



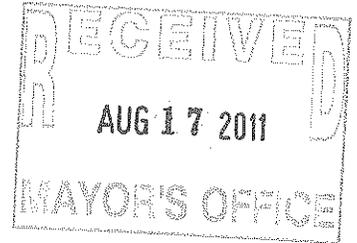
NEENAH-MENASHA SEWERAGE COMMISSION

101 Garfield Avenue • Menasha, Wisconsin 54952-3397

(920) 751-4760 • Fax (920) 751-4767 • e-mail info@nmscwtp.com

August 16, 2011

Donald Merkes, Mayor
City of Menasha
140 Main Street
Menasha, WI 54952



Re: Neenah-Menasha Sewerage Commission Building Project

Dear Local Elected Official:

Greetings. The purpose of this letter is to advise you that the Neenah-Menasha Sewerage Commission ("NMSC") is ready to move forward with the Wastewater Treatment Facilities Upgrade/Improvement Project (the "Project") that the Commission has been working on for several years. Please read this letter carefully as at the end there is information about the need for your community to adhere to the Ordinance-Contract and provide a choice of its financial option to fund this scheduled Project to the Commission by September 15, 2011. We have kept each of your communities aware of our progress on this Project by your community having an appointed representative on the Commission and through correspondence, a public hearing, offers to meet, holding the June 29, 2011 meeting and sending you our monthly agendas. I am aware that there is some concern about knowledge of the Project, but I can assure you that as to the Commission's communications with your member on the Commission and the MCO Management for the Commission, we have kept all communities informed of this Project.

We need you to have your community make a decision on how it would like to fund its portion of this Project. As you read this letter please understand that I will later be asking you to guide your community in making a choice of how it will participate in the financing of this Project. The Commission recognizes there are options available for your community and understand that each community will have to make its own choice. The Commission cannot and does not intend to dictate your choice.

To assist you in the process we are setting forth the basic parameters of the options as follows. The starting point for the decision making process is to inform you that McMahon Associates, Inc., as of July 27, 2011 estimates the Project cost at \$25,445,800. This is subject to change up or down as any municipal Project would be, but it is important to note that by use of the State of Wisconsin Clean Water Fund there is

the ability for the number to change up or down, but as to the use of the municipal bond market the price must remain static as to the borrowed funds.

Financing Options

NMSC has a short-term loan commitment from the First National Bank-Fox Valley in the amount of \$4 million. This loan will provide financing for the Project until long-term financing is secured in 2012. The long-term financing will repay the loan. The short-term loan will be a Revenue Bond Anticipation Note secured by the pledge of revenues of the NMSC.

NMSC has identified various long-term options to finance the Waste Water Treatment Plant ("WWTP") Project. Three options are presented herein and are more fully described in presentation format attached as Appendix I. These options are as follows: **1. Clean Water Fund Loan; 2. NMSC Revenue Bonds; 3. Combination.** The following is a brief summary of these long-term options.

The following scenarios are not exact numbers, but are our consultants' best opinions to date based on the various borrowing scenarios that are available.

CLEAN WATER FUND:

The Commission recognizes the real concern of all the communities about how the Clean Water Fund will function as it relates to the pledging of local municipal revenues to pay back the loan. Much earlier in the process of developing this Project, McMahon & Associates, Inc. exercised due diligence and considered the potential for the Commission's revenues to be used as the pledge of municipal funds for security for the Clean Water Fund. The reason McMahon & Associates, Inc. considered this as a potential option is that previously the Grand Chute-Menasha West Wastewater Treatment Commission ("Grand Chute-Menasha West"), when it was formed, was allowed by the State of Wisconsin Clean Water Fund to pledge the revenues of that commission as security for the loan rather than requiring the member municipalities to pledge revenues. However, the Commission's financial consultant has obtained and confirmed data from the State of Wisconsin Department of Administration that the Grand Chute-Menasha West method was a first-time, one-time process that has not been used since and is not available today. You may have information that Grand Chute-Menasha West was able to accomplish a Clean Water Fund borrowing in the recent past and continue to be able to pledge the Grand Chute-Menasha West Commission's revenue, but we can assure you with certainty that such option is not available to our Commission Project. If this option were available, the Commission would be pursuing it.

A second real concern for the communities deals with the interface of an entity that meets the definition of a Contracting Industrial User under the Ordinance-Contract. That entity is Sonoco which operates in the City of Menasha. Pursuant to the application

of the terms and conditions of the Ordinance-Contract that each municipality agreed to starting as early as 1982, the current Sonoco plant on Washington Street is a Contracting Industrial User. So that your fellow elected officials and staff persons are aware, Sonoco contributes greater than 5% of the waste to the WWTP operated by the Commission as an intergovernmental cooperative venture of our community members. Five percent (5%) of the total waste flowage to the WWTP is the minimum amount for a private entity to meet the definition of a Contracting Industrial User. Historically, the predecessor to the Sonoco Plant was the U.S. Paper Mill. Please be informed of an important point that the effluent from the Sonoco Plant is via a direct pipe to the Commission's WWTP. There may be speculation that the Sonoco Plant effluent passes via the City of Menasha collection system, but that is not an accurate statement. The point of fact from the Commission to your community is that we do not see a substantive issue as to the location of the Sonoco Plant in the City of Menasha as a Contracting Industrial User because the facility has a "straight shot" into the WWTP. The Sonoco Plant could be placed in any of your respective communities and the Commission would not alter this position that the geographic location of this specific Contracting Industrial User is of any impact. The Commission's records from 2010 record the actual effluent share the Contracted Industrial User contributed to the WWTP as being 16.55% of the total plant usage. So, what does this mean? While this Contracting Industrial User is billed for 16.55% of the yearly costs to operate the WWTP by using the Ordinance-Contract formulas, the engineers from McMahan Associates, Inc.'s best estimate is that the percent of build out for the Project that can be reasonably attributable to the Contracting Industrial User is about 9% of the total Project cost. So, as your community discusses and analyzes its financial decision making process the Commission needs you to make now, please do not assume that if the Industrial User were not involved the costs would be 16.55% lower. Your assumption would be false.

There is a legitimate issue about the Contracting Industrial User as it relates to the use of the State of Wisconsin Clean Water Fund. This is the issue. The Clean Water Fund is only used to lend to Wisconsin municipalities. The Clean Water Fund will not lend money to the private party Contracting Industrial User. The Clean Water Fund is a mechanism available to this Project to provide the lowest cost alternative for ALL the member communities. However, there are financial risks to your community that we want to be very clear about, but we still recommend the use of the Clean Water Fund in a manner that is most beneficial to the Commission as an entity and therefore most beneficial to your community as a member of the intergovernmental cooperative entity.

1. Clean Water Fund Loan

The Clean Water Fund Loan program is available to municipalities and not to "commissions" or industrial users. The program offers subsidized interest rates and low costs of issuance. The NMSC can fund the upgrade to the WWTP through the Clean Water Fund Loan program if the five member municipalities issue loans for the Project.

The municipalities would need to pledge either their general obligation debt capacity, or, the revenues of their respective sewer utility, which must meet at least the required 1.1 coverage ratio. The municipalities would be legally responsible for compliance with the terms of the loan under a Financial Assistance Agreement entered into with the State of Wisconsin. The proceeds of the loans would be turned over to the NMSC in accordance with an Agency Agreement entered into between the municipalities and the NMSC. NMSC would be responsible for administering the disbursement of the loan proceeds to complete the Project, DNR compliance, and allocates the annual capital charges to the municipalities and the Contracting Industrial user.

