

NEENAH-MENASHA SEWERAGE COMMISSION

Regular Meeting

Tuesday November 23, 2010

Meeting was called to order by Commission Vice-President Raymond Zielinski at 8:00 a.m.

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

Excused: Commission President William Zelinski.

Also Present: Paul Much (MCO); Mike Sams (Waverly); Tom Kispert, Chad Olsen, Sam Pociask (McMahon); Teri Stecker (Johnson Insurance); Fred Hegeman (DNR); Mike King (Post-Crescent).

Vice President Raymond Zielinski deviated from the printed meeting Agenda to accommodate those in attendance.

Wisconsin DNR Residuals Coordinator Fred Hegeman was in attendance per invitation from Chad Olsen to speak to the Commissioners regarding the future of land application of sludge. Mr. Hegeman distributed and discussed the August 2010-Draft "2009 Wisconsin Septage, Biosolids, and Industrial Land Application Facts". It was pointed out that less than six percent of harvested cropland is used for solids applications. Also discussed were phosphorous limits. Wastewater discharge limits for phosphorous are currently being implemented; the next step will be to follow this up with phosphorous limits on land application of biosolids. A possible effect of these limits would be application sites may only be used once every four years, requiring the need for more land for land application of biosolids. Many communities are going to Class A or Exceptional Quality standards for their biosolids; currently thirteen facilities have Class A biosolids. Land application of biosolids is not seen to be phased out. Currently unknown are the effects of growth hormones and other chemicals that can be found in the biosolids. Heavy handed regulation changes are not expected to be seen in the next twenty years; but we may experience several smaller changes over the years. It was questioned how the Class A or Exceptional Quality biosolids is achieved. This was further explained and discussed. Hearing no further questions or comments Mr. Hegeman was thanked for attending the meeting and sharing this information with the Commission

Agenda Item 2) Minutes of the Regular Meeting and Closed Session of October 26, 2010 were discussed. Motion made by Commissioner Dale Youngquist, seconded by Commissioner Kathy Bauer to approve the minutes of the Regular Meeting and the Closed Session of October 26, 2010. Motion carried unanimously.

Agenda Item 5A) Commercial Insurance Proposal for Renewal. Teri Stecker (Johnson Insurance) introduced herself and explained the change that occurred changing her employment from Diversified Insurance Services to Johnson Insurance. The Commission insurance was marketed to several different firms. The current insurance carriers of Travelers and Accident

Fund were the low price for the 2011 renewal. The renewal rates are \$284 higher than the 2010 rates. This is attributable to changes in property values and sludge storage building values. The Commission was reminded that Terrorism coverage is optional but has been purchased in the past. Six out of the eight different insurance packages are minimum premiums. Travelers Insurance is a leading insurance carrier for public entities and they include specialty endorsements for the public entities. It was questioned what the umbrella limit is; the limit is \$2,000,000 over the base \$1,000,000 liability coverage providing a total of \$3,000,000. After discussion, motion made by Commissioner Dale Youngquist, seconded by Commissioner Kathy Bauer to accept the 2011 business insurance renewal as presented. Motion carried unanimously.

Agenda Item 6C) GIS Assessment and Proposal. Sam Pociask (McMAHON) presented and discussed the Proposal Agreement for Development of GIS Web-Based Operations and Maintenance Manual and Work Order Management System. This will be a web based application. It will be up to the operators and managers to maintain and update the program. The Commission questioned if this project would qualify under the clean water fund. This will be included in the application and they will try to have it included in the clean water funding. It was also questioned what is the role of the company GeoDesign. This company will be doing the web based application portion of the project. After discussion, motion made by Commissioner Dale Youngquist, seconded by Commissioner Kathy Bauer to accept the Proposal Agreement for Development of GIS Web-Based Operations and Maintenance Manual and Work Order Management System at a cost not to exceed \$319,500. Motion carried unanimously.

Agenda Item 6B) Treatment Plant Facility Planning. Tom Kispert discussed the facilities planning and reported there is a section on controls in the plan. A draft report has been put together to install a new upgradeable system; this report is being reviewed. Tom also reported that to complete the Facilities Plan a decision needs to be made on which method of sludge biosolids disposal should be included in the Facilities Plan. Tom further reported that the Commission would not be required to use the method included in the Facilities Plan but an amendment can be submitted if the Commission changes their decision on how to handle the biosolids disposal. After discussion, it was the consensus of the Commission to include the option of building our own storage building and continuing with land application of the biosolids in the Facilities Plan. Tom indicated they will have a design proposal at the December meeting.

Correspondence

The following correspondence was distributed at the meeting and discussed:

- A. November 19, 2010 letter from Beth Osowski, Curtis Law Office to NMSC President William Zelinski.
RE: Gizmo Farms, Inc. written confirmation they have no intent to renew the Sludge Removal and Disposal Contract past its termination date of October 31, 2011.

