

**Village of Egg Harbor
Utility Committee Meeting Minutes
November 15th, 2022, 11:00 AM**

**Paul J. Bertschinger Center
7860 STH 42 Egg Harbor, WI 54209**

**Meeting Link: <https://villageofegg Harbor.zoom.us/j/92718840733>
Phone Number: 312 626 6799 Meeting ID: 927 1884 0733**

John Heller, Chair
Mack Bonk, Member
Tom Prohl, Member

TC Johnson, Member
Paul Zeller, Member
Bert Sawyer, Operator

1. Call to order and approval of the agenda

- **John Heller calls the meeting to order at 11:00 A.M.**
- Committee Members present: John Heller, Mack Bonk, Tom Prohl, Paul Zeller (ZOOM)
- Committee Members Absent: TC Johnson
- Staff Members present: Bert Sawyer, Megan Sawyer, Madison Cloutier, Lynn Ohnesorge (ZOOM)
- Audience members: Andy Schmidt from McMahon (ZOOM), Tony Kappell from McMahon (ZOOM), Vicki Louis (ZOOM)
- **John Heller motioned to approve the agenda, Tom Prohl second, motion carried.**

2. Approve September 21, 2022, Meeting Minutes

- **John Heller motioned to approve the September 21, 2022, meeting minutes, Mack Bonk second, motion carried.**

3. Open Session

- Nothing

4. Wastewater Treatment Plant Improvement Phase II Project Update

- *Megan Sawyer: Project went out to bid November 3rd, lowest bid \$4.2 million dollars. McMahon reached out to the DNR, they said we could get additional Clean Water Funding funding. There should be enough principle, forgiveness to accommodate a budget increase as well. There's a cap on general principal forgiveness of two million dollars per municipality per state fiscal year. Since we're a green tier legacy community, we're eligible for fifty percent principal forgiveness. Also reached out to Ehlers to determine how that increase in Project Budget and the adjusted clean water funding changed our financial forecast which is included in the packet. Because of some additional revenues in sales and connection fees, we would be able to close on the loan. Even though there's about \$50,000 more in debt service than the previous amount without a rate increase. They also recommend an inflation increase for 2023 or 2024. Bert, John & Megan met with Tony to discuss value engineering, Tony reached out to Miron, the Phase 1 contractor and the lowest bidder, waiting to hear back.*
- *Heller: Bid cost is 4.5, we're getting \$2 million in principle forgiveness, we'd have to finance \$2.5 million.*
- *Megan Sawyer: When Brian did our original financial forecast, he used the \$2.5 million dollar cost and then potential \$750,000 principal forgiveness. Also ran the \$4.5 including engineering costs and \$2 million in principal forgiveness.*
- *Heller: Difference of \$1.75 on the original 2.5, and 2.5 on the actual bid, so, \$750,000 extra. No point in delaying the project because of the cost, won't get a better price.*