NMSC recommended the Clean Water Fund Loan program because it is the lowest cost of financing the WWTP Project, but it is your community's choice. The mechanics of using the program require the member municipalities to issue the loans for their share and the Contracting Industrial User. However, the repayment of the debt service for all the combined loans would follow the same historical process used by NMSC for annual capital charges based on volume and waste component of each individual municipal and Contracting Industrial User. The debt service on the existing 2003 NMSC Sewerage System Revenue Bonds is allocated on this basis. The capital charge allocated to each user changes monthly based on the volume and waste component. Therefore, if one of the users is no longer part of the system, the costs would be allocated over the remaining users.

Assumptions: Project Cost - \$25.5 Million. Clean Water Fund Loans issued by municipalities \$25.5 million @ 3.5% over 20 years. Estimated annual scheduled payment - \$1,860,000.* (Scheduled payment is amount municipality is legally responsible for under the terms of the Financial Assistance Agreement.)

	<u>C Neenah</u>	<u>C Menasha</u>	<u>T Menasha</u>	<u>T Neen San Dist 2</u>	<u>Waverly San Dist</u>	<u>Sonoco</u>
Amount Issued	\$14,106,600	\$5,732,400	\$4,281,450	\$464,100	\$915,450	N/A
Scheduled payment*	\$ 1,028,940	\$ 418,125	\$ 312,290	\$ 33,855	\$ 66,775	N/A
Annual capital charge**	\$ 853,107	\$ 352,750	\$ 262,787	\$ 28,048	\$ 55,558	\$307,850

(All figures are estimates)

**Based on 2010 Plant usage percentages for volume and waste component.

The second option identified is that the local communities do not want to use the Clean Water Fund at all and the Commission will go to the municipal bond market and borrow the money for the Project. The Commission has the legal authority to use this option by virtue of your communities' participation and agreement via the Ordinance-Contract. However, while the Commission has the power and authority to do this, the Commission has had member communities' best interest in mind. Despite any concerns to the contrary, the Commission has kept your community fully informed of this Project. By going directly to the municipal bond market the Commission can pledge its revenues for the Project. Then all the associated costs would be charged back to your communities

and the Contracting Industrial User. So, politically, your elected body can truthfully state you did not take on any financial risk as to the Contracting Industrial User through the Clean Water Fund. However, if the Contracting Industrial User were to go out of business and a guarantee is not in place, then your communities' costs would in fact go up to cover that share. There is no other way around that financial situation as the municipal bonds would have to be repaid. So, the Commission asks you to meaningfully consider the fact that even if you believe you are not taking on the financial risk of the Contracting Industrial User by not agreeing to take on a proportionate share of the Contracting Industrial User risk by using the Clean Water Fund, each municipality cannot really "escape" the financial risk as to the Contracting Industrial User. It may look better to your constituents, but it will not look better on your financial books as the costs, even if everything works as planned will be higher.

There is another real factor that the Commission asks you to carefully consider. The City of Menasha has municipal debt issues related to its steam plant. Recently it was brought to our attention that on May 17, 2011, the Town of Menasha Utility District made a disclosure to the municipal bond market with respect to its outstanding water and sewer revenue bonds that the net earnings of the utility in 2010 fell below the required debt service coverage ratio and it is taking corrective action to come back into compliance by 2012. The Commission fully supports all its members, but the reality is that the municipal bond market is just as aware of the financial status of the City of Menasha and the Town of Menasha Utility District as is the Commission. What this means for each community as a member of the intergovernmental cooperative entity operating as the Commission is that if the Commission is required to go to the municipal bond market, your Commission will be "fly specked" as to the impact of these two circumstances on the status of the Commission from a fiscal standpoint.

The prospect of the Commission not making the Project upgrades at this time is an inappropriate event for any community to cause to occur. The Project will take our communities sewer and waste water treatment forward on a "state-of-the-industry" basis for the next twenty (20) years or more. There will be ultimate cost savings. The Commission's financial analyst has prepared the following estimates for your communities in the event the Commission ends up having to use Commission obtained municipal borrowing funds.

2. NMSC Revenue Bonds

The NMSC has historically issued tax-exempt sewerage system revenue bonds to finance capital projects for the WWTP. Revenue bonds pledge the revenues of the NMSC (not municipalities) as security to the bondholders, along with a debt service reserve fund. Interest rates received in the municipal market are determined by credit quality and bond covenants. NMSC may finance the upgrades to the WWTP by selling tax-exempt revenue bonds in the municipal market. The interest rate would be higher

than the Clean Water Fund Loan subsidized rate, and the principal amount would be higher due to borrowing to fund the debt service reserve account and higher expenses of issuance. The scheduled debt service payments are allocated as an annual capital charge to the municipal and Contracting Industrial User based on volume and waste component.

Assumptions: Project Cost - \$25.5 Million. NMSC Revenue Bonds issued \$27,815 million @ 4.5% over 20 years. Moody's A1 bond rating; bond insurance; fully funded debt service reserve; required 1.1 coverage ratio. Estimated annual scheduled payment - \$2,110,000. Commission issues all revenue bonds, pledges NMSC revenues and allocates annual capital charge to all users.

	<u>C Neenah</u>	<u>C Menasha</u>	<u>T Menasha</u>	<u>T Neen San Dist 2</u>	<u>Waverly San Dist</u>	<u>Sonoco</u>
Annual capital charge*	\$ 967,773	\$400,163	\$ 297,995	\$31,819	\$63,026	\$349,226

(All figures are estimates)

*Based on 2010 Plant usage percentages for volume and waste component.

The third option identified by the Commission would be for your community to commit to the Clean Water Fund for its portion of the funds needed solely for your community, but not take on the Contracting Industrial User risk share. This is an option, but increases the total cost of borrowing and the increase in total cost of borrowing is ultimately costed back to each local community. The Commission's financial analyst has prepared the following estimates for your communities.

1. Combination

The NMSC Project may be funded with a combination of financings. For example, the five municipalities may issue Clean Water Fund Loans in amounts representing their "proportionate" share; and, the NMSC issues Revenue Bonds for the Contracting Industrial User "proportionate" share. The proceeds for all the financings would be used to finance the Project. Each municipality would be legally responsible for compliance with the terms of the Clean Water Fund Loan under the Financial Assistance Agreement entered into with the State of Wisconsin. Commission revenues are pledged to the bondholders of the NMSC Revenue Bonds. NMSC would be responsible for administering the disbursement of the financing proceeds to complete the Project, DNR compliance, and allocates the combined debt service payments for all financings as an annual capital charge to the municipalities and the Contracting Industrial User.

Assumptions: Project Cost - \$25.5 Million. Finance 83.45% of Project Cost with Clean Water Fund Loans issued by municipalities - \$21.28 million @ 3.5% over 20 years.

Estimated annual scheduled payment - \$1,552,170. (Scheduled payment is amount municipality is legally responsible for under the terms of the Financial Assistance Agreement.) **And** NMSC Revenue Bonds issued (16.55% Contracting Industrial user proportionate share) \$4.6 million @ 4.5% over 20 years. Estimated annual scheduled payment - \$349,225. **Combined annual scheduled payments = \$1,901,395,** allocated by NMSC as annual capital charge to municipal and Contracting Industrial user.

