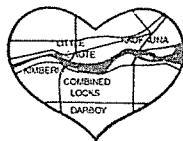


DISTRICT DIRECTOR:

Glen H. Geurts

SERVING:Combined Locks
Kaukauna
Kimberly
Little Chute
Darboy S.D.**COMMISSIONERS:**David J. Casper, President
Bruce M. Siebers, Vice-Pres.
Kevin P. Coffey, Secretary
Patrick E. Hennessey
John W. Sundelius**Heart of the Valley****METROPOLITAN SEWERAGE DISTRICT**801 THILMANY ROAD
KAUKAUNA, WISCONSIN 54130
(920) 766-5731 FAX (920) 766-5733
www.hvmsd.org

June 30, 2016

Mr. Adam Hammatt, Administrator
Village of Kimberly
515 W. Kimberly Avenue
Kimberly, WI 54136

Dear Mr. Hammatt:

As you may be aware, Mr. Glen Geurts, the current District Director the Heart of the Valley Metropolitan Sewerage District, announced his retirement effective December 31, 2016. The HOVMSD Commission has set about the process of searching for Mr. Geurts' replacement. Recently, two of the District's Commissioners were approached by their member community administrators with a request to use this period of succession to evaluate the potential to utilize a privatized operations approach at HOVMSD.

On June 28, the Commission met to discuss the process that we will use to solicit and evaluate Glen's replacement. We also discussed the request to evaluate privatization of the operations of the HOVMSD.

Our discussion led us to the following conclusions:

HOVMSD delivers high quality wastewater treatment services to our member communities in a very cost effective, environmentally safe manner. Our treatment costs/gallon are among the lowest in the state for systems of our size.

The District is in very sound financial shape as evidenced by our recently completed audit report. The facility utilizes state of the art equipment with high reliability. Our equipment preventive maintenance programs, the use of an asset management program and a healthy replacement fund ensure that the facility is being managed effectively not only today but for the future as well.

Our staff and Commission are fully engaged in facility optimization, energy conservation, and other forward looking involvements to ensure the Metro's continued cost effective compliance in an ever-changing atmosphere of regulation.

While the Commission is confident that the utility is in good shape today and well positioned to meet the challenges of tomorrow, we welcomed the inquiry about possible privatization as an alternative to the present operation.

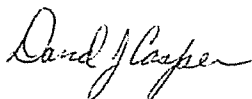
Our discussion of that option focused on the daunting task of evaluating the privatization option's complexity. While there is no urgent need for a private operations company to enter the picture to "fix problems" we are open to learn about the possible advantages that privatization may have.

The Commission felt that evaluating this option has merit, but that the evaluation process will be a long and involved one.

To craft a request for a proposal for such services, it is essential that the potential contracted scope of services, performance parameters, performance measurements metrics, and schedule of perceived values are all thoroughly researched and understood by all of the stake holders. All agreed that this will be a lengthy and complex process.

After thoughtful discussion, the Commission resolved to move forward by seeking a successor to Mr. Geurts, but also to begin the process of evaluating the potential for privatization. In the end, the goal of achieving full regulatory compliance, planning for the future needs/growth of the District, while delivering services as cost effectively as possible is what our rate payers expect and deserve.

Kindest Regards,



David J. Casper – HOVMSD Commission President

CC: Ms. Racquel Shampo-Giese, Administrator - Village of Combined Locks
Mr. Gene Rosin, Mayor - City of Kaukauna
Mr. James Fenlon, Administrator - Village of Little Chute
Mr. James Salm, President – Village of Harrison
Mr. George Schmidt - Darboy Sanitary District #1
HOVMSD Commissioners