

NEENAH-MENASHA SEWERAGE COMMISSION

Regular Meeting

Tuesday December 18, 2012

Prior to calling the meeting to order, Commission President Youngquist requested we observe a moment of silence in memory of those killed at Sandy Hook School in Newtown Connecticut.

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

Present: Commissioners Raymond Zielinski, Tim Hamblin, Mike Sambs, Dale Youngquist; Manager Randall Much, Accountant Roger Voigt.

Also Present: Tom Kispert, Amy Vaclavik, Chad Olsen, Dawn Goeser (McMAHON); Paul Much (MCO), Teri Stecker (Johnson Insurance), Mike King (Post Crescent).

Excused: Commissioner Jim Gunz, Kathy Bauer, Gordon Falck.

After discussion, motion by Commissioner Zielinski, second by Commissioner Sambs to approve the minutes from the November 27, 2012 Regular Meeting and Closed Session. Motion carried by unanimous vote of 4 ayes, 0 nays.

Motion by Commissioner Zielinski, second by Commissioner Sambs to approve the minutes from the November 29, 2012 Special Meeting and Closed Session. Motion carried by unanimous vote of 4 ayes, 0 nays.

Correspondence

The following correspondence was distributed in the meeting and discussed:

- A. December 11, 2012 letter from Catherine Girdley, Waverly Sanitary District to Roger Voigt, Neenah-Menasha Sewerage Commission.
RE: Michael Sambs appointed to 3-year term on Neenah-Menasha Sewerage Commission.
- B. December 14, 2012 letter from Maureen Hubeler, Wisconsin DNR to NMSC President Dale Youngquist.
RE: Acceptance of NMSC Clean Water Fund Program Financial Assistance application.

President Youngquist announced he was reappointed to a 3-year term on the NMSC by the Town of Menasha.

Old Business

Prepayment of project costs. The agreement for the prepayment of the treatment plant modification costs by the Town of Neenah S.D. 2 has been approved by the attorneys of the NMSC and Town of Neenah S.D. 2 and is ready for approval by the NMSC. After discussion, motion by Commissioner Sambs, seconded by Commissioner Youngquist to approve the

Agreement Between Neenah-Menasha Sewerage Commission and Town of Neenah Sanitary District No. 2 Regarding Prepayment Relating to Wastewater Treatment Plant Modifications. Motion carried by unanimous vote of 4 ayes, 0 nays.

New Business

Operations, Engineering, Planning

Tom Kispert presented a slide show of construction activities that have occurred since the November 27, 2012 meeting.

Construction Progress Update. Tom Kispert distributed and discussed his memorandum handout on the plant construction progress. Tom further reported on the construction activities and minor issues discovered since the last meeting.

Tom Kispert discussed August Winter & Sons Certificate for Payment #2 and change orders #4 and #5. Motion by Commissioner Zielinski, second by Commissioner Hamblin to approve for payment Certificate for Payment #2 from August Winter & Sons Inc. in the amount of \$262,960.00. Motion carried by unanimous vote of 4 ayes, 0 nays. Motion by Commissioner Zielinski, second by Commissioner Hamblin to approve August Winter & Sons Inc. change order #4 in the amount of \$38,372.00 and change order #5 in the amount of \$4,919.00. Motion carried by unanimous vote of 4 ayes, 0 nays. Tom discussed effluent reuse pumps that recently failed; these pumps were not included in the project for replacement, though additional pumps are being added for this purpose. To replace the failed pumps with the same model will cost \$12,057 each for only the pump. To replace the pumps with the current model being installed as part of the project will cost \$8,300 each. To replace the three old effluent reuse pumps, the VFD's, new 30 HP motors, and installation will total \$85,000. The quickest method for having these pumps replaced will be having the Commission purchase this direct with funds from the Replacement Fund. After discussion, motion by Commissioner Sambs, second by Commissioner Zielinski to authorize the purchase of the three effluent reuse pumps, motors, VFD's, and installation at a cost not to exceed \$85,000 with funding to come from the Replacement Fund. Motion carried by unanimous vote of 4 ayes, 0 nays. Tom discussed plugging issues with the chlorinated effluent sampler; he is obtaining a proposal to relocate the sampler to the deck of the chlorine contact tank; more information will be brought to the next Commission meeting. Tom reported transformer #4 is being considered for replacement; more information will be brought to the next Commission meeting. Tom discussed Contract Q (Hot water boilers/gas burners) and adding controls, hardware and custom configurations at a cost of \$4,800; a change order will brought to the next Commission meeting. The screw pump gear boxes have been worked on and it has been noticed there are switches in the gear boxes to monitor lubrication; they have never been wired into the SCADA system. Tom will explore the option of wiring these into the SCADA system. Tom presented and discussed pay request #2 from Xylem for Contract L in the amount of \$113,078.00, and pay request #1 from Heat & Power Products, Inc. for Contract Q in the amount of \$124,987.50. After discussion, motion by Commissioner Hamblin, second by Commissioner Zielinski to approve for payment Certificate for Payment #2 from Xylem for Contract L in the amount of \$113,078.00, and Certificate for Payment #1 from Heat & Power Products, Inc. for Contract Q in the amount of \$124,987.50. Motion carried by unanimous vote of 4 ayes, 0 nays.

