

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

April 19, 2022

Members Present:

Wayne Getz
Eric Tyler
David Kramer
Wes Bussell
Kevin Connor

Staff:

John Brogan
Todd Tesch

Guests:

Monica Hauser, Hawkins Ash CPAs
Tom Dye, MSA

Absent:

Ray Schuchard
Tony Nelson

1. Call to Order:

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

2. Set Agenda:

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

3. Monica Hauser, Hawkins Ash CPAs, to present 2021 audit report:

Monica Hauser introduced herself as the Hawkins Ash Partner in charge of the audit. She started with the financial statements. In the Statement of Net Position she pointed out that assets decreased by 1.4% mostly due to increase in depreciation. Asset additions totaled \$71,000. Regarding deferred inflows/outflows and pension liability, these numbers are determined by an actuarial study done by the State. Current liabilities have decreased due to the decrease in debt payments. Accounts payable also decreased and it is good to see liabilities decreasing. The total net position for 2021 was up \$172,059 from 2020. On page 8, the operating revenue is comparable to 2020. Operating expenses were up 7.5% mainly due to the pension expense and the manhole lining under maintenance and repairs. Investment income was down considerably, however that is self-explanatory. In the Notes to the Financial Statements, starting on page 10, nothing changed much. On page 15, Note #4, regarding the bond payments for the years 2027-2031 they are required to list this in 5-year increments. On page 22, the comparison of budget to actual, we were under budget by \$67,614, which is good. In the other report, Independent Auditors' Report, it states that there were no problems with the audit. As in the past they report that the limited segregation of duties is a significant deficiency and they also state that it's not financially feasible for the District to add more staff. Monica Hauser also stated that it was a very clean audit. Motion made by David Kramer to approve the 2021 audit report completed by Hawkins Ash CPAs. Seconded by Eric Tyler. All voted in favor. Motion carried.

4. Tom Dye, discuss proposed new NPDES Permit:

Tom Dye, MSA Professional Services, introduced himself as having worked on various projects at the plant over the last 14-15 years. He and Wayne Getz, John Brogan, Todd Tesch met with the MPCA to discuss the reissuance of the NPDES Permit. The MPCA wants to impose a Total Nitrogen Limit of 10 mg/l in this next permit and a nitrate limit of 5 mg/l or less that will not be proposed until the next permit cycle in 2027. Since the plant is currently not equipped to achieve either of these limits the MPCA is requesting a response outlining what the District would have to do to achieve a Nitrogen Limit of 10 mg/l before the end of the next proposed 5-year permit period. The MPCA is requesting this information by May 9, 2022 and Tom Dye is preparing a letter to the MPCA that outlines this information. Tom Dye is thinking that plant modifications would be \$500,000 or less and this also includes modifications to achieve a 5 mg/l nitrate limit in the 2027 permit cycle. Motion made by Wes Bussell to allow Tom Dye to send this letter to the MPCA outlining the plant modification process needed to achieve these new NPDES Permit limits. Seconded by Kevin Connor. All voted in favor. Motion carried.

5. Approve Minutes of the March 15, 2022 Regular Meeting:

Motion made by David Kramer, seconded by Eric Tyler to approve the regular meeting minutes of March 15, 2022. All voted in favor. Motion carried.

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

Motion made by Kevin Connor to approve Receipts and Disbursements/Summary of Assets. Seconded by Wes Bussell. All voted in favor. Motion carried.

7. Plant Update:

a) No violations for the month.

b) Ditch #1 is pumped down and we will change some of the piping on the circulation pump so it operates as a mixer. Then we will start pilot testing to see if we can achieve some BNR by creating an anoxic zone while timing the run time on the brush rotors.

c) Wieser Concrete can only make 4 inch adjusting rings and we have ordered 20 rings.

d) Sioux Valley Environmental was here on 3/31/2022 and did an evaluation of our chlorination and dechlorination equipment. He found issues such as the SmartValve is beyond the 7-10 year shelf life and has a small leak when the system shuts down and starts up, vacuum regulators should be replaced, the rotometer should have been replaced when the SmartValves were installed. Sioux Valley Environmental has provided a quote in the amount of \$18,685.00 to replace the existing chlorination and dechlorination equipment. Motion made by Wes Bussell to accept the quote from Sioux Valley Environmental in the amount of \$18,685.00. Seconded by Eric Tyler. All voted in favor. Motion carried.

8. Discuss/Approve the Sanitary Sewer Extension Permit for the Amethyst Subdivision in Eyota;

The sewer extension would be for building 8 homes on vacant land south of the Peace Lutheran Church. The homes are being built by Vicki Arendt. Motion made by Wes Bussell to approve the Sanitary Sewer Extension Permit Application for the Amethyst Subdivision in Eyota. Seconded by Dave Kramer. All voted in favor. Motion carried.

9. Personnel Committee Update:

The Personnel Committee met on 4/11/2022 and is recommending two changes to the Employment Policy:

a) in Section 09, Paid Time Off (PTO): Subd 4: remove “Company Paid Holidays”

b) in Section 18, Safety: Subd 4: Employee Work Clothes/Uniforms add a paragraph as follows: “High Visibility Safety Clothing will be provided and purchased by the DESCASD as requested by employees on an as needed basis. Examples of clothing will include High Visibility t-shirts, sweatshirts, and heavy-duty winter coats. Winter hand gloves shall also be included herein.”

The cost of High Visibility clothing for 2 employees is approximately \$1,000.

Motion made by David Kramer to approve these two changes to the Employment Policy. Seconded by Eric Tyler. All voted in favor. Motion carried.

10. Other Business:

a) The Edward Jones CD that matured on 3/15/2022 was reinvested in a one-year CD at an interest rate of 1.0%.

There being no further business a motion was made by Wes Bussell, seconded by Eric Tyler, to adjourn the meeting at 7:55 pm. All voted in favor. Motion carried.

Respectfully Submitted,

Cathy Kennedy

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