NEENAH-MENASHA SEWERAGE COMMISSION

Regular Meeting

Tuesday September 24, 2013

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

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

Excused: Commissioner Jim Gunz

Also Present: Chad Olsen, Amy Vaclavik (McMAHON); Rob Franck, Paul Much (MCO).

Public Hearing

President Youngquist opened the Public Hearing to receive comments on the proposed 2014 NMSC Budget.

Hearing no comments or questions, Commission President Youngquist requested the Public Hearing be closed and to reconvene into Regular Open Session.

Motion made by Commissioner Falck, seconded by Commissioner Zielinski to close the Public Hearing and reconvene into Regular Open Session. Motion carried unanimously.

September 5, 2013 Special Meeting minutes: Motion by Commissioner Zielinski, second by Commissioner Sambs to approve the minutes from the September 5, 2013 Special Meeting. Motion carried unanimously.

Correspondence

The following correspondence was discussed:

A. September 6, 2013 email from Randall Much, NMSC to Tom Kispert, McMahon.
   RE: Attorney Thiel to review contract with HSI for steps to reject equipment.

   Manager Much reported there has been lots of communication and activity happening from HSI since the email was sent out.

President Youngquist skipped Agenda item #6 – Davis & Kuelthau request and will return to this item when Attorney Thiel is present at the meeting.

New Business

Operations, Engineering, Planning

Phosphorus Removal – Chad Olsen indicated he has no additional update at this time. Manager Much requested information on the status of the phosphorus pilot unit; they were scheduled to be here. Chad reported the schedule has been changed and they will be here in October.

Construction Progress Update. Chad Olsen is attending the meeting in place of Tom Kispert who is out ill today. Chad reviewed and discussed the memorandum handout on the plant construction progress, the Certificates for Payment, contract change order, and pending proposals. Manager Much provided additional details on some of the activities occurring at the plant.

Attorney John Thiel entered the meeting. President Youngquist returned to Agenda item #6 – Davis & Kuelthau request.

Attorney Thiel reported he discussed with Neenah City Attorney Godlewski the request from Davis & Kuelthau for payment of unpaid disputed services from the Commission that have not been paid by the insurance companies. When Davis & Kuelthau receives payment from the insurance companies on the disputed charges, they would issue a refund to the Commission. Menasha City Attorney Pam Captain was unavailable and Attorney Thiel has not talked with her yet on this issue. It was reported Attorney Godlewski was okay with the payment. Attorney Thiel recommends the Commission pay only $40,000 of the $55,442 requested. After discussion, motion by Commission Bauer second by Commissioner Hamblin to approve payment to Davis & Kuelthau in the amount of $40,000 to be applied to open invoices listed on the Invoice Summary report from Davis & Kuelthau with reimbursement of the $40,000 to be requested from the Cities of Neenah and Menasha. Motion carried unanimously.

Attorney Thiel was excused from the meeting. The Commission returned to the Construction Progress Updates.

After further discussion on the ongoing work, motion by Commissioner Falck, second by Commissioner Hamblin to approve for payment Certificate for Payment #11 from August Winter & Sons Inc. in the amount of $925,660.00. Motion carried unanimously.

Chad Olsen discussed proposed change order #23 for the contract with August Winter & Sons. Line items #23.1 and #23.4 were approved at the September 5 Special Meeting. Chad further discussed line items #23.2 and #23.3. After discussion motion by Commission Falck, second by Commissioner Bauer to approve change order #23 in the amount of $50,071.00 for the contract with August Winters & Sons. Motion carried unanimously.

Chad reported on the proposals that are currently pending for change orders. President Youngquist expressed his concern on the diminishing amount in the contingencies.

Chad Olsen reported on and discussed the Certificates for Payment. Equipment Contract C with LAI Ltd. – Vortex Pumps, Certificate for Payment #3 and final in the amount of $15,572.25;

Equipment Contract D with LAI Ltd. – Centrifugal Solids Pumps, Certificate for Payment #3 in the amount of $1,187.30; Equipment Contract F with JWC Environments – Fine Screen Washer/Compactor, Certificate for Payment #3 and final in the amount of $129,555.00; and Equipment Contract N with Unison Solutions, Inc. – Digester Gas Treatment, Certificate for Payment #3 and final in the amount of $88,800.00. After discussion motion by Commissioner Zielinski second by Commissioner Sambs to approve for payment Equipment Contract C with LAI Ltd. – Vortex Pumps, Certificate for Payment #3 and final in the amount of $15,572.25; Equipment Contract D with LAI Ltd. – Centrifugal Solids Pumps, Certificate for Payment #3 in the amount of $1,187.30; Equipment Contract F with JWC Environments – Fine Screen Washer/Compactor, Certificate for Payment #3 and final in the amount of $129,555.00; and Equipment Contract N with Unison Solutions, Inc. – Digester Gas Treatment, Certificate for Payment #3 and final in the amount of $88,800.00. Motion carried unanimously.

