

NEENAH-MENASHA SEWERAGE COMMISSION

Regular Meeting

Tuesday May 26, 2009

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

Present: Commissioners R. Zielinski, T. Hamblin, D. Youngquist W. Helein, G. Falck, W. Zelinski; Manager Much, Accountant Voigt.

Excused: Commissioner K. Bauer.

Also Present: Paul Much, Rob Franck (MCO); Mike Sambs (Waverly).

Motion made by Commissioner R. Zielinski, seconded by Commissioner G. Falck to approve the minutes of the Regular Meeting of April 28, 2009. Voting aye: Commissioners T. Hamblin, W. Helein, G. Falck, R. Zielinski. Commissioner D. Youngquist abstained. Motion carried.

Correspondence

The following correspondence was discussed:

- A. McMAHON 100th Anniversary Celebration Invitation.
RE: June 10, 2009 celebration at the McMAHON offices.

Budget, Finance, Personnel

Accountant Voigt reported the auditors are waiting for language from our attorneys to complete the audit. The 2008 Financial Audit will be put on the agenda for the June 23 meeting.

Accountant Voigt presented the preliminary financial statements for the month of April 2009. Commissioner D. Youngquist questioned the stormwater fees now being assessed to the NMSC. It was reported to the Commission that the \$942 is a monthly fee for 2009. Commissioner D. Youngquist also questioned the status of the outstanding accounts receivable accounts. It was reported all old receivables have been brought current. After discussion, motion made by Commission D. Youngquist, seconded by Commissioner R. Zielinski to accept the financial statements for the month of April and place it on file. Motion carried unanimously.

Accountant Voigt discussed his memo to the Commission regarding the prepayment of construction costs in 1984 by Waverly Sanitary District and the Town of Neenah Sanitary Districts. In 1984 all contracting users were provided the option to prepay for the costs of the 1985 plant upgrade. The prepayment amount was based on 20-year growth projections from East Central Regional Planning Commission and the cost of the upgrade project. Waverly Sanitary District and the Town of Neenah Sanitary Districts (1, 1-1, 2) decided to prepay for their cost of the plant upgrade. The Commission also requested plant staff to monitor the actual loadings received by the Contract Users and to track the actual amount paid by Waverly S.D. and the Town of Neenah S.D.'s to verify if the growth projections of East Central Regional Planning Commission were correct. The Commission hired Virchow Krause & Company to

prepare a method to perform the tracking and recording of the actual prepayments and the calculated actual usage of the contracted users. The actual usage has been tracked and now 20 years later the results are known. If Waverly did not prepay the costs for the plant upgrade, they would have paid in \$7,800.72 more toward the costs of the plant; so Waverly S.D. underpaid this amount based on original projections. If the Town of Neenah S.D.'s did not prepay the costs for the plant upgrade, they would have paid in \$37,436.59 less toward the costs of the plant; so the Town of Neenah S.D.'s overpaid this amount based on original projections. Over the 20-year period, these amounts were recorded on the Commission financial statements. The net difference between the Waverly S.D. underpaid amount and the Town of Neenah S.D. overpaid amount is \$29,635.87 overpayment. To cover this overpayment, the Cities of Neenah and Menasha and the Town of Menasha should have paid in more during this 20-year period; Neenah - \$9,969.65, Menasha - \$13,366.85, Town of Menasha - \$6,299.39. The Commission needs to decide if these calculated usages are "informational" or should be changed to "actual" and the underpayments by Waverly S.D., City of Neenah, City of Menasha, and Town of Menasha should be billed to them and then the overpayment by the Town of Neenah S.D. should be returned. Discussion followed; after discussion a motion was made by Commissioner D. Youngquist, seconded by Commissioner R. Zielinski to remove the asset and liability from the financial statements and to notify the contract users of this action. A roll call vote was taken; voting aye: Commissioners W. Helein, R. Zielinski, D. Youngquist, T. Hamblin. Voting nay: Commissioner G. Falck. Motion carried.

Accountant Voigt presented MCO Invoice #13547 in the amount of \$118,252.30 for the month of June 2009. After discussion, motion by Commissioner D. Youngquist, seconded by Commissioner R. Zielinski to approve MCO Invoice #13547 in the amount of \$118,252.30 for the month of June 2009 and to pay the invoice after June 1. Motion carried unanimously.

