

DOVER EYOTA ST. CHARLES AREA SANITARY DISTRICT
Minutes of Board of Directors Regular Meeting

June 16, 2026

Members Present:

Wayne Getz
Tyrel Clark
David Kramer
Tony Nelson
Jodi Nicklay

Staff:

John Brogan

Guest:

Tom Dye, MSA Professionals
Sterling Shatek, CLA
Mike Bubany, David Drown Associates

Absent:

Eric Tyler
Ray Schuchard

1. Call to Order:

Chairperson Wayne Getz called the meeting to order at 7:00 p.m.

2. Set Agenda:

Motion made by Jodi Nicklay to set agenda as presented. Seconded by Tony Nelson.
All voted in favor. Motion carried.

3. Approve Minutes of the May 19, 2026 Regular Meeting:

Motion made by David Kramer, seconded by Jodi Nicklay to approve the regular meeting minutes of May 19, 2026. All voted in favor. Motion carried.

4. Approve Minutes of the May 28, 2026 Special Meeting:

Motion made by David Kramer, seconded by Jodi Nicklay to approve the special meeting minutes of May 28, 2026. All voted in favor. Motion carried.

5. Approval of Receipts & Disbursements and Summary of Assets:

Motion made by Tony Nelson to approve receipts and disbursements and summary of assets. Seconded by Tyrel Clark. All voted in favor. Motion carried.

6. CliftonLarsonAllen to present the 2025 audit report:

Sterling Shatek reviewed the following items in the 2025 audit report:

- a) On page 2, CLA gives their opinion that it is a clean audit report.
- b) Page 6, he stated that year end cash in 2023 was \$1.748 million, 2024 was \$1.73 million, and 2025 was \$1.869 million. 2025 was a healthy year for the District. Accounts receivable were down due to the timing of a payment received from one of the cities. Pension liability decreased.
- c) Page 7, sewer service charges had a slight increase upward. Payroll expense had a decrease due to the change in the pension expense. In 2024 the pension expense decreased by \$10,000 and for 2025 the decrease was \$20,000. Repairs and maintenance expense increased \$22,000 due to the interceptor liner cost and improvements to blower building. Operating income had a slight decrease from 2024 as well as the change in net position.

- d) Page 10, he pointed out that the definition for the threshold of the individual cost of an asset increased from \$1,000 to \$5,000.
- e) Page 14, the increase in the Construction in Progress account is due to payments made to Nuvoda and MSA. He reviewed the asset purchases in 2025 and stated that depreciation was stable.
- f) Page 15, note #5 details the current PFA loan. There was basically no change in note #6, compensated absences payable.
- g) Page 16, under capital improvements he noted that it is the District's policy to maintain \$100,000 in the capital improvement fund.
- h) Page 32, the actual to budgeted expenses were under budget for the year by \$67,000.
- i) Page 33, the Schedule of Net Position shows an unrestricted balance of \$3.734 million which is adequate coverage for \$600,000 in annual expenses.
- j) Page 34, for purchases under \$25,000 quotes should be obtained and for purchases of \$25,000-\$175,000 at least two documented quotes should be obtained.
- k) David Kramer asked for clarification on the recommendation to start a process for review of the bank statements and reconciliations on a monthly basis. Mr. Shatek stated that one board member could physically review these documents on a monthly basis and sign off on them.

Motion made by Tyrel Clark to accept the 2025 audit report prepared by CLA.
Seconded by David Kramer. All voted in favor. Motion carried.

7. Mike Bubany:

Mr. Bubany revised his previous spreadsheet to reflect an increase in the project cost from \$6.9 million to \$8.4 million, which increases the annual loan payment to \$554,000. His projected rate increase for 2027 remains at 45% and he changes the annual increase thereafter from 2% to 3%. The balance of \$1.1 million in CD's is not factored into his spreadsheet. He was requested to change the annual rate increase percent to various amounts such as 15% for the next 3 years and then 3% every year after that. Tony Nelson asked him to change it to 20%, 20%, 8% and then 3% every year after and looking at this scenario it may be a good idea to go with these changes. Mike Bubany also pointed out that with a PFA loan the annual payments will not start until the project is complete and paid for which probably won't be until late 2028.

Mr. Bubany had previously stated that the District could obtain temporary financing to pay expenses up to the time of loan disbursement but he now believes that the District has enough cash to pay expenses up until a loan disbursement.

8. Tom Dye, MSA Professional Services, to present design proposal:

Tom Dye has presented an agreement, in the amount of \$8,000, for MSA to assist the District in preparing the Clean Water State Revolving Fund (CWSRF) application and the Point Source Implementation Grant (PSIG) application.

Motion made by Tony Nelson to approve the agreement with MSA to provide assistance in completing the CWSRF and PSIG applications. Seconded by David Kramer. All voted in favor. Motion carried.

Tom Dye also has an agreement to provide proposed design phase services and to provide bidding documents in the amount of \$596,000. Question was asked as to how he arrived at this number of \$596,000. Mr. Dye stated that he had met with all disciplines involved in the process to obtain their estimated fees. He clarified that this agreement goes from the design process through the bidding process. Actual construction

engineering will be a new agreement. Motion made by Tony Nelson to approve the agreement for preparing the design proposal and bidding documents in the amount of \$596,000. Seconded by David Kramer. All voted in favor. Motion carried.

9. Plant Update:

- a) No violations this month.
- b) Ziegler was here on 6/2/26 and 6/3/2026 to perform maintenance on both standby generators. The thermostats in the MTU genset at the plant need replacement and they will be back in a couple of weeks once they have the parts.
- c) Mark Hugeback, MPCA, was here on 6/10/2026 for a plant and lab inspection. Everything was in good order.
- d) Today, 6/16/2026, Todd and I attended a training session put on by Ferguson Water Works. There were good presenters and useful information for the future.
- e) Joe Peck, MPCA, is conducting a listening session in Owatonna which Todd and I will be attending. The MPCA wants to hear from operators.

10. Other Business:

There is no other business.

There being no further business a motion was made by Tony Nelson, seconded by Tyrel Clark, to adjourn the meeting at 7:57 pm. All voted in favor. Motion carried.

Respectfully Submitted,

Cathy Kennedy

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