want; he’ll get me the necessary contact. Commissioner Flasher asks what the cost estimate is. Engineer Holtan states around \$46,050. Commissioner Flasher asks if we want costs for a performance bond. Attorney Bauer states that he’s not seeing a performance bond on the service contract; it’s set up as a percentage of the work done each month; if work is not being done, then we’d have the right to not pay. Engineer Holtan states that the bill would be for the actual services for that month. Commissioner Flasher states that we wouldn’t get much information until the end of the project. Engineer Holtan states that’s true, it’s mostly field work in the beginning. Attorney Bauer states that they could give us a performance bond, but they’ll just tack on the price to the contract. He asks if they’ll be working out of Stevens Point, the water group. Engineer Holtan states yes. Attorney Bauer states that this group did the last study. Commissioner Flasher

asks if there's any retainage. Engineer Holtan states no. Commissioner Flasher asks what happens if the District pays 90% of the costs and then has problems. Engineer Holtan states that he's not aware of AECOM doing a performance bond, but he can look into it. Attorney Bauer states that the contract was under California law; we said that this has to be changed to Wisconsin law. Commissioner Lutzke states that the District can take some time to review this. DPW Blashka states that the work won't begin until spring anyway. Commissioner Flasher states that if we terminate the work we should be liable, but if AECOM terminates, what happens; is it set up that they'll have to deliver what they have done to that point. DPW Blashka states that last time we got documents periodically; testing of the areas, etc.; we got bits and pieces, then the full draft for review. Commissioner Flasher asks if it will be done the same way this time. Engineer Holtan states yes. Commissioner Flasher states that this makes him feel better with moving forward. Engineer Holtan states that the terms and conditions aren't popular when they first go out; we can do milestone billing; we can do this when the field work is done; then when the next step is done, we'd bill again. Attorney Bauer asks what would be the breakout of services. Engineer Holtan states field work, the draft report, some of this is on-going, then the final report; we can send a proposed milestone. Attorney Bauer states that would be a good idea. He states that there are three different ways for the District to pay; we can mail a check to a lockbox in Chicago, an electronic funds transfer or a wire transfer; you could just cut a check and approve it like you do your regular monthly bills. He states that he looked at the contract for a couple of hours today and he'd like to propose splitting the costs between the Districts, if Sanitary District No. 2 Sewer is willing to share in the costs. Commissioner Griffin states that he agrees because Sanitary No. 2 will be seeing the same language in our next contract; we'll need this in the near future, too.

7. Communication & Correspondence Received After Posting of Agenda

Commissioner Flasher states that nothing's been submitted. He states that Sanitary District No. 3 Water won't need any CD or money market rates for a while; they'll wait until the money market gets back up to \$500,000-\$600,000.

Sanitary District No. 2 (Sewer) and Sanitary District No. 3 (Water) 3:15 p.m. Joint Agenda

8. 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 4:30 p.m. by Commissioner Flasher and Commissioner Griffin. Commissioner Ken Katte, Treasurer and Commissioner Dave Albright, Secretary, are also in attendance.

9. Approval of the January 19, 2015 Monthly Meeting Minutes

"The Town of Sheboygan Sanitary District No. 3 (Water) Commission hereby approves the January 19, 2015 monthly meeting minutes per a motion by Commissioner Flasher and a second by Commissioner Hoepfner." Motion carried.

"The Town of Sheboygan Sanitary District No. 2 (Sewer) Commission hereby approves the January 19, 2015 monthly meeting minutes per a motion by Commissioner Griffin and a second by Commissioner Albright." Motion carried.

10. Discussion/Action - Holidays & Tom's Drive-In, 5533 Superior Ave

DPW Blashka states that he doesn't have any updates; they're doing the cement work now.

11. Discussion/Action - Springtime Ridge Condominium Development Update

DPW Blashka states that he doesn't have any updates.

12. Discussion/Action - 3505 Cth Y, Sheboygan Senior Community Development

DPW Blashka states that he doesn't have any updates. Commissioner Flasher states that we're still waiting on the easements. DPW Blashka states that we will also need the as-builts.

13. Town of Sheboygan Plan Commission Update

Commissioner Griffin states that the sign for Holiday's/Tom's Drive-In was approved.

