

NEENAH-MENASHA SEWERAGE COMMISSION

Public Hearing & Regular Meeting

Tuesday September 27, 2011

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

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

Also Present: Tom Kispert, Chad Olsen (McMAHON); Carol Wirth, Brandon Wirth (Wisconsin Public Finance Professionals); Bruce Steinacker, Michelle Sargent, Jeff Steinacker (Steinacker Farms, Inc.); Kathleen Gauger (Town Greenville resident); Mike King (Post Crescent).

Public Hearing

President William Zelinski opened the Public Hearing to receive comments on the proposed 2012 NMSC Budget. Hearing no comments or questions on the Proposed 2012 NMSC Budget, President William Zelinski continued to the second item for the Public Hearing – Facilities Plan Amendment regarding a change for the Biosolids Storage Building.

Greenville resident Kathleen Gauger addressed the Commission and expressed concerns of public safety and environmental issues with the building, noting she lives 1.2 miles away from the building site. Chad Olsen (McMahon) discussed the building and site. Kathleen questioned how often the biosolids would be applied, she said she lives next to one of the fields that had biosolids applied and it created odors and numerous flies. Jeff Steinacker responded indicating there may be some odor for a couple days, but he also indicated the product should not have created flies. Jeff also reported he tries to apply once every five years on his fields. Tom Kispert also responded to these concerns. Kathleen also questioned the increased truck traffic on School Road; the reply is School Road will not be the main thoroughfare for delivery to the storage building. Depending on which fields are being used to apply the biosolids, School Road may be used when the building is being emptied for access to those fields. Kathleen also requested more information on codes and requirements. Manager Much offered to meet with Kathleen at any time and sit down together to go over the codes and the treatment of biosolids.

Hearing no additional comments or questions, motion made by Commissioner Raymond Zielinski, seconded by Commissioner Dale Youngquist to adjourn the Public Hearing and reconvene into Regular Open Session. Motion carried unanimously.

Commissioners discussed the minutes from the Regular Meeting and Closed Session of August 23, 2011. After discussion, motion made by Commissioner Dale Youngquist, seconded by Commissioner Kathy Bauer to approve the minutes of the Regular Meeting and Closed Session of August 23, 2011. Motion carried unanimously.

Correspondence

The following correspondence was discussed:

- A. August 31, 2011 Notice of Public Hearing and meeting to follow.
RE: 2012 Proposed Budget.
- B. September 21, 2011 Notice of Public Hearing.
RE: Facilities Plan Amendment for revised storage building location.
- C. September 9, 2011 letter from Chad Olsen, McMahon to Thomas Muga, DNR.
RE: Biosolids Storage Building submittal.
- D. September 15, 2011 letter from Bob Jeske, Wisconsin Department of Safety & Professional Services.
RE: Conditional approval of Sludge Storage Building.
- E. September 12, 2011 email from Randall Much, NMSC to Menasha Mayor Merkes.
RE: Response to request for additional information on plant upgrade project.
- F. September 13, 2011 letter from Commission President William Zelinski to the NMSC.
RE: Resignation from the NMSC effective October 30, 2011.

Budget, Finance, Personnel

Accountant Voigt presented the financial statements for the month of August 2011. Commissioner Dale Youngquist questioned the chemical costs and utilities. These items were further discussed. After discussion, motion made by Commissioner Tim Hamblin, seconded by Commissioner Raymond Zielinski to accept the financial statements for the month of August and place it on file. Motion carried unanimously.

Commissioners discussed the Proposed 2012 NMSC Budget. After discussion, motion made by Commissioner Dale Youngquist, seconded by Commissioner Kathy Bauer to approve the 2012 NMSC Budget as proposed. Motion carried on a unanimous roll call vote.

NMSC Resolution 2011-2, a Resolution Authorizing the Borrowing of \$4,500,000 and Providing for the Issuance and Sale of Sewerage System Revenue Bond Anticipation Notes Therefor was presented and discussed. After discussion, motion by Commissioner Dale Youngquist, seconded by Commissioner Mike Sambs approving NMSC Resolution 2011-2, a Resolution Authorizing the Borrowing of \$4,500,000 and Providing for the Issuance and Sale of Sewerage System Revenue Bond Anticipation Notes Therefor. Motion carried on a unanimous roll call vote.

