NEENAH-MENASHA SEWERAGE COMMISSION

Regular Meeting

Tuesday July 23, 2013

Meeting was called to order by Commission President Youngquist at 8:00 a.m. at the Town of Menasha Municipal Complex, Arden Tews Assembly Room.

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

Also Present: Tom Kispert (McMAHON); Paul Much (MCO).

June 25, 2013 meeting minutes: Motion by Commissioner Gunz, second by Commissioner Bauer to approve the minutes from the June 25, 2013 Regular Meeting. Motion carried unanimously.

Correspondence

The following correspondence was discussed:

A. July 15, 2013 letter from Amy Vaclavik to Randall Much, Manager Neenah-Menasha Sewerage Commission.
   RE: Update on User Charge System process.

Old Business

Inflow/Infiltration. It was the consensus this item can be removed from the meeting agenda at this time.

Attorney Thiel requested a change in the order of the agenda items to go into closed session at this time to accommodate him for meetings he has later this morning. Motion by Commissioner Gunz, second by Commissioner Zielinski to proceed to Agenda item 6, Motion to Convene Into Closed Session. Motion carried unanimously.

Motion by Commissioner Gunz, second by Commissioner 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. By roll call vote taken, motion carried unanimously, by Commissioners Gunz, Bauer, Sambs, Hamblin, Zielinski, Youngquist.

Meeting convened into closed session at 8:05 am.

Special Meeting Closed Session was called to order by Commission President Youngquist at 8:05 a.m.

Commissioner Falck entered meeting (8:12 am).

After discussions, motion made by Commissioner Gunz, seconded by Commissioner Bauer to adjourn the closed session and return in open session. By roll call vote taken, motion carried unanimously by Commissioners Gunz, Hamblin, Bauer, Sambs, Falck, Zielinski, Youngquist. The Commission returned to open session at 8:35 am.

Commissioner Gunz informed the Commissioners of his need to be excused from the meeting by 9:00 am and requested to proceed to Agenda item: New Business, Operations Engineering Planning, Treatment Plant Upgrade, Action Items, Other Invoices. Request was granted.

Commissioner Gunz discussed the invoices presented for approval and further explained why he is not in favor of the type of agreement signed with Wisconsin Public Finance Professionals (WPFP); he feels this is a bad way to enter into an agreement. Another Commissioner pointed out the invoice detail dollar amount in the WPFP invoice is actually more than the final invoice the Commission has been billed for. After discussion motion by Commissioner Gunz, second by Commissioner Bauer to approve for payment invoice #4171 from Attorney John Thiel for June Plant Expansion legal services in the amount of $300.00. Motion carried unanimously. Motion by Commissioner Gunz, second by Commissioner Bauer to approve for payment the invoice from Wisconsin Public Finance Professionals, LLC dated June 21, 2013 for Clean Water Fund Loan services in the amount of $18,500.00. Motion carried unanimously.

New Business

Operations, Engineering, Planning

Phosphorus Removal - Tom Kispert reported the Actiflo Pilot Study has been scheduled for September 9 through September 20, 2013. Commissioner Gunz questioned if there will be any issues with the pilot testing and plant operations with the plant upgrades. Tom reported there will not be any issues; the pilot study will not have any effect on the influent phosphorus.

Primary Clarifiers concrete repair – Tom Kispert distributed pricing received to repair the concrete and to apply a coating to each of the four primary clarifiers. At this time tank #1 is recommended to be repaired; tanks #2 and #3 could be evaluated when they are drawn down and sandblasted; tank #4 may not need to be worked on at this time. The cost to repair and apply coatings to the four clarifiers is quoted at $109,850. The coating used is newer technology that was not available several years ago; by waiting to apply the coating to tank #4, the hope would be the cost of the coating would come down. Manager Much indicated it seems it would be more efficient if we would do all the clarifiers now when they are being taken down for updating. Manager Much questioned how long the new coating would last; Tom replied he does not know. After discussion, motion by Commissioner Gunz second by Commissioner Hamblin to approve the concrete repair and coating of the four Primary Clarifiers by at a cost of $109,850. Voting aye: Commissioners Gunz, Hamblin, Falck, Zielinski, Sambs. Voting nay: Commissioner Bauer. Motion approved.

Commissioner Gunz excused from the meeting (9:05 am).

Tom Kispert presented a power point slide show and discussed the construction activities that have occurred since the June 25, 2013 meeting. Commissioner Hamblin questioned the delivery status of the Square D equipment. Tom reported they have a revised schedule and equipment has started to show up.

Construction Progress Update. Tom Kispert reviewed and discussed his memorandum handout on the plant construction progress, the Certificates for Payment' contract change orders, and pending proposals.

After discussion, motion by Commissioner Zielinski, second by Commissioner Falck to approve for payment Certificate for Payment #9 from August Winter & Sons Inc. in the amount of $782,800.00. Motion carried unanimously.

Tom Kispert discussed proposed change orders for the contract with August Winter & Sons. Motion by Commission Falck, second by Commissioner Hamblin to approve change order #18 for the contract with August Winters & Sons in the amount of $97,386.00. Motion carried unanimously. Motion by Commission Falck, second by Commissioner Hamblin to approve change order #19 for the contract with August Winters & Sons in the amount of $5,317.00. Motion carried unanimously.

Tom Kispert reported there are no certificates for payment or change orders from the equipment contracts.

Tom Kispert reported on the status of the HSI Blowers. The sixth blower is scheduled for delivery on August 31; there are still control issues with the blowers and additional discussion ensued on sound proofing issues on the blowers.

Tom Kispert reviewed the contract summary log and the summary of the change orders.

