

Larsen Winchester Sanitary District

Meeting Minutes

Location: Winchester Town Hall, 8522 Parkway Lane, Larsen

Date/Time: Monday, June 26, 2023—4:00 p.m.

I. Call to order

1. Verification of Notice
2. Roll Call

Chair Scott Reif	PRESENT
Vice Chair Rob Nelson	PRESENT
Commissioner Connie Kreutzberg	PRESENT
Commissioner Adam Blackburn	PRESENT
Commissioner Jeff Guth	PRESENT
Plant Operator Mike Pfankuch	PRESENT
M & E Engineer Mary Jo Miller	PRESENT
Secretary/Treasurer Cori Thomas	EXCUSED
Billing Clerk Holly Stevens	PRESENT

Also present was one local resident.

II. Approval of Minutes

1. June 6, 2023 Meeting Minutes

MOTION:

Motion by Commissioner Guth

Second by Vice Chair Nelson

Motion to approve the June 6, 2023 Meeting Minutes as presented.

Motion carried by unanimously.

III. Business

1. Consider Secretary/Treasurer Position Split

Chair Reif noted the Board is being asked to consider splitting the position of Secretary/Treasurer which has historically and is currently being performed by one person. At the last meeting, Chair Reif had suggested the Board consider the division of roles in anticipation of increased responsibilities for each which are eminent with the planned facility upgrade and potential district expansion.

The Board reviewed the current duties as well as the newly defined duties which would apply if the position split is approved.

Vice Chair Nelson stated the position split is a good direction for the district. He noted the facility upgrade and district growth will only result in more and more work and it makes sense to prepare for it.

Commissioner Guth agreed noting that during the preliminary discussion, the entire Board was in agreement with the split.

MOTION:

Motion by Vice Chair Nelson

Second by Commissioner Guth

Motion to split the position of Secretary/Treasurer for the Larsen-Winchester Sanitary District and to have the roles served by two separate individuals with the duties for each identified as discussed, and for the duties to be formally codified with the next ordinance amendment.

Motion carried unanimously.

2. Consider Contract Expansion for Holly Stevens

Chair Reif explained that with the Board approval of the Secretary/Treasurer position split, the Board is being asked to consider expanding the contract held by and between Holly Stevens and the LWSD to include the role of District Secretary and the associated responsibilities.

The Board reviewed the current contract held with Ms. Stevens as Billing Clerk noting it is for a term of 1 year ending on December 31, 2023. Vice Chair Nelson noted the contract is in good order with a minor grammatical correction in phrasing.

The Commissioners discussed adding the Secretary duties and continuing the contracted hourly rate for the work. Ms. Stevens agreed to track the hours she works for each role and will report to the Board at the end of the year for evaluation of the salary/wage.

MOTION:

Motion by Commissioner Guth

Second by Commissioner Blackburn

Motion to expand the contract held by and between Holly Stevens and the Larsen-Winchester Sanitary District to include the role of LWSD Secretary.

Motion carried unanimously.

3. Discussion regarding WDNR Comments – Facility Plan

Chair Reif reported that the WI DNR hosted an online meeting on June 16. He said the DNR wanted to discuss the Lemtec System which they had approved and the district was happy to install. He explained that while the district was looking forward to the completion, the discussion went rapidly downhill.

Chair Reif explained a compliance supervisor from Green Bay, Heidi Schmitt Marquez, had expressed concerns about the system. Chair Reif said he does not understand why she did not raise her concerns prior to the issuance of the approval but the fact remains that they are now discouraging the installation of the Lemtec system. He said they raised concerns with a cheese factory in Cascade, WI and some other exceedances with other Lemtec systems.

Chair Reif said what concerned him the most was Mark Stanek's comment that moving forward with the Lemtec system would not be in the best interests of the district. He said Mary Jo Miller had asked the DNR to explain in one voice what their concerns were so that we would know what direction to go.

Vice Chair Nelson asked if they elaborated on the comment at all. Chair Reif said they elaborated on a lot but they were all over. He said they claimed there were systems which were not meeting their numbers and they asked why the district was not installing the tertiary system right away. He said he attempted to explain that the district has a five-year variance and also that the various tertiary systems are relatively new and are not yet proven so the district is unsure of what will work the best. He explained the district cannot afford to make a mistake—we need to do this correctly the first time.