	<u>C Neenah</u>	<u>C Menasha</u>	<u>T Menasha</u>	<u>T Neen San Dist 2</u>	<u>Waverly San Dist</u>	<u>Sonoco</u>
Amount Issued - CWFL	\$11,695,488	\$4,836,944	\$3,600,576	\$385,168	\$761,824	N/A
Scheduled payment	\$ 853,073	\$352,808	\$262,627	\$ 28,094	\$ 55,566	N/A

Plus NMSC Revenue Bonds Issued - \$4.6 Million – Annual Scheduled Payment - \$349,225

Annual capital charge* \$872,094 \$ 360,600 \$268,534 \$28,673 \$56,794 \$314,700
(Combined Clean Water Fund Loan and Revenue Bonds Debt Service)

(All figures are estimates)

*Based on 2010 Plant usage percentages for volume and waste component.

Note: The Combination Option may be done in various ways. This example illustrates the Contracting Industrial user's \$4.6 million financing allocation (16.55% based on 2010 plant usage percentages) being issued as NMSC Revenue Bonds. Although the financing costs are higher than the Project being financed 100% through the Clean Water Fund Loan, the Commission Revenues are pledged to bondholders for this debt service. If a municipality does not want to issue a Clean Water Fund Loan, the NMSC may also issue Revenue Bonds for the municipality. However, the cost of financing the Project would increase accordingly.

There is a fourth option of any community paying its share in advance and not being involved in any borrowing situation. If you are interested in this option, please notify the Commission immediately.

There is a fifth option of having less than all of the communities participate in the Clean Water Fund borrowing. There is no prohibition to having only one community or several, but not all communities obtain the loan proceeds. This is an option, but an option you would need to work out amongst yourselves and the Commission should not be involved in such a decision-making process to avoid any conflict of interest.

2003 Revenue Bonds

NMSC has 2003 sewerage system revenue bonds outstanding through 2015. The 2003 Bonds are callable beginning December 1, 2012. To transition the increase in annual capital charges for the new Project financings, the NMSC has two options:

Option 1. Cash Defeasance

The NMSC would suspend the municipal and Contracting Industrial Users' annual depreciation in 2012 – 2014. This would be offset by an increase in the dollar amount assessed for capital charges. Starting in 2012, the NMSC would begin calling in a portion of the principal amount of the Bonds due in 2015, with the balance called in 2013. Then the NMSC can apply the debt service reserve funds to reduce the 2014 debt service. This option would coincide with the Clean Water Fund Loan long-term financing option.

Option 2. Refinance with NMSC Revenue Bonds

The NMSC would include the refinancing of the existing 2003 Revenue Bonds with the issuance of NMSC Revenue Bonds for the WWTP Project. The NMSC would suspend the municipal and Contracting Industrial Users' annual depreciation in 2012 – 2014. This would be offset by an increase in the dollar amount assessed for capital charges and applied to the combined debt service for all long-term financings. This option would coincide with the NMSC Revenue Bond or Combination Options.

The NMSC may utilize either option to achieve a combined debt service goal of \$1,260,000 in 2012, \$1,550,000 in 2013, \$1,860,000 - \$2,100,000 in 2014 (depending on long-term financing option selected).

Debt service figures contained in these options are estimates based on assumptions stated in each option. The interest rates for any of the long-term financing options will be determined in 2012. In addition, the final cost of the Project, the credit quality, and market acceptance of the Commission's revenue bonds will also be a determining factor in the actual cost of financing the WWTP Project. These options are presented in graphic format and included by reference herein as Appendix I.

ACTION STEPS NEEDED BY YOUR COMMUNITY:

Pursuant to Section 502(b) of the Ordinance-Contract this letter is your communities' required notification of some of the Annual Charges that will be needed to fund this Project. There will be other Annual Charges that you receive in a separate letter. By application of Section 502(b) of the Ordinance-Contract, your community is

contractually required to notify the Commission by September 15, 2011 of how you will fund your community's share of this Project. The Commission needs that information as soon as possible as the Commission has already secured short-term borrowing to get the Project started. The long-term debt instruments must be in place no later than December, 2012 so the Commission is working on a prudent basis.

The Commission has formed a "Communication Committee" that is available to meet with you or your elected board or any staff person to answer questions. Please contact Roger Voigt at 751-4760 if you would like to arrange any meetings.

In closing, I would like to briefly address the July 18, 2011 Memorandum the NMSC received from the City of Neenah. The NMSC appreciates the input. Most of the points raised in the Memorandum had already been considered and decided by the Commission. The NMSC intends to see that any vendor abides by applicable public bidding laws. As an Intergovernmental entity, the NMSC is not subject to some of the laws that may apply to your specific municipality for your own municipal projects. The "Communication Committee" is available to address any questions you may have from the Neenah Memorandum.

The Commission has retained special assistance from Wisconsin Public Finance Professionals, LLC to advise the Commission as to financing options. The Commission has retained special legal counsel, Godfrey & Kahn, S.C. to advise the Commission on the specific municipal borrowing issues. The Commission continues to retain the McMahon Associates, Inc. to advise the Commission on the engineering and plant design and assist with the cost estimates. The Commission retains the John E. Thiel Law Office, LLC as its general counsel. The Commission retains a contract with MCO for the day-to-day operations of the plant and guidance to the Commission on a Project of this nature. The Commission believes it has acted in a prudent manner in retaining these entities to provide advice to the Commission for the greater good of all our valued communities that had the foresight in 1982 to form the Neenah-Menasha Sewerage Commission as an inter-governmental cooperative entity to provide the proper disposition of residential and industrial waste in our communities.

Thank you for your consideration and we solicit your prompt response.