Commissioners discussed the McMahon invoices; copies of some of the invoices were not included in the information sent to the Commissioners. Accountant Voigt was instructed to provide the missing invoices next month to the Commissioners. After discussion, motion by Commissioner Bauer, second by Commissioner Sambs to approve for payment McMahon invoices: #44015 - $6,000.00; #44404 - $32,200.00; #44405 – $90,100.00; #44406 - $4,300.00; #44407 - $650.00; #44408 - $1,300.00; #44409 - $960.00; #44410 - $4,600.00; #44411 - $17,563.99, and #44412 – $64,700.00. Motion carried unanimously.

Manager Much discussed the Operating Report for June. The front end loader has been repaired; we are waiting for the extension bucket. A sampler has been ordered for performing the mercury sampling; this sampler is constructed for mercury sampling and it will only be used for this purpose. The State has adopted the Federal wording and added some additional changes in the pretreatment program regulations; the Commission will need to make these changes in their program to follow current regulations. The plant is operating well; a lot of extra time is being put in by several staff members due to start-up issues. After discussion, motion by

Commissioner Falck, second by Commissioner Hamblin to accept the Operating Report for June. Motion carried unanimously.

Budget, Finance, Personnel

Accountant Voigt discussed the Financial Statements for the month of July 2013. Accountant Voigt reported on accrued interest questioned during the June meeting. Commissioner Sambs questioned the $56,456 payment made to the DNR. Accountant Voigt reported this is an annual fee charged to the Commission for: air emission fees, laboratory certification fees, NR101 wastewater fees (for pounds of BOD, suspended solids, mercury, ammonia, phosphorus discharged), stormwater fees, and groundwater fees. After discussion, motion by Commissioner Zielinski, second by Commissioner Sambs to accept the financial statements for the month of June, 2013. Motion carried unanimously.

Commission President Youngquist discussed the five year auditing proposal received from Schenck; President Youngquist feels the proposal is very reasonable. After discussion, motion by Commissioner Falck second by Commission Zielinski to approve the five year auditing proposal for calendar years 2013, 2014, 2015, 2016, and 2017 from Schenck as presented. Motion carried unanimously.

Commissioners discussed the letter received from Schenck regarding recommended changes to be made in recording and handling equity transactions to meet current GASB Statement No. 33 language. After discussion, motion by Commissioner Hamblin second by Commissioner Sambs to approve making the changes in handling the equity transactions to meet GASB Statement No. 33 language as recommended by Schenck with the changes to be effective before 2014. Motion carried unanimously.

Accountant Voigt discussed his memo regarding the Bond Attorney and the Redemption Call of Maturing Bonds in 2014. The Commission Bond Attorney used for the redemption call of the 2015 bonds was Tom Griggs with Godfrey & Kahn; Mr. Griggs is no longer employed with Godfrey & Kahn. The Commission was charged $356 for the services to prepare the documents for issuing the redemption call last year. Rebecca Speckhard at Quarles & Brady was then contacted for obtaining a quote for providing the paperwork for the Commission to do a redemption call of the maturing 2014 bonds. Rebecca indicated their firm does this at no charge for their clients when their firm was used as bond counsel when the bonds were issued. Rebecca also offered to perform this at no cost if it would be the intent of the Commission to hire Quarles & Brady as their bond counsel for their next issue. Rebecca was informed this information would be provided to the Commission for their decision. After discussion, motion by Commissioner Bauer second by Commissioner Falck that it will be the intent of the Commission to use the firm of Quarles & Brady as the Commission Bond Counsel for future borrowings of the Neenah-Menasha Sewerage Commission. Motion carried unanimously.

Accountant Voigt discussed the 2013 Capital Budget and the initial plan to issue a redemption call on $200,000 of the bonds maturing in 2014 by using funds from the Depreciation Fund. The future plan for 2014 was to use the Reserve Fund to pay for the remaining bonds maturing in 2014. After giving this more thought, Accountant Voigt suggests the entire 2014 maturing bonds should be issued a redemption call to be paid on December 1, 2013. The Reserve Fund is

available and this action will save $25,500 in interest expense in 2014. After discussion, motion by Commissioner Falck second by Commissioner Sambs to increase the amount of the redemption call from $200,000 as provided in the 2013 Budget to the full maturing bond amount of $705,000. Motion carried unanimously.

Motion by Commissioner Bauer, second by Commissioner Zielinski to approve Operating and Payroll Vouchers #133815 thru #133875 in the amount of $431,715.96 and Construction Fund Vouchers #198 thru #202 in the amount of $1,578,156.11 for the month of June 2013. Motion carried unanimously.

Accountant Voigt discussed the Accountant's Report for June 2013. The interest rates on the checking and money market accounts have not changed. MCO generated $4,200 in income for the Commission in June. Accountant Voigt reported the Cash Flow report was updated to current known information. Motion by Commissioner Falck, second by Commissioner Hamblin to accept the Accountant's Report and Cash Flow Report for the month of June 2013. Motion carried unanimously.

Motion by Commissioner Falck, second by Commissioner Bauer to approve for payment MCO invoices #17486 - $120,999.71; #17520 - $980.05; and #17523 - $554.25 and to pay the invoices after August 1, 2013. Motion carried unanimously.

Motion made by Commissioner Zielinski, seconded by Commissioner Falck to adjourn the meeting. Motion carried unanimously. Meeting adjourned at approximately 10:33 a.m.

President

Katherine Bauer
Secretary

THE NEXT REGULAR MEETING IS SCHEDULED FOR TUESDAY AUGUST 27th 2013.