Tom Kispert reviewed the contract summary log with the Commission.

Amy Vaclavik updated the Commission on the Clean Water Fund activity. The DNR accepted the Clean Water Fund Program application. Official information will be sent directly to the communities for the CWF loan. Amy distributed and discussed the schedule for the communities to meet the requirements to hold the loan closing for the Clean Water Fund loan on February 13, 2013. Bond Counsel and DNR will prepare all the wording for the agendas for the communities to pass their resolutions. The Commission will need to review and approve the Agency Agreement at the January 22, 2013 Commission meeting.

To accommodate those in attendance, Commission President Youngquist moved to Agenda item #5(B)(1) – 2013 NMSC property/liability insurance renewal.

Teri Stecker (Johnson Insurance) distributed a revised premium summary page. Teri explained that after receipt of our quote she had contacted the carrier inquiring if they provided credit to the NMSC since they are carrying the Builders Risk Policy for the construction project. The carrier did not provide the credit; after applying the credit, there was a reduction of \$3,900 in the quote for the Property coverage. Teri further explained that most of the policies for our coverage's are minimum premiums from Travelers. Some of the rate increases are due to increases in the minimum premiums charged; this is the first increase in their minimums premiums in four years. Teri reminded the Commissioners that our account was marketed in 2011 for competitive pricing; four carriers declined to quote because of the competitive pricing from Travelers and their low minimum premiums. Teri briefly reviewed the policies and the coverage limits of the policies. After discussion, motion by Commissioner Zielinski, second by Commissioner Sambus to approve the renewal of the Neenah-Menasha Sewerage Commission property and liability insurances as presented. Motion carried by unanimous vote of 4 ayes, 0 nays.

Commission President Youngquist returned to the Agenda as published.

Chad Olsen provided an update on the phosphorus removal construction cost analysis. Chad reminded the Commission why we are doing the cost analysis as part of the Fox/Wolf adaptive management plan. Chad is looking at three technologies to achieve lower effluent limits; he will have more information for the next meeting.

Motion by Commissioner Youngquist, second by Commissioner Zielinski to approve for payment McMahon invoices: #42140 - \$8,250.00; #42141 - \$390.00; #42142 – \$12,750.82; #42143 - \$2,622.00; #42144 - \$2,200.00; and #42145 – \$89,692.00. Motion carried by unanimous vote of 4 ayes, 0 nays. Commissioner Hamblin requested additional information on the invoice for the System Integration; Tom Kispert explained.

Operating Report. Manager Much reported on the plant operations. The plant is operating well; the plant is operating with its capacity down 22% from construction activities. The NMSC contract with WPPI for the standby generator needs to be modified with the new generator information; it was the consensus of the Commission to have Manager Much sign the contract amendment. Manager Much reported responding to Menasha alderman Langdon on concerns

he had with change orders for the project. Motion by Commissioner Zielinski, second by Commissioner Sambs to approve the Operating Report for the month of November 2012. Motion carried by unanimous vote of 4 ayes, 0 nays.

