

NEENAH-MENASHA SEWERAGE COMMISSION

Regular Meeting

Tuesday October 22, 2013

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

Present: Commissioners Mike Sambs, Kathy Bauer, Tim Hamblin, Gordon Falck, Raymond Zielinski, Dale Youngquist; Manager Randall Much, Attorney John Thiel, Accountant Roger Voigt.

Excused: Commissioner Jim Gunz.

Also Present: Chad Olsen, Tom Kispert (McMAHON); Rob Franck, Paul Much (MCO); Mark Radtke (City Menasha); Taryn Nall (Kaempfer & Assoc.); Steve Coburn (Town Neenah SD 2).

October 9, 2013 Meeting minutes: Motion by Commissioner Falck, second by Commissioner Zielinski to approve the minutes from the October 9, 2013 Meeting. Motion carried unanimously.

Correspondence

There was no correspondence to be discussed.

President Youngquist requested to change the order of the agenda to accommodate those in attendance. Motion by Commissioner Hamblin second by Commissioner Falck to proceed to New Business agenda item I-Evaluation of NMSC metering stations, to accommodate those in attendance. Motion carried unanimously.

Taryn Nall introduced himself as the City of Menasha consultant for their wastewater system. Taryn discussed the high loadings billed to Menasha in July, August, September and the City hiring Badger Laboratories to monitor the two interceptors from Menasha coming into the Neenah-Menasha wastewater plant. Based on sampling performed in September there is a discrepancy in the amount of suspended solids recorded. Menasha testing recorded 115,000 pounds of suspended solids and the Neenah-Menasha treatment plant recorded 180,000 pounds. Manager Much proposed having the NMSC engineer and Menasha engineer look jointly at the NMSC metering stations in Menasha for any improvements in the sampling setups that may improve accuracy in collecting samples. After further discussion motion by Commissioner Zielinski second by Commissioner Bauer to authorize Manager Much and the NMSC engineer to work with the City of Menasha and their engineer to check the sampling setups at the metering stations located in Menasha and to come back to the Commission with recommendations. Motion carried unanimously. Taryn Nall distributed copies to the Commissioners of the Menasha sampling results from their testing in September.

The Commission returned to the agenda as published.

Old Business

Encroachments – President Youngquist reviewed previous discussions held at a prior Commission meeting. One suggestion was to use the memo from Attorney Thiel as a guideline

for a policy; another suggestion was to not pursue this and not create a formal policy. Attorney Thiel brought samples of policies from other communities if there was interest in looking at them. Attorney Thiel further discussed easement encroachments and property encroachments. If a policy is developed Attorney Thiel suggested two methods to inform the residents; either place an ad in the News Record indicating the NMSC has a policy on property encroachments and to contact the NMSC if you are interested in a copy of the policy, or to have a line item message inserted on the sewer bill. After discussion, Attorney Thiel was requested to provide a proposed policy on property encroachments at the November 26 meeting.

MCO Contract Review – President Youngquist informed the Commission on the status of the MCO contract review and update. He is looking to schedule a meeting in early November for review of changes and to have a final contract for approval at the December 17 meeting with the new contract to begin effective January 1, 2014.

Commissioner Falck questioned the status of the sludge hauler transition. Steinacker Farms is the hauler until the end of the month and Gizmo Farms will begin on November 1, 2013.

Motion by Commissioner Falck second by Commissioner Zielinski to convene into Closed Session pursuant to Wis. Stats. § 19.85(1)(g) to confer and review written and/or oral legal advice by legal counsel to the Commission as to litigation the Commission is likely to become involved in with HSI as it relates to the installation issues concerning equipment for the plant construction project. By roll call vote taken, motion carried unanimously, by Commissioners Zielinski, Bauer, Falck, Hamblin, Sambs, Youngquist. Meeting convened into closed session at 8:28 am.

Motion by Commissioner Falck second by Commissioner Zielinski to adjourn the Closed Session and reconvene into Regular Open Session. By roll call vote taken, motion carried unanimously, by Commissioners Zielinski, Bauer, Falck, Hamblin, Sambs, Youngquist. Meeting reconvened into Regular Open session at 9:05 am.

Attorney Thiel was excused from the meeting.

New Business

Operations, Engineering, Planning

Phosphorus Removal – Chad Olsen reported the pilot unit is here and was setup yesterday (Monday October 21). The unit will run for a two week period and possibly longer if they do not have any additional communities to run the pilot unit at. Manager Much reported on the Fox Wolf Watershed Alliance meeting regarding the results of the adaptive management study. Based on all the communities involved in the study, construction costs are estimated at \$450 million. To proceed with adaptive management the minimum costs would be \$820 million. Commissioner Hamblin asked what the estimated construction cost would be for the NMSC; the estimate is \$10 million. Manager Much reported when the NMSC receives their discharge permit they will need to commit to a method for meeting phosphorus permit limits.

Clean Water Fund Loan Contingency. Tom Kispert reviewed the memo from Amy Vaclavik regarding the contingency fund. With DNR approval we may be able to use CWF budget line

items not fully expended to increase our amount of contingency money; this could result in an additional \$45,000. Another option would be to request a loan amendment if additional funds are needed.