- *Bert Sawyer: Payback on completion, not until 2023 or 2024. If there is a sewer increase it can help pay part of the cost. Increase the rates a small percentage this year next year, instead of doing a five percent all at one time. With connection fees and new buildings going up that will also help. Also, note that rate changes need to be posted.*
- *Heller: Time to discuss this.*
- *Bert Sawyer: Haulers prefer 1-2% increase more often than a 5-10% increase less often. We bill the haulers for what they bring in and they get the money from their customers.*
- *Megan Sawyer: Ehlers is recommending that increase, because, although our additional sales and connection fees increased this year, that trend may expire, and then you don't have that additional income to lean on.*
- *Questions and discussion on what Debt Coverage Ratio is. Lynn answered this below in the Open Session.*
- *Kappel: Had a conversation with Miron and August Winter & Pieper. Miron looking at ways to reduce costs not a lot of room on their end unless the scope was changed. Possible cost saving if the schedule was adjusted to allow Miron to do the Pump Station in spring and into the Tourist season. Costs are through the roof and materials are hard to come by. Waiting for more information.*
- *Bert Sawyer: If they started earlier, it wouldn't really affect the beach much, but it might affect Alpine deliveries. Might be worth the inconvenience.*
- *Megan Sawyer: What was discussed about moving the building closer to the roadway?*
- *Kappel: Did not get anything back from Miron on that.*
- *Discussion: Megan brought up the cost breakdown for discussion. Discussion continued about the potential areas of savings. Demolition of the old Lift Station discussed, could it stay even after the new Lift Station is done? Could save there. Assuming Miron would do the work because they were the low bidder and met all the requirements. Has not been approved yet. Need to get all the waste out of the old Lift Station and it could sit there. Need to get a savings from Miron.*
- *Prohl: Make sure the Village is good with the numbers, give the contractor flexibility on the schedule.*
- *Bert Sawyer: We could still get the building up, but there may be a delay for the MCC's and the generator.*
- *Kappel: There is probably at least a year lead time on generators right now. That would be the one equipment item that would dictate the completion.*
- *Bert Sawyer: Get the building up and try and get the equipment as soon as we can. Want to get approval as soon as possible so orders can be placed.*
- *Discussion was to get this going as soon as possible.*
- *Zeller: There was discussion about not having a need for a rate increase for several years. Now, if there is a thought to increase the hauler rate, I would consider that, but for the next two years I would not support a rate increase. The core issue that we're talking about is getting this project going. With everything that's happening, with the supply issues that were discussed, and with this money being available now, the clean water money, I think that we've got to try to take it while we can get it. So, I would support this to the Village Board.*
- ***Heller: I make a Motion that we make a recommendation to the Village Board to enter into a contract with Miron to proceed with Phase 2 of our Wastewater Treatment Plant improvements. Second, Mack Bonk. Unanimous support.***
- *Kappel: Don't let Miron know that until we get their input on potential cost savings. Approve the contract for the full amount and then request the funding, then if there is an agreed upon cost savings and / or schedule change it would be a change order.*

- *Kappel: It would allow Myron to get started on the building portion of the construction in the spring, or earlier, get the underground piping portion of the project done in the spring, but then still allow them to potentially work on building construction if there's a cost advantage to doing that, from the spring potentially into the tourist season.*
- *Bert Sawyer: The piping can be done. But that beach parking lot must be open and usable for the beach only, and if they want to work on the building they can, as long as they're not interrupting any of the beach traffic or beach usage.*
- *Heller: They could even start with the piping now?*
- *Kappel: They would have to get the piping in and get that back up to grade with gravel prior to Memorial Day.*

5. Wastewater Treatment Plant Manager Report

- *Bert Sawyer: Flows done, haulers up, plant running clean. Hope to burn some reeds this year yet. Flows may be down because of new pipe and the Bay being down. There was infiltration also and it is hard to pinpoint that. And Business owners are saying they are not as busy as last year. Need to watch how much is put through the haulers each day. Not all is septic. Running better because there is less dilution, and it is running more efficiently.*
- *Kappel: Reed bed cleanup can get closer to the \$16,750 by possibly going to a different landfill. New one in Greenleaf in Brown County that could be cheaper.*
- *Heller: We want to realize a savings in both disposal costs and engineering costs.*
- *Kappel: Our cost should be closer to the 2016 charges than the 2022 charges. You wanted to cover a portion of the fee for this in 2022, correct? I'll get an agreement put together. We will start in December and invoice you in December.*

6. PAFS Discussion and decision on participation in cost recovery program

- *Heller: The State is drafting legislation so not much needs to be done now. Will learn more about it and get back to you.*
- *Bonk: Can we get a presentation set up?*
- *Megan Sawyer: Will set that up with Hank Naughton.*
- *Prohl: So, if we do nothing, and an issue comes up may years from now, we should at least register?*
- *Heller: OK, we'll do that.*

