

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

**September 29, 2015**

**Members Present:**

Wayne Getz  
Ray Schuchard  
Bill Spitzer  
Tyrel Clark  
Angela Waits  
Wes Bussell

**Staff:**

Paul Ihrke

**Guests:**

Nick Koverman, City of St. Charles  
Nancy Heim  
Dan Pearson

**Absent:**

Matt Elder

**1. Call to Order:**

Chairman Bill Spitzer called the meeting to order at 7:08 p.m.

**2. Set Agenda:**

Motion made by Wes Bussell to set agenda, seconded by Ray Schuchard. All voted in favor. Motion carried.

**3. Approve Minutes of the August 18, 2015 Regular Meeting:**

Motion made by Wes Bussell, seconded by Angela Waits to approve the regular meeting minutes of August 18, 2015. All voted in favor. Motion carried.

**4. Approve Receipts & Disbursements and Summary of Assets:**

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

**5. SAC fees, waive for new home construction in 2016, Nick Koverman, City of St. Charles:**

Nick Koverman, City of St. Charles, was in attendance to request that the SAC fees for new home construction in 2016 be waived. Mr. Koverman stated that St. Charles had 17 new homes built in 2014 and 8 so far in 2015, Dover had 2 in 2014 and 5 so far in 2015. Tyrel Clark stated that in 2015 4 houses and 2 townhomes have been built in Eyota. The St. Charles EDA had asked Mr. Koverman to go around and check other cities and what they offer for building incentives. He reported that Spring Valley has \$5,000 in rebates, Stewartville has \$5,000-\$7,500 in cash rebates and Elgin has \$5,000 in rebates. The city of St. Charles waives their SAC/WAC fee of \$1,500.00 and the building permit fee and it is a strong piece for the City to be able to waive the District's SAC fee. Dan Pearson commented that builders are still struggling with Byron's pull and people choosing the option to move there. Mr. Koverman stated that by waiving these fees it allows these buyers to put the money elsewhere. Ray Schuchard is opposed to waiving the SAC fee, it is a loss of income for the District when we could use the money. The loss of revenue is about \$52,800.00 for the 20 houses/townhouses that have been built since the SAC fee was waived in 2014. Wes Bussell would like to see a separate line item on the house bid that shows a deduction for the District's SAC

fee that is waived.

Motion made by Wes Bussell to waive the 2016 SAC fee of \$2,640.00 for new home construction. Seconded by Wayne Getz.

Continuing further discussion Wayne Getz stated that in driving through a newer development in St. Charles \$5,000 in waived fees would be what it would take to build a deck on a new house instead of having a board placed across the sliding door. He feels that waiving the fee does make a difference.

Dan Pearson said that he does tell the customer that the SAC fee is being waived.

Voting on the previous motion resulted in Bill Spitzer, Angela Waits, Wayne Getz, Tyrel Clark, Wes Bussell voting yes, and Ray Schuchard voting no. Motion carried.

**6. Plant Update:**

a) MPCA has completed their report on the Mississippi watershed in our area and from Paul's understanding we will be getting a 10 mg/l limit on nitrates.

b) Paul has received a proposal from CAT to continue the maintenance agreement on the lift station generator. It is a five year agreement, \$2,155.00 per year, that covers parts, material, labor for general maintenance. Motion made by Ray Schuchard to accept, from CAT, 5 year maintenance agreement on the lift station generator at the rate of \$2,155.00 per year. Seconded by Angela Waits. All voted in favor. Motion carried.

c) Paul is still trying to get a price from Verizon on a fix for the meters. The other option is to go through ISCO at \$4,000.00 per meter.

d) Regarding lighting estimates, Pearson has given estimate of \$2,800.00 for outside lighting and \$5,000.00 for lighting in the building. Rebates would amount to 15 cents per kw hour saved. Paul had asked Don's Electric and Salisbury for estimates and has not yet received a reply. Need at least 2 more bids before a decision is made on new lighting.

**7. Stantec proposal to assist DESCASD in renewing NPDES Permit:**

The renewal application for the NPDES permit is due 12/1/2015. As a result of asking Stantec for assistance with this application they have presented a proposal to assist with the application for an estimated not to exceed fee of \$6,900.00.

