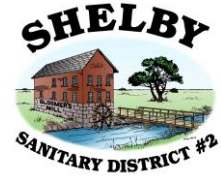


TOWN OF SHELBY Sanitary District #2 Minutes



DATE & TIME: June 4th, 2019 1:00pm

LOCATION: Shelby Town Hall Annex 2801 Ward Ave., then moved to Town Hall at 2800 Ward Ave.

PRESENT: Chairman Bob Mueller, Commissioner Kurt Knutson, Jeff Brudos/Administrator, Renee Knutson/Town Board and Michelle Kind/Clerk

ABSENT: Steve Lundsten

ALSO PRESENT: Attorney Art Harrington of Godfrey & Kahn, Attorney Kevin Roop of Hale Skemp and Ehlers Financial Services Joshua Low and Sean Lentz

Attendance List:

1. Meeting called to order by Mueller at 1:05pm. Mueller introduced everyone and thanked them for attending in person. Mueller requested that Kurt Knutson be the primary representative for the Sanitary District Board in negotiations with the city of La Crosse on the proposed sewer contract which would include any meetings with the City of La Crosse. Mueller and Lundsten will be supporting Knutson as needed in the negotiations. Knutson noted the City was on the news last night noting that they are looking forward to finalizing the Boundary Agreement.
2. Motion by Mueller/Knutson to go into closed session at 1:15pm pursuant to section 19.85(1)(e) to discuss the current Sewer-Wastewater Agreement between the City of La Crosse and the Sanitary District #2 with a negotiation strategy presentation by Art Harrington of Godfrey & Kahn including comments on the SEH Sewer Flow Rate study. Motion carried.
3. Motion by Mueller/Knutson to come out of closed session at 2:17pm. Motion carried.
4. Motion by Mueller/Knutson to accept the additional financial estimate from Godfrey & Kahn with anticipated tasks to ensure consistency between the Boundary and Sewer agreements with the City of La Crosse. Motion carried.
5. Discussion held to request that the Town Board have a joint meeting with the Sanitary District Board to review the June 2018 Water System Master Plan assumptions and alternative plans by SEH. Also, to provide an intergovernmental agreement with a permanent easement for access rights on public or park lands for Arbor Hills well and pump house property. Discussion held on the location options of the second well for Arbor Hills due to topography, Town lands currently owned, and future development options to provide water to additional customers.
6. Motion by Mueller/Knutson to accept the Sewer Collection System Facilities Plan of 5/23/19 by SEH. Brudos will coordinate delivery of the Flow study to Bernie Lenz at the City of La Crosse. Motion carried.

7. Discussion held on the SSD Financial plan/Economic forecast (both short-term and long-term) proposal as well as an update on the financial information for the WDNR Water Loan application by Sean Lentz and Joshua Low of Ehlers Financial out of the Twin Cities who provide financial plans for Municipalities and Utilities. Review of Bonding and Taxing options for the District and Town. General Obligation vs. Revenue Bonds were discussed and each have their positives and negatives. The Equalized value calculation governing the General Obligation loan requirements would be the Sanitary District only, not including the Town. The plan should include the capability to analyze the impact of various Capital plans and future developments as well as maintenance needed and the possible impact on Water Customers. Ehlers noted they have experience providing Utilities with Financial plans and have reviewed SDW Loans as well as DNR Grants. Mueller noted that Rate increases required for large capital projects are done with a 2-step rate process by the Public Service Commission of WI (PSC) with rate recovery being done through fixed or volume charges or a combination of the two. Stepping the project rate increases to be ready for future developments provides justification for recovery of current expenses as well as new costs, when the facilities go into service. Discussion was held with Ehlers Financial to provide the Large rate case study application with the PSC later in 2019.
8. Mueller noted he is reviewing with Tostrud and Temp on the progress of the 2018 Audit.
9. Brudos to review assessment payments from taxes received as well as the prepayments for the Hwy 33 Water project and send the State a notice of prepayment 30 days prior and payment is due by July 31st.
10. Motion by Knutson/Mueller to approve the septic claim for a Sewer back up at Servais N2136 Valley Road of approx. \$6,000 – see attached. Motion carried.
11. Minutes were tabled.
12. Administrators Report: Brudos will be out approx. July 18th – Aug. 10th. Mueller will be out July 13th – Aug 6th.

Meeting adjourned at 4:47pm.

Next regular scheduled meeting is scheduled June 13th, 2019 at 4:00pm.

Respectfully submitted,
Michelle Kind