

# NEENAH-MENASHA SEWERAGE COMMISSION

## Regular Meeting

Tuesday August 27, 2013

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

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

**Also Present:** Tom Kispert, Amy Vaclavik (McMAHON); Rob Franck (MCO).

July 23, 2013 meeting minutes: Motion by Commissioner Zielinski, second by Commissioner Bauer to approve the minutes from the July 23, 2013 Regular Meeting and July 23, 2013 Closed Session. Motion carried unanimously.

## Correspondence

The following correspondence was discussed:

- A. August 1, 2013 email from Ken Abbott, Alpha Terra to Heath Kummerow, City of Neenah, with cc to Roger Voigt, NMSC.  
RE: Request to discharge treated groundwater.
- B. August 5, 2013 letter from Menasha City Clerk Debbie Galeazzi to Randall Much, NMSC.  
RE: Menasha Resolution R-10-13 concerning Waverly Sanitary District.
- C. August 6, 2013 letter from Andrew Rossmeyssl, Herrling Clark to NMSC.  
RE: Town of Harrison response to Menasha Resolution R-10-13.
- D. August 7, 2013 letter from Joseph Huffman, ECWRPC to Randy Friday, Sherwood, cc to Dale Youngquist, NMSC.  
RE: New Village of Harrison and Sherwood Service Area Plan.

## Old Business

There is no Old Business to discuss.

## New Business

### Operations, Engineering, Planning

Phosphorus Removal – No additional update at this time.

UW Cooperative Extension Phosphorus Report on Management Implementation Issues – Manager Much reported this was provided to the Commission as information. Commissioner Hamblin questioned if Nick Vandehey should come in and report to us; Tom Kispert responded that if something needed to be brought before the Commission, Nick would have been here to provide a report. Commissioners further discussed the report and the information it contained.

President Youngquist proceeded to Agenda item McMahon User Charge System update to accommodate those in attendance.

Amy Vaclavik presented and discussed her memo to the Commission regarding the status of the User Charge System Update and the process on how the allocations were determined. Tom Kispert provided further explanation on how the split between flow, BOD, and suspended solids are determined. Amy further referenced the memo provided by Accountant Voigt to the Commission regarding the change in cost allocations from the current User Charge System to using the new User Charge System. Amy also discussed the change in the total to be collected in the Replacement Fund from the current \$302,000 to a projected \$778,000. Accountant Voigt indicated the Commission should review the policy of recording assets of the Commission; currently items starting at \$500 are treated as an asset. The Commission should consider raising this value to at least \$2,500; President Youngquist provided the thought the value should be \$5,000. It was the consensus to include the topic of reviewing the capitalization policy at the next meeting. Accountant Voigt indicated the Replacement Fund and Depreciation Fund listed assets should also be reviewed further to determine if the smaller priced items should be included; if they are removed, this would have an impact on the amount to be collected for these funds. It was decided the methodology of the User Charge System should be further discussed and approved at the next meeting. Manager Much questioned if staff should go to the councils or if we should have a meeting for them to attend. After discussion it was decided a letter should be sent to the contract users updating them on the User Charge System.

Tom Kispert was requested to not present the power point slide show at this meeting due to the length of the topics to be discussed on the agenda, but to include it at the next Regular Meeting.

Construction Progress Update. Tom Kispert reviewed and discussed his memorandum handout on the plant construction progress, a request for a time extension on the asphalt paving and landscaping that would affect the asphalt, the Certificates for Payment, contract change orders, and pending proposals.

The Commission discussed the letter from August Winter & Sons requesting a time extension only for the asphalt paving and the landscaping/seeding that would be completed along the edges of the new asphalt. With delaying the installation of the new asphalt, there would be a warranty on the work, and there would be no heavy construction traffic traveling on the new pavement risking damaging the pavement which would require patching. After discussion motion by Commissioner Falck second by Commissioner Sambas to approve the contract extension for the asphalt paving and landscaping/seeding of the area along the edges of the new asphalt. Motion carried unanimously.

After further discussion on the ongoing work, motion by Commissioner Zielinski, second by Commissioner Gunz to approve for payment Certificate for Payment #10 from August Winter & Sons Inc. in the amount of \$902,294.47. Motion carried unanimously.