Mary Jo Miller explained the participants included from LWSD Chair Reif, Commissioner Kreutzberg, and her, from the WI DNR staff were Jason Knutzen, Heidi Schmitt Marquez, Sawyer Dobson, Mark Stanek, and Matt who issued the district's permit; and Lemtec System representatives Jim Martin and Paul Nygaard.

Commissioner Kreutzberg said she was extremely frustrated with the entire situation.

Mary Jo Miller said the DNR staff appeared to be very disorganized. She said she thinks this all started around the time they had planned to visit the Forest Junction system. She said she received emails from Mark Stanek indicating that Heidi Schmitt Marquez had concerns because of the issues at Cascade, WI with the cheese plant. She said she had requested he call her to discuss the issues and concerns, but she did not receive a response. She said she continued to request a summary of the issues and concerns, but no one would respond. She still has not ever gotten a summary of the issues.

Ms. Miller said she believes they used the Cascade matters to slow things down until they could come up with something to stop the project. She said in the end, Jason Knutzen apologized and said he knows it was poor timing. He said they have approved the facility plan and they will not rescind it but if the district moves forward, they will require a lot more informational material about the operation of the system. She said she believes Ms. Marquez and is in favor of regionalization and she and Mark Stanek are pushing for that.

Ms. Miller said she asked about the deadlines the district is facing. Their response was, if the district is willing to look at other options and are making good faith efforts, the DNR will work with them on the deadlines. She said it was really obvious that Ms. Marquez had not read the facility plan because her first question was if the district had really looked at other options. She said the whole meeting was rather bazaar.

Ms. Miller said Ms. Marquez was asking for plans which were never previously requested. She explained that Mark Stanek had directed the district to provide the plan which they already had submitted and which was used for review by the DNR. She said it was very dysfunctional.

Commissioner Guth asked what the Lemtec representatives had to say. Ms. Miller said they were very quiet. She said she thinks they did not want to anger the DNR staff and stayed quiet to avoid controversy. She said she talked with Jim Martin after the meeting and asked him what he would like her to share with the Board. He said they work in many different states and he has never had anything like this happen. He said the issues with Cascade were due to high strength waste from a cheese factory which LWSD does not have. He also noted some of the system did not go in as recommended and they were not operating it correctly. He said he was not aware of any issues with the Forest Junction system. Additionally, the DNR has approved other Lemtec systems to be installed over the past two years and he does not understand the issues now. Mr. Martin explained that the product they have designed is for small communities that have pond systems and need to

upgrade. He said they are trying to make systems which are affordable and easy to operate specifically for small districts like LWSD. He said the issues with phosphorous will be treated the same whether a Lemtec system goes in or a mechanical plant—it will have to be dealt with the same way.

Mary Jo Miller said it is obvious the DNR is pushing for regionalization. She said there is principal forgiveness for regionalization which she confirmed, and it is up to \$3 million. She said the Lemtec System has only a 15 percent principal forgiveness. So that would bring the cost down, however, if the district goes to Fox West, there will be continual conveyance fees owed to Fox Crossing and the district will completely lose control of rates.

Vice Chair Nelson clarified that the DNR has basically changed their minds regarding the approved plan for the district. Mary Jo Miller explained they have not—Jason Knutzen said they would not take the approval back but if the district moves forward, they will require a lot more information about operations and they will be scrutinizing the districts levels very closely. She said it is like a big, black cloud hanging over the district even before the system is built. Vice Chair Nelson said it sounds like they are trying to make it as hard as possible to move forward.

Chair Reif said he did ask for options—if not the Lemtec system, what do they recommend. He said there was no response from anyone. He said that leaves the Lemtec system or regionalization as the only options and from what he remembers, Fox West was not interested in taking the district effluent. He said he remembers sitting in a meeting with Dale Youngquist who clearly said they have no interest. They also would not provide clear costs to LWSD because they really were not interested in exploring the idea.