7. Communication and Alarm Dial Out Discussion

- *Heller: Meeting Monday to do an RFP request and will move forward from there. Assuming the need to hook into our Lift Stations to be part of the program.*
- *Bert Sawyer: Two weeks ago, there were communication failures because of the wind and the rain. Can't be avoided.*
- *Megan Sawyer: Energenics has a cellular, dialer, tester that we can try to put in each of the Lift Stations and have a cell dialer at the main lift Station as a backup.*
- *Bert Sawyer: Energenics said they have a portable UHF temporary tester for the Lift Stations. Asked them to get a price so we can try it. They can only get the equipment through AT&T. They will try and get a price for the next meeting.*
- *Bonk: Can we get a cellular connection at each Lift Station in the meantime?*
- *Megan Sawyer: Will discuss more at the next meeting.*

8. Discussion regarding restriction on private sewage disposal systems within the Village's Sewer Service Area

- *Megan Sawyer: Discussion continues from last month.*
- *Heller: We should craft an ordinance that will deal with this for the whole Village. You should be required to connect to the sewer system if you build in the Village, in the Sewer Service Area, and the sewer does not run past your property. If it is prohibitive you would need to get approval from the Village Board.*
- *Prohl: Does the Village extend the main sewer line then, and then you pay to hook up if not on the main line? There are a lot of possible scenarios.*
- *Bonk: \$2400 to connect if the line runs past your property? Correct. Yes...*
- *Discussion on possible scenarios.*
- *Bert Sawyer: Potential buyers will not want to have to go to committee to find out if they have access to the sewer or a possible septic system.*
- *Megan Sawyer: But if we have a map that's already preset, we have the Sewer Service Area established, and let's say I'm a prospective property owner in the village, I, by looking at that map will know, before I put an offer in, if I'm going to be required to extend the sewer to my property or not, and then that's a risk I take. If I must come to you to say that it's not financially feasible or not feasible for other reasons for me to do so; and if they don't want to take that risk, then they don't put the offer in on the property.*
- *Heller: Like that approach and asking Bay Lakes to help.*
- *Schmidt: After researching possible service areas, it was decided to use the Village boundaries as the Sewer Service Area, but we can also go beyond that. Bay Lakes was not involved at that point. If you take areas out that are difficult to serve, might have a legal issue but it can be done. Bay Lakes may be able to help but you would have to talk to them. We provided a map, but it is the Village limits.*
- *Megan Sawyer: If we do require this, we may incur costs.*
- *Bonk: Village should be responsible for some percent of the cost.*
- *Bert Sawyer: May need more Lift Stations as well.*
- *Bonk: Can we consider holding tanks? Because of the rock we need to protect the groundwater.*
- *Bert Sawyer: We have a handful of holding tanks in the village and if there is more construction there would be more holding tanks.*
- *Bonk: Isn't it costly to have those? Costs need to balance someplace.*
- *Bert Sawyer: We charge a fee for holding tanks.*
- *Prohl: Do we know exactly what areas are not serviceable? Ton of questions not being answered, can Bay Lakes answer these questions?*
- *Schmidt: Bay Lakes can but we potentially can do that too. Need to be careful, there are a lot of different scenarios that play out.*
- *Bert Sawyer: Print out an aerial map. And you can see the overview of it. On White Cliff Road there's probably 5 or 6 houses that are on holding tanks, as you're going towards the Town of Gibraltar. But, to get from our last manhole to them it would possibly be \$1 million in construction fees to hook up 5 homes. That's not feasible. And the same with Heritage Lake Road. Part of that's in the village. But we would have to go all the way across the golf course to get to it. There's also a subdivision that doesn't have homes in it. For us to get sewer to them, it would have to go down County T and then up through the subdivision, because otherwise you'd be*

pumping up into the main. That's on the hill. Not feasible to extend the sewer for a reasonable cost.