Tom Kispert discussed proposed change order #21 for the contract with August Winter & Sons. Commissioners further discussed line item #21-6 for a credit on the painting on the exterior side

of the digester skirt for deduct of \$11,912.00. Manager Much questioned if saving \$12,000 now would be worth the extra expense of potentially buying a much larger expense in 20 years due to the corrosion that will occur on the metal and the repairs that will be needed if the area will not be repainted. The size of the area being discussed is 4 foot high by 220 feet. Tom indicated the painting crew does not have equipment to be able to sandblast and paint this area which is in a confined space of a couple inches wide. Commissioners questioned if they make special sandblasting tips at 90 degrees that could be used to reach in this area; Tom was not sure if this was an option.

Commissioner Gunz excused from the meeting (9:41 am).

After discussion motion by Commission Falck, second by Commissioner Bauer to approve change order #21, line items #21.1, #21.2, #21.3, #21.4, and #21.5 totaling \$31,156.00 for the contract with August Winters & Sons. Motion carried unanimously. Tom reported he will check further into options on how to deal with areas needed to be repainted on the digester cover.

Tom Kispert and Rob Franck discussed the sludge conveyor replacement for the sludge loading area. The original plan was to reuse one of the three conveyors being taken down in the sludge bays for use in the redesigned sludge garage. After the three existing conveyors were removed and inspected, it was found the augers in the three conveyors were in very bad condition. The price to replace the auger only would be \$4,780 plus installation costs; this quote was from the same company, Custom Conveyor. A competing quote was obtained and their quote was \$8,950. Commissioners further discussed installing a new auger with a gear box that is already 20 plus years old and how long that would last. The Commission was informed they would be looking at a total cost of \$10,000 to \$15,000 to replace the auger, install new bearings, fix other miscellaneous items, and installing the unit. Tom reported he obtained a price of \$42,450 to purchase a totally new complete unit. This did not include installation. Tom indicated he felt it would be best to replace the entire unit with new; Manager Much concurred. It was the consensus of the Commissioners to pursue the option of adding a new conveyor unit in the sludge garage.

Commissioner Zielinski expressed his concern on the length of the meeting already and the length of discussions that still need to occur and we should consider again having two meetings per month. President Youngquist agreed and it will be discussed later.

Tom Kispert reported on and discussed the Certificates for Payment on Equipment Contract H – Grit Washing Equipment. Contract H has two payment requests; #2 in the amount of \$56,267.20 and #3 in the amount of \$14,066.80 which is the final payment for Contract H. After discussion motion by Commissioner Falck second by Commissioner Zielinski to approve for payment Certificates for Payment #2 and #3 for Contract H – Grit Washing Equipment with Huber Technology, Inc. in the amounts of \$56,267.20 and \$14,066.80. Motion carried unanimously.

Tom Kispert discussed Certificate for Payment #3 for Contract K – Digester Mixers with Energenecs, Inc. in the amount of \$22,220.00. After discussion motion by Commissioner Zielinski second by Commissioner Sambs to approve Certificate for Payment #3 for Contract K – Digester Mixers with Energenecs, Inc. in the amount of \$22,220.00. Motion carried unanimously.

Tom Kispert reported on the status of the HSI Blowers. The sixth blower shipping date is now September 3. Tom discussed the letter received from Xylem Inc. confirming the terms of the warranty they are providing on the Sanitaire diffusers. Tom further reported on the lack of response from the supplier for Contract O and the leaking sodium hypochlorite pump fixtures. Manager Much indicated we should pursue some type of extended warranty on these pumps due to sodium hypochlorite leaking onto the pumps and the corrosion that can be expected.

Tom Kispert reported the Commissioners have the report on the contract summary log and the summary of the change orders for their review.

Motion by Commissioner Sambs second by Commissioner Zielinski to approve invoice #4211 from Attorney John Thiel in the amount of \$320.00 for plant expansion legal advice. Motion carried unanimously.

Commissioners discussed the McMahon invoices; copies of the invoices not included in the July information sent to the Commissioners were included with the August material as requested. Commissioners discussed the current McMahon invoices. After discussion, motion by Commissioner Zielinski, second by Commissioner Hamblin to approve for payment McMahon invoices: #44782 - \$21,000.00; #44783 - \$96,200.00; #44784 - \$7,100.00; #44785 - \$1,200.00; #44786 - \$9,600.00; #44787 - \$21,953.26; #44788 - \$800.00; #44789 - \$1,400.00; and #44790 - \$71,100.00. Motion carried unanimously.

