NEENAH-MENASHA SEWERAGE COMMISSION

Regular Meeting

Tuesday June 25, 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, Gordon Falck, Raymond Zielinski, Dale Youngquist; Manager Randall Much, Accountant Roger Voigt.

Also Present: Chad Olsen, Tom Kispert (McMAHON); Rob Franck (MCO).

May 28, 2013 meeting minutes: Motion by Commissioner Gunz, second by Commissioner Zielinski to approve the minutes from the May 28, 2013 Regular Meeting. Motion carried unanimously.

Correspondence

There was no correspondence to be discussed.

Old Business

Inflow/Infiltration. Manager Much reported on issues with Neenah from the June 15 rain event. At 9:00 am the Neenah flow was approximately 4 MGD; there was intense rain and by 9:30 am the Neenah flow was 24 MGD, and by 9:45 the Neenah flow was over 30 MGD. This type of increase in flows would indicate there are direct connections to the sewer system; this is not just laterals providing the I/I to the treatment plant. During this rain event there was tankage down; we did have plant overflows. The DNR was contacted to report the overflows.

Commissioner Falck asked if chemical suppliers have been responding to our request for certification of products being mercury free; Manager Much reported we are receiving responses and so far no mercury is being found in products used in the treatment process.

Commissioner Sambs reported Waverly has received a letter from Menasha to hold a meeting in May 2014 to discuss loadings.

New Business

Operations, Engineering, Planning

Chad Olsen discussed his memo to the Commission and further reported on the 2-week pilot proposal for the Actiflo process from Kruger, Inc. - the company who will be providing pilot testing in the state. The cost for the pilot would be $2,500 for transportation costs plus the cost of chemicals used. Commissioner Hamblin questioned if the work Neenah is doing for

phosphorus removal could be applied as a credit for the NMSC; Chad indicated the work Neenah is doing would not. Chad reported the Actiflo process was seen as the most cost effective method for phosphorus removal. Tom Kispert has another client of McMahon who is being charged $10,000 per week for the pilot study. President Youngquist questioned if the concept of doing the pilot would be to prove we don't want this process. Chad reported this pilot would help confirm the costs for the adaptive management comparisons; we need this information to balance the risk vs. reward. Commissioner Gunz questioned if the DNR is involved in the phosphorus removal because of the EPA; Chad responded yes, further discussion ensued on this. Commissioner Gunz reported since we could be acting on an agreement there should be more specific language on the meeting agenda to act on the agreement. Commissioner Sambs questioned if this process is being used anywhere else in Wisconsin; they are not aware of any in Wisconsin at this time. The Commission discussed holding a special meeting for this subject. After discussion, motion made by Commissioner Gunz second by Commissioner Bauer to approve the agreement for the 2-week pilot testing with Kruger, Inc. for the Actiflo treatment process. Motion carried unanimously.

Tom Kispert presented a power point slide show and discussed the construction activities that have occurred since the May 28, 2013 meeting. Tom further discussed with the Commission the emergency repair (non-construction related) of the primary clarifier effluent pipe. President Youngquist questioned why only a temporary repair was made of the primary clarifier effluent pipe and not a permanent repair; Tom further explained the issue and why only a temporary repair was made. The Commission will need to address this issue further in 2 – 3 years, maybe longer. They are confident the cause was due to the ground settling; the blower building is settling in the same location. Commissioner Hamblin questioned if there was an explanation for the H2S levels that were found in the pipe; Tom indicated he did not have one.

Construction Progress Update. Tom Kispert reviewed and discussed his memorandum handout on the plant construction progress, the Certificates for Payment and contract change orders. Tom reported on issues with delivery of switchgear from Square D; there are lots of promises, lots of apologies, and still no delivery of the product. We are working with a regional Vice-President in Milwaukee. The Commission further discussed issues with not having the switchgear and the agreement the Commission has with WPPI for standby service. Motion made by Commissioner Gunz, second by Commissioner Bauer to have Attorney Thiel become involved in resolving the issue with Square D and the delivery of their switchgear. Motion carried unanimously. Tom reported work is progressing throughout the plant.

After discussion, motion by Commissioner Zielinski, second by Commissioner Sambs to approve for payment Certificate for Payment #8 from August Winter & Sons Inc. in the amount of $1,208,020.00. Motion carried unanimously.

Tom Kispert discussed proposed change orders for the contract with August Winter & Sons. Motion by Commission Gunz, second by Commissioner Hamblin to approve change order #15 for the contract with August Winters & Sons in the amount of $12,357.00. Motion carried unanimously. Motion by Commission Gunz, second by Commissioner Hamblin to approve change order #16 for the contract with August Winters & Sons in the amount of $58,385.00. Motion carried unanimously. Motion by Commission Gunz, second by Commissioner Bauer to

approve change order #17 for the contract with August Winters & Sons in the amount of $13,060.00. Motion carried unanimously. Commissioner Gunz questioned if these change orders have been completed or anticipated to be completed; these are anticipated. Tom further reviewed additional change order proposals that are still pending. Tom is looking for approval to proceed on the pending change order for concrete removal. Commissioners discussed; Manager Much is pre-authorized to grant approval. Tom discussed three pending items not included on his report; clarifier painting and the use of coal tar epoxy, office area replacing ceiling tiles with new tiles in lieu of re-using the old tiles, and digester heating modifications and the boiler registration.

