

**MINUTES OF THE REGULAR MEETING OF BOARD
MEMBERS OF
LAKE WASHINGTON SANITARY DISTRICT
September 25, 2006**

1. Call to Order

Chairman Fahrforth called the regular meeting of the Board to order at 7:00 p.m. on Monday, September 25, 2006, at the Lake Washington County Park Community Building, 47102 Washington Park Road, Kasota, MN 56050.

2. Roll Call

Present: Robert Bieraugel, Jerry Kallheim, Larry Maruska, Art Zuhlsdorf and Ed Fahrforth.

3. Review and approval of agenda

Resolution 06.84: Member Zuhlsdorf moved to approve the meeting agenda. Upon a second from Larry Maruska, the motion passed by a vote of 5 in favor, 0 against, 0 abstained, and 0 absent.

4. Review and Approval of Minutes of the September 11, 2006 Meeting

Resolution 06.85: Member Bieraugel moved to approve the minutes of the September 11, 2006 Public Hearing for the 2007 Budget Approval, and the Regular meeting of the Board. Upon a second from Art Zuhlsdorf, the motion passed by a vote of 5 in favor, 0 against, 0 abstained, and 0 absent.

5. Officers Reports

a. Chairperson – Ed Fahrforth

- No Report.

b. Vice Chairperson – Larry Maruska

- Larry presented the Settlement Agreement and Release between the Lake Washington Sanitary District, and the Washington Boulevard Association. The document was reviewed for approval later on the agenda.
- Mike Biehn will be constructing an out building on his property, which will include a bathroom, to be connected to the sewer systems. Ordinance 2006-1 was reviewed for the connection requirements.

- Discussed the proper procedure for property owners in the event of sewer problems. Schwickerts is the primary sewer system maintenance provider for the Districts equipment, and the District is responsible for repair of the Districts equipment, if the property owner did not cause the malfunction. However, if there is a malfunction of the property owners plumbing, bathroom fixtures, or any equipment flowing into the system, the property owner is responsible for their repair.

c. Treasurer – Art Zuhlsdorf

- Treasurer Zuhlsdorf reported the beginning balance of the checking account as of today September 25, 2006 is \$1,274,391.89, which includes a deposit of \$2,044.87 received from utility billing Base Rate, and less a service charge from US Bank in the amount of \$10.00.
- Received an invoice from Jim Deike in the amount of \$63.86.
- Received an invoice from Blethen Gage and Krause in the amount of \$1,686.20.
- Received an invoice from Bolton & Menk, Inc. in the amount of \$1,076.82.
- Received invoices from Schwickerts totaling \$745.50.
- Received an invoice from Hickory Tech in the amount of \$123.66
- Total due \$3,696.04.

Resolution 06.86: Member Zuhlsdorf moved to approve payment of the bills. Upon a second from Larry Maruska, the motion passed by a vote of 5 in favor, 0 against, 0 abstained, and 0 absent.

- The balance of the checking account after payment of the bills will be \$1,270,695.85.
- A request at the September 11th, meeting for a report on the 2006 interest received. The interest year to date, received from the banks as of August 31, 2006 is \$39,703.66.

d. Secretary – James Deike

- Ed Fahrforth completed the Insurance Application for the Districts 2007 policy. A waiver election is part of the application to be voted on by the Board.

Resolution 06.87: Member Zuhlsdorf moved to “Not Waive” the Monetary Limits, on Municipal Tort Liability, as Established by Minnesota Statutes 466.04. Upon a second from Jerry Kallheim, the motion passed by a vote of 5 in favor, 0 against, 0 abstained, and 0 absent.

- Received the amended supplemental assessment roll from Pettipiece and Associates.
- Received an invitation from the Minnesota Rural Water Association, for seminars on Rural Development Loan & Grant Program. The seminars will be at Mankato on October 4th, and St. Cloud on October 11th.
- Received information from the Minnesota Rural Water Associations on various programs on Water Operations, and Maintenance.
- Received information from Blue Earth County regarding their Prescription Discount Card.
- Sent the check to Mike Biehn, with a cover letter on September 5, 2006.
- The 2007 Budget was Certified to the Counties of Blue Earth, and Le Sueur, on September 18th, 2006.
- As requested, a copy of the 2005 Audit was sent to Rae Lynn Westbury Loan Officer of the Minnesota Public Facilities Authority, on September 15th, 2006.
- The Collateral Book Value from First National Bank Minnesota as of August 31, 2006 was \$2,602,455.45.
- Received an Affidavit of Publication from the Mankato Free Press for the “Notice of Public Hearing” for the Lake Washington Sanitary District 2007 Budget.
- Received a letter from the League of Minnesota Cities informing the District of a 3.5% increase for the FY2007 dues, along with the League’s Resources and Services guide.
- Discussed with property owner John Linder requesting the proper procedure for removal of a Grinder Station and Pump belonging to the District.
- Discussed with property owner Steve Freyberg requesting an additional connection to sewer system on a lot adjacent to his residence.

