NEENAH-MENASHA SEWERAGE COMMISSION

Regular Meeting

Tuesday February 26, 2013

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

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

Excused: Commissioners Raymond Zielinski, Tim Hamblin, Jim Gunz.

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

After discussion, motion by Commissioner Falck, second by Commissioner Bauer to approve the minutes from the January 22, 2013 Regular Meeting and February 4, 2013 Special Meeting. Motion carried unanimously.

Correspondence

There was no correspondence to be discussed.

Old Business

Prepayment of project costs. Commission President Youngquist discussed the letter sent to the Town of Neenah S.D. 2 detailing the Sanitary District's portion of the project cost and the amount of their prepayment. The prepayment from S.D. 2 has been received by the NMSC.

New Business

Operations, Engineering, Planning

Chad Olsen updated the Commission on the Phosphorus removal construction costs study. Chad is still putting together cost estimates on two phosphorus removal processes and will have the final report completed for the March meeting.

Chad Olsen presented a slide show and discussed the construction activities that have occurred since the January 22, 2013 meeting. Rob Franck reported the aeration tanks are ahead of schedule; all other areas appear to be on schedule.

Construction Progress Update. Chad Olsen reviewed and discussed Tom Kispert's memorandum handout on the plant construction progress, the Certificates for Payment and Contract Q change order #1. Commission President Youngquist questioned August Winter & Sons change order #5; we have not received this change order to act upon its approval. Chad reported he will bring this to Tom Kispert's attention when he returns to the office. A copy of the attorney approved signed warranty letter from Xylem was included in the Commissioners packet of information.

After discussion, motion by Commissioner Bauer, second by Commissioner Falck to approve for payment Certificate for Payment #4 from August Winter & Sons Inc. in the amount of $1,184,084.75; Certificate for Payment #2 from LAI Ltd. in the amount of $31,500.40; Certificate for Payment #3 from LAI Ltd. in the amount of $31,487.00; and Certificate for Payment #2 from Unison in the amount of $248,640.00. Motion carried unanimously.

Motion by Commissioner Falck, second by Commissioner Sambs to approve Change Order #1 for Contract Q in the amount of $4,800.00. Motion carried unanimously.

Motion by Commissioner Falck, second by Commissioner Sambs to approve for payment McMahon invoices: #42722 - $15.24; #42723 - $4,300.00; #42724 – $32,200.00; #42725 - $2,210.00; #42726 - $1,495.00; #42727 - $20,648.67; #42728 - $1,525.00; and #42729 – $2,800.00. Motion carried unanimously.

Manager Much discussed the Operating Report for January. There are currently no issues at the facility and the plant is operating well; plant staff is working with the contractors to coordinate activities to maintain operations. Rob Franck discussed the blower start up and how it is planned to occur. Commissioner Sambs questioned if the new generator is operational; Rob reported it is in place and will operate if needed, the new switchgear still needs to be installed. After discussion, motion by Commissioner Sambs, second by Commissioner Falck to accept the Operating Report for January. Motion carried unanimously.

Budget, Finance, Personnel

Accountant Voigt discussed the Financial Statements for the month of January 2013. The year-end audit is nearing completion; the last major item the auditors are waiting for is the response letter from the Commission Attorneys. The year-end operations will reflect about a $350,000 refund to the users. One adjustment made in conjunction with the audit is the transfer of costs from the biosolids building project out of construction activities to become part of plant operations. This adjustment was reviewed with Commission President Youngquist prior to implementation. Another adjustment made was the transfer of legal fees from operations into the construction project; the fees transferred were related to construction activities. The January financial statements do not reflect all of the final year-end adjustments. After discussion, motion by Commissioner Falck, second by Commissioner Sambs to accept the financial statements for the month of January, 2013. Motion carried unanimously.

Motion by Commissioner Bauer, second by Commissioner Sambs to approve Operating and Payroll Vouchers #133548 thru #133594 in the amount of $341,230.17and Construction Fund Vouchers #180 thru #183 in the amount of $1,207,954.21 for the month of January 2013. Motion carried unanimously. Accountant Voigt reported there will be no Construction Fund vouchers for approval from February. The next Construction Fund checks will be issued in March after we receive the next Clean Water Fund loan payment.

Accountant Voigt discussed the Accountant's Report for January 2013. The interest rates on the checking and money market accounts have not changed. Beginning in February the cash balance for Construction Funds will show only a small balance in the account due to funds received from the Clean Water Fund need to be paid out to the contractors within a couple of

days. MCO generated $4,800 in income for the Commission in January. Accountant Voigt reported on the changes made to the Cash Flow report. Motion by Commission President Youngquist, second by Commissioner Bauer to accept the Accountant's Report and Cash Flow Report for the month of January 2013. Motion carried unanimously.

Motion by Commissioner Bauer, second by Commissioner Falck to approve for payment MCO invoices #17137 - $120,999.70; #17174 - $392.65; and #17170 - $59.03 and to pay the invoices after March 1, 2013. Motion carried unanimously.

Motion made by Commissioner Falck, seconded by Commissioner Sambs to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 8:58 a.m.

Dale A. Youngquist
President

Katherine Bauer
Secretary

THE NEXT REGULAR MEETING IS SCHEDULED FOR TUESDAY MARCH 26th 2013.