Rob Franck reported on the status of the HSI Blowers. There was a conference call held with three other individuals from HSI regarding the reported issues on the blowers. Rob indicated the mechanical issues should be taken care of in 2 – 3 weeks; programming issues will then be completed following fixing the mechanical issues. President Youngquist questioned if HSI will be paid only when the issues have been fixed; we currently still owe them about $200,000. Chad responded this would be the normal practice of Tom Kispert to pay HSI only after these issues are fixed; Chad will report this to Tom to make sure HSI is paid after the issues are fixed. Commissioners were updated on the painting issues. Commissioner Falck questioned the status of the chemical feed pumps (sodium hypochlorite). Rob reported the first three pumps are being tied in this morning; the contractor feels they have the solution to the problems.

Commissioners discussed the current McMahon invoices. After discussion, motion by Commissioner Bauer, second by Commissioner Zielinski to approve for payment McMahon invoices: #45202 - $16,000.00; #45203 - $14,175.00; #45205 – $925.00; #45206 - $5,975.00; #45207 - $19,177.09; #45204 - $1,225.00; #45208 - $2,750.00; #45209 - $48,600.00; #45210 - $92,600.00; #45431 - $6,000.00; and #45429 – $5,000.00. Motion carried unanimously.

Manager Much discussed the Operating Report for August. Manager Much reported on a phone message he received from Bob Potratz; he was wondering if the Commission would be interested in purchasing a storage building. Manager Much reported he returned the phone call and left a message; he did not receive a response back. Manager Much reported on issues the Town of Holland Sanitary District is having processing solids in the winter months; he would like to know if the Commission would be willing to allow solids to be brought in from the Town of Holland S.D. – there would be approximately one-half ton per day of solids to process. Manager Much will have costs to process the solids developed with a profit and will report back to the Commission at the next meeting. Manager Much reported on mercury sampling in the Neenah sewer system; mercury levels from Neenah have decreased. Manager Much reported the plant is operating well. After discussion, motion by Commissioner Zielinski, second by Commissioner Sambs to accept the Operating Report for August. Motion carried unanimously.

Budget, Finance, Personnel

Accountant Voigt discussed the Financial Statements for the month of August 2013. After discussion, motion by Commissioner Zielinski, second by Commissioner Bauer to accept the financial statements for the month of August, 2013. Motion carried unanimously.

President Youngquist asked if there were any questions or comments on the Proposed 2014 NMSC Budget. Hearing none, motion by Commissioner Falck, second by Commissioner Bauer to approve the Proposed 2014 NMSC Budget as presented. Motion carried unanimously.

Accountant Voigt reported to the Commissioners there are printed copies of the full User Charge System available on the table for their reference. Motion by Commissioner Falck, second by Commissioner Zielinski to approve the User Charge System as prepared and to begin using the approved User Charge System beginning January 1, 2014. Motion carried unanimously.

Commissioners discussed creating a formal policy in handling encroachments on Commission owned property. Commissioners discussed using the email from Attorney Thiel providing comments on this issue. After further discussion Commissioner Zielinski indicated he is in favor of dropping the issue. Following more discussion it was decided to hold this item and to put on the agenda for the October 22 meeting as Old Business.

President Youngquist discussed the dates for additional meetings to be held in October 2013, November 2013, and January 2014. Additional Commission meetings will be held on the 2nd Wednesdays in October 2013, November 2013, and January 2014. The dates of the additional meetings will be: October 9, 2013, November 13, 2013, and January 8, 2014 at 8:00 am.

Accountant Voigt discussed his memo regarding simplifying the look of the meeting agendas. Two samples were provided as suggested possibilities. After discussion, it was the consensus to try Sample #1 as an agenda format.

Motion by Commissioner Zielinski, second by Commissioner Falck to approve Operating and Payroll Vouchers #133928 thru #133983 in the amount of $364,679.38 and Construction Fund Vouchers #206 thru #209 in the amount of $1,023,973.99 for the month of August 2013. Motion carried unanimously.

Accountant Voigt discussed the Accountant's Report for August 2013. The interest rates on the checking and money market accounts have not changed. MCO generated $4,100 in income for the Commission in August. Accountant Voigt reported the Cash Flow report was updated to current known information. President Youngquist reported on a CD special being offered by Community First Credit Union and requested Accountant Voigt to inquire if the Commission would qualify to receive the CD Special. Accountant Voigt will check with Community First Credit Union. Motion by Commissioner Zielinski, second by Commissioner Hamblin to accept the Accountant's Report and Cash Flow Report for the month of August 2013. Motion carried unanimously. President Youngquist reported there is no additional information to report at this time regarding the MCO contract. Commissioner Bauer requested to receive a copy prior to action being taken on the contract.

Motion by Commissioner Bauer, second by Commissioner Falck to approve for payment MCO invoices #17635 - $120,625.77 and #17671 - $323.80 and to pay the invoices after October 1, 2013. Motion carried unanimously.

Motion made by Commissioner Zielinski, seconded by Commissioner Falck to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 9:27 a.m.

President

Secretary

THE NEXT REGULAR MEETING IS SCHEDULED FOR WEDNESDAY OCTOBER 9th 2013.