

NEENAH-MENASHA SEWERAGE COMMISSION

Regular Meeting

Tuesday March 28, 2017

Meeting was called to order by Commission President Youngquist at 8:00 a.m.

Present: Commissioners Forrest Bates, Kathy Bauer, Steve Coburn, Tim Hamblin, Mike Sams, Raymond Zielinski, Dale Youngquist; Manager Paul Much, Accountant Roger Voigt.

Also Present: Chad Olsen, Tom Kispert (McMAHON); Rob Franck, Randall Much (MCO), Dave Maccoux, Amber Drewieske (Schenck s.c.).

Minutes

February 28, 2017 Regular Meeting minutes: Commissioner Coburn reported an error in the motion to approve the Operating and Payroll Vouchers; he was not in attendance. Upon further checking, it was determined Commissioner Zielinski made the motion. After discussion, motion made and seconded by Commissioners Bates/Zielinski to approve the minutes from the February 28, 2017 Regular Meeting as corrected. Motion carried unanimously.

NMSC Financial Audit Report

Mr. David Maccoux addressed the Commission on the 2016 Financial Audit Report. Mr. Maccoux indicated their opinion is an unmodified opinion and the financial statements present fairly, in all material respects, the financial position of the NMSC on December 31, 2016. Mr. Maccoux also briefly reviewed the remainder of the report. Amber Drewieske addressed the Commission on the Management Communications portion of the Audit Report. As reported in previous years, there is a reported deficiency in internal controls regarding the segregation of duties. Ms. Drewieske briefly reviewed the remainder of the Management Communications report to the Commission. After discussion, motion made and seconded by Commissioners Zielinski/Bates to accept and approve the 2016 Financial Audit Report prepared by Schenck s.c. Motion carried unanimously.

Correspondence

There was no correspondence to be discussed:

Old Business

590 Enterprise Drive, Neenah. Manager Much indicated there is no new information to report.

Authorized spending limits. President Youngquist reported on the discussions held during the February meeting and reported he felt the spending limit should be higher than what is currently established. After discussion, motion made and seconded by Commissioners Zielinski/Sams to authorize the following spending limits: Manager \$10,000, President \$15,000. After further discussion motion made and seconded by Commissioners Bates/Coburn to amend the motion to be a one-time limit and then any future expenditures will need to be brought before the Commission for approval. Amendment carried unanimously. Motion carried unanimously as amended.

New Business

Operations, Engineering, Planning

Phosphorus Removal. Manager Much reported the trial chemical being used for phosphorus removal, Hyper Ion 4107, is working well and getting us to our limit. Chad Olsen reported on the Fox-Wolf Watershed Alliance proposed \$15,000 study. The cost would be shared between the NMSC and Grand Chute Menasha West. Commissioner Zielinski questioned how the \$15,000 fee was determined; Chad reported the amount came from Jessica Schultz (FWWA) and it is the amount she felt was needed to perform the study. Motion made and seconded by Commissioners Bates/Zielinski to approve \$7,500 towards the \$15,000 study subject to Grand Chute Menasha West also paying \$7,500. Motion carried unanimously.

Blower Replacement-Blower Room HVAC Modifications. Rob Franck reported the remaining two blowers have been set in place; no hookups have been made. Tom Kispert discussed Change Order #1 from Faith Technologies and the inaccurate data received creating the need for the change order. It was questioned if we should look to Atlas Copco to recoup the cost of the change order due to the data they provided. After discussion motion made and seconded by Commissioners Coburn/Bates to approve change order #1 from Faith Technologies in the amount of \$5,800. Motion carried unanimously. President Youngquist reported he will contact Atlas Copco to discuss receiving a credit for this change order.

Polymer Feed System Update. Chad Olsen reported they are touring facilities; they will be going to Waukesha tomorrow. They are currently focusing on units made by two different manufacturers. Rob Franck discussed a small polymer feed unit used by the NMSC and is currently on site. This unit is a demo unit used during the construction project and also when the gravity belt polymer system was down for repairs. As a demo unit, the cost to purchase this system is \$7,500; the new cost would be \$9,000. This unit would serve us as a backup system in case we have the gravity belt polymer system go down again and needing repairs. Motion made and seconded by Commissioners Sams/Coburn to authorize the purchase of the demo polymer feed system at a cost of \$7,500. Motion carried unanimously.

Atlas Copco Service Plan Quotations. Commissioners reviewed the revised Total Responsibility Plan; the pricing in this version reflects the 50% discount per our agreement with Atlas Copco. President Youngquist questioned the escalator clause and if we are in a position to act on this plan. Rob Franck indicated we need to verify the escalator clause and when it starts – now or in two years when the service plan starts. President Youngquist will contact Jon Myers at Atlas Copco to negotiate these terms; action on the Total Responsibility Plan will be deferred until the next meeting.

