NEENAH-MENASHA SEWERAGE COMMISSION

Regular Meeting

Tuesday May 24, 2011

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

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

Excused: Commissioner William Helein.

Also Present: Rob Franck (MCO); Mike Sambs (Waverly); Tom Kispert, Chad Olsen (McMAHON).

Minutes of the Regular Meeting and Closed Session of April 26, 2011 were discussed. Commissioner Gordon Falck questioned the report on the Menasha sewer issue; discussion on the matter followed. After discussion, motion made by Commissioner Tim Hamblin, seconded by Commissioner Raymond Zielinski to approve the minutes of the Regular Meeting and Closed Session from April 26, 2011. Motion carried unanimously.

Correspondence

There was no correspondence to be discussed.

Budget, Finance, Personnel

Accountant Voigt presented the financial statements for the month of April 2011. Commissioner Dale Youngquist questioned the difference of the Green Power Income and the Standby Generation Income; the standby generation income is the income received for keeping our backup generator on a standby basis in case the power company requests the NMSC to run the backup generator to take our electric load off the grid, the green power income is the income generated when we burn the methane gas to produce electricity. After discussion, motion made by Commissioner Dale Youngquist, seconded by Commissioner Raymond Zielinski to accept the financial statements for the month of April and place it on file. Motion carried unanimously.

Accountant Voigt discussed the proposed rates for the 3rd quarter 2011. The increased loadings to the plant have generated a revenue surplus in our operations budget. The proposed rates would be a decrease to the current rates being charged. Commissioner Tim Hamblin questioned why would we be reducing the rates if the Commission is looking at cash issues later this year to pay for the ongoing plant upgrade costs. The issue was discussed further; it was questioned if some of the excess operating cash could be used during this time period. This will need to be checked into further to see if this can be done. After discussion, motion by Commissioner Dale Youngquist, seconded by Commissioner Tim Hamblin to defer acting on the rate adjustment until the June meeting. Motion carried unanimously.

Accountant Voigt presented MCO Invoices #15492, #15525 and #15522 in the amounts of $118,202.80, $371.45 and $230.01. After discussion, motion made by Commissioner Dale Youngquist, seconded by Commissioner Raymond Zielinski to approve for payment MCO Invoices #15492, #15525 and #15522 and to pay the invoices after June 1, 2011. Motion carried unanimously.

Accountant Voigt presented the Accountants Report for the month of April. Accountant Voigt reported on the interest rates received on the checking and money market accounts. MCO generated $8,800 in income to the Commission in April. Accountant Voigt also presented the updated cash flow projection worksheet. Accountant Voigt informed the Commission on the concerns of the financial advisor, Carol Wirth on making sure the Commission meets the current bond resolution covenants in making any short-term or long-term borrowing plans.

Accountant Voigt presented for payment McMAHON invoices #44973, #44972, #44942, and #44943 in the amounts of $3,046.00, $94,845.00, $3,373.50, and $867.95. After discussion, motion made by Commissioner Raymond Zielinski, seconded by Commissioner Tim Hamblin to approve for payment invoices #44973, #44972, #44942, and #44943. Motion carried unanimously.

Operations, Engineering, Planning

Manager Much presented and discussed the operating report for the month of April 2011. The solids loading jumped in April; the electrical rates for on-peak power usage is going up; Manager Much and Tom Kispert met with the City of Menasha Council on June 6 to present information on the plant upgrade; we are currently looking at chlorine systems for the treatment facility. Commissioner Dale Youngquist questioned the effluent BOD percent of removal and if this is a reflection on the increased loads. Commissioner Gordon Falck questioned the income generated from burning the methane gas, it has been decreasing. It was reported there have been issues with starting the engine after it has been shut down; we are looking at the engine adjustments that are based on the gas quality. One item being considered is a gas analyzer; the service representative is obtaining pricing and information on analyzers available. After discussion, motion made by Commissioner Dale Youngquist, seconded by Commissioner Tim Hamblin to accept the operating report for the month of April 2011. Motion carried unanimously.

Tom Kispert reported to the Commission the status on Facility Upgrade activities.
Design. The two pilots tests are still running; site visits were made, one facility has a fine screen unit that is now being given consideration in being included in the new equipment replacement; the equipment bid date is being moved back to July.
Controls/SCADA. Following the discussions from last month, we are looking at using major components from Allen Bradley with ancillary items coming from Automation Direct and Allen Bradley; one determining factor is if the equipment works together and works with the GIS system. The review of previous minutes did not show any prior approvals by the Commission that they would use Automation Direct as the equipment provider.
GIS. There will be some documents ready for the June meeting; a demo site will be ready in a few weeks.

Other. Manager Much reported that one of the facilities they did at site visit at added Capstone micro turbines; this facility is now adding another bank of micro turbines with an estimated payback in 5 years.

Old Business

Interceptor ownership. Commissioner Dale Youngquist reported he met with Mayor Don Merkes; he wants to go ahead with the transfer of ownership. Mayor Merkes met with the City Attorney; it is in the Attorney hands.

Biosolids Management. Manager Much reported there are items to be discussed in closed session.

Other Business to Come Before the Commission

Commission Tim Hamblin questioned the status of the proposed phosphorous rules. It was reported that implementation could be postponed for about 2 years to see what other states are doing.

Motion made by Commissioner Dale Youngquist, seconded by Commissioner Tim Hamblin 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 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 Raymond Zielinski, Dale Youngquist, Kathy Bauer, Tim Hamblin, Gordon Falck. Meeting convened into closed session at 9:10 am.

Commissioner Raymond Zielinski was excused during the meeting to attend to other matters.

After discussions, motion made by Commissioner Dale Youngquist, seconded by Commissioner Tim Hamblin to adjourn the closed session and return in regular open session. Motion carried unanimously by Commissioners Dale Youngquist, Kathy Bauer, Tim Hamblin, Gordon Falck. The Commission returned to Regular open session at 10:32 am.

Action to be taken on matters discussed on Closed Session

Motion made by Commissioner Dale Youngquist, seconded by Commissioner Kathy Bauer to approve the substance of the Ground Lease Agreement and Biosolids Removal, Hauling, Land Application Agreement as presented to the Commission by legal counsel and management and to authorize the Commission President to exercise the agreements with minor changes as needed. Motion carried unanimously.

The Commission requested Chad Olsen to fast track the biosolids storage building. Chad indicated we will need to do soil borings; he will get quotes to Manager Much for approval. Manager Much reported we will need to approach the Town of Greenville for approval.

Vouchers

Motion made by Commissioner Dale Youngquist, seconded by Commissioner Kathy Bauer to approve operating and payroll fund vouchers #132298 through #132347 in the amount of $356,611.35 for the month of April 2011. Motion carried unanimously.

Motion made by Commissioner Tim Hamblin, seconded by Commissioner Dale Youngquist to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 10:39 a.m.

President

Secretary

THE NEXT REGULAR MEETING IS SCHEDULED FOR TUESDAY June 28th, 2011.