NEENAH-MENASHA SEWERAGE COMMISSION

Regular Meeting

Tuesday October 23, 2012

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

Present: Commissioners Raymond Zielinski, Tim Hamblin, Mike Sambs, Jim Gunz, Kathy Bauer, Gordon Falck, Dale Youngquist; Manager Randall Much, Accountant Roger Voigt.

Also Present: Tom Kispert, Amy Vaclavik (McMAHON); Rob Franck (MCO); Mike King (Post Crescent).

Approval of the October 9, 2012 minutes was deferred until the next Commission meeting.

Correspondence

There was no correspondence to be discussed.

Old Business

Accountant Voigt updated the Commission on the activity on the prepayment for the plant modification project. Files were searched and minutes were reviewed on the history of allowing the prepayment for the plant construction project in the early 1980's.

New Business

Operations, Engineering, Planning

Manager Much discussed the Operations Report. The plant is running well; there have been issues getting the digester drained to the 5 foot level, we have only been able to get it down to a 6 foot level. Manager Much reported on the updating of the pretreatment program to achieve federal standards. Construction personnel are starting to show up on site. Commissioner Falck questioned if there is an explanation as to why the Neenah loadings are down from previous years; Manager Much responded the possible reasons are from the dry weather and due to business activity being down and the industries not running as much. Commissioner Gunz questioned how the debt payment is calculated, is it done on a monthly basis based on use? Accountant Voigt responded this is correct. After discussion motion by Commissioner Falck, seconded by Commissioner Gunz to accept the Operations Report for September. Motion carried unanimously.

Motion made by Commissioner Zielinski, seconded by Commissioner Bauer to approve Amendment #3 to the Construction of Wastewater Treatment Facilities Modifications contract in the amount of $825,000. Tom Kispert further discussed and explained this amendment to the contract. The original budget for this particular item was $850,000 and it is included in the Clean Water Fund project budget. After the modification project was bid, a final scope of services was prepared to allow this portion of the project to be bid. The bid came in at $825,000. Commissioners questioned why Faith Technologies was approached to bid on this portion.

Manager Much and Tom Kispert responded; further explaining the specialized services they are providing and also past positive experience both MCO and McMahon has had in dealing with Faith Technologies in performing these services. After discussion, motion carried unanimously.

Tom Kispert discussed the EPA Air Permitting. The DNR modeling is complete, everything passed. We should expect to receive the permit in the next day or so.

Tom Kispert updated the Commission on the Phosphorus construction cost analysis. The DNR has indicated we should wait on developing costs for construction to meet future limits. The DNR needs to further evaluate and determine if Little Lake Butte des Morts is considered a "lake" or a "river". This ruling will have an impact on the discharge limit. Commissioner Hamblin questioned and requested more information on trading; this was further discussed on how it works and future issues.

Tom Kispert reported to the Commission on the Wastewater Treatment Modification Project. The contractor began mobilizing on Monday (October 8); the temporary generator is on site and should be hooked up in one week. More equipment deliveries should be coming in this week; work will be focused on the west end of the site on the gas handling building. The building should be enclosed by the end of the year. A hard document of the construction schedule should be available later this week. A slide show of the project update will be shown at the meetings.

Budget, Finance, Personnel

Amy Vaclavik updated the Commission on the Clean Water Fund. The DNR was here on Wednesday (October 10) to review the CWF materials. The State will want the loan documents signed by all communities in a relatively short time period; one possible way to accomplish this would be to have an evening when all five entities would assemble in one location to hold special meetings to approve the loan documents. Amy discussed her handout on the process for the CWF loan; work is starting on compiling data for the first submittal to the CWF. Manager Much questioned if a front end loader is included in the CWF budget, we would be looking at a used unit; it is not included, this will be further explored for including it in the project. Accountant Voigt discussed the preliminary loan commitment terms for a Bond Anticipation Note (BAN) to be issued on December 1 to refinance the current BAN and to provide additional funding until the CWF loan is approved. This will be on the November 13 meeting agenda for approval of the BAN.

The following McMAHON invoices were presented for payment. Invoice #41149 in the amount of $2,235.00, #41150 in the amount of $18,700.00, #41151 in the amount of $730.00, #41152 in the amount of $14,800.00, #41153 in the amount of $7,560.00, and #41211 in the amount of $6,000.00. After discussion motion by Commissioner Zielinski, seconded by Commissioner Bauer to approve for payment McMAHON invoices #41149, #41150, #41151, #41152, #41153, and #41211. Motion carried unanimously.

Accountant Voigt presented the Financial Statements for September 2012. President Youngquist questioned the receivables from the Cities of Neenah and Menasha. The Neenah receivable is for the monthly billing of Operations and Capital charges, and the Menasha receivable is for the legal reimbursement on the Fox River litigation. Both of the receivables were paid in October.

After discussion motion by Commissioner Falck, seconded by Commissioner Zielinski to accept the Financial Statements for the month of September 2012. Motion carried unanimously.

Accountant Voigt discussed the Accountant's Report. The interest rates on the investments have not changed; MCO generated $5,100 in income to the Commission. The Cash Flow Projection was updated with known information. The report will be provided to Tom Kispert for review and updating based on the construction schedule he will be receiving. President Youngquist recommended looking at the projected costs and making a payment with the excess BAN funds to reduce the amount outstanding. After discussion motion by Commissioner Zielinski, seconded by Commissioner Gunz to accept the Accountant's Report for the month of September 2012. Motion carried unanimously.

MCO invoices #16828 in the amount of $119,828.56 and #16875 in the amount of $640.40 were presented for payment. After discussion motion by Commissioner Falck, seconded by Commissioner Gunz to approve for payment MCO invoices #16828 and #16875 and to pay the invoices after November 1, 2012. Motion carried unanimously.

There was no reason at this time to proceed into closed session for discussion.

Manager Much discussed with the Commissioners plans on proceeding with obtaining pricing for obtaining a used front-end loader.

Motion made by Commissioner Gunz, seconded by Commissioner Zielinski to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 9:12 a.m.

President

Secretary

THE NEXT REGULAR MEETING IS SCHEDULED FOR TUESDAY NOVEMBER 13th, 2012.