NEENAH-MENASHA SEWERAGE COMMISSION

Regular Meeting

Tuesday November 25, 2014

Meeting was called to order by Commission President Youngquist at 8:10 a.m.

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

Also Present: Tom Kispert, Amy Vaclavik (McMAHON); Paul Much (MCO); Jon Myers (Atlas Copco).

Public Forum. No one in attendance for public forum.

October 28, 2014 Regular Meeting minutes: Motion by Commissioner Zielinski, second by Commissioner Coburn to approve the minutes from the October 28, 2014 Regular Meeting. Motion carried unanimously.

Correspondence

The following correspondence was discussed:

October 28, 2014 letter from Randall Much, NMSC to Mr. Troy Huebner, U.S. Paper Mills. RE: Current flow monitoring and sampling facilities not providing representative samples.

Manager Much reported he discussed this issue with Troy Huebner. Troy indicated he will obtain a proposal from Kaempfer & Associates; the proposal will be sent to the corporate office for approval. Troy is hopeful he will receive approval by the end of the year.

Old Business

Manager Much reported he met with Mark Radtke and Pam Captain at the City of Menasha to discuss the contract with U.S. Paper Mills and also their metering station.

New Business

Operations, Engineering, Planning

HSI Blower Status Update. President Youngquist addressed Jon Meyer regarding not receiving a letter from HSI or Atlas Copco providing the Commission a plan on how they will proceed to resolve the issues with the blowers. Jon apologized for his error in not providing the Commission a letter; he missed seeing this detail in the notes he received from Brian who attended the meeting last month. Jon distributed and discussed a copy of an email sent to Tom Kispert on what needs to be completed with the blowers. President Youngquist expressed his concerns again of promises made every month and not being met; we paid for six working blowers and we don't have what we paid for. President Youngquist questioned Jon if Atlas Copco has units under their name brand that could replace the HSI units. Jon responded the Atlas Copco units are smaller sized units; he also reported the updates being performed on the units are bringing the HSI units to the current design that is being sold. It is the policy to have parts available for

these units for 30 years. The next generation of units are now being developed and the design uses magnetic bearings; availability of these units is anticipated next summer. Commissioner Gunz added he agrees that the Commission deserves six blowers that work. Jon reported he believes they will be completed by December 15; you will have 6 blowers that will run. The Commissioners discussed setting a deadline date of December 15 to have the blowers repaired and running. Commissioner Gunz indicated he finds it hard to believe they would be done by December 15; what difference does it make if we wait until January 27 and then further discuss our actions? We can look at scheduling a closed session at the January 27 meeting with the attorney. Commissioners discussed the issue with basin #6; Manager Much is not sure it is an issue related to the HSI blowers. Jon reported he will make the commitment to change out the blowers if they don't have them running. President Youngquist indicated he would like a written commitment from Atlas Copco detailing the options they will take to make the situation right if they are unable to provide 6 working blowers. Commissioner Gunz questioned Jon if he has corporate authority to promise new blowers; Jon said yes, I do.

Phosphorus Removal – Manager Much reported on visits made to look at the operation of two analyzer units; one unit is from HACH and the other unit is from ASA. Commissioner Gunz questioned if we received our new discharge permit; Manager Much responded no, the current permit expired 3 years ago. The new permit will be for 5 years from the time we receive it.

Construction Progress Update. Tom Kispert reviewed his memo to the Commission. The contract with August Winter & Sons is complete; centrifuge testing will likely occur in January.

Tom Kispert discussed Certificate for Payment #21 with August Winter & Sons, Inc. in the amount of $161,961.06; this is the final pay request from them. After discussion, motion by Commissioner Gunz second by Commissioner Sambs to approve for payment Certificate for Payment #21 and final with August Winter & Sons, Inc. in the amount of $161,961.06. Motion carried unanimously.

Tom Kispert reported on a possible future item: polymer system upgrade. Once the centrifuge performance testing is complete, the results of the testing may require upgrading the polymer system. Items remaining for project closeout include: O&M Manual certification checklist, facilities map for the Work Order Management System; final testing of the ACP's are underway, and final screen views to be reviewed on the last 4 area control panels. After discussion, motion by Commissioner Gunz second by Commissioner Sambs to authorize signing off on the O&M Manual certificate after it is complete. Motion carried unanimously.

