

# LAKELAND SANITARY DISTRICT NO. 1

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## NOTICE OF MEETING

**TITLE OF GROUP MEETING:** LAKELAND SANITARY DISTRICT NO. 1

**PLACE:** LAKELAND SANITARY DISTRICT NO. 1 OFFICE  
8780 MORGAN RD.  
MINOCQUA, WI 54548

**DATE:** FEBRUARY 25, 2020

**PURPOSE:** REGULAR MEETING

**TIME:** 4:00 P.M.

### **AGENDA:**

1. CALL MEETING TO ORDER.
2. APPROVAL OF AGENDA
3. APPROVAL OF MINUTES 1-14-2020 REGULAR MEETING
4. DISCUSSION ON BANK LOANS/RATES FOR FUTURE CONSTRUCTION PROJECTS
5. DISCUSSION OF DOWNTOWN MINOCQUA PROJECT
6. APPROVAL OF JANUARY CHECKS
7. SIGN CHECKS / PAY BILLS
8. INFORMATION / CORRESPONDENCE

**TIME OF POSTING:** FEBRUARY 21, 2020

**NAME AND TITLE OF PERSON  
DIRECTING THAT THIS NOTICE  
BE POSTED:** TOM WIPPERFURTH  
PRESIDENT

Upon reasonable notice, efforts will be made to accommodate the needs of the disabled individuals through appropriate aids and service. Contact the Lakeland Sanitary District @ 715-356-4454.

NOTICE OF MEETING.doc

LAKELAND SANITARY DISTRICT NO. 1  
Regular Semi-Monthly Meeting  
February 25, 2020

Present: R. LaPlante, T. Wipperfurth, M. Killian

Absent:

Others: C. Akey, J. Benson

The meeting was called to order by President T. Wipperfurth on February 25, 2020 at 4:00 P.M. All public notices have been posted to meet with the open meeting law and the building is accessible for the handicapped.

**Approval of Agenda 2/25/2020 Meeting:** M. Killian made a motion to approve the agenda for the 2/25/2020 meeting; R. LaPlante seconded the motion. All in favor, motion carried.

**Approval of Minutes 1/14/2019 Meeting:** R. LaPlante made a motion to approve the minutes from the 1/14/2019 regular meeting, M. Killian seconded the motion. All in favor, motion carried.

**Agenda Item #4: Discussion on Bank Loans/Rates for Future Construction Projects:**

C. Akey handed out the Lakeland Sanitary District's current financial balance spreadsheet. C. Akey began by talking about the downtown Minocqua project and that we will need to start looking into obtaining some type of funding depending on how the project starts and proceeds in phases in the upcoming years. He stated that we will be looking at approximately \$4,000,000 for the entire project, however if the town starts the project in the area we need to start (E Park Ave) and continues in phases the district may not need to borrow money right away. He pointed out that we have enough money in the district's sewer and watermain extension funds that could cover this first phase and the district would be able to re-coop from the expense as the town finishes their part of the project and we would have a grace time before beginning the second phase. C. Akey then handed out several fund/loan options the district could go with for funding the entire project. All options were for \$4,000,000 and each had different interest rates and criteria as follows:

1. Bond option is a general obligation bond at 2.25% for 10 years or 2.4% for 20 years.
  - a. There would be several large fees to apply for the bond
2. USDA loan option – possibility of 1.65% rate if the district qualifies for poverty level otherwise it will be 2.25% for 40 years.
  - a. There is a lot of work that is required to be done in the application process. Also a large sum of money would be spent for engineer reports before the district would even know if the funds would be granted. C. Akey pointed out that in the district did apply for this type of loan in the past for work that needed to be done at the plant. The district hired and paid for the engineer reports and ultimately did not end up qualifying for any funding.
3. Peoples State Bank loan option – General obligation 3.05% fixed rate for 10 year loan
  - a. Not General Obligation – 3.85% fixed for 10 year loan
4. Incredible Bank loan/line of credit option – 3% fixed rate for 10 year loan

a. They would require the district to move all our banking/deposits to Incredible Bank. They would match our interest rates for our general checking account and all our LGIP accounts. C. Akey handed out our current interest rates for all accounts.

b. Line of credit would be beneficial as the district would not have to borrow the entire amount right away, can take draws and make payments as needed.