Chair Reif said he went ahead and called Dale Youngquist to request a letter stating they are not interested in taking our waste. He said he thinks the DNR got to him because he is now backtracking and saying he would consider it. He said he would have their operator dig up the old notes and provide some numbers for LWSD to review. Chair Reif provided copies of that information to the Board members for their review. He said the costs do not include the conveyance fees which would be owed to Fox Crossing and Clayton, and other costs which would be incurred, but he wanted to begin further investigating because that is what the DNR seems to be looking for.

Mary Jo Miller said she pulled the information from the facility plan which relates to regionalization for the board to review again also. She said the Board should understand what it will take to regionalize.

Mike Pfankuch clarified there would not be a conveyance fee to Clayton because LWSD would build the pipes through the right-of-way to Fox Crossing. Commissioner Guth questioned if Fox Crossing's pipe would be large enough to handle the additional waste. No one was sure about that.

Mike Pfankuch said he asked around and confirmed that there would not be a conveyance fee to Clayton because LWSD would be installing its own pipe. He said once it is connected to Fox Crossing, there would be a perpetual conveyance fee to them. Also, once the district connects to Fox West, the district loses all control over rates and billing. He also noted that the costs for any plant upgrades made to Fox West would be shared with LWSD based on the percentage of the buy-in. He said if there is a \$20 million project and LWSD is a 2 percent member, the district would be responsible for \$400,000.

Mr. Pfankuch said he had planned to contact Mark Stanek but decided to wait until things cooled off a bit. He said he thinks Ms. Marquez is pressuring him. He added that Mr. Stanek sat in a meeting with the Board and never said a word about any concerns with the Lemtec system but rather encouraged the use of the system. He said he thinks the Board should still invite him to a meeting to answer questions.

Mary Jo Miller said Mr. Stanek knew over a year and a half ago that the facility plan was not going to recommend regionalization and yet nothing was said. She noted the bottom line is that the DNR wants to get rid of WPDS permits from the state. They want to eliminate the small districts so they can just oversee the regional plants.

Chair Reif confirmed that if the district regionalizes, they will not have to worry about the DNR anymore because Fox West will deal with them. Mary Jo Miller agreed noting that is the only positive with regionalization.

Chair Reif said he thinks the board should review the information again before the next meeting and then discuss it further. He said there are only three options—regionalization, the Lemtec System, or a mechanical plant.

Commissioner Guth noted that the mechanical plant is not much different than the Lemtec system. They will have to deal with the same DNR issues with either. He said there are really only two options—regionalization which is what the DNR really wants or the Lemtec. He said he does not think regionalization is the best choice for the district. He thinks they should go with the Lemtec and deal with the extra scrutiny. He said he will go over the information again, but the fact is that regionalization is over \$2 million more plus you have all the other annual fees. He said his concerns were the phosphorous and they could install the tertiary system right away to deal with that.

Commissioner Guth suggested they request the Lemtec representatives attend a meeting to provide more information regarding potential issues. He said he thinks the Lemtec system is the right way to go but they have to understand potential issues. He said no system is without issues.

Vice Chair Nelson said it really doesn't matter if there are problems—it matters that any problems are fixed. Then the problem goes away. He said it sounds like the DNR does not want to deal with all the little districts—they are trying to regionalize to simplify their situation. He said they are putting their agenda which is simplifying their job, on LWSD without giving us any options for a solution.

Matt Olson, 8303 Sauby Road, said it sounds like this needs to be broken down into parts. The district has an approval for the Lemtec system and the DNR has said they will not rescind that. He noted that Mary Jo Miller has identified there is a dysfunctional situation at the DNR. He said that could go in any direction—it could get worse, or it could get better—you have no control over that. He said he thinks the board should look at the approval they have and possibly put in the tertiary system right away and just move it on. He said the board could decide to hook up to Fox West and some new people could come into the DNR and blow that out of the water. He said if it is that dysfunctional chances are it is not going to get any better.