Equipment Contract M- Dewatering Centrifuges – Change Order #1. Tom Kispert discussed change order #1 related to controls modifications for inclined conveyor motor starters – this was previously discussed and approved in January. The paperwork is catching up with the authorization. Motion made and seconded by Commissioners Coburn/Bates to approve Change Order #1 to Equipment Contract M – Dewatering Centrifuges in the amount of \$6,440.15. Motion carried unanimously.

As-Needed SCADA System Modifications. Rob Franck discussed the Agreement for Professional Services from McMahon for As-Needed SCADA System Modifications. This is for an open understanding for services to provide modifications or make changes to the SCADA system on an ongoing basis. This would be for services that are beyond services related to the construction project. Motion made and seconded by Commissioners Bates/Zielinski to approve the As-Needed SCADA System Modifications agreement for professional services with McMahon Associates. Motion carried unanimously.

Blower Replacement Pay Request. The Commission discussed pay request #3 received from Faith Technologies. After discussion, motion made and seconded by Commissioners Zielinski/Bates to approve Faith Technologies pay request #3 in the amount of \$16,799.80, relating to the HSI Blower Replacement. Motion carried unanimously.

Equipment Contract Pay Request. The Commission discussed Alpha Laval Contract M – Dewatering Centrifuges pay request #3 and Final in the amount of \$168,940.15. Motion made and seconded by Commissioners Coburn/Bates to approve payment to Alpha Laval, Inc. for Contract M – Dewatering Centrifuges pay request #3 & Final in the amount of \$168,940.15. Motion carried unanimously.

McMahon Associates invoices. Commissioners reviewed the McMahon invoices. Motion made and seconded by Commissioners Bates/Bauer to approve for payment McMahon invoices #905262, #905514, #905520, #905569-phase 04, #905569-phase 06, and #905569-Credit in the amounts of \$660.00, \$880.00, \$6,469.10, \$1,392.18, \$4,573.50, and \$(5,055.00). Motion carried unanimously.

Chlorine Contact Tank Walkway. Rob Franck discussed the cleaning and maintenance activities needed on the chlorine contact tank chambers. Currently there is one walkway across the tank chambers at a point about 2/3 of the way on the tank. We are looking to add another walkway at a point that is 1/3 of the way on the tank. This additional walkway would provide for better access to the tank chambers for cleaning and maintenance. Two quotes were received and both quotes are for \$17,500. After discussion, motion made and seconded by Commissioners Sambs/Bauer to accept the quote from Lee's Contracting. Motion carried unanimously.

Manager Much discussed the Operating Report for the month of February 2017. The plant is running well, the effluent phosphorus is low. Rob Franck discussed his report on new equipment issues; additional information was discussed regarding the boiler electronic controls; new blowers #3, #4, and #5 are online and running, blowers #1 and #2 are set in place waiting to be connected. Rob also discussed the items in the Equipment & Grounds Report - infrared testing is being scheduled on the electrical equipment; there is a technician here to work on the sodium hypochlorite system. After discussion, motion made and seconded by Commissioners Zielinski/Bates to approve the Operating Report for the month of February 2017. Motion carried unanimously.

Budget, Finance, Personnel

Accountant Voigt discussed the financial statements and the Cash & Investment report for the month of February 2017. Operations is currently running at a loss; plant loadings should increase with spring rains generating additional revenue. The interest rates on funds in the State

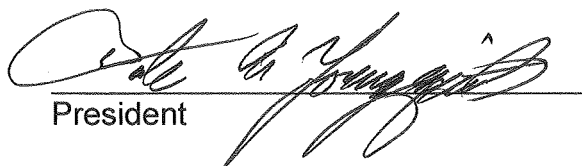
Pool and the ICS CDARS have increased to 0.58%. MCO generated \$2,250 in income to the Commission in February. After discussion, motion made and seconded by Commissioners Zielinski/Bates to accept the Accountant's Report for the month of February 2017. Motion carried unanimously.

Accountant Voigt discussed the current wage rates and billing rates for the after-hours security service, Allied Universal. The Commission controls the wage rate schedule for the guards assigned to our facility; the current wage rate schedule has been in place for several years now and is currently on the low end. This is making it difficult to retain the guards currently located at our facility and to find replacements. Proposed new wage rates and billing rates were provided to the Commissioners to review. This will be placed on the April meeting agenda for further discussion and potential action.

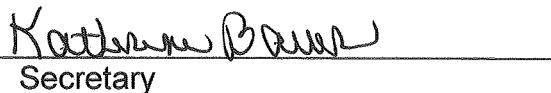
Motion made and seconded by Commissioners Zielinski/Sambas to approve for payment MCO invoices #21298 and #21339 in the amounts of \$126,704.22 and \$505.95 with payment to be made after April 1, 2017. Motion carried unanimously.

Motion made and seconded by Commissioners Coburn/Zielinski to approve Operating and Payroll Vouchers #136131 through #136163 in the amount of \$220,643.25 for the month of February 2017. Motion carried unanimously.

Motion made and seconded by Commissioners Zielinski/Bates to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 9:45 a.m.



President



Secretary