Amy Vaclavik discussed her letter to Manager Much regarding close-out requirements for the Clean Water Fund loan; the CWF will not release all funds until certain items are completed. Currently there is a 2% hold on funds; this can get changed to 1%. After discussion, motion by Commissioner Gunz second by Commissioner Coburn to accept contracts N0008-910101-2, A, C, D, E, F, G, H, K, L, N, O, P, Q, and R. Motion carried unanimously. Motion by Commissioner Gunz second by Commissioner Bauer authorizing the signing of the Wage Rate Compliance Certification, Disadvantaged Business Enterprises Contract Action Utilization Document, and the O&M Manual Certification Checklist. Motion carried unanimously.

Motion by Commissioner Gunz second by Commissioner Bauer to approve for payment McMahon invoices #40543 and #40790 related to the Construction Project in the amounts of $305.00 and $12,000.00. Motion carried unanimously.

Tom Kispert reported on the electronic communication of flow data from remote sites; panels are being constructed.

Tom Kispert reported on the status of the iReportPlus Reporting Software to replace the current OPS32 software; the software is ordered, reports will be developed based on staff needs.

Manager Much reported on the HVAC in the old blower building; the building requires a 2 ton A/C unit. There were two 3-ton units installed. Tom reported McMahon picked up the cost for the removal of one of the units from the building. Manager Much questioned what would we do with the extra unit. Tom reported it was his understanding it is interchangeable with other units we have and can be used as a spare. Manager Much questioned if it is interchangeable based on conversations; if it is interchangeable we could keep it as a spare, if it isn't do we get money back?

To accommodate those in attendance, President Youngquist moved to Agenda item 6.L. – 2015 Property & Liability Insurance renewal.

Chris Reichelt (McClone Agency) distributed and discussed a Premium Summary for the 2015 renewal of the NMSC property & liability insurances. Chris briefly reviewed the packages, coverages, deductibles, and premiums. After discussion motion by Commission Gunz second by Commissioner Bauer to accept the 2015 renewal premiums for the NMSC property and liability insurances. Motion carried unanimously.

The meeting returned to the Agenda as published.

Motion by Commissioner Gunz second by Commissioner Sambs to approve the sewer extension request for Castle Oak IV located in the City of Neenah. Motion carried unanimously.

Commissioner Zielinski was excused from the meeting at 9:46 am.

Manager Much discussed the Operating Report for the month of October 2014. The plant is operating well. After discussion, motion by Commissioner Coburn, second by President Youngquist to accept the Operating Report for the month of October 2014. Motion carried unanimously. Manager Much reported on plans submitted by Kaempfer & Associates for modifications to the metering stations; they were reviewed by Tom Kispert.

Budget, Finance, Personnel

Accountant Voigt discussed the financial statements and the cash & investment report for the month of October 2014. The Operations are reporting a net income; the amount of income will be reduced during the last couple months of the year. There has been no change in the interest rates on our investments. MCO generated $4,100 in revenues to the Commission during the month of October. After discussion, motion by Commissioner Gunz, second by Commissioner

Hamblin to accept the Accountant's Report for the month of October 2014. Motion carried unanimously.

Manager Much discussed the 2015 contract increase for MCO. The CPI-U Index Table 3 – All items less medical care, has increased 1.6%. MCO's health insurance plan will have no increase in premiums for the twelve month period of December 2014 to November 2015. After discussion motion by Commissioner Gunz second by Commissioner Sambs to approve the 2015 contract increase request of MCO in the amount of 1.6%. Motion carried unanimously.

Motion by Commissioner Gunz, second by Commissioner Coburn to approve for payment MCO invoices #18756 and #18797 in the amounts of $121,837.00 and $479.00 with payment to be made after December 1, 2014. Motion carried unanimously.

Motion by Commissioner Gunz, second by Commissioner Coburn to approve Operating and Payroll Vouchers #134686 through #134733 in the amount of $223,620.55 and Construction Vouchers #244 and #245 in the amount of $41,501.02 for the month of October 2014. Motion carried unanimously.

Motion made by Commissioner Gunz, seconded by Commissioner Hamblin to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 9:55 a.m.

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President Secretary