

NEENAH-MENASHA SEWERAGE COMMISSION

Regular Meeting

Tuesday April 23, 2013

Commission President Youngquist requested a moment of silence for the victims of the Boston Marathon bombing and explosion at the fertilizer plant in West, Texas.

Meeting was called to order by Commission President Youngquist at 8:01 a.m.

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); Paul Much, Rob Franck (MCO).

March 26, 2013 meeting minutes: The minutes need to be corrected to show Tim Hamblin was in attendance, Gordon Falck was listed twice; after discussion, motion by Commissioner Gunz, second by Commissioner Zielinski to approve the minutes from the March 26, 2013 Regular Meeting as amended and the minutes from the March 26, 2013 closed session. Motion carried unanimously.

Correspondence

There was no correspondence to be discussed.

New Business

Operations, Engineering, Planning

Chad Olsen updated the Commission on the Fox-Wolf Watershed Alliance (FWWA). Five communities are working together to see if adaptive management is feasible and to compare costs of adaptive management verses costs to build phosphorus removal treatment. FWWA initially met with the DNR in September 2012 to discuss if Little Lake Butte des Morts is considered a "Lake" or "River". It has been classified as a river; this will provide a higher phosphorus discharge limit (0.1 vs. 0.04). With a TMDL in place we will be looking at a limit of 0.2 mg/l and have 15 years to meet the 0.1 mg/l limit. The next step is for FWWA to meet with various teams set-up for discussing adaptive management. This is estimated to be completed by late August.

Chad further reported on a company who will be providing pilot testing in the state; this company uses one of the technologies looked at for the Commission to build its own phosphorus removal treatment system. This would be a two week testing; the costs would be the chemicals and transportation costs. A worst case estimate of the transportation costs would be \$3,000. At this point it is preliminary; Chad may have a proposal at the next meeting. The Commissioners discussed doing the pilot study now verses needing to do the pilot study again in 9-10 years if the Commission would proceed with phosphorus removal construction. President Youngquist asked the Commissioners to give it some thought and to be discussed later if there would be interest in pursuing this.

Tom Kispert presented a power point slide show and discussed the construction activities that have occurred since the March 26, 2013 meeting.

Construction Progress Update. Tom Kispert reviewed and discussed his memorandum handout on the plant construction progress, the Certificates for Payment and contract change orders. April 15 was the start-up date for the sodium hypochlorite system. Crane Engineering was given until Wednesday April 24 to provide needed parts to have the system operational. The system needs to be operational by May 1 to meet DNR disinfection requirements.

After discussion, motion by Commissioner Gunz, second by Commissioner Bauer to approve for payment Certificate for Payment #6 from August Winter & Sons Inc. in the amount of \$640,775.00. Motion carried unanimously.

Tom Kispert discussed proposed change orders for the contract with August Winter & Sons. Motion by Commission Gunz, second by Commissioner Bauer to approve change orders #8, #9, #10, and #11 for the contract with August Winters & Sons in the amounts of \$7,498.00, \$69,391.00, \$40,977.00, and \$26,557.00. Motion carried unanimously.

Motion by Commissioner Gunz, second by Commissioner Bauer to approve Change Order #1 (deduction) from HSI in the amount of \$(40,977.00). Motion carried unanimously.

Tom Kispert reviewed pending change orders with the Commissioners and the Equipment Procurement Certificates for Payment. Tom recommends withholding the payment at this time to Crane Engineering for Contract O – Metering Pumps. Tom reported that HSI does not have a firm delivery date for the additional high speed blower; they are currently having a production issue on the airfoil bearing. This production issue is not an issue with the blowers already supplied to the NMSC, it is a recent development.

Motion by Commissioner Gunz, second by Commissioner Bauer to approve Certificate for Payment #1 from HSI for Contract B-High Speed Blowers in the amount of \$372,300.00; Certificate for Payment #2 from Energenecs for Contract K-Digester Mixers in the amount of \$155,540.00; and Certificate for Payment #4 from XYLEM for Contract L-Aeration Membrane Discs in the amount of \$32,308.00. Motion carried unanimously.

Motion by Commissioner Gunz, second by Commissioner Sambs to hold the Certificate for Payment #1 from Crane Engineering for Contract O-Metering Pumps. Motion carried unanimously.

Tom Kispert reviewed the contract summary log. Commissioner Hamblin questioned if we are looking at a normal amount of change orders for a project. Tom responded in situations of a retrofit we can expect change orders in the amount of 10%-15% of the project cost.

Motion by Commissioner Gunz, second by Commissioner Bauer to approve for payment McMahon invoices: #43403 - \$40,125.00; #43404 - \$62,400.00; #43405 – \$3,025.00; #43406 -

\$1,100.00; #43407 - \$560.00; #43408 - \$17,401.26; #43409 - \$260.00; and #43410 – \$2,780.00.
Motion carried unanimously.