Budget, Finance, Personnel

Accountant Voigt presented the financial statements for the month of October 2010. Accountant Voigt reported the December billing for operations was adjusted as discussed at the October

meeting. Commissioner Dale Youngquist questioned a difference in the AP Vendor aging report and the balance reported on the Balance Sheet; Accountant Voigt will check further into the discrepancy and report back. After discussion, motion made by Commissioner Dale Youngquist, seconded by Commissioner Kathy Bauer to accept the financial statements for the month of October and place it on file. Motion carried unanimously.

Accountant Voigt discussed the renewal of the Snow Plowing and Removal Contract. The plowing rates in the contract did not change from last year. After discussion, motion made by Commissioner Dale Youngquist, seconded by Commissioner William Helein to approve the Snow Plowing and Removal Contract as presented. Motion carried unanimously.

Accountant Voigt presented MCO Invoices #14987, #15036, and #15035 in the amounts of \$119,149.99, \$483.51 and \$617.26. After discussion, motion made by Commissioner Dale Youngquist, seconded by Commissioner Kathy Bauer to approve for payment MCO Invoices #14987, #15036, and #15035 and to pay the invoices after December 1, 2010. Motion carried unanimously.

Manager Much presented and discussed the MCO request for contract increase in 2011. MCO is requesting the CPI-U amount of 1.1% as allowed by contract. Manager Much reminded the Commissioners there was no contract increase last year. After discussion, motion made by Commissioner Tim Hamblin, seconded by Commissioner Kathy Bauer to approve the 2011 contract increase of 1.1% to MCO as requested. Motion carried unanimously.

Accountant Voigt presented the Accountants Report for the month of October. Accountant Voigt reported on the reinvestment of maturing CDARS. The funds in the CDARS account from the Replacement Fund will not be reinvested but rather deposited into the checking account to be used towards the payment on the rebuilding of the screw pumps. The funds in the CDARS account from the Depreciation Fund will be reinvested for a 4-week term. MCO generated \$7,975 in income to the Commission in October. After discussion of the Accountants Report; motion by Commissioner Dale Youngquist, seconded by Commissioner Tim Hamblin to accept the Accountants Report for the month of October 2010. Motion carried unanimously.

Accountant Voigt presented for payment McMAHON invoices #42884, #42541 and #42996 in the amounts of \$14,090.42, \$1,917.60 and \$1,841.50. After discussion, motion made by Commissioner Dale Youngquist, seconded by Commissioner Kathy Bauer to approve for payment invoices #42884, #42541 and #42996. Motion carried unanimously.

Operations, Engineering, Planning

Manager Much presented and discussed the operating report for the month of October 2010. Everything is running well with no issues. Manager Much requested permission to send someone to a Water Environment Federation Conference on nutrient recovery & management. The 3-day conference is being held in Miami from January 9 – 12, 2011. The conference cost is \$735, plus \$165 per night for lodging as well as airfare and meals. After discussion, motion made by Commissioner Gordon Falck, seconded by Commissioner Dale Youngquist to pay the first \$1,000 in costs for MCO staff to attend this conference. Motion carried unanimously. Reported values for Waverly and the Town of Neenah in the written report were questioned.

Accountant Voigt concurred one of the communities was reported incorrectly and will be corrected on the next month report. After discussion, motion made by Commissioner Dale Youngquist, seconded by Commissioner Raymond Zielinski to accept the operating report subject to correction for the month of October 2010. Motion carried unanimously.

Old Business

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

Biosolids Management. Chad Olsen reported that items will be discussed further in the closed session.

Motion made by Commissioner Gordon Falck, seconded by Commissioner Dale Youngquist 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 strategy and status of matters concerning the lawsuit(s) commonly referred to as the Fox River litigation and the Town of Neenah Sanitary #2 lawsuit and pursuant to Wis. Stats. § 19.85(1)(e) to discuss contracts affecting portions of the sewerage treatment process which involves the investment and spending of public funds and competitive and bargaining reasons require a closed session to discuss contract clauses to be submitted to vendors to best serve the public interest. Motion carried unanimously by Commissioners William Helein, Kathy Bauer, Dale Youngquist, Gordon Falck, Tim Hamblin. Meeting convened into closed session at 9:30 am.

After discussions, motion made by Commissioner Dale Youngquist, seconded by Commissioner Kathy Bauer to adjourn the closed session and return in regular open session. Motion carried unanimously by Commissioners William Helein, Kathy Bauer, Dale Youngquist, Gordon Falck, Tim Hamblin. The Commission returned to Regular open session at 10:14 am.

Vouchers

Motion made by Commissioner Dale Youngquist, seconded by Commissioner Kathy Bauer to approve operating and payroll fund vouchers #131969 through #132015 in the amount of \$371,636.38 for the month of October. Motion carried unanimously.

Motion made by Commissioner Tim Hamblin, seconded by Commissioner Dale Youngquist to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 10:16 a.m.

President

Secretary

THE NEXT REGULAR MEETING IS SCHEDULED FOR TUESDAY DECEMBER 28th, 2010.