NEENAH-MENASHA SEWERAGE COMMISSION

Public Hearing & Regular Meeting

Tuesday September 23, 2014

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

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

Excused: Commissioner Jim Gunz.

Also Present: Chad Olsen, Tom Kispert (McMAHON); Rob Franck, Paul Much (MCO); Brian Nieckula (Atlas Copco).

Motion by Commissioner Zielinski second by Commissioner Hamblin to open the Public Hearing.

There was no one in attendance from the public to comment on the proposed 2015 budget. Accountant Voigt informed the Commission the proposed budget includes the changes requested at the August 26 Regular Meeting. Since the last meeting, additional information was obtained from various equipment technicians and based on the discussions with them, the budget amounts for two maintenance accounts could be reduced; Account 561.0 – Pre-Primary Treatment could be reduced $2,000, and Account 563.0 – Secondary Treatment could be reduced $4,000. It is also recommended to include a line item under Equipment Replacement to show the replacement of two MAG Meters for $16,000 at the Waverly metering station. Commissioner Coburn questioned if a note should be added in the budget indicating upcoming costs associated with phosphorus removal. Accountant Voigt indicated we could add this as an additional note on Page i in the budget. After discussion, motion by Commissioner Coburn second by Commissioner Zielinski to close the Public Hearing. Motion carried unanimously.

Public Forum. No one in attendance for public forum.

August 26, 2014 Meeting minutes: Motion by Commissioner Zielinski, second by Commissioner Sambs to approve the minutes from the August 26, 2014 Regular Meeting. Motion carried unanimously.

Davis & Kuelthau S.C. request. Attorney Thiel discussed the annual request from Davis & Kuelthau to cover the cost of outstanding bills not paid by the insurance companies. The current balance owed is $22,354.60; this is less than what has been requested in the past. The City Attorneys from Neenah and Menasha have been contacted; Neenah has agreed to reimburse 1/2 of the cost. Attorney Thiel is still waiting for a response from Menasha. Attorney Thiel further explained the large expense items that make up the majority of the unpaid $22,354.60. If any insurance company's proceeds are received towards these outstanding amounts, the money would be returned to the Commission which would then be returned to the Cities. Commissioner Zielinski questioned if this is the final bill from Davis & Kuelthau; Attorney Thiel said no, we are still waiting for a court of appeal decision. After discussion, motion by Commissioner Zielinski second by Commissioner Coburn to approve the payment of $22,354.60 to Davis & Kuelthau S.C. by September 30. Motion carried unanimously.

Attorney Thiel was excused from the meeting at 8:18 am.

Correspondence

The following correspondence was discussed:

August 27, 2014 letter from Amy Vaclavik, McMahon Associates to Maureen Hubeler, DNR.
RE: Request to make funding payments up to 98% of funding amount.

September 5, 2014 letter from Robin Schmidt, DNR to Dale Youngquist, NMSC.
RE: DNR approval to retain only 2% of the Financial Assistance Agreement until close-out requirements are met.

August 28, 2014 letter from Robert Hannes, DNR to Dale Youngquist, NMSC.
RE: DNR approval of Change Orders #44 and #45.

September 3, 2014 letter from Aaron Heintz, Wisconsin DOA to Kathy Bauer, NMSC.
RE: Audit confirmation letter of Clean Water Funds distributed to NMSC as of June 30, 2014.

August 25, 2014 email from Keith Marquardt, DNR to Dale Youngquist, NMSC.
RE: Notice of meeting on 9/17 for development of Upper Fox and Wolf TMDL.
President Youngquist indicated he questioned Manager Much about attending; Manager Much added this meeting is for developing the TMDL for Lake Winnebago and upstream. Chad Olsen reported he attended and reported this may have a benefit in changing the calculation in the TMDL for us due to the phosphorus levels coming from Lake Winnebago and upstream.

August 28, 2014 letter from Richard Sachs, DNR to Dale Youngquist, NMSC.
RE: Demonstration of need required to transfer phosphorus wasteload allocation from Menasha Steam Plant to the NMSC.