Accountant Voigt presented MCO Invoices #15817, #15853 and #15850 in the amounts of \$118,202.79, \$429.35 and \$146.33. After discussion, motion made by Commissioner Dale Youngquist, seconded by Commissioner Kathy Bauer to approve for payment MCO Invoices #15817, #15853 and #15850 and to pay the invoices after October 1, 2011. Motion carried unanimously.

Accountant Voigt presented the Accountants Report and Cash Flow Projection for the month of August. MCO generated \$6,700 in income to the Commission in August. After discussion,

motion made by Commissioner Dale Youngquist, seconded by Commissioner Raymond Zielinski to accept the Accountants Report for August. Motion carried unanimously.

Accountant Voigt presented for payment McMAHON invoices #46387, #46393 and #46084 in the amounts of \$880.00, \$67,000.00 and \$84.45. After discussion, motion made by Commissioner, Dale Youngquist seconded by Commissioner Tim Hamblin to approve for payment invoices #46387, #46393 and #46084. Motion carried unanimously.

Operations, Engineering, Planning

Manager Much presented and discussed the operating report for the month of August 2011. The plant is working well. Manager Much reported on information received from the Municipal Environmental Group (MEG) and regulatory issues involving the phosphorous regulations. This item is no longer on hold. The TMDL is projected to be sent to the EPA this fall for approval. This is a developing issue that needs to be kept track of. Manager Much estimates we are five plus year out before the phosphorous regulations would take effect. Manager Much reported the Algae pilot unit is in the design phase, we need to keep the phosphorous issue in mind. The DNR received a letter from the EPA discussing issues with the DNR and the handling of the program including blending issues. If we can no longer continue to blend we will be looking at serious dollars to handle the excessive flows. Manager Much reported the methane engine is running. After discussion, motion made by Commissioner Dale Youngquist, seconded by Commissioner Kathy Bauer to accept the operating report for the month of August 2011. Motion carried unanimously.

Tom Kispert discussed the engineering agreement for the Biosolids Storage Building and the engineering agreement for the WWTF Equipment Procurement. Commissioner Tim Hamblin questioned Frederickson Engineering in the Biosolids Storage Building agreement. Tom responded they will be used as a sub consultant for the HVAC portion of the building. They have been used before by McMahon when the HVAC in the laboratory was modified. After discussion, motion by Commissioner Dale Youngquist, seconded by Commissioner Kathy Bauer to approve the engineering agreement for the Biosolids Storage Building with McMahon Associates and the engineering agreement for the WWTF Equipment Procurement with McMahon Associates. Motion carried unanimously.

Tom Kispert updated the Commission on the facilities upgrade project. Plans and specs will be sent to the DNR this week for the equipment procurement. There is a bid opening Friday September 30 for the biosolids storage building. On October 12 there will be a pre-bid qualification; and a bid opening on October 27 for the equipment procurement. There should be a special meeting on November 10 to award the contracts. Tom reported there will be 18 pieces of equipment that will be bid. Commissioner Tim Hamblin questioned if manufacturers can bid on more than one piece of equipment. Tom answered yes, and a bidder can offer deducts for being awarded more than one item. After discussion, motion by Commissioner Dale Youngquist, seconded by Commissioner Kathy Bauer to proceed with the equipment procurement bidding process of holding a pre-bid qualification on October 12, bid opening on October 27 and special meeting on November 10 to award contracts as discussed. Motion carried unanimously. Commissioner Tim Hamblin questioned if the committee would need to be in attendance for the bid opening; Tom responded they can if they wish. Tom further explained how the bid opening

process would occur; the envelopes are opened and read aloud with the dollar amount recorded. Commissioner Mike Sambs questioned if it is for equipment and labor. Tom reported it is for the equipment only; the labor will be part of the design cost.

Tom Kispert discussed the Controls & SCADA. The drawings are being designed and developed on the current system; specifications are being developed for equipment to be dovetailed together.

Tom Kispert discussed the GIS based work order system. The work order portion of the project is 90% complete; the web server needs to be ordered and setup.

