

NEENAH-MENASHA SEWERAGE COMMISSION

Special Meeting

Thursday June 16, 2011

Meeting was called to order by Commission President William Zelinski at 9:00 a.m.

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

Excused: Commissioners William Helein, Kathy Bauer.

Also Present: Rob Franck (MCO); Mike Sambs (Waverly); Tom Kispert, Amy Vaclavik (McMAHON), Carol Wirth (Wisconsin Public Finance Professionals LLC), Mayor Don Merkes, Tom Stoffel (Menasha).

Budget, Finance, Personnel

Carol Wirth with Wisconsin Public Finance Professionals LLC introduced herself to the Commission and distributed a report on financing handout. Carol used this report as an outline to discuss with the Commission financing options. Items mentioned included: current funding with NMSC replacement and depreciation funds until September; concern of what the total final cost of project will be; financing costs; source of funds – commission funds, Clean Water Fund, revenue bonds; NMSC also submits application with Clean Water Fund applications, loans are not made to Commissions and industrial users, member communities responsible for loans. Commissioner Tim Hamblin questioned if the industrial user would go bankrupt; communities would still pay total amount of borrowing based on percent of use. The Commission discussed obtaining a commitment from the industrial user. Commissioner Tim Hamblin questioned if the NMSC can bid without having a known source of funding to pay for costs; discussion continued on this subject with no clear answer available. Clean Water Fund rate will be based on the rate the State receives for borrowing in 2012. Short term borrowing options were discussed which include the possibility of: Bond Anticipation Notes, bank note which must comply with NMSC existing bond covenants, or member community borrows. Amy Vaclavik (McMAHON) reported the Clean Water Fund borrowing could be done in 2 loans: first for the equipment and engineering costs, and then for the remaining facilities upgrade items. Multiple questions followed relating to doing short term borrowing. The Commission issuance of Revenue Bonds could provide funds by early October, the Commission needs to deal with the current 2003 Revenue Bonds and the covenants. Commissioner Dale Youngquist questioned if we need to bid for short term financing; it was felt we may not have to, but a definite answer would need to be researched. Amy Vaclavik reported that any local borrowing would need to be coordinated with the Department of Administration (DOA) and Department of Natural Resources (DNR) to qualify for reimbursement with the Clean Water Fund. It was suggested that the Commission should meet with all municipal entities in one meeting to go over the items and issues. The type of short term borrowing that is decided upon will be a driving force in the type of long term borrowing the Commission will obtain. It was reported the Industrial contract with Sonoco is not an issue with the State, any risk would be absorbed by everyone else.

The Commission further discussed when to have a meeting with the member communities, if it should be a special meeting or put on the June regular meeting agenda. Commissioner Dale Youngquist indicated it should be a special meeting. Commissioners questioned Carol regarding fees for services. Carol reported that if she was providing this service for a typical municipality such as a City, the fees would range around \$5,000. But since the Commission is a Commission with multiple member entities, the work and detail involved are much more involved as well as the Commission having a current Revenue Bond that have covenants that need to be met make it hard for her to provide a number for her services because the involvement could be substantial without having a clear objective as to where the Commission is going with its financing. After this discussion, the Commission further discussed a date for a special meeting with the member communities on either June 29th or 30th. It was the consensus to have the meeting on June 29th at 9:00 am.

Other Business

Manager Much reported on some issues. 1 - The pilot unit study for the mixed oxidant unit provided no apparent benefit. Another unit that was looked at and made by a different manufacturer has become available due to a purchaser not accepting all the units they ordered. This purchaser paid a restocking fee to return the one unit. The NMSC has the option to purchase this unit below the normal purchase price. The Commission requested the engineer to try to obtain additional discounts on the price of the unit. 2 – The Commission has an agreement with WPPI for our backup generator to serve as a standby unit. There are now air emission standards that will need to be met in order for the Commission to maintain the agreement with WPPI. The cost of a muffler system to have the generator meet the standards is approximately \$100,000. With the age of the unit there could also be electronic component issues. We need to decide if the unit should be replaced and sized to operate the entire facility or to keep the current unit that runs the influent and effluent pumps. An answer will be provided at the meeting on June 28th.

Attorney John Thiel reported a letter from the Town of Greenville was received indicating we do not need a conditional use permit for the biosolids building being built on property owned by Steinacker Farms. The agreements with Steinacker Farms are almost complete.

Motion made by Commissioner Raymond Zielinski, seconded by Commissioner Dale Youngquist to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 11:17 a.m.

President



Secretary

