

MINUTES OF THE PUBLIC HEARING TO REVIEW  
THE 2019 RATE INCREASE AND THE  
REGULAR MEETING OF BOARD  
MEMBERS OF  
LAKE WASHINGTON SANITARY DISTRICT

7:00 p.m.

December 10, 2018

Location: Mankato Regional Airport Conference room, 3030 Airport Road, Mankato, MN 56001

1. Public Hearing to Review the 2019 Rate Increase

a. Open the Public Hearing

- Chairman Schmillen opened the Public Hearing at 7:00 p.m.

b. Present the 2019 Rate Increase

- The 2019 proposed rate increase is to keep the Base fee at \$23.00 and an increase of .25 cents in the flow charge to \$8.50 per 1000 gallons.

c. Public Commentary

- No Public commentary.

d. Close the Public Hearing

- The Public Hearing was closed at 7:03.

2. Call to Order

Chairman Schmillen called the regular meeting of the Board to order at 7:03 p.m. on Monday, December 1, 2018 at the Mankato Regional Airport conference room, at 3030 Airport Road, Mankato, MN 56001.

3. Roll Call

Present: Paul Aukes, Jerry Kallheim, Art Zuhlsdorf, and Robert Schmillen.

Absent: Randy Westman.

4. Review and approval of agenda

Resolution 18.65: Member Kallheim moved to approve the meeting agenda. Upon a second from Zuhlsdorf, the motion passed by a vote of 4 in favor, 0 against, 0 abstaining, and 1 absent.

5. Review and approval of the Minutes of the November 12, 2018 Regular Meeting

Resolution 18.66: Member Kallheim moved to approve the minutes of the November 12, 2018 Regular meeting. Upon a second received from Zuhlsdorf, the motion passed by a vote of 4 in favor, 0 against 0, abstaining, and 1 absent.

6. Officers' reports

a. Chairman – Bob Schmillen

- Spoke with Mark Winson from the City of Mankato for repair of the lift station at the airport.
- Spoke with Paul Schneider regarding orientation for the new Board Member.

b. Vice Chair – Paul Aukes

- Working on the Newsletter, should have a draft copy for the next meeting.

c. Treasurer – Art Zuhlsdorf

- The September Financial Statement approval was tabled at the November meeting. The depreciation was added so the September Statements are correct.

Resolution 18.67: Treasurer Zuhlsdorf moved to approve the September Income Statement. Upon a second from Aukes, the motion was passed by a vote of 4 in favor, 0 against, 0 abstaining, and 1 absent.

Resolution 18.68: Treasurer Zuhlsdorf moved to approve the September Balance Sheet. Upon a second from Kallheim, the motion was passed by a vote of 4 in favor, 0 against, 0 abstaining, and 1 absent.

- Reviewed the December.
- The balance of the checking account as of November 12, 2018 was \$1,465,628.77.
- Reviewed bills totaling \$46,679.89.

Resolution 18.69: Member Zuhlsdorf moved to approve the Cash Activity Report and pay the bills as presented. Upon a second from Aukes the motion was passed by a vote of 4 in favor, 0 against 0 abstaining, and 1 absent.

- Reviewed the November 30, 2018 financial reports.

Resolution 18.70: Treasurer Zuhlsdorf moved to approve the November 30, 2018 Balance Sheet. Upon a second from Kallheim, the motion passed by a vote of 4 in favor, 0 against, 0 abstaining, and 1 absent.

Resolution 18.71: Member Zuhlsdorf moved to approve the November 30, 2018 Income Statement. Upon a second from Aukes, the motion passed by a vote of 4 in favor, 0 against, 0 abstaining, and 1 absent.

d. Secretary – James Deike

- No report.

7. Open forum from Constituents

- None.

