# NEENAH-MENASHA SEWERAGE COMMISSION

**Regular Meeting**

**Tuesday August 23, 2011**

Meeting was called to order by Commission President William Zelinski at 8:03 a.m.

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

**Also Present:** Tom Kispert, Chad Olsen, Sam Pociask (McMAHON); Rob Franck, Paul Much (MCO); Mike King (Post Crescent).

Commissioners discussed the minutes from the Regular Meeting of July 26. Commissioner Raymond Zielinski questioned the algae pilot plant special meeting on page 1; the biosolids building in the Black Creek area on page 5; and the site plan review in the Town of Greenville on page 6. These items were further explained to the Commission. Commissioner Gordon Falck requested the minutes should be amended on page 4 to include the name of the ad hoc committees that were appointed (Plant Upgrade & Communications/Financial). The names of these ad hoc committees will be added to the minutes. After discussion, motion made by Commissioner Gordon Falck, seconded by Commissioner Dale Youngquist to approve the minutes of the Regular Meeting of July 26, 2011 as amended. Motion carried unanimously.

To accommodate those in attendance, President William Zelinski moved to Agenda item 6B-(3) – GIS Web Based Work Order System/Operations/Maintenance Manual.

Sam Pociask (McMahon) presented a demonstration of the work order management system to the Commission. After the demonstration, Sam reported the work order portion of this system should be running by October. Commissioners questioned who would input the data and make necessary changes. On the work order side of the program this will be performed by the Commission staff; on the GIS side of the program McMahon will make the changes.

President William Zelinski returned to the Agenda as published.

## Correspondence

The following correspondence was discussed:

A. August 1, 2011 letter from Randall Much, NMSC Manager to Don Verbrick, President Town of Neenah S.D. 2.
RE: Approval of connection point contingent on meeting requirement of Ordinance-Contract.

Manager Much reported that in discussions with Sanitary District #2, they may reconsider their request for the new connection point at Lift Station #7.

B. August 16, 2011 letter from William Zelinski, NMSC President to Local Elected Officials (Mayors Scherck & Merkes, S.D. Presidents Verbrick & Helein, Town Chairman Youngquist).
RE: NMSC Building Project.

The following items were distributed to the Commission during the meeting:

C. August 22, 2011 letter from Roger Voigt, NMSC Accountant to Local Elected Officials.
RE: Correction to Page 6 of August 16, 2011 on NMSC Building Project.

Attorney John Thiel reported on the error found in the letter to the elected officials. Corrections were both emailed and mailed to the officials. Commissioner Dale Youngquist updated the Commission on the Town of Menasha status. The Town met Monday and had lots of questions by the Town Commissioners. The Town will pursue the Clean Water Fund; it is not determined if they will borrow the full amount request by the NMSC or if they will borrow an amount for the Town portion only. The Town borrowing will be done as a General Obligation debt. Attorney John Thiel indicated he was the primary drafter of the letter; he tried to tie the letter to facts. Commissioner Dale Youngquist reported the Town Commissioners have concerns regarding Sonoco. Attorney John Thiel reported a letter is being drafted to Sonoco. He further reported on the meeting with the Sonoco Plant Manager and the positive feeling leaving the meeting.

D. August 17, 2011 memorandum from Neenah Mayor Scherck to Neenah Council Members.
RE: Scheduling NMSC Communications Committee to meet with the Council.

The Commissioners were informed the initial request was for the Communications Committee to meet before the Council on September 7 at the Council meeting. A request by the Commission was made to meet prior to the Council meeting. A date of August 29 was proposed by Mayor Scherck. Commissioner Dale Youngquist reported he would have a conflict with that date and requested if possibly August 30th or 31st could be arranged. Accountant Voigt reported he will contact Mayor Scherck to see if either of these days would work for the City.

**Budget, Finance, Personnel**

Accountant Voigt presented the financial statements for the month of July 2011. The Operations Income is $347,000 at the end of July. After discussion, motion made by Commissioner Dale Youngquist, seconded by Commissioner Raymond Zielinski to accept the financial statements for the month of July and place it on file. Motion carried unanimously.