Chair Reif noted that with the \$3 million in principal forgiveness for regionalization, the costs are close, but the district will lose control of rates. Mary Jo Miller noted that the State Legislators were working on some financial assistance. She questioned if they will really do that for the district and

why they would with so many small districts in the state. Matt Olson said we asked them for help, and they have really been trying to help and that is why they are on board. Chair Reif said they have not yet passed the budget so they do not know if it will go through.

Chair Reif said he thinks the board should take a step back and review it all again. He said everything has been delayed and they are never going to meet the deadlines anyway so they should step back and regroup. He said they have to have a plan done and approved before the end of September to get it in for the clean water funding and that is not going to happen. He said this wrench in the works has guaranteed that. He suggested they update the numbers to get the Lemtec system and get better numbers for regionalization and take another look at that.

Matt Olson noted the main drawback to regionalization is the loss of control over billing. Vice Chair Nelson agreed. He said if it were dollar for dollar it is one thing—but giving up control to Fox West is not in the best interests of the district customers.

Chair Reif asked Mary Jo Miller to update the costs for regionalization and the Lemtec system for the board to review. He asked the discussion be added for discussion at the next meeting. Mary Jo Miller said she is not sure she will have all the costs put together by July 11th but she will see what she can put together.

Matt Olson suggested the board invite a Lemtec rep to attend also. He suggested they may have some insight into the situation which might be helpful.

No Action Taken.

4. Mary Jo Miller's report

Ms. Miller reported the CMAR was completed and submitted prior to the June 30th deadline.

5. Mike Pfankuch's report

Mr. Pfankuch reported he had the yearly preventative maintenance work completed on the pumps and mixers and only a couple weeks later, the mixer in the White Pine lift station failed. He said it has been repaired but had concerns that the issue was not identified during the preventative maintenance. He said he has inquired about it and is waiting to hear a response. He also noted the mixer was installed in 2013 so it has been in place a long time, so the failure is not a complete surprise.

Mr. Pfankuch also reported that Crane will be beginning the electrical panel replacement at the Larsen lift station in about two weeks. He encouraged the Commissioners to stop and talk with the workers. He explained they are a very good crew who have a lot of knowledge they can share. He said the work is extensive and he thinks it would be beneficial for the Commissioners to see it and better understand it.

6. Scott Reif's report

Chair Reif noted he had nothing else to report about at this time.

7. Future Meetings Schedule and Preparation Procedures

Holly Stevens requested the Board identify a standardized meeting schedule for future meetings. She noted meetings dates/times are always subject to change in order to accommodate the busy schedules of all involved. However, a standardized schedule will allow for the Board members, staff, and the public to plan for future meetings with a basic level of certainty.

She suggested the Board adopt a standard schedule for meetings on the first and third Tuesday of each month at 4:00 p.m. at the Winchester Town Hall. She explained setting this schedule will also guarantee availability of the facility (with the exception of elections).

Ms. Stevens also proposed a “standardized” meeting agenda. She explained this can be accomplished by assigning regular, repetitive business items to one of the two scheduled meetings each month.

She said Treasurer Thomas has indicated she would like to provide an accounts payable report for Board approval at the first meeting of each month. She is confident she can process and manage the district bills, payroll, etc. and can provide the financial reporting in a consolidated report once monthly.

Ms. Stevens also noted she had spoken with Operator Pfankuch and they determined his report should be scheduled for the second meeting of the month. This will provide him the time needed to process the month end reports and compile a single, comprehensive report to the board.

Ms. Stevens suggested other staff reports could be handled the same way with assignment to either the first or second meeting of the month—whichever would be the “best fit” for the reporting party. Ms. Stevens also noted she would like the agenda to include more detail, listing specific bullet points for the reporting whenever possible to provide the general public with more information.

Ms. Stevens noted all meetings are unique and while a standardized platform is a wonderful planning tool, the Board has the ability to alter business as needed.

The Board agreed the suggested changes make sense and agreed the process will likely develop more over time. It was agreed to begin implementation of the processes discussed.

Informational Only – No Board Action

IV. Public Comment and Requests for Future Agenda Items

No comments or requests were received.

V. Adjournment

MOTION:

Motion by Vice Chair Nelson

Second by Commissioner Kreutzberg

Motion to adjourn at 5:00 p.m.

Motion carried unanimously.