

**MINUTES OF THE NEENAH WATER WORKS COMMISSION
AND
STORM WATER CITIZEN ADVISORY BOARD MEETING**
Regular Meeting – July 18, 2022
Council Chambers – City Hall

Present: President Schmeichel; Commissioners: J. Lang, F. Lang, Boyette, and Bauman; and Director Mach

Also Present: Deputy Finance Director Kahl and Accounting Clerk Vandertie

Excused: None.

President Schmeichel called the meeting to order at 4:31 p.m.

Approve Special Meeting Minutes for June 27, 2022 – Following discussion, **M.S.C. Boyette/Bauman to approve the June 27, 2022 Special Meeting Minutes.** All voting aye.

Approve the Invoices for June 2022 – Commissioners asked about the cash balance as of the end of June, 2022 and the distribution for the Debt Service Reserve. Deputy Director Kahl explained that the movement of cash into longer term investments caused the cash balance to be lower than expected. In addition, Director Mach noted that 2022 contract pay requests were received and processed earlier than they have been in earlier years. The Reserve Accounts are invested in the LGIP and are available if needed. Regular contributions to the Debt Service Reserve are made to separately account for the reserve requirements.

Following discussion, **M.S.C. Boyette/F. Lang to approve the June 2022 invoices.** All voting aye.

Appearances – None.

Old Business/New Business

Financial Reports – Deputy Director of Finance Kahl and Accounting Clerk Vandertie present the Six-Month Financial Reports. Commissioners asked about the cash movement into Long Term Investments, valuation of Chemical Inventory, PILOT plant valuation, and the non-budgeted line items and 2021 line items listed on the 2022 Construction Work in Progress (CWIP). Deputy Director Kahl noted that Director of Finance Easker moves cash into LGIP or longer-term investments in order to maximize the amount of interest received. The Chemical Inventory is valued as price paid vs. current price (no appreciation in value). Payment in Lieu of Taxes (PILOT) is calculated yearly and based upon the total depreciated value of the plant and distribution system. Non-budgeted items on the 2022 CWIP are projects-which have been approved separately via Commission action or items in which the Utility is involved, but will not require any significant expense. The “2021” prefix for items on this list are items which were budgeted for in 2021, but in which expenses were incurred in 2022. The negative balance for the Industrial Tower Solar System is a rebate received from Focus on Energy.

Following discussion, **M.S.C. Boyette/F. Lang to accept and place on file the Financial Reports.** All voting aye.

Award Chemical Bid for Sodium Hypochlorite – Director Mach presented the bid tab for Sodium Hypochlorite. The low bid was received by Hydrite Chemical for \$0.235/lb. Commissioners asked Director Mach what the additional cost is estimated to be for the remainder of the year, assuming the price remains steady. Director Mach estimated that the Utility will pay approximately \$10,000 more for this chemical in 2022. Director Mach noted that this price is only in effect for one quarter beginning July 1, 2022.

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Following discussion, **M.S.C. F. Lang/Bauman to award the chemical bid of \$0.235/lb for Sodium Hypochlorite to Hydrite Chemical Company.** All voting aye.

Benchmark Report – Director Mach presented the Benchmark Report for 2021. The amount of water main breaks and service leaks remained fairly steady year over year. Peak and average day pumpage along with water sales showed a slight increase in 2021 – likely due to the lack of travel and increased working from home during the COVID-19 pandemic. As debt is retired, the total assets to debt ratio is showing a marked increase. The Utility is experiencing an increase in non-revenue water and water loss. Staff are focusing more resources on leak detection throughout the City. Director Mach noted that older data can be unreliable and the perceived trending may or may not be reliable.

Following discussion, **M.S.C. Boyette/Bauman to accept and place on file the Benchmark Report.** All voting aye.