NMSC Member Communities
August 16, 2011
Page 10

NEENAH-MENASHA SEWERAGE
COMMISSION

Very truly yours,


William Zelinski, President

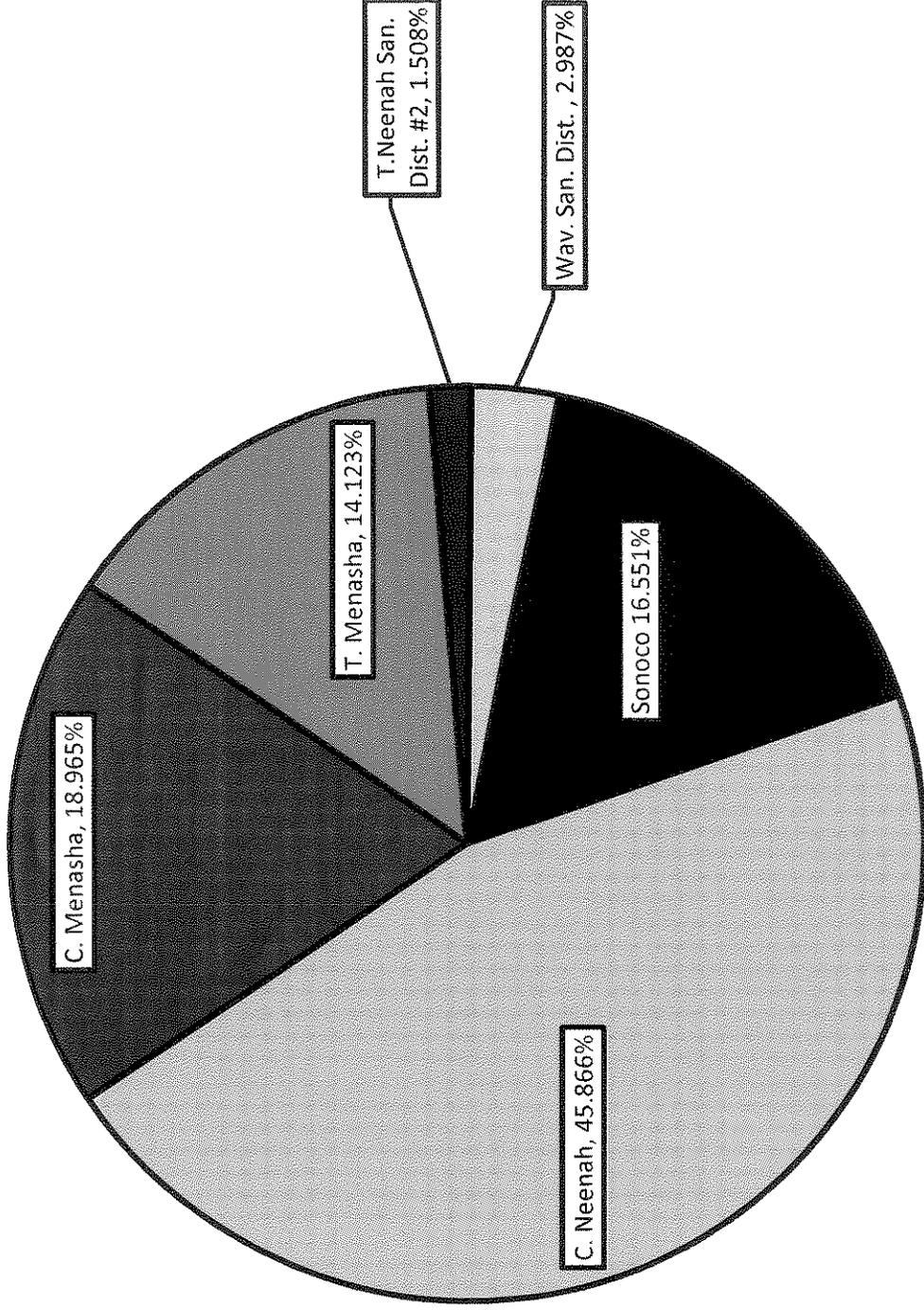
ENCLOSURES

Cc: Neenah-Menasha Sewerage Commission (w/enc.)
Copy e-mailed to your respective legal counsel (w/enc.)

Appendix I

Long-Term Financing Options

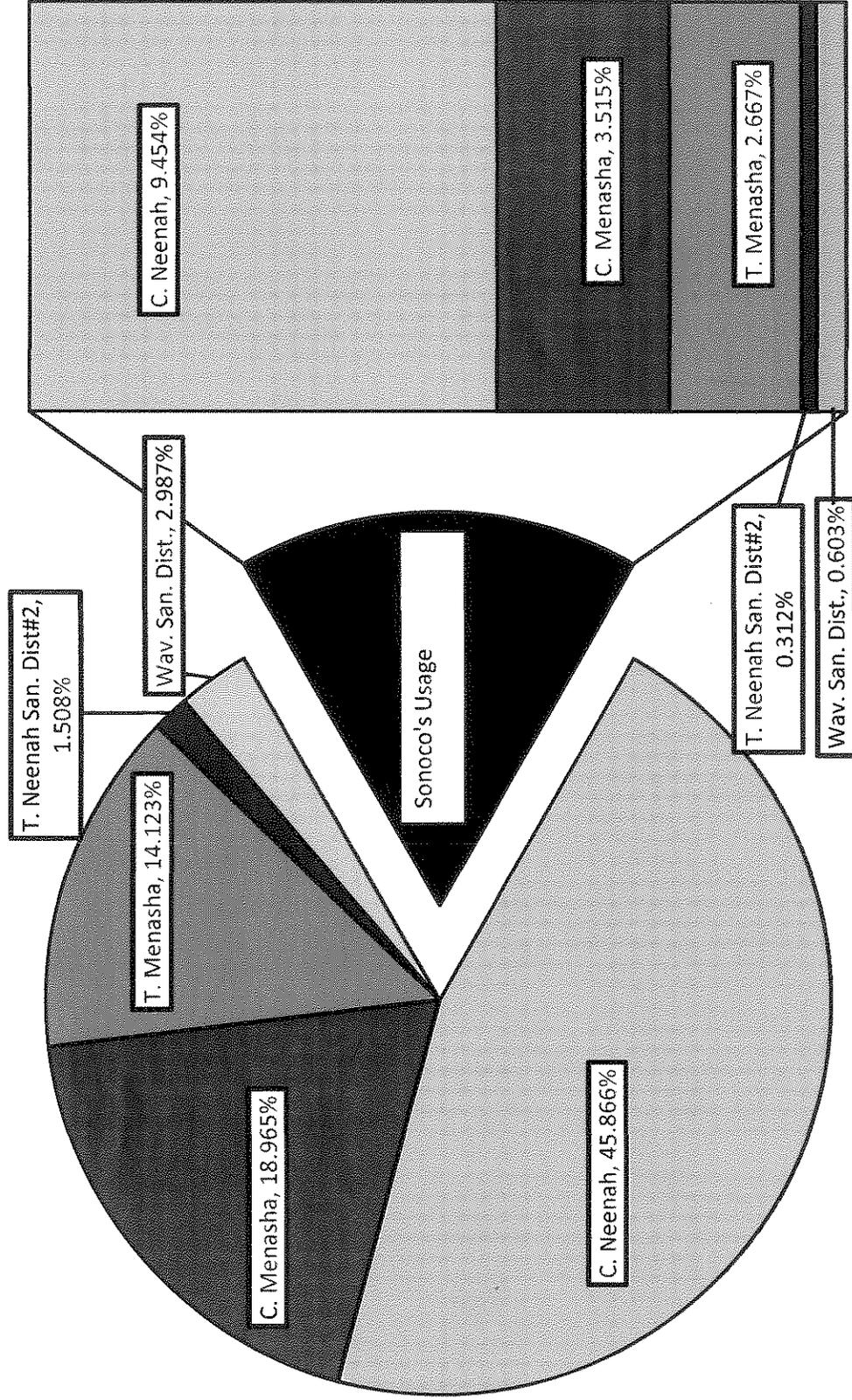
**NMSC Allocates Annual Capital Charges Based on
Volume and Waste (2010 Plant Usage Percentages)**