- *Prohl: Need to be clear if sewer is available way up front to potential buyers.*
- *Bert Sawyer: When the sewer was put in in the Point area it was much larger parcels. Then they were lotted out, now you don't have sewer to all the parcels.*
- *Heller: Some areas don't make sense, but I believe Point Beach should be totally served. More thinking and discussion need to happen.*
- *Schmidt: So, I don't know if there's a process for example, if somebody takes a large lot, splits it into three four parcels, they must do a CSM, don't you have an opportunity to review those? If the sewer stops right at the beginning of that lot, and maybe that's an acknowledgment during a CSM process, you need to now serve those additional parcels with sewer.*
- *Megan Sawyer: We would have to put something in our ordinance that makes that requirement come into play, so maybe it's not a blanket Sewer Service Area, but if you have sewer available within so many feet of a boundary, then you're required? Burt and I had a meeting with a representative of the Alpine team yesterday, on those 4 new parcels, making sewer happen so well with that, said there's options that would allow them not to do a full extension, because there are stubs that they can tie into at the end across the street. They could choose to do a formal extension. But there will be options for them not to do that. It's kind of up to them. So, in the case of that situation last night, not sure if it is technically the time and place to rezone. Property division would give us the opportunity to put them on notice that they need to comply.*
- *Prohl: If someone buys a big chunk of land and wants to divide it how do they get permission?*
- *Megan Sawyer: They must come to the Village for permission. The Point Beach area specifically is interesting, and how it was originally plotted in the 1920's. The previous large landowner would tell you this is the original plot from 1920. We are not dividing parcels; we are combining them. Likely will need legal counsel on that.*
- *Prohl: We need to put the proper ducks in a row to make sure we have the process documented.*
- *Megan Sawyer: It's the surveyor, essentially that paperwork is filed with the county, and then they interpret that in the GIS map. The property owners need to notify the Village. They file the certified survey map that's completed by a licensed land surveyor, and then that paperwork gets filed with us, and we track it against our ordinances and move it forward. Then it goes to the Plan Commission to be reviewed. This review would be triggered by that process. And maybe we maybe we can't come up with something that's a blanket policy. Maybe we can do the best we can, and then must deal with things on case-by-case basis. Probably likely. But those are the type of things we're dealing with out there.*
- *Discussion continued...*
- *Heller: I think we could take a village map, and we could designate some of these areas that we know don't have service, and it's going to be impractical. So maybe we come up only with Point Beach that is the only area that this would be applicable.*
- *Discussion about snails...*
- *Bonk: Are you saying there is a possibility of allowing a leech field within the village?*
- *Bert Sawyer: There are some in the village.*
- *Megan Sawyer: So, would we have the option to restrict septic systems and require you to put in a holding tank or extend the sewer?*
- *Heller: Well, we'd be bucking the county on that*
- *Megan Sawyer: If you're not connecting to the Village sewer, you are permitted through the County Sanitarium. So, I charge you a fee because your waste is ultimately coming to our plant. You're charged a fee even once you construct, even if you're not connected to sewer. But all the permitting in terms of what system you put in place, if you're not connected to sanitary sewer, is handled by the County.*

- *Bert Sawyer: The County determines what type of system you put in, they prefer a septic or mound, not a holding tank.*
- *Heller: We need to come back with more ideas and discussion.*

9. Correspondence

- *None*

10. Open Session

- *Ohnesorge: To answer your question about debt ratio, Ratio is the total debt to the total assets. It helps show the degree to which a company has used debt to finance its assets.*

11. Next Meeting

- December 20th, 2022, at 11:00 A.M.

12. Adjourn

- **John Heller moved to adjourn the meeting, Tom Prohl second, motion unanimously carried.**
- **Meeting adjourned at 1:34 P.M.**

Minutes completed by Vicki Louis on December 5th, 2022. Will be submitted for approval on December 20th, 2022.

Bold – Official Action

Italics – Summarized Comments