Approve Pay Request No. 1, Contract 1-22W, Removal and Disposal of Lime Sludge – Director Mach presented a memo with the progress of the lagoon excavation. The Contractor is 50% complete and no complaints were received. Overall, staff are pleased with the progress. Commissioners asked about the cost vs. the amount accumulated in the Sludge Lagoon Reserve Account. Director Mach noted that previous Commission action decreased the monthly allocation to this account as there was ample funding for several years' worth of Lagoon cleanouts. In addition, this pay request includes a retainage which will be paid upon completion of the contract. The Utility has retained the services of a surveyor who will survey the empty lagoon and calculate the actual amount removed. This amount will be used to calculate the final payment.

Following discussion, **M.S.C. Boyette/F. Lang to approve Pay Request No. 1, Contract 1-22W, Removal and Disposal of Lime Sludge to Calnin & Goss, Inc., Appleton, WI, in the amount of \$207,616.80.** All voting aye.

Award Purchase of 1-Ton Extended Cab Pickup Truck With J-Model Service Body – Director Mach presented the bids for the replacement of the existing GMC Sierra 3500 "Leak Truck." The only manufacturer taking orders was Ford and there was only one bid received. The bid was offered as a base bid for the cost of the truck with an alternate bid to include the trade-in of the existing GMC Sierra 3500. If ordered in July, the planned delivery date of this truck is June of 2023. Staff will maintain the existing vehicle until delivery.

Following discussion, **M.S.C. Boyette/J. Lang to award the alternate bid for a total of \$52,415.00 to Ewald's Hartford Ford for a 2023 Ford F-350 Extended Cab Pickup Truck with a J-Model Service Body including the trade-in of the existing 2015 GMC 3500.** All voting aye.

Discussion and Possible Action for Mentoring Program – Director Mach presented the Neenah Water Utility Training / Mentoring Program for Commission consideration. He noted that mentoring programs are very common in the teaching and protective service professions. The program has mechanisms for recognizing success. Commissioners asked about the process for selecting mentors and who will be responsible for evaluating success. Director Mach explained that there were no specific requirements, but mentors will be selected by management. Success will be measured by managers that will "grade" mentees on their proficiencies. Goals are laid out in the program. Currently, only the goals for a Relief Operator are listed. However, more positions will be added into the program in the future. Commissioners requested that Director Mach develop a concrete process for selecting mentors and identify those responsible with evaluating success, but wished to approve the program in order to implement it.

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Following discussion, **M.S.C. F. Lang/Boyette to approve and implement the Neenah Water Utility Training / Mentoring Program and direct Director Mach to develop a concrete process for selecting mentors and identify those responsible with evaluating success.** All voting aye.

Approve Contracting with an Engineering Firm for the Construction of a Booster Station – Director Mach presented a memo with details of the responses to the Request for Proposal. The RFP was sent to ten firms and the Utility received three proposals. Staff reviewed the proposals and made the recommendation to the Commission to select McMahon Associates. McMahon offered the best mix of offerings, including a straightforward process with flexibility in the pricing model.

Following discussion, **M.S.C. Boyette/F. Lang to approve the proposal from McMahon Associates to provide engineering services for the construction of a Booster Station.** All voting aye.

Storm Water Report – Director Mach explained the current progress of the Harrison Street Pond and brief update on the status of the 5-year CIP for the Storm Water Utility.

Following discussion, **M.S.C. Boyette/Bauman to accept and place on file the Storm Water Report.** All voting aye.

Director's Report –

1. Water Loss Report – Staff are currently listening on valves and hydrants throughout the City.
2. The Utility would like to welcome Josh Preissner as our new Relief Operator – Commissioners welcomed Mr. Preissner and wished him well.
3. Solar installation update – June is the second month where the system generated more electricity than the tower consumed. Net additional generation was 744 kWh.
4. Private lead service line replacement funding update – Additional contract language is being developed in order to satisfy state and federal funding requirements.
5. The next regular Waterworks Commission meeting is scheduled for August 15, 2022.

Following discussion, **M.S.C. Boyette/Bauman to accept and place on file the Director's Report.** All voting aye.

Any Other Business That May Legally Come Before the Commission – None.

Adjournment – **M.S.C. Boyette/Bauman to adjourn at 6:16 p.m.** All voting aye.

Respectfully submitted,



Anthony L. Mach
Director, Neenah Water Utility