6. Open Forum for Constituents

- None.

7. Old Business

a. Construction Progress

- A property on Paterson Road was hooked up to the Sewer System, which Le Sueur County believes is not within the District Boundary. Mike Karp is researching the proper procedure for annexation.

b. Negotiations with the City of Mankato to amend the Interconnection Agreement

- Chairman Fahrforth, and Vice Chairman met with the City of Mankato, and Mike Karp regarding the language in the Agreement. Mike will be issuing a letter explaining the District options.

c. Consider Resolution Calling for a Hearing on Supplemental Assessment.

- Discussed the Public Hearing to be held on October 23, 2006 at the Kasota Community Center.

Resolution 06.88: Member Kallheim moved to Hold a Public Hearing for the Supplemental Assessments on October 23, 2006 at the Kasota Community Center, 200 North Webster Street, Kasota, MN 56060, and direct the Secretary to have the Notice be Published in the Official News paper a not less than 2 weeks prior to the hearing. Upon a second received from Robert Bieraugel, the Motion passed by a vote of 5 in favor, 0 against, 0 abstained, and 0 absent.

d. Discuss Supplemental Assessment Hearing

- Procedure for the Hearing was discussed, and the Secretary was asked to contact the City of Kasota, to reserve the Community Center.

e. Review 2006 Calendar of Events

- Larry Maruska will contact Mike Karp regarding the Joint meeting of the Townships for the Election of District Board Members.

f. Other

- Chuck Pettipiece presented the list of delinquent sewer bills, and discussed the collection of these bills through the County assessments.
- Art Zuhlsdorf reviewed the Contract between the District, and United Locating Services, for the purpose of locating the sewer lines.

Resolution 06.89: Member Zuhlsdorf moved to accept the Contract between the Lake Washington Sanitary District, and United Locating Services. Upon a second received from Larry Maruska, the motion passed by a vote of 5 in favor, 0 against, 0 abstained, and 0 absent.

Resolution 06.90: Member Maruska moved to approve the Settlement Agreement and Release between the Lake Washington Sanitary District, and the Washington Boulevard Homeowners Association. Upon a second received from Robert Bieraugel, the motion passed by a vote of 5 in favor, 0 against, 0 abstained, and 0 absent.

8. New Business

a. Other

- No New Business.

9. Discuss Agenda of October 9, 2006 Meeting

- The agenda will be set next week adding the discussion of the delinquent sewer bills.

10. Adjournment

Member Kallheim moved to adjourn the meeting. The meeting was adjourned at 8:46p.m.

Respectfully Submitted,

/s/ James Deike

James Deike

Secretary of the Lake Washington Sanitary District

RESOLUTION NO. 06-88

LAKE WASHINGTON SANITARY DISTRICT
RESOLUTION CALLING FOR HEARING
ON SUPPLEMENTAL ASSESSMENT
2003 SANITARY SEWER IMPROVEMENT PROJECT

WHEREAS, the Board of Managers of Lake Washington Sanitary District (the "District") has received the proposed supplemental assessment roll for the 2003 Sanitary Sewer Improvement Project, prepared by its engineers, Bolton & Menk, Inc., and its financial consultants, Pettipiece and Associates, LLC; and

WHEREAS, the Board of Managers of the District deems it necessary and desirable to schedule a public hearing to hear all written or oral objections to the proposed supplemental assessment roll, and to schedule a public hearing on the proposed supplemental assessment roll for Monday, October 23, 2006, at the Kasota Community Center, 200 North Webster Street, Kasota, MN 56050, at 7:00 p.m., or as soon thereafter as the public may be heard.

NOW, THEREFORE, BE IT RESOLVED:

1. A public hearing on the proposed supplemental assessment roll for the 2003 Sanitary Sewer Improvement Project will be held on Monday, October 23, 2006, at the Kasota Community Center, 200 North Webster Street, Kasota, MN 56050, at 7:00 p.m., or as soon thereafter as the public may be heard, as set forth in the Notice of Public Hearing attached hereto as Exhibit A.

2. The Notice of Public Hearing upon the proposed supplemental assessment roll for the 2003 Sanitary Sewer Improvement Project shall be in substantially the form contained in the Notice of Public Hearing attached hereto as Exhibit A, the terms of which are specifically adopted by these resolutions and incorporated into these resolutions by reference.

3. The Secretary of the District is hereby authorized and directed to cause notice of said hearing to be given in at least one publication in the official newspaper. Said publication shall be made at least two (2) weeks prior to the date of the hearing. Not less than two (2) weeks prior to the hearing, the Secretary shall mail notice of the hearing to each owner of each parcel of land within the area proposed to be assessed as described in the notice. For purpose of giving such mailed notice, owners shall be those shown to be such on the records of the County Auditor or, if the tax statements in the county are mailed by the County Treasurer, on the records of the County Auditor or the County Treasurer, and the Secretary of the District shall ascertain such ownership by all practicable means, and give mailed notice to all such owners.

Dated this 25th day of September, 2006.