Chad Olsen distributed: a Mike King written article based on the DNR press release for the biosolids storage facility; a copy of the storage building design; and a bid sheet for the bid opening. The Mike King article was published on September 23, there have been some concerns raised by Town of Greenville residents. Building design – Department of Commerce approved; Commissioner Tim Hamblin questioned the landscape portion, this was further discussed. Bid Sheet – The bid sheet was reviewed and the alternative bid options 1, 2, and 3. There is a bid addendum that adds alternate 4. The bidding was advertised on September 9. Manager Much reported on another issue to be dealt with; a loader will need to be purchased to handle the biosolids. Used loaders are being looked at in the \$100,000 to \$150,000 range; the size of the loader was further discussed. Commissioner Tim Hamblin questioned the pond inflow and outflow elevations on the building design; Chad addressed the concerns. Chad discussed the need for the October 5 Special Meeting to award the contract. After discussion, motion made by Commissioner Dale Youngquist, seconded by Commissioner Raymond Zielinski to hold a Special Meeting on Wednesday October 5 at 8:00 am for the purpose of awarding the contract for the Biosolids Storage Building. Motion carried unanimously. Chad further reported the Town of Greenville and Gerry Novotny (DNR) have received calls of concern regarding the storage building. The Town is looking at a meeting on October 5 at 6:00 p.m. to discuss the concerns being raised by citizens. Attorney John Thiel recommends the Communication Committee should attend. This was further discussed; the committee members indicated a Thursday October 6 meeting would be preferred. Contact with the Town of Greenville will be made expressing this date. It was the consensus that Dale Youngquist, William Zelinski, Manager Randy Much, Attorney John Thiel, and Chad Olsen should attend.

Old Business

Sewer Ownership. Commissioner Kathy Bauer reported she emailed the Menasha City Attorney on this issue. No response was received.

Biosolids. Attorney John Thiel reported he has drafted a contract for hauling biosolids to the landfill until the storage building is completed. Commissioner Tim Hamblin questioned if we have received permission to haul our biosolids to the landfill. It was reported all the paperwork has been submitted and a load was hauled to the landfill. We are waiting for the approval. Attorney John Thiel reported we have signed copies of the Ground Lease and Hauling, Storage, and Spreading contracts. Motion made by Commissioner Dale Youngquist, seconded by Commissioner Kathy Bauer to accept the signed agreements. Motion carried unanimously.


Motion made by Commissioner Tim Hamblin, seconded by Commissioner Raymond Zielinski 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 and an October 4, 2011 federal court ordered mediation session in Milwaukee. Also, pursuant to Wis. Stats. § 19.85(1)(e), convene in closed session to discuss the status of the members' announced choices on financing the Sewer Plant Project and discuss strategy concerning the Contracted Industrial User as it affects the financing of the Sewer Plant Project and this involves the investment and spending of public funds and competitive and bargaining reasons require a closed session to discuss such strategy to vendors to best serve the public interest. Motion carried unanimously by Commissioners Raymond Zielinski, Dale Youngquist, Kathy Bauer, Tim Hamblin, Mike Sambs, Gordon Falck. Meeting convened into closed session at 9:24 am.

After discussions, motion made by Commissioner Gordon Falck, seconded by Commissioner Dale Youngquist to adjourn the closed session and return in regular open session. Motion carried unanimously by Commissioners Raymond Zielinski, Dale Youngquist, Kathy Bauer, Tim Hamblin, Mike Sambs, Gordon Falck. The Commission returned to Regular open session at 10:28 am.

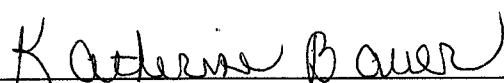
Vouchers

Motion made by Commissioner Raymond Zielinski, seconded by Commissioner Dale Youngquist to approve operating and payroll fund vouchers #132522 through #132584 in the amount of \$479,359.21 for the month of August 2011. Motion carried unanimously.

Motion made by Commissioner Tim Hamblin, seconded by Commissioner Kathy Bauer to adjourn the meeting. Motion carried unanimously. Meeting adjourned at 10:29 a.m.



President



Secretary

THE NEXT REGULAR MEETING IS SCHEDULED FOR TUESDAY October 25th, 2011.