Commissioners discussed the memo from Accountant Voigt regarding setting a Public Hearing for the 2012 NMSC Budget. After discussion, motion by Commissioner Dale Youngquist, seconded by Commissioner Gordon Falck to schedule a Public Hearing at 8:00 am on Tuesday

September 27, 2011 prior to the Regular Meeting to receive comment on the Proposed 2012 NMSC Budget. Motion carried unanimously.

Commissioners reviewed and discussed the draft 2012 NMSC Budget. Commissioners questioned the sludge hauling and storage building, electricity charges, salt used for the generation of chlorine, and contract management fee. Accountant Voigt reported on the Capital Budget and discussions with Carol Wirth (Wisconsin Public Finance Professionals) on the dollar amount needed for interest on the Clean Water Fund loan. This number needs to be further discussed between Accountant Voigt and Carol Wirth to fund the appropriate amount for 2012. Accountant Voigt reminded the Commissioners the amount in the Capital Budget for the plant upgrade is based on the entire project being funded through the Clean Water Fund. If the project funding is not fully funded by the Clean Water Fund, the Commission will need to hold another Public Hearing later in the year to amend the 2012 Budget for the additional interest costs that could be expected for 2012.

Accountant Voigt reported he received word from Carol Wirth yesterday (Monday, August 22) that First National Bank – Fox Valley reported they have the additional commitment from another bank for the $500,000 in funds needed for the short-term borrowing. We now have the $4,500,000 in borrowing available. Attorney John Thiel reported on discussions with Attorney Tom Griggs (Bond Counsel – Godfrey & Kahn); the loan paperwork is ready but we will hold off on signing the paperwork until we have further indication from the communities for the long-term loan commitment.

Accountant Voigt reported our insurance agent has begun the process for the renewal of the Commission business insurance renewals. Accountant Voigt further reported receiving an inquiry from Ademino & Associates in Kimberly to also quote the Commission business insurance. The Commissioners further discussed; after discussion it was the consensus of the Commission to decline the offer from Ademino & Associates to provide a quote to the NMSC for the business insurance.

Accountant Voigt presented MCO Invoices #15734, #15770 and #15767 in the amounts of $118,202.80, $535.60 and $157.69. After discussion, motion made by Commissioner Dale Youngquist, seconded by Commissioner Raymond Zielinski to approve for payment MCO Invoices #15734, #15770 and #15767 and to pay the invoices after September 1, 2011. Motion carried unanimously.

Accountant Voigt presented the Accountants Report for the month of July. Accountant Voigt reported the certificate of deposit (CD) with Anchor Bank was closed with the funds deposited into the ICS CDARS account to have these funds available for the project expenses. MCO generated $9,000 in income to the Commission in July. After discussion, motion made by Commissioner Raymond Zielinski, seconded by Commissioner Tim Hamblin to accept the Accountants Report.

Accountant Voigt presented for payment McMAHON invoices #46025, #46024, #46084, #46075 and #46076 in the amounts of $2,200.00, $45,600.00, $84.45, $3,462.75 and $14,056.76. After discussion, motion made by Commissioner Raymond Zielinski, seconded by Commissioner Dale

Youngquist to approve for payment invoices #46025, #46024, #46084, #46075 and #46076. Motion carried unanimously.

## Operations, Engineering, Planning

Manager Much presented and discussed the operating report for the month of July 2011. There are no issues with the operations. Manager Much reported there are issues with the methane engine. We cannot keep the engine running; we receive a ferment alarm and the engine shuts down. Rob Franck (MCO) reported that efforts to contact representatives in Germany have not been successful due to employees off from work due to vacations. Attempts will be made to reach the representative in Germany once they return to work. After discussion, motion made by Commissioner Dale Youngquist, seconded by Commissioner Raymond Zielinski to accept the operating report for the month of July 2011. Motion carried unanimously.

Tom Kispert reported to the Commission the status on Facility Upgrade activities.
The 2010 Genset is in the works; the boiler, heater, gas conditioning system bid documents are almost ready. These will be sent to Attorney John Thiel for review. Commissioner Tim Hamblin questioned if this project is a design/build project. Tom responded it absolutely is not a design/build project. This project is equipment procurement, design, and construct project. Tom further explained the difference between a design/build project and how this project is being handled.

Commissioner Gordon Falck excused from the meeting to attend to personal matters (9:37 am).