LAKE WASHINGTON SANITARY
DISTRICT

By: /s/ Ed Fahrforth
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 the foregoing Resolution was moved for adoption by Board member Kallheim and seconded by Board member Bieraugel and, upon vote being taken thereon, the foregoing resolution was passed by a vote of 5 in favor 0 and against, with 0 abstained.

Dated this 25th day of September, 2006.

/s/ James Deike
James Deike, Secretary

**NOTICE OF PUBLIC HEARING UPON
SUPPLEMENTAL ASSESSMENT FOR 2003
SANITARY SEWER IMPROVEMENT PROJECT
LAKE WASHINGTON SANITARY DISTRICT**

NOTICE IS HEREBY GIVEN that the District Board of Lake Washington Sanitary District (the "District") will hold a public hearing at the Kasota Community Center, 200 North Webster Street, Kasota, MN 56050, at 7:00 p.m., or as soon thereafter as the public may be heard, on Monday, October 23, 2006, to consider the proposed supplemental assessment for the 2003 Sanitary Sewer Improvement Project for the District, which project is described as follows:

Installation of pressurized sewer lines, collector stations and pressure grinder pumps, including the excavation, erection, construction, installation and laying of a sewage collection and transmission system, including all necessary pipes, lines, laterals, services, sewer control services, pumping stations, tanks, inlet and discharge piping, electrical pump lines, facilities or systems and appurtenances thereto.

The total amount previously assessed was \$7,212,427.10. The proposed supplemental assessment will result in an increase of \$71,670.34, and a total assessment of \$7,284,097.44.

The area proposed to be assessed includes all property located within the geographic boundaries of the District.

The proposed supplemental assessment roll is on file for public inspection at the office of the District Secretary. The proposed supplemental assessment roll will also be available for review from 5:00 p.m. to 6:30 p.m. at the Kasota Community Center on the day of the hearing. Written or oral objections will be considered at the hearing. If you have any objection to the proposed supplemental assessment on your property, you must either present a written objection, signed by an owner, and file with the District Secretary, 108 South Minnesota Avenue, Suite 400, St. Peter, MN 56082, and/or appear at the hearing and personally object to the proposed supplemental assessment before the District.

No appeal to district court may be taken as to the amount of any supplemental assessment finally adopted unless such a written objection thereto has been presented to the Board of Managers of the District and filed with the District Secretary before the meeting or unless a written objection is presented to the Board of Managers of the District at the meeting, unless such failure to object is due to reasonable cause. Note, while oral objections at the meeting will be considered, you must also object in writing in order to preserve your right to appeal the amount of a special assessment to district court. Appeal to district court may be made by serving notice upon the Chairman or Secretary of the District within thirty (30) days after the adoption of the special assessment and filing such notice with the district court within ten (10) days after service upon the Chairman or Secretary.

The owner of any property so supplementally assessed may, at any time prior to certification of the Supplemental assessment to the County Auditor, pay the whole of the amount so supplementally assessed against any parcel, with interest accrued from the date of billing to the date of payment, to the District Treasurer. Supplemental assessments paid within thirty (30) days of billing or final adoption of the supplemental assessment roll shall bear no interest. Partial prepayment of supplemental assessments has not been authorized.

The amount to be supplementally assessed against each particular lot, piece or parcel of land is set forth in the proposed supplemental assessment roll. This hearing is a final assessment hearing pursuant to Minnesota Statutes § 429.061 and a supplemental hearing pursuant to Minnesota Statutes § 429.071. Upon final adoption of the supplemental assessment, any property owner may prepay the entire supplemental assessment amount by submitting such payment to the office of the District Secretary, as set forth above.

If the supplemental assessment is not prepaid, such supplemental assessment shall be payable in equal annual installments extending over a period of 17 years, the first said installment to be payable on or before the first Monday in January, 2007, collectible with property taxes, or at such time as is set forth in the District Board resolution adopting the supplemental assessment. The installments shall bear interest at the rate of 3.81% per annum. To each installment, when due, shall be added interest for one (1) year on all unpaid installments.

Under the provisions of Minnesota Statutes, Sections 435.193 to 435.195, the District may, at its discretion, defer the payment of assessments for any homestead property owned by a person 65 years of age or older for whom it would be a hardship to make the payments. However, the District has elected not to establish any deferment procedure pursuant to those sections. Any such deferral does not eliminate or reduce the assessment amount; rather, the qualifying property owner need not pay the amount due until the homestead status or deferral is no longer established. The 3.81% simple interest shall continue to accrue annually during the term of any deferral.

The proposed supplemental assessment roll now on file at the office of the District Secretary contains the descriptions of the areas and tracts of land to be supplementally assessed and the amount to be supplementally assessed against each tract and the name of the owners thereof. Inquiries regarding this supplemental assessment should be made to the District Secretary at (507) 345-3354.

Dated this 25th day of September, 2006.

LAKE WASHINGTON SANITARY DISTRICT

By: /s/ Ed Fahrforth
Ed Fahrforth
Its: Chairman

ATTEST:

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