14. 2014 Audit Update

Ms. Free states that the audit went fine; there were no concerns; the auditors will be at the March meeting to present their reports and the PSC Report. Commissioner Griffin asks Ms. Free to print the Fraud Risk Assessment document so he can sign it.

15. Operator's Report

DPW Blashka states he had a problem with a pump at the Cth Y lift station; Joe Winscher worked on it for a while but couldn't get it going, so he went to assist and got it going. He states that there aren't any other problems with the water or sewer system. He states that water usage is down; this is due to the cold weather. Commissioner Griffin states that he'd like to post a notice at Town restaurants regarding flushable wipes and the problems they cause for the system; we could maybe put out a flyer or something for commercial restrooms. DPW Blashka states that he can ask around at the WRWA Conference to see if anyone has something that would work for us to use or distribute. Commissioner Katte states that it might be a good idea to call out some products to let people know what we're talking about. Commissioner Griffin states that he'd like an idea of the costs were incurring to deal with this problem. DPW Blashka states that it's probably about \$800 a year; it's only a problem at the Cth Y lift station and we stay on top of it.

16. Communication & Correspondence Received After Posting of Agenda

Nothing submitted; no action taken.

17. Pending Item List Review

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

Commissioner Flasher states that there aren't any changes. Attorney Bauer states that there was a document from the WI DNR with monitoring requirements for the wells. DPW Blashka states that he gets a notice every year of what the sampling requirements will be; there's nothing out of the ordinary; there were more sampling requirements last year. Attorney Bauer asks what the approximate costs are. DPW Blashka states that sampling costs are around \$1,000 to \$2,000 per year; Well 3 needs to be sampled for boc's next year, then lead and copper again. Attorney Bauer asks if this is done on a cycle. DPW Blashka states yes; no farmers are by our wells, so it keeps sampling down; the Wellhead Protection Program keeps this down, too. He states that when Well 1 went in, we needed Goking Farm to comply because they have cattle.

Commissioner Flasher asks about the status of item 6, San 2's Ordinance Book. Commissioner Griffin states that it's almost done. Commissioner Flasher states that he'll check the budget spreadsheets, item 8, after the auditor's report is in. He states that for item 9, he'll try to get some sections for the March meeting. Attorney Bauer states that District No. 3 is subject to the PSC; you have to be careful in making changes. DPW Blashka states that he will check with Larry's for the Woodland Rd laterals; it will depend on the frost. He states that he's working on the GIS mapping and that he's looking at new laptops; they would cost around \$3,300 a piece; they're for the field; the list price for a new one is over \$6,000. He states that one is extremely old; we would keep three of what we currently have and purchase two more; each District will pay for one; it would be Windows 7. Commissioner Flasher states that for item 28, does it pay to look at the water model report before looking into a future tower site. DPW Blashka states that after a new tower's built, Tower 1 would be eliminated, so we'd probably still need the Hayssen site; that was the plan. He states that there's nothing new for the rest of the items; item 36, Cth Y lift station debris can be removed, this is on-going. Commissioner Flasher states that 24 water meters were purchased. DPW Blashka states that this was to replenish stock; we were down to one; these are for new construction. Commissioner Griffin states that the City of Grafton requires both a water and sewer meter. Town Supervisor Schwinn states that there is a meeting tomorrow at 4:00 p.m.; Wisconsin Business Bank will be presenting information explaining Commercial One Purchase Cards.

18. 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 5:03 p.m. until Monday, March 16, 2015 at 4:00 p.m. per a motion by Commissioner Flasher and a second by Commissioner Hoepfner." Motion carried.

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

19. Approval of the February 16, 2015 Monthly Bills

Commissioner Katte asks what the \$1,000 payment and the nsf credits are to the Town. Ms. Free states that the \$1,000 payment was an overpayment for a sewer connection fee; the contractor had a Windmor lot on the permit but it was a home for the Mueller Field Subdivision; the Town deducted the \$1,000 from the contractor's building permit and the District is paying back the Town. She states that the nsf, nonsufficient funds credits, are bank charges taken from the District's money market from property owners that had insufficient funds for property tax payments; the money was deposited into the Town money market but were taken out of the District's money market when the checks bounced; the bank charges \$5, we have a returned check charge of \$50.