This fee would have to be paid yet this year and there is only \$5,000.00 budgeted for plant engineering. Stantec will be asked to invoice any amount over \$5,000 in 2016. Motion made by Wes Bussell to have Sewer District Board Chair sign letter for Stantec to assist in the permit renewal application in an amount not to exceed \$6,900.00. Seconded by Wayne Getz. All voted in favor. Motion carried.

**8. Revised security camera quotes:**

Received three quotes for security cameras:

a) HBC - \$4,849.00

b) Custom Alarm - \$5,397.00

c) Heartland Security - \$3,295.00. However, Heartland will not install cable and conduit so in addition to the \$3,295.00 for cameras a bid of \$1,900.00 was obtained for electrical work from Pearson & Stemper Electric. Total for this option would be \$5,195.00.

With all three there would be monthly charge for a modem and Custom Alarm also has an annual license fee. The bids, except for Custom Alarm which is 3 cameras, include 4 cameras, one in the lab, two for the outside corners of the plant building and one for the lift station. In debating whether or not to spend money on camera at lift station it is decided that it would be a good idea to be proactive and put in a camera. It is suggested by Bill Spitzer to go with the HBC bid since we already have equipment from them for other services. Motion made by Tyrel Clark to accept HBC bid. Seconded by Wes Bussell. All voted in favor. Motion carried. Bill Spitzer asked for clarification on when this project would be done, this year or next. It is budgeted in 2015 so it will get done this year.

**9. 2016 Budget:**

In the 2016 budget the blue highlighted boxes represent amounts that will change after receiving further information in the next few weeks. The board was asked if an amount should be entered into the contingency fund account. As of now the 2016 operational budget is \$16,000.00 higher than 2015 budget. On page 4, the 2016 capital budget is \$44,000.00 higher than 2015 with the total budget increase of \$61,000.00. Mike Bubany's spreadsheets are based on an annual increase in expenses of 3%. The expenses listed in the 2016 budget were inserted into Mike Bubany's spreadsheet to calculate a surplus/deficit using a 0% rate increase, 1% rate increase and 3% rate increase. A 0% rate increase results in a \$56,000 deficit, 1% rate increase a \$48,000 deficit and 3% rate increase a \$33,000 deficit. Tyrel Clark asked if \$80,000 needed to be budgeted next year for chemical addition. If not, then that could be reduced by \$30,000 and there would be a balanced budget at a 3% sewer rate increase. It looks as if 2016 is the toughest year regardless of the rate increase and things start to turn around after 2016.

Personnel committee met prior to this meeting and talked about wage increases for employees. As an oversight there was no wage increase included in the 2015 budget. The personnel committee is recommending a retro \$.50/hour, or \$1,040.00, one time bonus to each employee. This would add about \$3,000 to the 2015 budget but it looks pretty favorable that we will be under budget for the year. For 2016 the personnel committee is recommending a 3% increase which is included in the proposed 2016 budget. However, the personnel committee will be completing employee evaluations before the Oct. 20<sup>th</sup> board meeting and will have a final proposal for wage increases at that board meeting. Motion made by Wes Bussell to pay each employee a \$.50/hour, or \$1,040.00, stipend for 2015. Seconded by Wayne Getz. Employees can decide if they want one check or split between two checks and it is to be paid in the last one or two pay periods in 2015. All voted in favor. Motion carried.

**10. Request for proposals for auditing and accounting services for fiscal years ending 2015, 2016, 2017:**

Two options, first is to send out requests for proposals to a number of firms the second is to send a letter to Hawkins Ash CPA's (current auditor) asking them for a proposal to extend their auditing and accounting services for these three years. It makes more sense to try and stay with the same firm since they are familiar with the operation. Motion made by Wes Bussell to send a letter to Hawkins Ash requesting a quote to continue services for 2015, 2016 and 2017. Seconded by Tyrel Clark. All voted in favor. Motion carried.

**11. Performance Enhancement Plan update:**

- a) security cameras will be installed
- b) Fresh Desk-implement after the first of the year but set it up now to familiarize employees
- c) employee evaluations will be done 10/20/2015
- d) iPads will be purchased this year. Cathy will purchase them with Bills' assistance.

There being no further business a motion was made by Wayne Getz, seconded by Angela Waits, to adjourn the regular meeting at 8:20 pm. All voted in favor. Motion carried.

Respectfully Submitted,

*Cathy Kennedy*

Cathy Kennedy