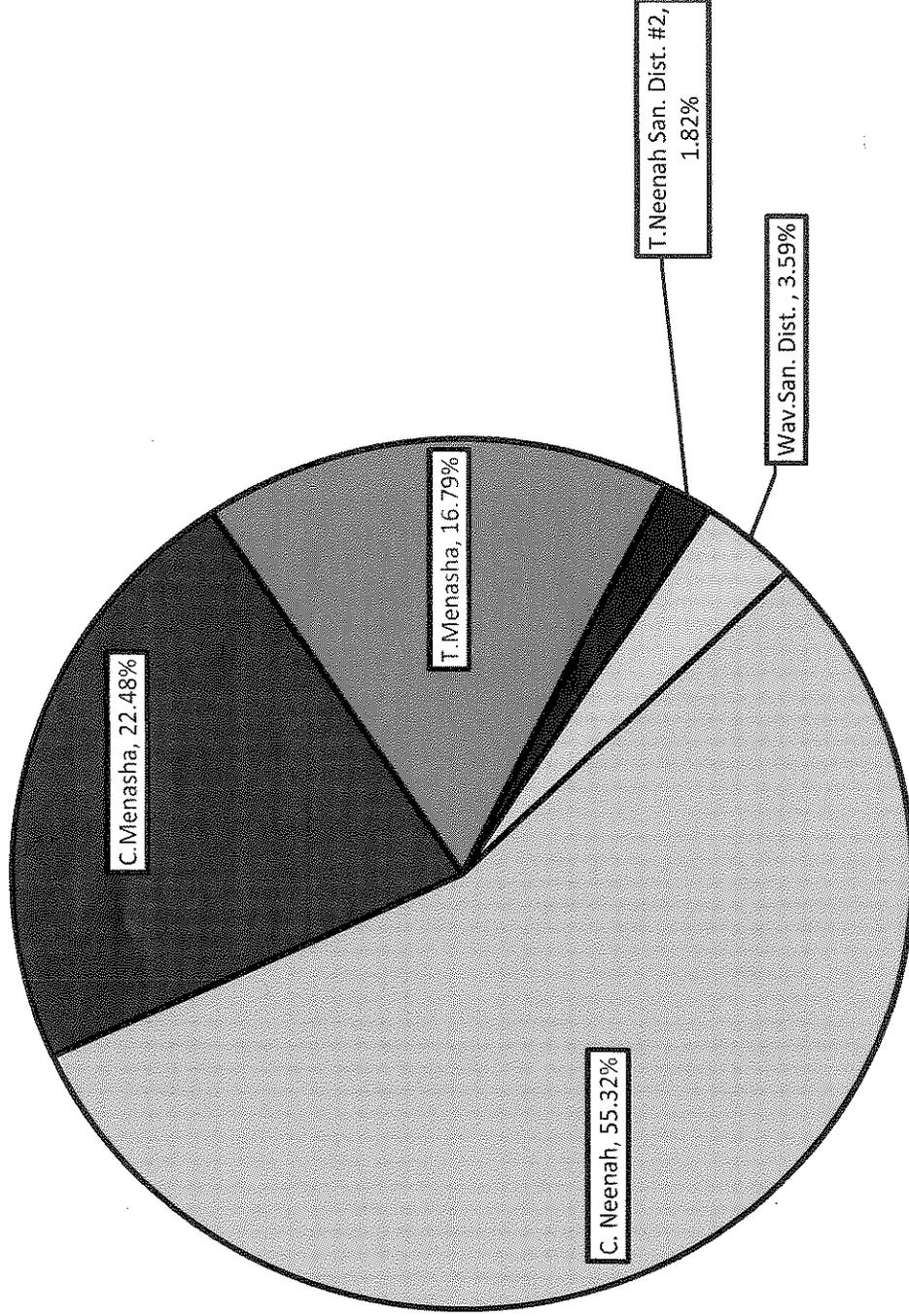
Option 1- Clean Water Fund Loan (“CWFL”)

- Not Available to Commission
- Not Available to Industrial User
- Lowest Cost of Borrowing:
 - Assumption- \$25.5 Million @ 3.5% - 20 yr. repayment
 - Member Municipalities Issue 100% CWFL
General Obligation or Revenue Bond Pledge

