

NEENAH-MENASHA SEWERAGE COMMISSION

Regular Meeting

Tuesday December 22, 2009

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

Present: Commissioners Gordon Falck, William Helein, Raymond Zielinski, Dale Youngquist, Tim Hamblin, Kathy Bauer, William Zelinski; Manager Randall Much, Accountant Roger Voigt.

Also Present: Paul Much, Rob Franck (MCO); Mike Sambs (Waverly); Chad Olsen (McMahon); Carol Wirth (WPPF); Robert Potratz, James Potratz (Gizmo Farms).

Motion made by Commissioner Raymond Zielinski, seconded by Commissioner Dale Youngquist to approve the minutes of the Regular Meeting of December 22, 2009. Motion carried unanimously.

Correspondence

The following correspondence was discussed:

1. January 12, 2010 letter from Catherine Girdley, Waverly Sanitary District to Roger Voigt, NMSC.
RE: William Helein reappointed as Commissioner to the NMSC.

Budget, Finance, Personnel

Accountant Voigt presented the preliminary financial statements for the month of December 2009. It was questioned which depreciation and replacement budgeted projects were not expended. Projects budgeted and not performed included aeration diffusers, micro turbines were budgeted but the project went with the purchase of the used gas engine, and gas scrubber for the micro turbines were some of the items. After discussion, motion made by Commissioner Dale Youngquist, seconded by Commissioner Raymond Zielinski to accept the preliminary financial statements for the month of December and place it on file. Motion carried unanimously.

Carol Wirth of Wisconsin Public Finance Professionals, LLC (WPPF) addressed the Commission. The Commission was presented with an introduction booklet providing further information on WPPF. Carol Wirth also discussed changes in bond disclosure reporting and the new EMMA system; also discussed were changes in the market since our last issue and impacts this will have on our rates. The largest impact on future borrowing regardless if it is through a bond issue or borrowing from the state clean water fund is the need to fund our loan payments at a rate of 1.25 (bonding) or 1.10 (clean water fund) coverage. It was also pointed out that we need to be proactive for any future borrowings to be able to obtain favorable ratings from a bond rating agency. Since it has been several years since our last rating, it was suggested we should obtain a confidential rating from a rating agency. This would also benefit us in planning for total costs of a project by giving us an idea as to what type of rates we could receive on a bond issue. Carol was asked to check with Moody's, who performed our last rating to see if they could

perform blind rating of a municipal client. Carol also indicated she would contact Accountant Roger Voigt to go over the calculation used to determine the 1.25 and 1.10 coverage requirements.

NMSC Attorney John Thiel entered the meeting.

Commission President William Zelinski moved to agenda item 6.B. – Gizmo Farms to accommodate those in attendance for this agenda item.

Bob Potratz addressed the Commission and expressed interest in extending the current hauling contract for 3 – 5 years. Bob indicated their willingness to continue with the handling and disposal of the Commission sludge. Bob was informed that the Commission is still looking at all its options for sludge disposal and should have a better idea in 2 – 3 months on how they would like to proceed.

The Commission returned to the Agenda as published.

Accountant Voigt presented MCO Invoices #14205, #14229, and #14227 in the amounts of \$120,117.17, \$700.42 and \$191.17. After discussion, motion by Commissioner Raymond Zielinski, seconded by Commissioner Dale Youngquist to approve for payment MCO Invoices #14205, #14229, and #14227 and to pay the invoices after February 1, 2010. Motion carried unanimously.

Accountant Voigt presented the Accountants Report for the month of December. MCO generated \$2,638 in income to the Commission in December; for 2009 the total income generated was \$35,800, compared to \$31,900 in 2008. After discussion; motion by Commissioner Dale Youngquist, seconded by Commissioner Raymond Zielinski to accept the Accountants Report for the month of December 2009. Motion carried unanimously.

Accountant Voigt presented for payment McMAHON invoices #49231, #49232 and #49194 in the amounts of \$1,115.00, \$1,917.50 and \$4,875.00. After discussion, motion by Commissioner Dale Youngquist, seconded by Commissioner Raymond Zielinski to approve for payment invoices #49231, #49232 and #49194. Motion carried unanimously.

Operations, Engineering, Planning

Manager Much presented and discussed the operating report for the month of December 2009. The plant is running well; there are no issues at this time. After discussion, motion by Commissioner Raymond Zielinski, seconded by Commissioner Dale Youngquist to accept the operating report for the month of December 2009. Motion carried unanimously.

Manager Much reported to the Commission on the 230kW Biogas engine. The protection relay is installed and set. The unit ran power into the grid for 45-minutes. We will now need to adjust the engine for optimum performance.

Manager Much discussed the preliminary TMDL limit. Currently we are looking at 0.2 mg/l for a limit; the current limit 1.0 mg/l. If this number is final, we will be looking at a compliance schedule

for 5 – 6 years to be able to meet the limit. Worst case, we would be looking at additional treatment to obtain the limit. This issue is being pushed by the EPA to the state.

McMahon Projects. Chad Olsen reviewed with the Commission the memos regarding the wastewater treatment facility capacity and performance evaluation and SCADA Controls. SCADA – More information and updates will be ready for the February meeting. Heat Exchanger & Plant Evaluations – The Commission was updated on the process of getting to where we are with the sludge-to-sludge heat exchanger and the operating results of the unit. The Commission was further updated on the biogas conditioning equipment, sludge loadings, aeration system, and biosolids dewatering. Chad further explained cell lysing and linear electro dewatering to the Commission.

Chad Olsen reviewed with the Commission the updated Preliminary Project List. The list now includes costs for a sludge storage building. In January or February there should be better cost estimates developed for the various projects.

Old Business

Interceptor ownership. Manager Much reported that he has no new information to report at this time.

Biosolids Management. Manager Much reported there is a meeting on Friday with Winnebago County to discuss this issue further. Manager Much also reported they will be meeting with Veolia and Waldvogel Trucking next week.

Town of Neenah S.D. #2. Manager Much reported he attended a Sanitary District meeting. He has no additional information to report.

Motion made by Commissioner Dale Youngquist, seconded by Commissioner Kathy Bauer to convene into closed session pursuant to Wis. Stats. 19.95(1)(g) to confer and review written and or oral legal advice by legal counsel to the Commission as to litigation strategy and status of matters concerning the lawsuit(s) commonly referred to as the Fox River litigation. Motion carried unanimously by Commissioners Raymond Zielinski, Dale Youngquist, William Helein, Kathy Bauer, Gordon Falck, William Zielinski, Tim Hamblin. Meeting entered into closed session at 9:56 am.

Motion made by Commissioner Tim Hamblin, seconded by Commissioner Raymond Zielinski to adjourn the closed session and return in regular open session. Motion carried unanimously by Commissioners William Helein, Raymond Zielinski, Tim Hamblin, William Zielinski, Gordon Falck, Dale Youngquist, Kathy Bauer. The Commission returned to Regular open session at 10:12 am.

Vouchers

Motion made by Commissioner Raymond Zielinski, seconded by Commissioner Dale Youngquist to approve operating and payroll fund vouchers #131407 through #131459 in the amount of \$324,469.18 for the month of December. Motion carried unanimously.

Motion made by Commissioner Raymond Zielinski, seconded by Commissioner William Helein to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 10:14 a.m.

President

Secretary

THE NEXT REGULAR MEETING IS ON TUESDAY February 23rd, 2010.

DRAFT