"The Town of Sheboygan Sanitary District No. 2 (Sewer) Commission hereby approves the February 16, 2015 monthly bills as submitted per a motion by Commissioner Griffin and a second by Commissioner Albright." Motion carried.

20. Discussion/Action – Sewer Extension for Grote Rd

Mr. Carr is in attendance for the meeting. He states that he has concerns regarding the cost of the legal, engineering and connection fee for this project. Attorney Bauer states that the connection fee is \$2,000.00 per parcel; the legal costs were told that they would be between \$1,000.00 and \$1,200.00; there will be no engineering fees. He states that thus far there has been \$663 spent on legal fees. Commissioner Griffin states that Mr. Carr would pay for one connection fee and the second connection fee would be paid when that connection is made. Attorney Bauer states that this is the cheapest agreement that he's worked on for the District. Mr. Carr asked what he needed to do next. Attorney Bauer states that we need the signed agreement between Sanitary District No. 2, the Town Board because of the roads and Mr. Carr and Mr. and Mrs. Webb; once this is signed and approved Mr. Webb can move forward and pull his permits.

21. Discussion/Action – Billing Rates Review & Customer Information Literature

Commissioner Griffin states that they talked about doing a letter for mailing to residents; it would be expensive and he doesn't think many people would read it. He states that the sample of the utility bill with the rate change information looks good. Commissioner Flasher states that the red ink will cost more. Commissioner Griffin states that putting the information on for two quarters should be enough; the information letter should be put on the website and copies should be available at the Town Hall.

"The Town of Sheboygan Sanitary District No. 2 (Sewer) Commission hereby authorizes adding the rate change language to the first and second quarter utility bills per a motion by Commissioner Albright and a second by Commissioner Griffin." Motion carried.

22. Review/Adopt – Ordinance No. 2015-1 An Ordinance Repealing and Recreating Section 6 and Section 7 of the Town of Sheboygan Sanitary District No. 2 Sewer Use and Sewer Service Charge Ordinance

Attorney Bauer states that by repealing and recreating an ordinance, we are destroying the old and replacing it with the new; Commissioner Griffin made changes to Section 6.03 by adding Bain's Trailer Park and Town of Sheboygan Falls residents to this, Category C Users. Commissioner Katte asks how the fire station is handled, what category is it, or do we need to break it out. Commissioner Griffin states that they are a Category A User, a single connection. DPW Blashka states that the fire department and the park shelter have their own separate meters. Attorney Bauer states that the new ordinance creates the categories and the rates; if the Commissioners think that something doesn't fit, they can make changes. He states that when the Ordinance is approved, it will have to be published as a Class 1 Notice in the Sheboygan Press or it can be published as a summary, the title and main points and the location of where the Ordinance can be reviewed; this is cheaper because it's shorter; it can alarm residents; it can be added in the Press to read "visit the Town website". Commissioner Griffin states that he would like the entire Ordinance published as a Class 1 Notice. Commissioner Griffin reviews each section of the ordinance and asks if there are any changes, comments or recommendations. There are no further comments.

"The Town of Sheboygan Sanitary District No. 2 (Sewer) Commission hereby approves Ordinance No. 2015-1 An Ordinance Repealing and Recreating Section 6 and Section 7 of the Town of Sheboygan Sanitary District No. 2 Sewer Use and Sewer Service Charge Ordinance as presented per a motion by

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

23. Ordinance Book Review

Attorney Bauer states that he has the rest of the ordinance book; it needs to be cleaned up. He states that we did a draft of the pretreatment; it was a lot of reference to the City code; it may be ready for approval for the March meeting.

24. Communication & Correspondence Received After Posting of Agenda

Nothing submitted; no updates.

25. 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 5:38 p.m. until Monday, March 16, 2015 at 4:15 p.m. per a motion by Commissioner Katte and a second by Commissioner Albright.” Motion carried.

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

David Griffin, President
Ken Katte, Treasurer
David Albright, Secretary

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

Mark Flasher, President
Jerome Hoeppe, Treasurer
Spencer Lutzke, Secretary

Minutes approved on March 16, 2015