8. Old Business

a. Consider 2019 Rate Increase

Resolution 18.72: Member Aukes moved to approve the proposed 2019 Rate keeping the Base Rate to \$23.00, and increasing the Flow Rate by .25 cents to \$8.50 per 1000 Gallons. Upon a second received from Zuhlsdorf the motion passed by a vote of 4 in favor, 0 against, 0 abstaining, and 1 absent.

b. Meter Replacement

- To maintain the 2018 pricing, the Meters have been ordered for installation next year.

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c. Engineering

- None.

d. System Maintenance

- The Airport Lift Station Maintenance has been completed.
- The Wet Well Wizards are monitored regularly, and are working well.
- Been in contact with Blue Earth County, they are planning on an expansion of Bray Park in 2019.

e. Review the 2018 Calendar of Events

- Reviewed the Calendar with no changes being made.

f. Other

- After review of the November Balance sheet, the Board will have to pass a resolution for the "Reserve Funds" account.

Resolution 18.73: Treasurer Zuhlsdorf moved to adopt a resolution to maintain a Reserve Fund. Upon a second from Aukes, the motion passed by a vote of 4 in favor, 0 against, 0 abstaining, and 1 absent. (complete resolution attached)

9. New Business

a. Other

- Chairman Schmillen noted that Treasurer Zuhlsdorf, and Member Kallheim will be retiring at the end of 2018. Both of these members have been members since the District was created by the MPCA in 2004. He, along with the rest of the Board and the Secretary would like to wish them well in the future, and Thank them for their dedicated service and many hours of hard work over the years!

10. Discuss Agenda for the January 14, 2019 Annual Meeting

- Agenda will be set next week.

11. Adjournment

The meeting was adjourned at 8:07 p.m.

Respectfully Submitted

*James Deike*

James Deike  
Secretary of the Lake Washington Sanitary District

**RESOLUTION NO. 18.73**

**LAKE WASHINGTON SANITARY DISTRICT  
RESOLUTION ESTABLISHING A RESERVE FUND FOR FUTURE FACILITIES  
REPLACEMENT**

WHEREAS, the Board of Managers of Lake Washington Sanitary District (the “District”) anticipates future replacement of some of the major components of the waste water collection and conveyance system which are of benefit to all users of the sanitary sewer system serving the District; and

WHEREAS, the District has established a User Fee basis for all connections and annually reviews these User Fees; and

WHEREAS, the District began an annual Reserve Fund set aside in 2013 and 2014 an a set annual amount of \$5000.00; and in setting the 2015 User Rates determined that “a set-aside of 10% of the previous years allocated Depreciation into an identified fund for future replacement activities” was necessary and this set aside has been incorporated with each annual User Fee rate review: and

WHEREAS, The District has calculated the balance of this Reserve Fund as of November 30, 2018 to be \$145,000; and

WHEREAS, the District determines it appropriate to have this Reserve Fund formally established and annually funded.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF MANAGERS OF THE DISTRICT:

1. The District’s Treasurer and staff accountant shall cause to be created a “Reserve Fund” within the District’s Balance Sheet.
2. The Reserve Fund shall be funded by the District’s User Fees and shall be set at 10% of the previous years allocated Depreciation and is to be adjusted annually.
3. The Reserve Fund shall be used for the replacement of major components of the waste water collection and conveyance system which are of benefit to all users of the sanitary sewer system serving the District.
4. Adopted by the Board of Managers of Lake Washington Sanitary District this 10<sup>th</sup> day of December, 2018.

LAKE WASHINGTON SANITARY DISTRICT

By: /s/ Robert Schmillen  
Robert Schmillen  
Its: Chairman

ATTEST:

By: /s/ James Deike  
James Deike  
Its: Secretary

I, James Deike, Secretary of the Lake Washington Sanitary District, do hereby certify that Resolution No 18.73 was moved for adoption by Board member Zuhlsdorf and seconded by Board member Aukes and, upon vote being taken thereon, Resolution No.18.73 was adopted by a vote of 4 in favor, 0 against, with 0 abstained, and 0 absent.

Dated this 10<sup>th</sup> day of December, 2018.

/s/ James Deike  
James Deike, Secretary