Commissioner Bauer excused from the meeting (9:22).

Manager Much discussed the Operating Report for March. The plant is operating well; the plant experienced a second month of violating the effluent mercury discharge limit. Paul Much will be setting up a sampling program to attempt to locate the sources of mercury; there will be additional costs for lab testing fees. Rob Franck reported on time spent looking for a front end loader; on Saturday April 20 Rob Franck, Randy Much, Bob Potratz and Merick Potratz attended an auction in Lomira to look at 3 different front end loaders. One of the front end loaders was purchased at the auction for the Commission for \$36,000. Prior to attending the auction discussions were held with the Potratz's and a mechanic with Hietpas and Sons regarding the reasonable price for the units and the front end loader purchased was within the recommendation of these individuals. The Commission will need to spend another \$20,000 for tires and bucket upgrade. Manager Much distributed an email from Mark Radtke (Menasha) regarding sampling accuracy; additional discussion ensued on inflow/infiltration (I/I). Rob Franck distributed and discussed flow charts from recent rain events and the issue of the Neenah Main Street lift station. Additional discussion on finding sources of I/I followed. Manager Much discussed further potential issues with phosphorus removal and treatment for drugs in the wastewater and the impact high flows will have on the costs for treating for these chemicals – less I/I will reduce the size of the construction project needed to treat for these items. Commissioners discussed how to achieve a reduction in the amount of I/I received from the communities. Commissioner Gunz reported this is a political issue that needs to be handled with the communities; Commissioner Zielinski questioned what directive does the Commission need to do to get this going; President Youngquist reported the Commissioners need to go back to your public works officials to bring them our concerns; Commissioner Zielinski questioned if this should be on the next agenda. President Youngquist indicated this should go under Old Business. After discussion, motion by Commissioner Gunz, second by Commissioner Falck to accept the Operating Report for March. Motion carried unanimously.

Manager Much presented a sewer extension request for Road J located in the Waverly Sanitary District, Village of Harrison. Motion by Commissioner Gunz, second by Commissioner Samps to approve the sewer extension request for Road J located in the Waverly Sanitary District, Village of Harrison. Motion carried unanimously.

Budget, Finance, Personnel

Accountant Voigt discussed the Financial Statements for the month of March 2013. Accountant Voigt also reported on discussions with David Maccoux concerning eliminating various Contribution Equity accounts in the Commission chart of accounts to follow current GAAP guidelines. It was the consensus of the Commission this would be acceptable to do; they requested written explanation from the auditors prior to giving final authorization. After discussion, motion by Commissioner Gunz, second by Commissioner Zielinski to accept the financial statements for the month of March, 2013. Motion carried unanimously.

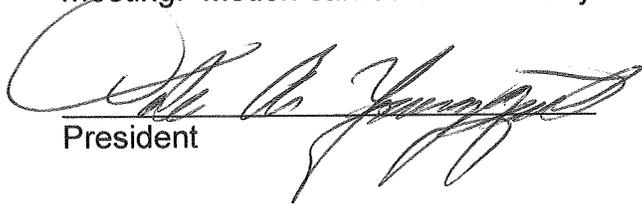
Motion by Commissioner Gunz, second by Commissioner Zielinski to approve Operating and Payroll Vouchers #133651 thru #133708 in the amount of \$360,279.78 and Construction Fund

Vouchers #184 thru #188 in the amount of \$1,561,676.06 for the month of March 2013. Motion carried unanimously.

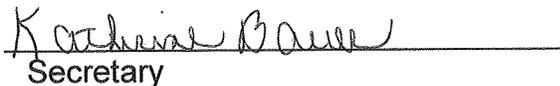
Accountant Voigt discussed the Accountant's Report for March 2013. The interest rates on the checking and money market accounts have not changed. MCO generated \$3,100 in income for the Commission in March. Accountant Voigt reported the Cash Flow report was updated to current known information. The Commission discussed reviewing the contract with MCO; reviewing Insurance Agents and insurance companies, and reviewing the auditor selection process. President Youngquist and Commissioner Gunz will meet with Manager Much and Accountant Voigt to review these items and to eventually bring Attorney Thiel into the discussions when the need arises. Motion by Commissioner Gunz, second by Commissioner Falck to accept the Accountant's Report and Cash Flow Report for the month of March 2013. Motion carried unanimously.

Motion by Commissioner Bauer, second by Commissioner Falck to approve for payment MCO invoices #17281 - \$120,999.71; #17317 - \$381.10; and #17314 - \$81.96 and to pay the invoices after May 1, 2013. Motion carried unanimously.

Motion made by Commissioner Zielinski, seconded by Commissioner Sambas to adjourn the meeting. Motion carried unanimously. Meeting adjourned at approximately 10:32 a.m.



President



Secretary

THE NEXT REGULAR MEETING IS SCHEDULED FOR TUESDAY MAY 28th 2013.