September 8, 2014 email from Richard Sachs, DNR to Dale Youngquist, NMSC.
RE: Hold off on providing demonstration of need for WLA transfer for phosphorus.
Manager Much provided further explanation of the wasteload allocation process.

Old Business

There is no Old Business to be discussed.

New Business

Operations, Engineering, Planning

HSI Blower Status Update. Brian Nieckula, Atlas Copco Regional Municipal Sales Manager discussed the update on the HSI Blowers. Drive #6 VFD replaced, it is still having faults. Unit #2 fan came loose and nicked up the fins. Unit #4 will be sent in for bearing replacement when Unit #6 is repaired and returned. Unit #4 had a surge shutdown on Sunday; the technician thinks it is a control issue. Unit #6 core was pulled and will be ready to ship October 2 or 3. October 6 Unit #6 should be here and installed, then Unit #4 will be taken offline and shipped for repair. By

October 20, Unit #4 should be returned. October 23 is the target date to be complete with the unit repairs. Tom Kispert questioned Rob Franck as to how many blowers can we use today; 4 or 5 are available, we do experience intermittent alarms. Unit #6 has been out of commission for 3-months. President Youngquist questioned why is it taking so long to get Unit #6 sent in for service; Brian said he is not able to answer why, the technician has only been here 4-days this past month; they are waiting for answers from Houston. Manager Much reported on a new problem recently discovered; one aeration tank is having problems getting air into the tank, it appears there may be an obstruction in the pipe; August Winter has been notified. President Youngquist questioned the comment made last month by Jon Myers about providing a letter of credit to help with closing the loan; Tom Kispert responded he is not sure how this would be a benefit to help in finalizing the loan. Commissioner Coburn questioned if we are still experiencing 2-3 faults per week; we are still having faults, the last fault was a surge fault on Sunday evening. Brian further explained how the equipment works and how the surge fault is created; he feels it is a control programming issue.

Phosphorus Removal – Chad Olsen reported there are agreements with looking at trading options with Neenah-Menasha and Grand Chute Menasha West; SCA and Neenah Paper are still possible. Clearwater Paper said no. Chad offered to attend a meeting at Sanitary District 2 to discuss the phosphorus issues. Commissioner Coburn thanked him for the offer.

Chad Olsen discussed the McMahon agreement to evaluate phosphorus analyzers and to prepare the specifications for obtaining quotes. After discussion, motion by Commissioner Zielinski second by Commissioner Coburn to approve the agreement with McMahon Associates for the evaluation of phosphorus analyzers at a cost of $2,500. Motion carried unanimously.

Construction Progress Update. Tom Kispert reviewed his memo to the Commission. The punchlist is down to one item; a gate stem needs to be replaced with a new stem having more threads. This item is scheduled to be completed by September 30.

Tom Kispert discussed Certificate for Payment #19 with August Winter & Sons, Inc. in the amount of $27,477.33. This will leave the 2.5% of retainage as the remaining funds to be paid. President Youngquist questioned holding on to any of this retainage as leverage for future issues; Tom discussed and explained the process, payments to be made, and the performance bond. President Youngquist requested Manager Much and Tom Kispert to come up with a recommendation at the next meeting. After discussion, motion by Commissioner Coburn second by Commissioner Zielinski to approve for payment Certificate for Payment #19 with August Winter & Sons, Inc. in the amount of $27,477.33. Motion carried unanimously.

Tom Kispert discussed change order #46 for plant modifications time extension to September 30, 2014. After further discussion, motion by Commissioner Zielinski, second by Commissioner Hamblin to approve change order #46 for a contract time extension to September 30, 2014 with August Winter & Sons, Inc. for plant modifications. Motion carried unanimously.

Tom Kispert reported on future items: polymer system upgrade, and the centrifuge needs to have performance testing done on our final sludge product. For project close-out, the DNR reviewed the payroll records on September 16 and also performed a final site visit; there is also a certification check list to be completed once the review of the operations manual is complete.