Manager Much discussed the final Biosolids Removal, Hauling and Land Application Agreement between Gizmo LLC and the NMSC. The NMSC has received the signed contract from Gizmo LLC. Motion by Commissioner Zielinski, second by Commissioner Sambs to approve the contract with Gizmo LLC for Biosolids Removal, Hauling and Land Application Agreement. Motion carried on unanimous roll call vote by Commissioners Sambs, Hamblin, Zielinski, Youngquist.

Budget, Finance, Personnel

Manager Much discussed the MCO contract increase. The MCO contract uses the CPI-U change for the base contract amount and the actual cost for the health and liability insurances. MCO was able to secure another decrease in the health insurance rates for 2013. Motion by Commissioner Zielinski, second by Commissioner Hamblin to approve the MCO contract increase for 2012. Motion carried by unanimous vote of 4 ayes, 0 nays. Manager Much reported on discussion held with Commissioner Gunz and relooking at the MCO contract to update to current standards.

Accountant Voigt discussed the Financial Statements for the month of November 2012. The Commission was informed of the activity at the end of November on the Bond Anticipation Notes. The Commission operations are showing a net income for the year. After discussion, motion by Commissioner Zielinski, second by Commissioner Hamblin to accept the financial statements for the month of November, 2012. Motion carried by unanimous vote of 4 ayes, 0 nays.

Motion by Commissioner Hamblin, second by Commissioner Zielinski to approve Operating and Payroll Vouchers #133325 thru #133368 in the amount of \$336,958.58 and Construction Fund Vouchers #143 thru #148 in the amount of \$666,721.05 for the month of November 2012. Motion carried by unanimous vote of 4 ayes, 0 nays.

Accountant Voigt discussed the Accountant's Report for November 2012. The interest rates on the checking and money market accounts have not changed. The cash flow report has been updated with the most recent information. The Commission was informed that in lieu of the maturing 2003B Bonds being presented for payment, the Commission received a Declaration of Unavailable Certificate(s) and Limited Indemnity; evidently the bonds were stored in a vault that was flooded by Hurricane Sandy and they are not able to locate and deliver the bonds at this time. Accountant Voigt also reported on the receipt of the legal bill for Bond Counsel Services for the Bond Anticipation Notes issued on November 30; the bill amount was \$14,000, the contract for the services quoted a price of \$14,000 to \$18,000. Motion by Commissioner Hamblin, second by Commissioner Zielinski to accept the Accountant's Report for the month of November 2012. Motion carried by unanimous vote of 4 ayes, 0 nays.

Motion by Commissioner Zielinski, second by Commissioner Sambs to approve for payment MCO invoices #17003 - \$120,999.70 and #17033 - \$291.40 and to pay the invoices after January 1, 2013. Motion carried by unanimous vote of 4 ayes, 0 nays.

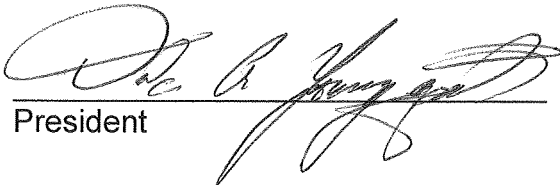
Motion made by Commissioner Zielinski, second by Commissioner Sambs to convene into Closed Session pursuant to Wis. Stats. §19.85(1)(g) to confer and review written and/or oral legal advice by legal counsel to the Commission as to litigation strategy and status of matters concerning the lawsuit(s) commonly referred to as the Fox River Litigation. By roll call vote taken, motion carried unanimously, by Commissioners Zielinski, Sambs, Hamblin, Youngquist.

Meeting convened into Closed Session at 10:10 am.

Motion made by Commissioner Zielinski, second by Commissioner Sambs to adjourn the Closed Session. By roll call vote taken, motion carried unanimously, by Commissioners Zielinski, Sambs, Hamblin, Youngquist. Meeting convened into Open Session at 10:25 am.

Commissioner Zielinski questioned if we are going back to our regular meeting schedule we will have meetings lasting longer. The Commission discussed options on how to minimize the time for the meetings and the amount of paperwork distributed.

Motion made by Commissioner Zielinski, seconded by Commissioner Hamblin to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 10:37 a.m.



President



Secretary

THE NEXT REGULAR MEETING IS SCHEDULED FOR TUESDAY JANUARY 22ND 2013.