Other – Facility Plan Amendment. Tom reported the amendment for the Facilities Plan is going to be wrapped up and sent to the DNR. We will need to set a bid date for the equipment; equipment specs will be going to the DNR when they are pulled together. Tom further discussed the engineering report provided to the Commissioners. Alternatives were looked at to use methane gas; they looked at engines, micro turbines, and service providers. A lot of the gas production data is sketchy; it is mostly theoretical data. Attempts will be made to repair the current methane engine and obtain additional methane gas data over the next couple years. The new boilers and heat exchangers in the Facilities Plan will be kept in the Facilities Plan; any decision on the alternatives for using the excess methane gas will wait until we know the actual gas production with the upgraded facility. We don't want to stick large amounts of money into a project that we don't know will work.

## Old Business

Biosolids. Chad Olsen discussed the site plan that will go to the Town of Greenville staff for storm water and drainage review. The original storage building design was to incorporate the building into the side of a hill located on the property; Steinacker has begun hauling Grand Chute Menasha West biosolids and they now have concerns if the original building design will work for the Neenah-Menasha biosolids. Discussions on building design has us now looking at a flat building. This design will require a change in the size of the building from 180' x 230' to a new size of 210' x 240' due to lower wall height. The estimated building cost for this size building is

$2.9M. A front end loader will also be needed for handling the biosolids. We may also be looking at contract price adjustments. Commissioner Dale Youngquist questioned at what point do we keep making changes for them at our expense? The Commission expressed to Chad that we cannot keep making changes to the design at our expense for their purposes. Commissioner Raymond Zielinski questioned why there is no public hearing. It was explained there is no change in the use of the land and no conditional use permit is needed. The land is zoned agricultural use and the building is for agricultural purposes. The site plan and storm water management plan does not need a public hearing; only a staff review of the site plan and storm water plan is needed. Manager Much reported meeting with landfill staff to discuss and obtain additional information on the NMSC hauling to the landfill. The NMSC needs to complete some additional testing of the biosolids; the landfill wants a truckload of the biosolids brought in. Within 6-months the landfill will start the closure of the landfill. There is a cell in the landfill and this cell is contractually obligated to another company and is not available for the Sewerage Commission. Chad will contact the current hauler to see if he would be willing to offer a price to haul to the landfill and if they would be willing to rent space in the current storage building until the new building is completed. Chad asked how aggressive should he be in pursuing the storage building; he would be able to submit to the DNR and have bid documents ready by September 9. Commissioner Kathy Bauer questioned bidding without having funding available. Attorney John Thiel indicated we have the short-term funding lined up. Chad indicated it will take a couple weeks for the DNR approval; construction could start by mid-October to avoid the extra expense of winter construction. The building construction would be pre-engineered metal stick building. Attorney John Thiel reminded the Commissioners that this method is looking at the best cost savings for the Commission and communities. The Commission further discussed when there should be a bid opening and the award of the contract. After discussion it was the consensus of the Commission that by September 9th the DNR should receive the plans and specs and the Town of Greenville should receive site and drainage plans; the bid documents should be available to prospective bidders by September 9th with a bid opening by September 30th. Any contract award would be contingent on regulatory approvals and financing available.

Interceptor ownership. No new information to report.

Motion made by Commissioner Tim Hamblin, seconded by Commissioner Raymond Zielinski 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. Motion carried unanimously by Commissioners Raymond Zielinski, Dale Youngquist, Kathy Bauer, Tim Hamblin, Mike Sambs. Meeting convened into closed session at 10:09 am.

After discussions, motion made by Commissioner Raymond Zielinski, seconded by Commissioner Dale Youngquist to adjourn the closed session and return in regular open session. Motion carried unanimously by Commissioners Raymond Zielinski, Dale Youngquist, Kathy Bauer, Tim Hamblin, Mike Sambs. The Commission returned to Regular open session at 10:30 am.

**Vouchers**

Commissioner Tim Hamblin questioned the invoice for Centerline, Inc. This invoice was for shims to align motors. After discussion, motion made by Commissioner Raymond Zielinski, seconded by Commissioner Dale Youngquist to approve operating and payroll fund vouchers #132466 through #132521 in the amount of $426,540.86 for the month of July 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 10:32 a.m.

President

Secretary

**THE NEXT REGULAR MEETING IS SCHEDULED FOR TUESDAY September 27th, 2011.**