Construction Progress Update. Tom Kispert reported the substantial completion date is scheduled for November 30 and the final completion date is December 31, 2013. August Winter & Sons (AWS) has made a request to extend the completion date for painting of the clarifiers; in addition, Midwest Industrial Coating (subcontractor to AWS) has requested to extend the completion date of the special coating on the primary clarifier exposed concrete. Tom further discussed the letter received from AWS requesting the time extension; the requested schedule is to paint primary clarifier #3 from April 15 to May 15 and to paint primary clarifier #4 from May 15 to June 15, 2014. Manager Much indicated we may need to extend this request further if spring weather prevents us from taking down the primary clarifiers for the painting. It was the consensus the time extension would be okay. Tom will bring in a change order for formal approval of the time extension requests. Tom reviewed and discussed his memo on the construction progress.

After further discussion on the ongoing work, motion by Commissioner Hamblin, second by Commissioner Zielinski to approve for payment Certificate for Payment #12 from August Winter & Sons Inc. in the amount of \$836,769.33. Motion carried unanimously. Motion by Commissioner Hamblin, second by Commissioner Zielinski to approve change order #25 with August Winter & Sons in the amount of \$9,428.00. Motion carried unanimously. President Youngquist questioned if there will be a reduction in the cost for the aeration system work and if so how much? Tom estimated one-third of the cost could be returned as a credit. Tom reported on the proposals that are currently pending for change orders.

Tom Kispert reported on and discussed the Equipment Contract Certificate for Payment. Equipment Contract Q with Heat & Power Products – Hot Water Boilers & Duct Gas Burner, Certificate for Payment #2 and final in the amount of \$46,462.50. After discussion motion by Commissioner Zielinski second by Commissioner Falck to approve for payment Equipment Contract Q with Heat & Power Products – Hot Water Boilers & Duct Gas Burner, Certificate for Payment #2 and final in the amount of \$46,462.50. Motion carried unanimously.

Tom Kispert reported he will work with Attorney Thiel on the matters concerning HSI and the high speed blowers.

Commissioner Falck questioned the status of the electrical components; we are missing some electrical gear, the contractor is still saying they are going to make the deadline for substantial completion.

Commissioners discussed the current McMahon invoices. After discussion, motion by Commissioner Bauer, second by Commissioner Zielinski to approve for payment McMahon invoices: #45614 - \$16,000.00; #45615 - \$88,100.00; #45616 - \$2,600.00; #45617 - \$1,400.00; #45618 - \$3,502.00; #45619 - \$22,397.75; #45620 - \$17,150.00; #45621 - \$2,600.00; and #45622 - \$52,000.00. Motion carried unanimously.

Manager Much discussed the draft Town of Holland S.D. #1 request to accept and treat excess municipal sludge during cold weather months. After discussion, motion by Commissioner Sambs second by Commissioner Bauer to approve the request and the Terms of Understanding from the Town of Holland S.D. #1 contingent upon review and approval of the Terms of Understanding by Attorney Thiel. Motion carried unanimously.

Manager Much discussed the Operating Report for September. Manager Much reported the plant is operating well. Manager Much discussed the current Regulatory Update received from the Municipal Environmental Group (MEG). This report provides updates on current phosphorus issues. After discussion, motion by Commissioner Falck, second by Commissioner Zielinski to accept the Operating Report for September. Motion carried unanimously.

Budget, Finance, Personnel

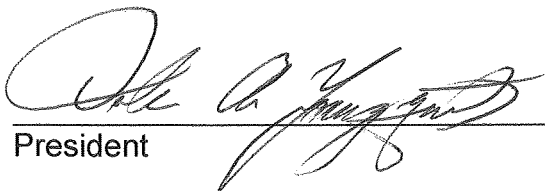
Accountant Voigt discussed the Financial Statements for the month of September 2013. After discussion, motion by Commissioner Zielinski, second by Commissioner Sambs to accept the financial statements for the month of September, 2013. Motion carried unanimously.

Accountant Voigt discussed the Accountant's Report for September 2013. The interest rates on the checking and money market accounts have not changed. MCO generated \$4,700 in income for the Commission in September. Accountant Voigt reported the Cash Flow report was updated to current known information. Motion by Commissioner Falck, second by Commissioner Hamblin to accept the Accountant's Report and Cash Flow Report for the month of September 2013. Motion carried unanimously.

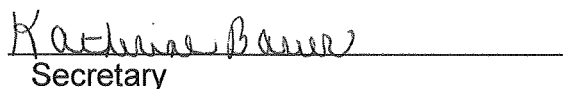
Accountant Voigt discussed his memo regarding obtaining a credit card in the NMSC name. After discussion motion by Commissioner Hamblin second by Commissioner Bauer to approve obtaining three credit cards with limits of \$5,000 each. Motion carried unanimously. The three cards will be assigned to: Rob Franck, Corey Kriewaldt, Roger Voigt.

Motion by Commissioner Bauer, second by Commissioner Falck to approve for payment MCO invoices #17714 - \$120,625.77, #17750 - \$1,054.41, and #17753 - \$625.95 and to pay the invoices after November 1, 2013. Motion carried unanimously.

Motion made by Commissioner Zielinski, seconded by Commissioner Falck to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 10:27 a.m.



President



Secretary

THE NEXT REGULAR MEETING IS SCHEDULED FOR WEDNESDAY OCTOBER 9th 2013.