M. Killian asked how many years the district has been with Peoples State Bank and it has been about 15 years. There was a discussion about the pros and cons of each option. M. Killian pointed out the line of credit does seem like the best scenario, especially if the district is able to pay for parts of the project and does not have to borrow the money. He stated that he feels it would come down to the best rate and simpler option and not have the district spend extra money to apply for any funding. T. Wipperfurth stated that he did not want to switch banks yet until the Town of Minocqua board meeting and we know how the town wants to proceed with the downtown project. C. Akey said that a decision did not have to be made yet but depending on how the Town of Minocqua wants to proceed he wanted to get options lined up. C. Akey also presented the board with the possibility of a rate increase. The district has not done a rate increase since 2014 and this would help supplement the cost of updated the district's infrastructure, ultimately benefiting our customers. The District would need to do a convectional rate study through the Public Service Commission and the PSC would ultimately make the decision of what the district would be able to do for the increase. C. Akey said he would put together more information on what the district has done in the past for increases and present it at the next meeting.

**Agenda Item #5: Discussion of Downtown Minocqua Project:** T. Wipperfurth asked what exactly is the district's main issues downtown? C. Akey stated that the sewer main by the Thirsty Whale on W Park Ave. is very shallow and that the sewer main would need to be lowered starting at #7 lift station on E Park Ave. in order to create the correct percentage of slope that is code for gravity sewer lines. C. Akey explained that the district should start at #7 lift station on E Park Ave. and continue on down W Park Ave. deepening both our sewer and water mains in the area. This would reduce the chance of watermain breaks and freezing in the winter and would also remove several customers from our trickle to prevent freezing. The sewer mains are old and made of clay and since the town of Minocqua would be tearing up and repairing roads this would be the best time to replace our sewer as well. There are manholes that still need to be repaired as well. The district has repaired all the manholes on USH 51 and a few on some of the side streets but there are still several in need of repair, they are brick and are failing. C. Akey then discussed in depth about how the last meeting with Mark Hartzheim and Mark Pertile didn't go as well and that the town wants to start on the west side of downtown only. If that happens then the district will need to start construction in 2020 to lower the sewer main from #7 lift station and bore under USH 51 in order to be ready to continue construction in 2021 with the town as they proceed to fix W Park Ave. This is not the best scenario as the district will have to manage to complete a sizable amount of construction in a short time period. C. Akey stated that the Town of Minocqua will be holding a special meeting to discuss the downtown project and that the Lakeland Sanitary District will be on the agenda. They have not set a specific date (March 3, 4 or 5) but C. Akey will inform the commissioners when they do and would like them to attend as well. It would only make sense for the town to work with the sanitary district and start the project on E. Park Ave. to replace

the sewer and watermain and then replace the town's storm sewer and fix the road and then continue down W Park Ave. T. Wipperfurth pointed out that the town board needs to see the benefit of working with the sanitary district as it helps keep everyone's costs down. The Commissioners all agreed they would be open to meeting with the Minocqua Town Board for further discussion on the downtown project.

**Agenda Item #6: Approval of January Checks:** T. Wipperfurth questioned checks made out to Energenecs and to Kumbier Towing. C. Akey explained that the check to Energenecs was for service work to fix the Huber screens in the headworks building and that the check for Kumbier Towing was for a tow on a work truck. Last large snow fall C. Akey was plowing at #11 lift station and became stuck, didn't want to damage the truck trying to pull it out so a tow was needed. M. Killian made a motion to approve the January checks, T. Wipperfurth seconded the motion. All in favor, motion carried.

**Agenda Item #7, Sign checks/pay bills:** Checks were signed.

**Agenda Item #8, Informational/Correspondence:** C. Akey informed the Commissioners that he will let them know when the Town of Minocqua holds the board meeting in regards to the downtown project. Commissioners agreed that they will attend (if possible) and to wait on deciding on any bank/ loan options until after said meeting. There being no further business, the meeting was adjourned at 4:55 P.M., on a motion by M. Killian, seconded by R. LaPlante.

Clerk: *Rick A. LaPlante*