

DOVER EYOTA ST. CHARLES AREA SANITARY DISTRICT
Minutes of Board of Directors Regular Meeting

March 17, 2015

Members Present:

Wes Bussell
Ray Schuchard
Angela Ihrke
Wayne Getz
Matt Elder
Bill Spitzer
Tyrel Clark

Staff:

Paul Ihrke
John Brogan

Guest:

John Wolter, Hawkins Ash CPA's

1. Call to Order:

Chairman Bill Spitzer called the meeting to order at 7:00 p.m.

2. Set Agenda:

Motion made by Tyrel Clark to set agenda, seconded by Matt Elder. All voted in favor. Motion carried.

3. Approve Minutes of the February 17, 2015 Regular Meeting:

Wes Bussell asked question regarding item #7a in the February 17th minutes and what will happen as a result of the phosphorus levels being too high to apply biosolids to the land. The land cannot be used for biosolids application until the phosphorus levels are reduced below the limit. Operators are working with land renter LeeJay Small to implement such things as crop rotation which will help reduce the phosphorus levels. Motion made by Wayne Getz, seconded by Ray Schuchard to approve the regular meeting minutes of February 17, 2015. All voted in favor. Motion carried.

4. Approve Receipts & Disbursements and Summary of Assets:

Motion made by Wes Bussell to approve the Receipts and Disbursements/Summary of Assets as presented. Seconded by Wayne Getz. All voted in favor. Motion carried. There was no discussion on the 2015 budget.

5. Oath of Office Tyrel Clark:

Tyrel Clark took the Oath of Office. Cathy Kennedy acted as Notary for the signature.

6. 2014 annual audit report presented by John Wolter, Hawkins Ash CPA's:

Mr. Wolter stated that there were no areas of concern in performing the audit or in the audit report which is reported in the letter of Significant Audit Finding. There was only one year end adjusting entry to adjust the MPFA loan interest expense. The letter regarding limited segregation of duties says that due to the limited number of employees there is not adequate segregation of accounting duties, however, it would not be practical for the District to devote resources to overcome this deficiency. Looking at the graph that compares operating revenue and operating expenses 2014 was probably the best year in the last five years. Tyrel Clark commented that utilities had dropped \$20,000 from the previous year. Operators have only been running one ditch at

a time and it is shut off more often during the day.

Motion made by Matt Elder to approve the 2014 annual audit report as presented.

Seconded by Wes Bussell. All voted in favor. Motion carried.

7. Plant Update:

a) in the next two weeks the painting will be finished and the new floor installed.

b) Wes Bussell asked about plant upgrades and if more improvements are needed.

At this time the plant is at about half of capacity. No improvements will need to be made unless new permit will have nitrate/nitrite limits then improvements will need to be made to achieve these limits. The current permit expires in May 2016. Any phosphorus limits that may be imposed are probably way off in the future.

c) question was asked regarding grease traps in businesses. Paul Ihrke has talked to some places and some already have grease traps. The plant doesn't have the grease problems that other places do. As part of the NPDES permit renewal Paul sends a letter every five years. Wes Bussell thinks people should be talked to and not just sent a letter that can be filed and not really taken into consideration. Bill Spitzer asked if the District has the authority to inspect businesses and the answer is no. Each city would need an ordinance allowing inspections.

d) was going to ask Mike Bubany to come back and review rate increases after it was known what kind of improvements would need to be made with the new permit. Now it appears that it may be some time before such improvements need to be made. Should review and update the current CIP plan now anyway to make appropriate rate increases to allow District to pay cash for planned capital improvements regardless if they are associated with the new permit. Paul Ihrke is to update the CIP plan for review at the April board meeting and Mike Bubany will be asked to attend the May board meeting with suggestions for future rate increases.

8. Advertise for bids for lawn mowing agreement:

The 3 year agreement with Bill for mowing at a rate of \$450.00 per year has expired. Motion made by Tyrel Clark to place an ad in the St. Charles Press for bids for a 3 year lawn mowing agreement. Seconded by Wes Bussell. All voted in favor. Motion carried.

9. League of Minnesota Cities, liability coverage waiver form:

Motion made by Ray Schuchard to choose the option "the city does not waive the monetary limits on municipal tort liability established by Minnesota Statutes 466.04" on the liability coverage waiver form. Seconded by Wayne Getz. All voted in favor. Motion carried.

10. City of St. Charles new ambulance/fire building:

a) St. Charles ambulance is asking for a donation to help buy equipment. It was determined that the District can't legally donate to this fund.

b) Construction on the new ambulance/fire building will begin May 1st. Regarding the SAC fee, since they are only replacing an existing building there would be no additional SAC fee. When the storage building is built near the city shop, if it is strictly a storage facility with no sewer, there would not be a SAC fee charged.

11. Other Business:

Question was asked if there was any reply from Craig Ferguson after sending him the letter last month regarding meter installation and the penalties that will be charged if

the installation is not completed. There has not been any communication with Craig Ferguson as of tonight's board meeting.

There being no further business a motion was made by Angela Ihrke, seconded by Matt Elder, to adjourn the meeting at 7:35 pm. All voted in favor. Motion carried.

Respectfully Submitted,

Cathy Kennedy

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