Distribution of Sonoco's 2010 Usage Percentage

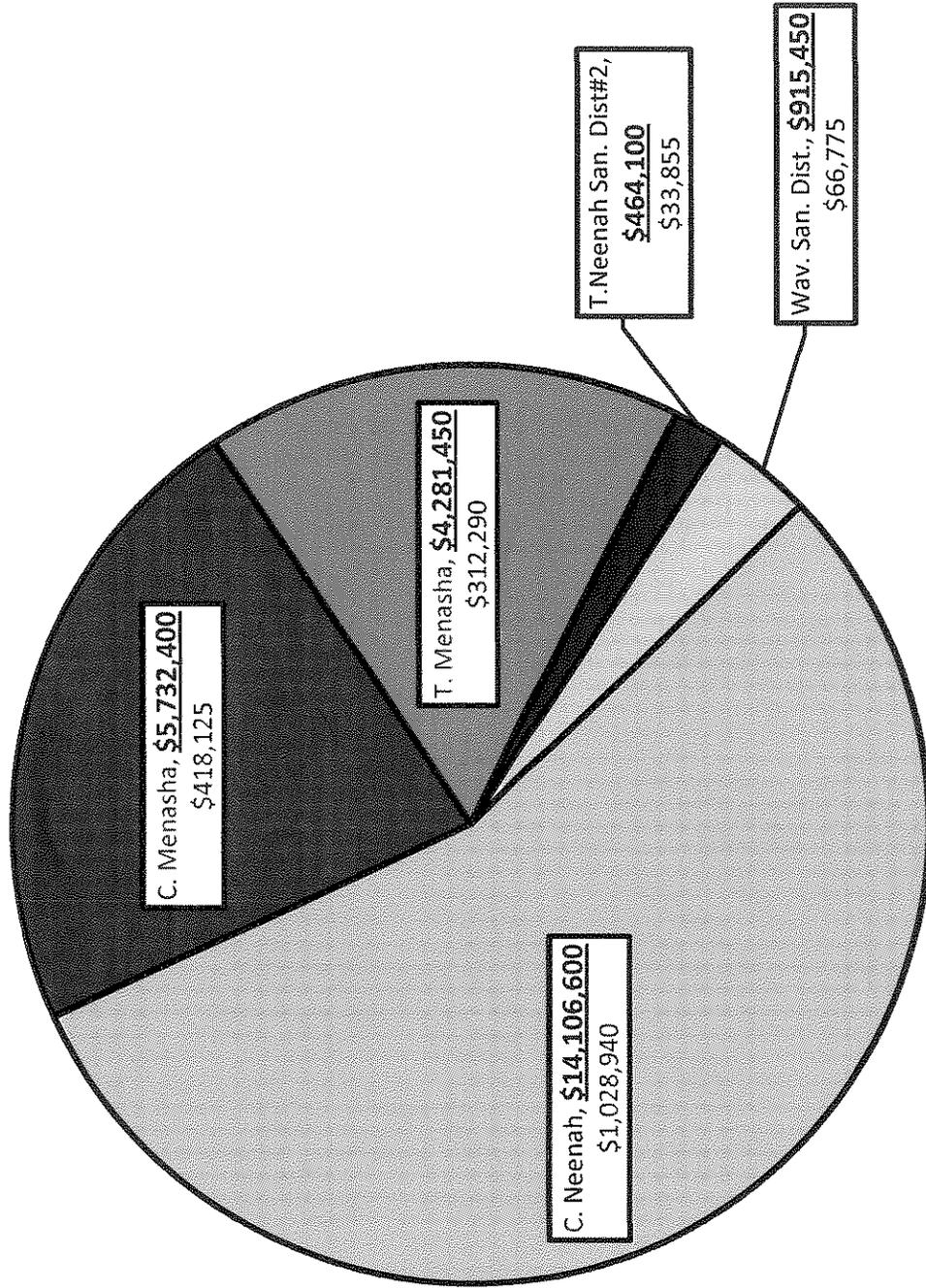


Member Municipalities' Percentages Including Sonoco's Proportionate Share

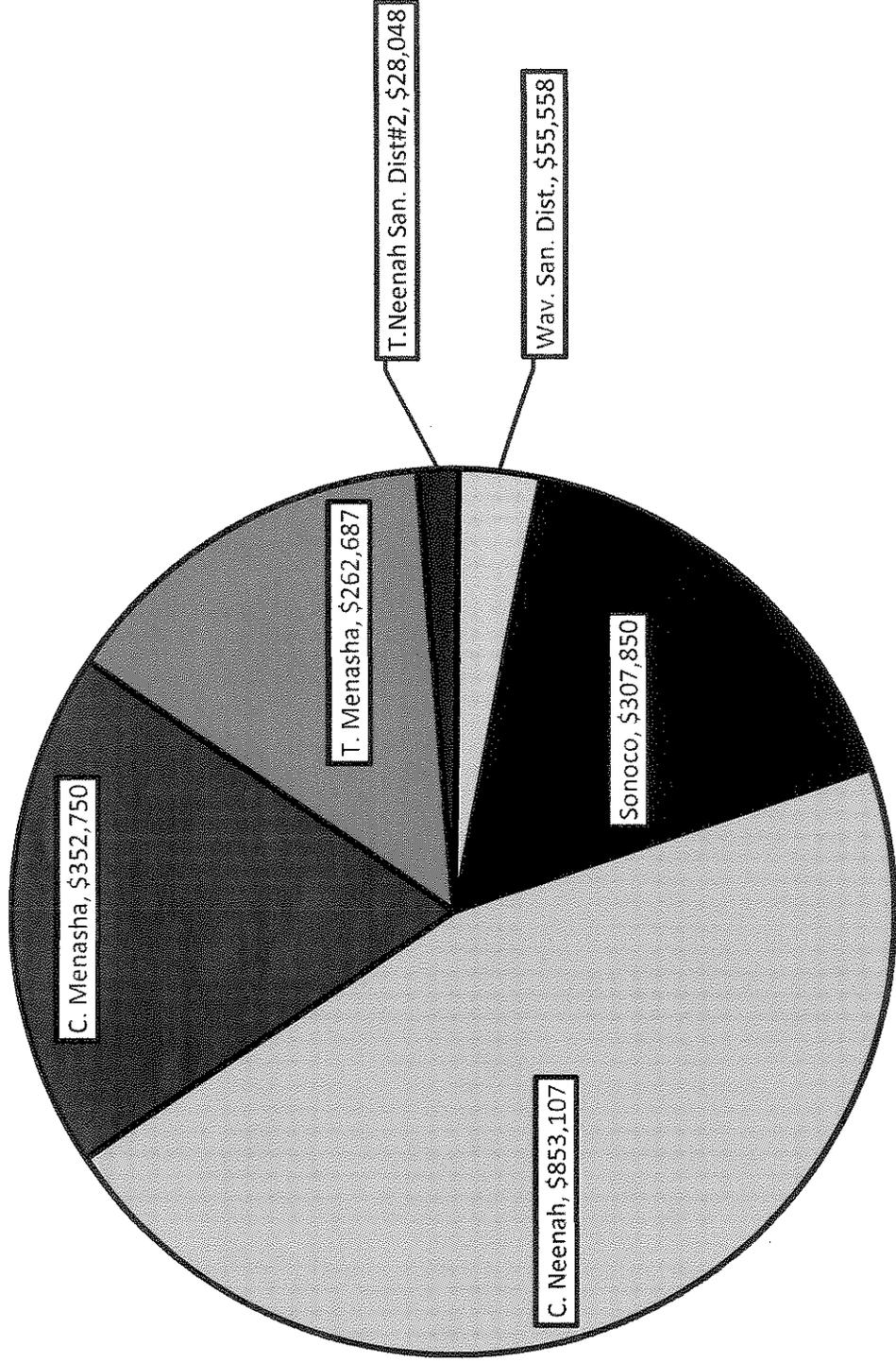


Note: If Sonoco was not a commission customer, these percentages would apply to member municipalities based on 2010 usage figures.

**Member Municipalities Share of Principal Amount of
\$25.5 Million CWFL and \$1,860,000 Scheduled Payment**



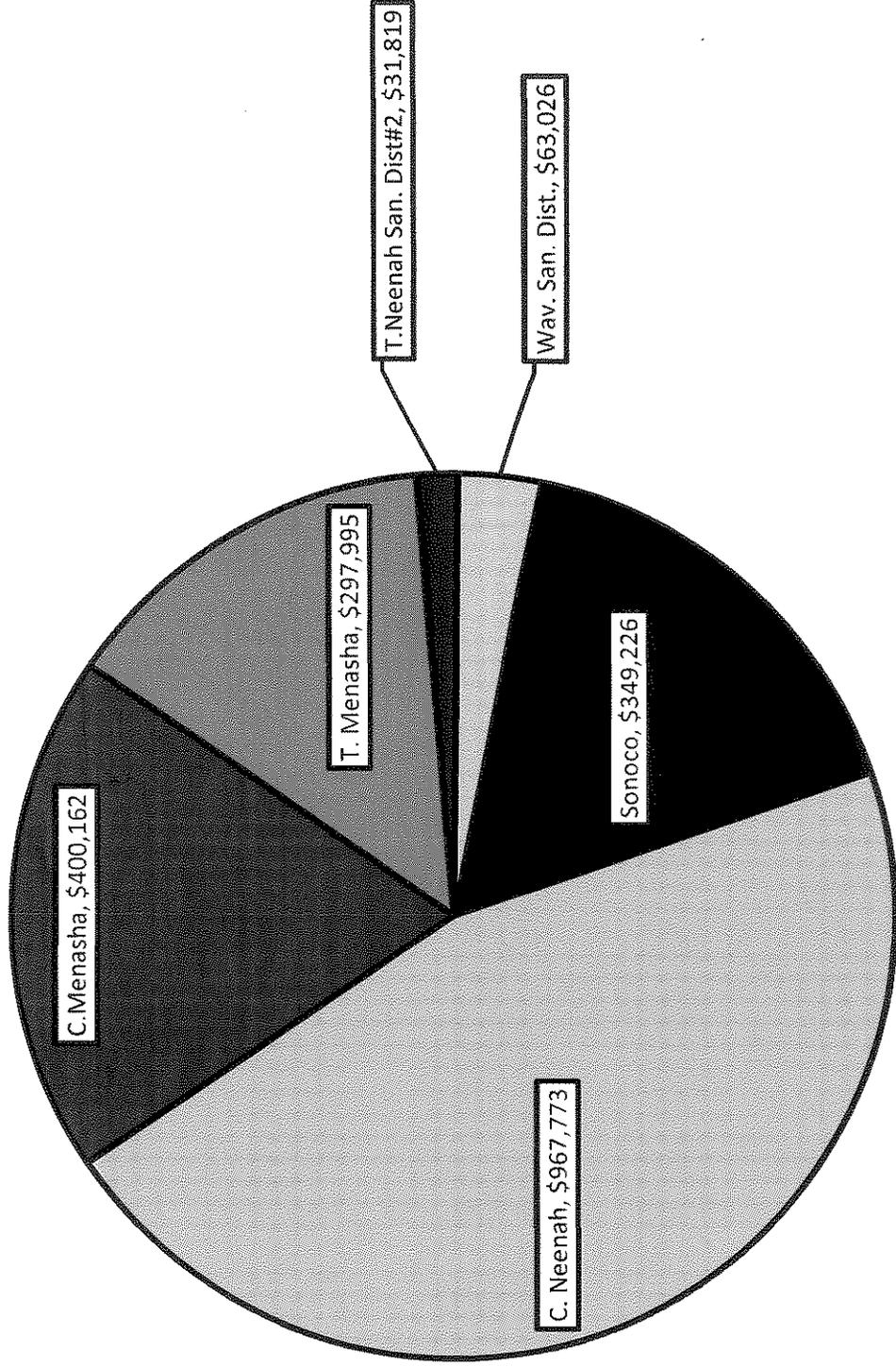
**Municipalities and Sonoco's Annual Capital Charge for
\$25.5 Million CWFL
(Based on 2010 Plant Usage Percentages)**