Tom Kispert discussed the Engineer's Report for remote site monitoring. Commission monitoring sites were looked at that record flow data used by the Commission and to have them able to send data here to the treatment plant and into the SCADA system. This would allow recording of maximum flows during the day. Manager Much discussed replacing the current data management software with software that will communicate with the SCADA system. McMahon and MCO staff has been looking at systems and will have the cost for replacing the software at the next meeting. Manager Much also reported the 9th Street metering station was to be included in the cost of the SCADA for installing the remote communication system and it was not. Tom Kispert acknowledged the scope and fee were not part of the current agreement for the SCADA system. After discussion, motion by Commissioner Coburn second by Commissioner Sambs for McMahon Associates to report back to the Commission with quotes for the remote flow monitoring and data management software to communicate with the SCADA system. Motion carried unanimously.

President Youngquist requested to have a plant tour added to the agenda for the next meeting to allow the Commissioners a chance to see the changes made since the last plant tour.

Tom Kispert reported Sanitaire came on site to perform the inspections on the aeration system per the extended warranty. The centrifuges need to have performance testing completed using sludge from the operational digesters. This may be complete by the next meeting.

Motion by Commissioner Zielinski, second by Commissioner Hamblin to approve for payment McMahon invoices #49715, #49716, #49717, and #49718 related to the Construction Project in the amounts of $6,000.00, $6,259.69, $1,100.00, and $664.00. Motion carried unanimously.

Manager Much discussed the Operating Report for the month of August 2014. The plant is operating well; mercury testing indicates the levels have remained low. Manager Much expressed his concerns with the loadings the past several months; BOD and suspended solids loadings from Sonoco have increased, the Menasha loadings have decreased. Manager Much reminded the Commission the contract with Sonoco ends in 2015 and the Commission needs to make a decision if they are to keep or not keep Sonoco as a contract user; the Commission should give Sonoco and Menasha advanced notice of the Commission intent. We also need Menasha to provide feedback on metering station changes they would like to see made. Commissioners discussed having Attorney Thiel and Commissioner Gunz discuss Sonoco as a contract user and to have Attorney Thiel discuss this with Menasha Attorney Pam Captain. Manager Much reported the staff has been working on the digesters to get them up to the proper temperatures. After discussion, motion by Commissioner Hamblin, second by Commissioner Zielinski to accept the Operating Report for the month of August 2014. Motion carried unanimously.

Budget, Finance, Personnel

Proposed NMSC 2015 Budget. Motion by Commission Zielinski, second by Commissioner Coburn to approved the proposed NMSC 2015 Budget with a reduction made to Account #561.0 of $2,000; a reduction to Account #563.0 of $4,000; a notation to be included in the Budget informing of upcoming unknown phosphorus costs; and a line item inclusion of MAG Meter replacement under the Equipment Replacement, all items as discussed during the Public Hearing. Motion carried unanimously.

Accountant Voigt discussed the financial statements and the cash & investment report for the month of August 2014. The Operations are now reporting a net income due to the couple of months of increased loadings. MCO generated $4,300 in revenues to the Commission during the month of August. After discussion, motion by Commissioner Sambs, second by Commissioner Coburn to accept the Accountant's Report for the month of August 2014. Motion carried unanimously.

Motion by Commissioner Hamblin, second by Commissioner Zielinski to approve for payment MCO invoices #18570 and #18608 in the amounts of $121,833.18 and $447.90 with payment to be made after October 1, 2014. Motion carried unanimously.

Motion by Commissioner Zielinski, second by Commissioner Hamblin to approve Operating and Payroll Vouchers #134575 through #134621 in the amount of $285,997.60 and Construction Vouchers #240 and #241 in the amount of $79,708.32 for the month of August 2014. Motion carried unanimously.

Motion made by Commissioner Hamblin, seconded by Commissioner Zielinski to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 9:52 a.m.

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President Secretary