

**MINUTES OF THE NEENAH WATER WORKS COMMISSION
AND
STORM WATER CITIZEN ADVISORY BOARD MEETING**
Regular Meeting – September 19, 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

Excused: None.

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

Approve Meeting Minutes for August 15, 2022 – Following discussion, **M.S.C. J. Lang/Boyette to approve the August 15, 2022 Meeting Minutes.** All voting aye.

Approve the Invoices for August 2022 – Commissioners asked about the charges and invoices from eBay, Inc., Employer Solutions, Inc., and Hydrite Chemical Company. Director Mach explained that our staff repairs variable frequency drives (VFDs) and parts are often obtained via eBay. Employer Solutions provides DOT mandated drug testing for staff members who hold a CDL. Commissioners asked if the Utility was in good shape with regards to chemical supplies in response to the possible railroad strike. Director Mach noted that Ferric Sulfate was on order and Sodium Hypochlorite would be ordered soon if there was a threat of supply interruption.

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

Appearances – None.

Old Business/New Business

Request to Participate in the PFAS Cost Recovery Program – Director Mach presented a brief memo detailing the offer to participate in the program offered by Napoli Shkolnik, PLLC. This firm has been engaged by the Wisconsin Rural Water Association and the National Rural Water Association to proceed with representing utilities in a lawsuit against manufacturers of PFAS-related compounds. Commissioners were concerned about any out of pocket costs that may be incurred and if joining the program precludes the Utility from pursuing any other cost recovery methods. Director Mach explained that he presented the retainer to City Attorney Rashid for review and Mr. Rashid found no major issues with it. In consultation with other Utilities, some are joining, but some are not.

Following discussion, **M.S.C. Boyette/F. Lang to give authorization to Director Mach to register the Utility with the Wisconsin PFAS Cost Recovery Program.** All voting aye.

Award Chemical Bid for Sodium Hypochlorite – Director Mach presented the bids for Sodium Hypochlorite for the final quarter of 2022. There were two bids received. The lowest overall bid for loads over 3,000 gallons is \$0.26/lb as provided by Hydrite Chemical Company.

Following discussion, **M.S.C. Boyette/Schmeichel to award the bid of \$0.26/lb for Sodium Hypochlorite for the Fourth Quarter of 2022 to Hydrite Chemical Company.** All voting aye.

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Presentation of Revenue and Expense Projections – Deputy Finance Director Kahl and Director Mach presented two cash flow projections. One projection included \$2M of borrowing while the other included \$3M of borrowing. If the Utility continues with projected CIP expenditures, there will be a negative cash balance at the end of 2023. In order to provide the most financial flexibility, Deputy Director Kahl and Director Mach suggested borrowing \$3M in late 2022 or early 2023. Commissioners asked about the health of the Reserve Accounts. Director Mach explained that the accounts were healthy, but the projections indicated overfunding in some cases (ie. Tower Painting) after 2023. Reallocations can be brought forward to the Commission in future meetings to correct this. The funding and usage on the Sludge Lagoon account appears to be in line with expectations. Director Mach also informed the Commission that GAC media – and carbon products in general – are extremely difficult to obtain. This may necessitate waiting for another year to rehabilitate the GAC filtration units.

Following discussion, **M.S.C. J. Lang/Bauman to request Director Mach work with Finance Director Easker and Deputy Director of Finance Kahl to develop terms for borrowing of funds from the City.** All voting aye.

Director's Report –

1. Water Loss Report – Loss percentage continues to be high. Staff are continuing leak detection activities.
2. Solar installation update – The photovoltaic array continues to perform satisfactorily. Director Mach noted that he will include the output spreadsheet with the minutes.
3. Private lead service line replacement funding update – Once signed and approved, the contracts will be sent to the DNR for approval.
4. Discussion of pipe cutting safety and equipment – One of the Utility staff members was injured when a cutoff saw kicked back. As safety is always one of our top priorities, staff are looking into alternative cutting technologies.
5. The next regular Waterworks Commission meeting is scheduled for October 17, 2022.

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

Storm Water Report – Director Mach presented an update on the Harrison Street Pond.

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

Closed Session – **M.S.C. Boyette/Bauman to convene into closed session pursuant to Wis. Stats §19.85 (1)(e) for deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session in order to discuss negotiations relating to a proposal for alternative water metering technologies; and to continue in closed session pursuant to Wis. Stats §19.85 (1)(e) for considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility.** All voting aye.