Option 2- NMSC Revenue Bonds

- Commission sells Revenue Bonds in Municipal Market
- Interest Rate Determined by Market
- Expenses of Issuance Higher than CWFL
- Borrow One-Year Debt Service Reserve (\$2.11 Million est.)
 - Assumption- \$27.815 Million @ 4.5% - 20yr. repayment
 - NMSC pledges Commission revenues
 - NMSC allocates annual capital charges to municipalities and Sonoco based on volume and waste

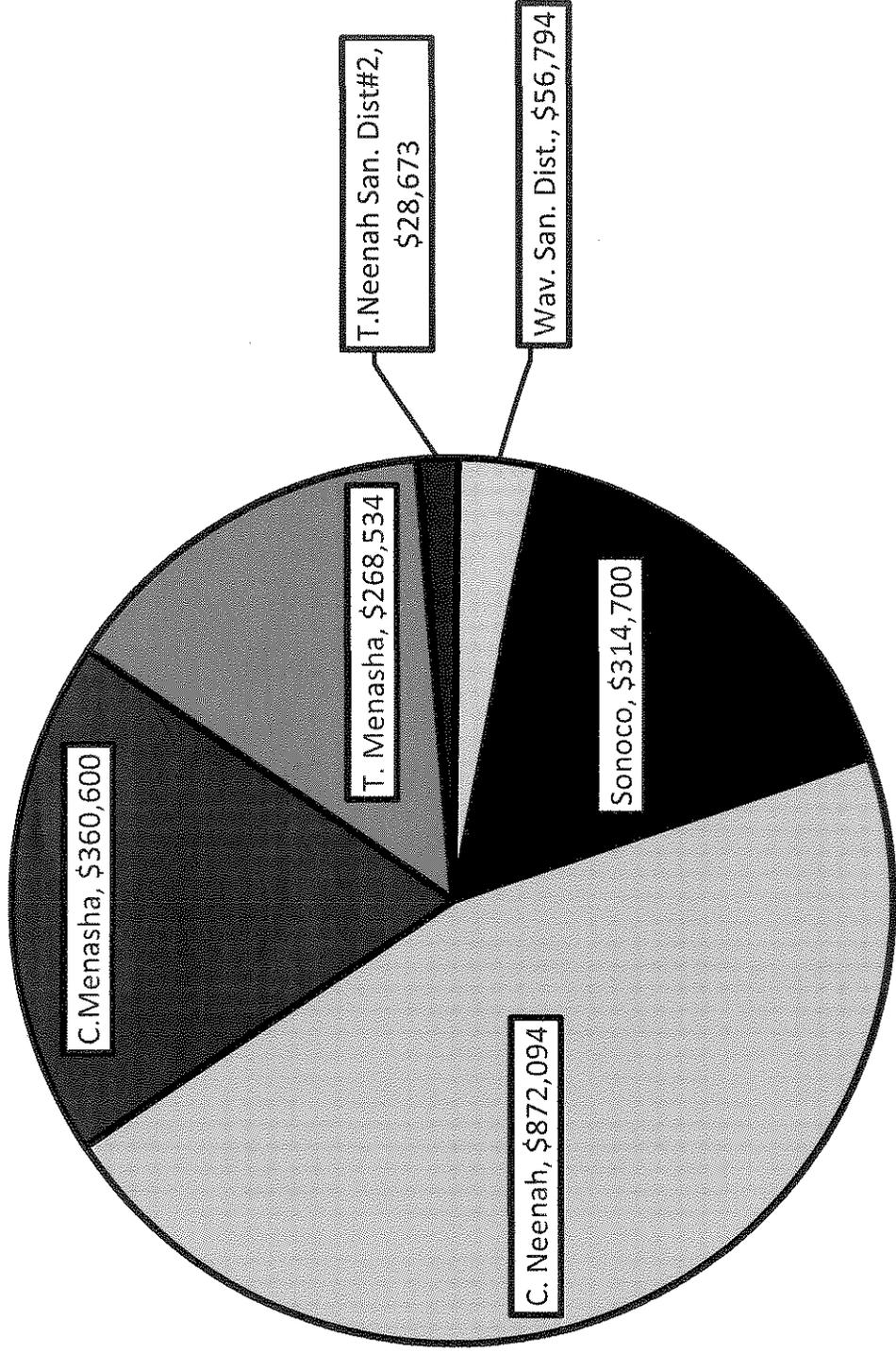
**Municipalities and Sonoco's Annual Capital Charges for
\$27.815 Million NMSC Revenue Bonds
(Based on 2010 Plant Usage Percentages)**



Option 3- Combination-CWFL and NMSC Revenue Bonds

- Member Municipalities Issue CWFL for Respective Municipalities' Share-\$21.28 Million (83.45% of \$25.5 Million)
- Commission sells Revenue Bonds in Municipal Market for Sonoco's Share-\$4.6 Million (16.55% of \$27.815 Million)
- NMSC allocates annual capital charges for all CWFL and Revenue Bonds to municipalities and Sonoco based on volume and waste- \$1,552,170 CWFL
 + \$ 349,225 NMSC Rev Bonds
 \$ 1,901,395 Annual Capital Charge

**Municipalities and Sonoco's Annual Capital Charges for
Combination \$21.28 Million CWFL and \$4.6 Million NMSC Rev
Bonds (Based on 2010 Plant Usage Percentages)**





Background

- Neenah-Menasha WWTF dates back to the 1930s
- Neenah-Menasha Sewerage Commission (NMSC) formed in early 1980s to provide interceptor sewer system and treatment facilities for
 - City of Neenah
 - City of Menasha
 - Town of Menasha SD#4
 - Waverly Sanitary District
 - Town of Neenah SD#1, #1-1 & #2
 - U.S. Paper Mills
 - Gilbert Paper Co.