Accountant Voigt presented the Accountants Report for the month of April. The money market rates have continued to decrease. A CDARS deposit placement agreement was presented to the Commission for placing funds into Certificates of Deposits through the First National Bank-Fox Valley. Discussion ensued; Commissioner G. Falck requested more information on Promontory Interfinancial Network, LLC should be obtained before executing any agreement with them. Income generated for the Commission by MCO in April totaled \$2,744. After discussion, motion by Commissioner D. Youngquist, seconded by Commissioner T. Hamblin to accept the Accountants Report for the month of April 2009. Motion carried unanimously.

Accountant Voigt reported a Bond interest payment will be made on June 1, 2009.

Operations, Engineering, Planning

Manager Much presented and discussed the operating report for the month of April 2009. There are no operational problems at the moment. After discussion, motion by Commissioner D. Youngquist, seconded by Commissioner R. Zielinski to accept the operating report for the month of April 2009. Motion carried unanimously.

Manager Much reported to the Commission on the 230kW Biogas engine. The existing concrete slab located next to the blower building is not adequate for the new unit. The options of either

putting in a new slab or pouring a new slab over the existing slab are being reviewed. It is the consensus of the Commission that a new slab should be installed.

Manager Much reviewed and discussed the new WPDES Permit issued by the DNR. Commissioner T. Hamblin questioned if there are any increases in the permit limits; there are no increases. Commissioner T. Hamblin also questioned if there are any changes in the sludge limits; there are no changes. Commissioner R. Zielinski questioned what effect the permit has on the lake cleanup of PCB's; there is no effect. Manager Much also reported there is no mercury limit at this time; the NMSC is currently under a mercury reduction program to reduce the influent mercury. It would be to our benefit to be able to get below the 1.3 nanogram per liter (ng/l) limit so to end the reduction program.

Manager Much presented a sewer extension request received from the Town of Neenah S.D. #2 for a home being constructed on Towerview Drive. After discussion, motion by Commissioner R. Zielinski, seconded by Commissioner T. Hamblin to approve the sewer extension request for the home being constructed on Towerview Drive in the Town of Neenah S.D. #2. Motion carried unanimously.

Old Business

Interceptor ownership. Manager Much indicated there is no new information to report.

Biosolids Management. Manager Much reported a meeting was held with a mega farmer in Calumet County. The farmer knew of other farmers in the area who may be interested in additional nutrients for their farmland; they will check further into this. Manager Much also reported that Calumet County is looking at modifying soil requirements for land spreading due to groundwater contamination in southern areas of the county. Manager Much also reported that new phosphorus loading limits could impact how much sludge could be land applied. Commissioner R. Zielinski questioned when the current sludge hauling agreement expires; it expires in 2011, we may need to look at extending the current agreement. Commissioner R. Zielinski also asked if there are county regulations on sludge buildings; there are some zoning issues and Town Boards to deal with. Commissioner W. Helein questioned where in Calumet County they were looking; in the Hilbert area. Commissioner D. Youngquist asked if either Veolia or Waste Management hauls sludge; Veolia does. Commissioner G. Falck questioned if we could get more information from Veolia; we will keep in contact with them as to where we are in proceeding with handling our biosolids. Manager Much also reported that sludge storage is the critical issue; having a building for storing the sludge. A meeting will be held later this week with the landfill. We will continue to proceed looking at our options, but you need to keep aware there are risks in whatever decision is made. Manager Much also reported we are also having the manufacturer of our current sludge presses coming in to look over our presses and to give us an estimated remaining life of our presses.

Heat Exchanger. Manager Much reported this can be removed from the agenda.

HVAC System Update. Johnson Controls are here today to look at prints of the system.

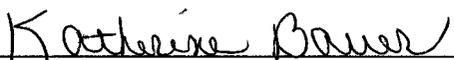
Vouchers

Motion made by Commissioner R. Zielinski, seconded by Commissioner D. Youngquist to approve operating and payroll fund vouchers #130942 through #130992 in the amount of \$372,544.20 and Replacement Fund vouchers #1015 through #1016 in the amount of \$126,850.00 for the month of April as reported on the check registers. Motion carried unanimously.

Motion made by Commissioner R. Zielinski, seconded by Commissioner T. Hamblin to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 9:16 a.m.



President



Secretary

THE NEXT REGULAR MEETING IS ON TUESDAY June 23rd 2009.