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Adjournment – There being no further business, **M.S.C. Boyette/Bauman to adjourn in closed session at 6:12 p.m.** All voting aye.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Anthony L. Mach', written in a cursive style.

Anthony L. Mach
Director, Neenah Water Utility

Neenah Water Utility - Industrial Tower Solar Array

Full Months in Operation	Dates			Usage (kWh)			Solar Array Output (kWh)			Generation (kWh) [\$0.1324/kWh Usage + \$0.0425/kWh Excess Gen. - Meter Fees]	
	From	To	Days	In Reading	Out Reading	Usage	In Reading	Out Reading	Generation	Net Usage (Generation)	Estimated Net Savings + Surplus
	12/13/2021	12/22/2021	8	65710	66027	317	0	111	111	206	\$ 14.19
1	12/22/2021	1/24/2022	33	66027	67607	1580	111	730	619	961	\$ 79.83
2	1/24/2022	2/23/2022	30	67607	69322	1715	730	1427	697	1018	\$ 90.32
3	2/23/2022	3/24/2022	29	69322	70886	1564	1427	2424	997	567	\$ 130.02
4	3/24/2022	4/23/2022	30	70886	72295	1409	2424	3328	904	505	\$ 117.67
5	4/23/2022	5/24/2022	31	72295	73281	986	3328	4576	1248	(262)	\$ 139.57
6	5/24/2022	6/24/2022	31	73281	73902	621	4576	5941	1365	(744)	\$ 111.80
7	6/24/2022	7/23/2022	29	73902	74477	575	5941	7226	1285	(710)	\$ 104.39
8	7/23/2022	8/23/2022	31	74477	75079	602	7226	8545	1319	(717)	\$ 108.14
						9369			8545	824	\$ 895.92

Number of Full Months in Operation 8
 Cost of System (Less Incentives) \$ 10,183.00
 Projected Payback (Years) 7.58

NEENAH WATER UTILITY

CASH FLOW PROJECTIONS WITH THE INCLUSION OF \$2M BORROWING

	2022 Est.	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Operating Revenue	8,120,000	8,201,200	8,283,212	8,366,044	8,449,705	8,534,202	8,619,544	8,705,739	8,792,796	8,880,724	8,969,532
Operating Costs	(920,000)	(947,600)	(976,028)	(1,005,309)	(1,035,468)	(1,066,532)	(1,098,528)	(1,131,484)	(1,165,428)	(1,200,391)	(1,236,403)
Payroll/Benefits	(1,777,000)	(1,830,310)	(1,885,219)	(1,941,776)	(2,000,029)	(2,060,030)	(2,121,831)	(2,185,486)	(2,251,050)	(2,318,582)	(2,388,139)
PILOT	(983,000)	(1,002,660)	(1,022,713)	(1,043,167)	(1,064,031)	(1,085,311)	(1,107,018)	(1,129,158)	(1,151,741)	(1,174,776)	(1,198,272)
Sludge Lagoon	(415,000)		(456,500)		(502,150)		(552,365)		(607,602)		(668,362)
Vehicle Purchases		(175,000)	(35,000)		(40,000)	(40,000)	(40,000)	(45,000)			
Tower Painting		(520,000)									
Hydrant Painting		(30,000)	(20,000)	(20,000)	(20,000)						
GAC Media Replacement		(265,000)	(265,000)								
Pump Rehab		(62,000)	(62,000)	(62,000)							
CIP	(3,049,000)	(4,487,000)	(3,562,000)	(1,943,000)	(1,556,000)	(1,800,000)	(1,800,000)	(1,800,000)	(1,800,000)	(1,800,000)	(1,800,000)
Investments Purchased	(1,250,000)	-	-	-	-	-	-	-	-	-	-
Investments Matured	-	250,000	-	750,000	750,000	500,000	250,000	-	-	-	-
Debt Service Payments	(1,799,230)	(1,801,980)	(1,804,630)	(706,300)	(108,150)	-	-	-	-	-	-
Reserve Account Adds	(420,000)	(420,000)	(420,000)	(420,000)	(420,000)	(420,000)	(420,000)	(420,000)	(420,000)	(420,000)	(420,000)
Reserve Accounts Used	415,000	1,052,000	838,500	82,000	562,150	40,000	592,365	45,000	607,602	-	668,362
Net Cash Outflow	(2,078,230)	(2,038,350)	(1,387,379)	2,056,492	3,016,026	2,602,328	2,322,167	2,039,611	2,004,576	1,966,975	1,926,718
Available Cash, Jan. 1	3,230,000	1,151,770	(886,580)	(2,273,959)	(217,467)	2,798,560	5,400,888	7,723,055	9,762,666	11,767,242	13,734,218
Available Cash, Dec. 31	1,151,770	(886,580)	(2,273,959)	(217,467)	2,798,560	5,400,888	7,723,055	9,762,666	11,767,242	13,734,218	15,660,935
Additional Borrowing	-	2,000,000	-	-	-	-	-	-	-	-	-
Additional Debt Service	-	(221,660)	(221,660)	(221,660)	(221,660)	(221,660)	(221,660)	(221,660)	(221,660)	(221,660)	(221,660)
Available Cash, Jan. 1	3,230,000	1,151,770	891,760	(717,279)	1,117,553	3,911,920	6,292,588	8,393,095	10,211,046	11,993,962	13,739,278
Available Cash, Dec. 31	1,151,770	891,760	(717,279)	1,117,553	3,911,920	6,292,588	8,393,095	10,211,046	11,993,962	13,739,278	15,444,335
Sludge Lagoon	1,926,750	2,106,750	1,830,250	2,010,250	1,688,100	1,868,100	1,495,735	1,675,735	1,248,134	1,428,134	939,772
Vehicle Purchases	193,050	54,050	55,050	91,050	87,050	83,050	79,050	70,050	106,050	142,050	178,050
Tower Painting	541,500	171,500	321,500	471,500	621,500	771,500	921,500	1,071,500	1,221,500	1,371,500	1,521,500
Hydrant Painting	64,000	40,000	26,000	12,000	(2,000)	4,000	10,000	16,000	22,000	28,000	34,000
GAC Media Replacement	530,000	265,000	-	-	-	-	-	-	-	-	-
Pump Rehab	64,000	50,000	36,000	22,000	70,000	118,000	166,000	214,000	262,000	310,000	358,000