NMSC Facilities Plan: Presentation to The City of Menasha

McMAHON. 1445 McMAHON DRIVE NEENAH, WI 54956

920 751 4200 mcm@mcmgrp.com www.mcmgrp.com

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Background (continued)

■ Neenah-Menasha WWTF upgraded in 1986 to serve as a Regional Facility

- 13 MGD Flow Rate
- 17,995 lb/day BOD
- 15,800 lb/day SS



NMSC Facilities Plan: Presentation to The City of Menasha

Background (continued)

■ Reports and Projects to address:

- Changing Flows and Loadings
- Permit Requirements
- Aging of Facilities and Equipment
- Need to Improve Efficiencies



NMSC Facilities Plan: Presentation to The City of Menasha

Background (continued)

- Majority of Unit Process Equipment and Control Systems have been In Service for 24 Years

- Age
- Wear
- Environmental Conditions
- Availability of Spare Parts
- Old Technology



NMSC Facilities Plan: Presentation to The City of Menasha

Purpose

- Rather than taking a “piece-meal” approach to needed upgrades and sacrificing cost savings and construction-related synergy, NMSC authorized a Wastewater Facilities Plan be undertaken
- Design Year 2030
- Biosolids Management to be addressed with expiration of current contract occurring 10/31/11

NMSC Facilities Plan: Presentation to The City of Menasha

Scope

- Identify Water Quality Objectives
- Evaluate Existing WWTF Capacity and Needs
- Project Future Flows and Loadings
- Evaluate Treatment Alternatives with Cost Analysis
- Develop a Recommended Plan

NMSC Facilities Plan: Presentation to The City of Menasha

Current Customers

- City of Neenah
- City of Menasha
- Town of Menasha Utility District
- Waverly Sanitary District
- Town of Neenah SD#2
- Sonoco - U.S. Paper Mills, Inc.

NMSC Facilities Plan: Presentation to The City of Menasha

Existing Unit Processes: LIQUID TRAIN

- Influent Pumping
- Fine Screens
- Grit Removal
- Primary Clarifiers
- Activated Sludge
- Phosphorus Removal
- Final Clarifiers
- Sodium Hypochlorite Disinfection
- Effluent Pumping

NMSC Facilities Plan: Presentation to The City of Menasha

Existing Unit Processes: BIOSOLIDS TRAIN

- Gravity Belt Thickening - WAS
- Temperature-Phased Anaerobic Digestion
- Belt Press Dewatering
- Off-Site Storage
- Land Application

NMSC Facilities Plan: Presentation to The City of Menasha

Future Conditions

DESIGN PARAMETER	CURRENT DESIGN	EST. FUTURE 2030 DESIGN
Population	57,858	73,953
Flow Avg (MGD)	13	13
Max Day (MGD)	43	43
Peak Hr (MGD)	65	65
BOD Avg (PPD)	24,573	24,573
SS Avg (PPD)	18,564	21,952
P Avg (PPD)	320	320
Biosolids to Land Application (cu.yd./yr)	17,814	14,344

NMSC Facilities Plan: Presentation to The City of Menasha

Recommended Plan

- Improve/Upgrade Existing Unit Process Equipment
- Continue Infiltration/Inflow (I/I) Removal Programs in Each Community
- Increase Biosolids Digestion Capacity
- Utilize Centrifuges for Biosolids Dewatering with Off-Site Storage

NMSC Facilities Plan: Presentation to The City of Menasha

Facilities Plan 12-9-10 Opinion of Probable Cost

■ Capital Costs	\$15,446,600
■ Engineering and Contingencies	\$4,634,000
Total	\$20,080,600

NMSC Facilities Plan: Presentation to The City of Menasha

Current Opinion of Probable Cost

■ Facilities Plan	\$20,080,600
■ HYPO & Alum Chemical Pumps	100,000
■ Fine Screen System	850,000
■ Tier 2 Standby Generator	565,000
■ Biosolids Storage Building	1,130,000
■ Engineering and Contingencies	\$529,000
Total	\$23,254,600

NMSC Facilities Plan: Presentation to The City of Menasha

Schedule (12-9-10)

- Submittal to DNR *January, 2011*
- Public Hearing *March, 2011*
- WDNR Approval *April, 2011*
- Evaluate Equipment *January - June, 2011*
- Direct Bid Equipment *July, 2011*
- Submit Plans and Specs to DNR *December, 2011*
- Secure Financing *March, 2012*
- Start Construction *April, 2012*
- Substantial Completion *September, 2013*
- Project Closeout *November, 2013*

NMSC Facilities Plan: Presentation to The City of Menasha

Current Schedule

- Biosolids Storage Building Design *August, 2011*
- Submit Plans and Specs to DNR *September, 2011*
- Biosolids Storage Building Bidding *September, 2011*
- Start Construction on Biosolids Storage Bldg *October, 2011*
- Direct Bid Equipment *October, 2011?*
- Equipment Installation Design at WWTF *April, 2012?*
- Submit Plans and Specs to DNR *April, 2012?*
- Biosolids Project Completion *May, 2012*
- Secure CWF Financing *May, 2012?*
- Start Construction at WWTF *July, 2012?*
- Substantial Completion at WWTF *December, 2013?*
- Project Closeout at WWTF *February, 2014?*

NMSC Facilities Plan: Presentation to The City of Menasha



Thank you

McMAHON
ENGINEERS ARCHITECTS

SUMMARY OF BUDGET EXPENSES

	2010 ACTUAL	2011 ESTIMATE	2011 BUDGET	2012 PROPOSED BUDGET	% CHANGE
OPERATIONS & MAINTENANCE BUDGET					
The Operations & Maintenance Budget is for the day-to-day operations associated with running the Wastewater Treatment Facility.	3,301,787	3,392,890	3,446,073	\$3,671,521	6.5%
REPLACEMENT FUND BUDGET					
The Replacement Fund is established to cover expenditures for the replacement of mechanical equipment necessary to maintain the plant design capacity and performance. This fund is mandated by Federal/State Regulations.	287,996	302,400	302,400	\$302,400	0.0%
DEPRECIATION FUND BUDGET					
The Depreciation Fund is being established in 1997 to cover expenditures for the replacement of mechanical equipment not covered under the Replacement Fund, for the maintenance/repair of current structures that deteriorate over time, and for modifications to structures and/or equipment that will benefit the plants operating efficiency.	194,010	223,200	223,200	\$0	-100.0%
CAPITAL BUDGET					
9/1/2003 REVENUE BONDS SERIES 2003B - Principal		642,083	642,083	\$666,667	3.8%
9/1/2003 REVENUE BONDS SERIES 2003B - Interest		122,983	122,983	\$95,351	-22.5%
CLEAN WATER FUND - Interest			0	\$164,849	100.0%
CLEAN WATER FUND - Principal			0	\$0	100.0%
CALL 2015 2003B REVENUE BONDS (net charge to users)			0	\$620,000	100.0%
TOTAL CAPITAL BUDGET	\$769,683	\$765,066	\$765,066	\$1,546,867	102.2%
	\$4,553,476	\$4,683,556	\$4,736,739	\$5,520,787	16.6%

SUMMARY OF BUDGET INCOME

	2010 ACTUAL	2011 ESTIMATE	2011 BUDGET	2012 PROPOSED BUDGET	% CHANGE
CITY OF NEENAH	2,079,547	1,955,597	2,111,751	2,443,655	15.7%
CITY OF MENASHA	854,452	1,183,436	1,004,889	1,214,940	20.9%
TOWN OF NEENAH S.D. #2	71,272	45,215	74,877	69,695	-6.9%
TOWN OF MENASHA UTILITY DISTRICT	640,561	603,179	662,598	767,830	15.9%
WAVERLY SANITARY DISTRICT	136,055	146,612	150,738	178,246	18.2%
SONOCO/U.S. MILLS	771,589	756,241	731,886	846,422	15.6%
	\$4,553,476	\$4,690,280	\$4,736,739	\$5,520,787	16.6%