Manager Much discussed the Operating Report for July. Gizmo LLC was brought in to discuss sludge issues on the testing results received and other items needed from them. Manager Much reported some of the operational data currently does not correlate. Commissioner Falck questioned the high solids loading in July; Accountant Voigt indicated there was a rain event during the month and this usually provides the higher loadings. The plant is operating well; a lot of extra time is being put in by several staff members due to start-up issues. After discussion, motion by Commissioner Falck, second by Commissioner Sambs to accept the Operating Report for July. Motion carried unanimously.

Accountant Voigt reported on a telephone request from an individual living at 816 Milwaukee Street. This is a property next to Commission property where our interceptor follows the railroad tracks. The individual had an old wooden storage shed located on our property and he was requesting permission to replace the unit with a smaller metal unit located in the same place. After discussion motion by Commissioner Falck second by Commissioner Zielinski to approve the request for the storage unit based on how this was handled in previous situations. Motion carried unanimously. Accountant Voigt also reported on other incidents of new encroachments on our property by others that were seen when visiting 816 Milwaukee Street. President Youngquist indicated we should include this for our next meeting to discuss a Commission policy on encroachments on Commission owned land.

#### Budget, Finance, Personnel

Accountant Voigt discussed the Financial Statements for the month of July 2013. Accountant Voigt responded to various questions regarding the information in the reports. After discussion,

motion by Commissioner Zielinski, second by Commissioner Bauer to accept the financial statements for the month of July, 2013. Motion carried unanimously.

NMSC Resolution 2013-2. President Youngquist informed the Commissioners this resolution will authorize the redemption of the bonds maturing in 2014. This was discussed and approved at the July meeting. After discussion motion by Commissioner Falck second by Commissioner Bauer to approve NMSC Resolution 2013-2, a RESOLUTION AUTHORIZING THE REDEMPTION OF THE 2014 MATURITY OF THE NEENAH-MENASHA SEWERAGE COMMISSION \$5,025,000 SEWERAGE SYSTEM REVENUE BONDS, SERIES 2003B DATED SEPTEMBER 1, 2003. Motion carried unanimously on a roll call vote.

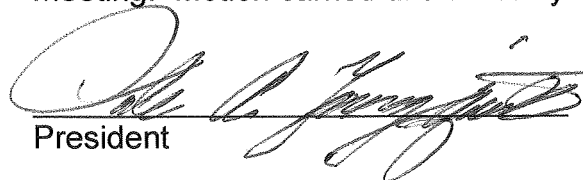
President Youngquist requested the draft budget should be discussed at a separate meeting; the date and time for a Public Hearing will still need to be set. Motion by Commissioner Falck second by Commission Hamblin to schedule a Public Hearing at 8:00 am on Tuesday September 24, 2013 prior to the Regular Meeting to receive comment on the Proposed 2014 NMSC Budget. Motion carried unanimously. The days of Wednesday September 4, 2013 and Thursday September 5, 2013 were suggested as potential days to hold a special meeting. After further discussion it was decided to hold a special meeting on Thursday September 5, 2013 at 1:00 pm.

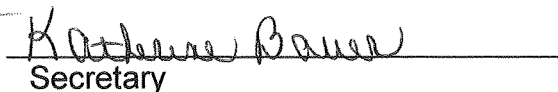
Motion by Commissioner Zielinski, second by Commissioner Hamblin to approve Operating and Payroll Vouchers #133876 thru #133927 in the amount of \$386,408.14 and Construction Fund Vouchers #203 thru #205 in the amount of \$1,738,015.26 for the month of July 2013. Motion carried unanimously.

Accountant Voigt discussed the Accountant's Report for July 2013. The interest rates on the checking and money market accounts have not changed. MCO generated \$4,200 in income for the Commission in July. Accountant Voigt reported the Cash Flow report was updated to current known information. Motion by Commissioner Sambbs, second by Commissioner Falck to accept the Accountant's Report and Cash Flow Report for the month of July 2013. Motion carried unanimously. President Youngquist reported there is a discussion session set for 2:00 pm today to discuss the MCO contract.

Motion by Commissioner Falck, second by Commissioner Sambbs to approve for payment MCO invoices #17554 - \$120,625.76; #17590 - \$131.93; and #17595 - \$515.75 and to pay the invoices after September 1, 2013. Motion carried unanimously.

Motion made by Commissioner Zielinski, seconded by Commissioner Hamblin to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 10:52 a.m.

  
President

  
Secretary

**THE NEXT REGULAR MEETING IS SCHEDULED FOR TUESDAY AUGUST 27<sup>th</sup> 2013.**