Tom Kispert reviewed and discussed the equipment Certificate for Payment #4 for Contract P – Diesel Generator Sets from Cummins NPower, LLC in the amount of $75,809.42. Motion by Commissioner Gunz second by Commissioner Zielinski to approve for payment Certificate for Payment #4 for Contract P – Diesel Generator Sets from Cummins NPower, LLC in the amount of $75,809.42. Motion carried unanimously.

Tom Kispert reported on the status of the HSI Blower. He received a delivery date of August 31 for the additional blower. Tom further reported on control issues with the automated controls for the blowers. They have been non-responsive to requests; Tom began including Attorney Thiel as a "cc" on the emails to HSI, this got their attention and now upper management has been addressing the issues.

Tom Kispert reported on the Focus-On-Energy grant. June 30 is the close-out date; Tom is working on the final paperwork requests, he has all but the final payment request from HSI.

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

Motion by Commissioner Gunz, second by Commissioner Sambs to approve for payment McMahon invoices: #43980 - $38,700.00; #43981 - $88,300.00; #43982 – $1,200.00; #43983 - $1,400.00; #43984 - $905.00; #43985 - $1,800.00; #43986 - $3,500.00; #43987 - $22,705.84; #43988 - $975.00, and #43989 – $294,700.00. Motion carried unanimously.

Manager Much discussed the Operating Report for May. There was a second water service leak to the treatment plant in the past 3-months. It was discussed with the utility to replace the entire water service from the valve to the building and how to route the replacement water service line. The price received from Hietpas & Sons for their services will be about $18,000. Motion made by Commissioner Gunz second by Commissioner Sambs to approve the water service line replacement. Motion carried unanimously. Manager Much reported there was another effluent mercury violation. We are trying lab water which is guaranteed to have no mercury for testing our technique for sample collection. After discussion, motion by Commissioner Gunz, second by Commissioner Sambs to accept the Operating Report for May. Motion carried unanimously.

Manager Much discussed the repairs needed for the front-end loader based on a review of the unit by Fabco; the cost of the replacement bucket and the cost to replace the tires for the proper use of the unit. After discussion motion by Commissioner Gunz second by Commissioner Sambs

to approve $9,123 in repairs, the purchase of the rollout bucket, and the purchase of tires for the front-end loader. Motion carried unanimously.

Manager Much discussed the Compliance Maintenance Annual Report (CMAR) for calendar year 2012. This report is a snapshot of the plant performance; the plant received all A's except for Influent loadings (C) and Biosolids Quality (B). After discussion motion by Commissioner Gunz second by Commissioner Hamblin to approve Compliance Maintenance Resolution, NMSC Resolution 2013-1. Motion carried unanimously.

Budget, Finance, Personnel

Accountant Voigt discussed the Financial Statements for the month of May 2013. President Youngquist questioned the Accrued Interest value; Accountant Voigt will recheck the account. After discussion, motion by Commissioner Gunz, second by Commissioner Hamblin to accept the financial statements for the month of May, 2013. Motion carried unanimously.

Motion by Commissioner Gunz, second by Commissioner Zielinski to approve Operating and Payroll Vouchers #133763 thru #133814 in the amount of $344,962.73 and Construction Fund Vouchers #193 thru #197 in the amount of $1,328,574.26 for the month of May 2013. Motion carried unanimously.

Accountant Voigt discussed the Accountant's Report for May 2013. The interest rates on the checking and money market accounts have not changed. MCO generated $4,500 in income for the Commission in May. Accountant Voigt reported the Cash Flow report was updated to current known information. Motion by Commissioner Gunz, second by Commissioner Zielinski to accept the Accountant's Report and Cash Flow Report for the month of May 2013. Motion carried unanimously. Manager Much reported on meeting with insurance agents from the McClone Agency. They are able to offer coverage with our current liability insurance company and they are now also able to provide coverage through the League of Wisconsin Municipalities through the acquisition of another agency. After discussion motion by Commissioner Gunz second by Commissioner Zielinski to change our insurance agent of record to the McClone Agency and to look closer at the League of Wisconsin Municipalities liability insurance coverage's. Motion carried unanimously. President Youngquist discussed his conversation with David Maccoux of Schenck regarding a 5-year proposal for auditing services; we are still waiting for a written response. President Youngquist also discussed a meeting with MCO regarding updating the contract language. He requested and received three additional current contracts MCO has with other clients to review contract language; President Youngquist would now like to receive a contract proposal to incorporate contract language changes discussed. Commissioner Gunz concurs we need a new agreement with MCO. Accountant Voigt was instructed to send a copy of the current MCO contract to the other Commissioners and to provide a draft contract to Commissioner Gunz and President Youngquist.

Motion by Commissioner Gunz, second by Commissioner Zielinski to approve for payment MCO invoices #17417 - $120,999.71; #17451 - $1,466.48; and #17454 - $479.25 and to pay the invoices after July 1, 2013. Motion carried unanimously.

Motion made by Commissioner Gunz, seconded by Commissioner Sambs to adjourn the meeting. Motion carried unanimously. Meeting adjourned at approximately 10:21 a.m.

President

Secretary

THE NEXT REGULAR MEETING IS SCHEDULED FOR TUESDAY JULY 23rd 2013.