

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

March 21, 2017

Members Present:

Wayne Getz
Wes Bussell
Tony Nelson
Dave Iseminger
Dale Kieffer
Dave Kramer
Ray Schuchard

Staff:

Josh Campbell
John Brogan

Guests:

Anne Wiekamp Leth, Hawkins Ash CPA
Tony Stango, St. Joseph Equip

1. Call to Order:

Chairman Wayne Getz called the meeting to order at 7:00 p.m.

2. Set Agenda:

Motion made by Wes Bussell to set agenda as presented. Seconded by Dave Iseminger. All voted in favor. Motion carried.

3. Approve Minutes of the February 21, 2017 Regular Meeting:

Motion made by Tony Nelson, seconded by Dale Kieffer to approve the regular meeting minutes of February 21, 2017. All voted in favor. Motion carried.

4. Approval of Receipts and Disbursement/Summary of Assets:

Dale Kieffer asked as to why the Storm's are paying the District. It was explained that there are five residents that are tied directly to the interceptor and pay the Sanitary District directly for sewer use. Motion made by Dale Kieffer to approve the Receipts & Disbursements/Summary of Assets as presented. Seconded by Wes Bussell. All voted in favor. Motion carried.

There was no discussion on the 2017 budget.

5. Hawkins Ash CPA's to present 2016 audit report:

Anne Wiekamp Leth of Hawkins Ash was present to review the preliminary audit report for 2016.

a) She reminded everyone of the new pension reporting requirement that went into effect in 2015 that everyone in the State pension needs to record on their books their portion of the pension liability. In 2015 this liability was about \$24,000 and for 2016 it increased to \$119,454.00 due to changes in actuarial assumptions. This liability amount will never have to be paid unless something happens to the State of Minnesota. The liability amount is figured according to a document that Hawkins Ash receives that shows every City's, District's, etc., percentage of the liability.

b) She also had available graphs comparing various statistics for the last few years. In 2013 the approximately \$600,000.00 in nonoperating expenses was due to the write-off of old facility plans for a plant upgrade that will never be used.

c) The District had another good, strong year.

d) After Hawkins Ash receives the management representation letter, that is being signed by two board members tonight, the final audit report will be printed and delivered to the District.

Motion made by Wes Bussell to accept the 2016 audit report prepared by Hawkins Ash. Seconded by Ray Schuchard. All voted in favor. Motion carried.

6. Lawn Mowing Equipment:

Quotes were obtained from M & M Lawn & Leisure, SEMA Equipment and St. Joseph Equipment for lawn mower leasing options. Tony Stango from SEMA attended meeting to explain the John Deere options. One option is a municipality lease which spreads the cost out over 3 years with a buy out of \$1.00 at the end. The other is a new equipment lease where minimum payments are made over 3 years and then trade for a newer mower. As shown in the spreadsheet comparing the quotes from the 3 businesses anywhere from \$8,000 to over \$10,000 could potentially be spent on a new mower. The lawn mowing is currently done by Bill Goetz at the rate of \$450.00 for the entire mowing season. There is some dissatisfaction in the quality of his work and the insufficient time he spends mowing. General consensus that it is hard to justify the cost of a new mower when you consider the rate that is currently being paid for mowing and there is a mower attachment for the Kubota tractor that could be used. One option could be to buy a cheap residential mower and along with that use the Kubota mower to mow ourselves. Another option is to solicit serious bids with a list of criteria for mowing. It is agreed to continue using Bill's mowing service and John will talk with him regarding a more professional job. Motion made by Wes Bussell to table the purchase of new mowing equipment. Seconded by Dave Iseminger. All voted in favor. Motion carried.

7. Plant Update:

a) The new pickup is ready to go.

b) TEC has the waste pump tore down and we are waiting for an estimate on parts.

c) Had high flows at the beginning of the month, the highest was 1.3 million. Test results are coming out ok.

d) Planning on taking sludge tank at the end of the week to Gehling's.

e) Board needs to decide what to do with old pickup. Take it to Timm's Auto Recycling and get \$260-\$270 or sell it out right. The truck is in pretty bad shape and Dave asked if it is safe to sell. It is Tony's opinion that it should not be sold. It should not even be sold on a bid. John Brogan offered to buy it for \$500.00. Motion made by Dale Kieffer to sell the pickup to John Brogan for \$500.00. After further discussion it was decided that the truck should be sold to the junkyard due to the poor condition that it is in. Dale Kieffer rescinded previous motion. Motion made by Dave Kramer to sell the truck to Timm's Auto Recycling. Seconded by Dale Kieffer. All voted in favor. Motion carried.

f) A repaving project is in the 2017 CIP for the amount of \$50,000.00. John Brogan discussed this with Kyle Karger, City of St. Charles, who in turn asked for an opinion from WHKS Engineering. It is their opinion that the roads at the plant need a complete grinding and repaving at an estimated cost of \$96,000.00. The condition of the roads has not changed much over the last few years and probably won't in the next few years. There is already \$50,000 in the budget for this project and additional amounts will be budgeted over the next few years to complete this project in perhaps three to five years.

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

Motion made by Dave Kramer to choose the option “The member does not waive the monetary limits on municipal tort liability established by Minnesota Statutes, Section 466.04” on the Liability Coverage Waiver Form that is a part of the annual property insurance renewal. Seconded by Tony Nelson. All voted in favor. Motion carried.

9. Tim Ernste’s, Bremer Investments, request for a meeting with the Investment Committee, (Wayne Getz, Wes Bussell, Dave Kramer), to review investments:

All members of the committee would be available to meet with Tim Ernste on Monday, March 27th at 5:00 pm. Cathy will inform Mr. Ernste so he can confirm if this will work for him.

There being no further business a motion was made by Tony Nelson, seconded by Dave Kramer, to adjourn the meeting at 8:02 pm. All voted in favor. Motion carried.

Respectfully Submitted,

Cathy Kennedy

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