NEENAH WATER UTILITY

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Operating Costs	(920,000)	(947,600)	(976,028)	(1,005,309)	(1,035,468)	(1,066,532)	(1,098,528)	(1,131,484)	(1,165,428)	(1,200,391)	(1,236,403)
Payroll/Benefits	(1,777,000)	(1,830,310)	(1,885,219)	(1,941,776)	(2,000,029)	(2,060,030)	(2,121,831)	(2,185,486)	(2,251,050)	(2,318,582)	(2,388,139)
PILOT	(983,000)	(1,002,660)	(1,022,713)	(1,043,167)	(1,064,031)	(1,085,311)	(1,107,018)	(1,129,158)	(1,151,741)	(1,174,776)	(1,198,272)
Sludge Lagoon	(415,000)		(456,500)		(502,150)		(552,365)		(607,602)		(668,362)
Vehicle Purchases		(175,000)	(35,000)		(40,000)	(40,000)	(40,000)	(45,000)			
Tower Painting		(520,000)									
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GAC Media Replacement		(265,000)	(265,000)								
Pump Rehab		(62,000)	(62,000)	(62,000)							
CIP	(3,049,000)	(4,487,000)	(3,562,000)	(1,943,000)	(1,556,000)	(1,800,000)	(1,800,000)	(1,800,000)	(1,800,000)	(1,800,000)	(1,800,000)
Investments Purchased	(1,250,000)	-	-	-	-	-	-	-	-	-	-
Investments Matured	-	250,000	-	750,000	750,000	500,000	250,000	-	-	-	-
Debt Service Payments	(1,799,230)	(1,801,980)	(1,804,630)	(706,300)	(108,150)	-	-	-	-	-	-
Reserve Account Adds	(420,000)	(420,000)	(420,000)	(420,000)	(420,000)	(420,000)	(420,000)	(420,000)	(420,000)	(420,000)	(420,000)
Reserve Accounts Used	415,000	1,052,000	838,500	82,000	562,150	40,000	592,365	45,000	607,602	-	668,362
Net Cash Outflow	(2,078,230)	(2,038,350)	(1,387,379)	2,056,492	3,016,026	2,602,328	2,322,167	2,039,611	2,004,576	1,966,975	1,926,718
Available Cash, Jan. 1	3,230,000	1,151,770	(886,580)	(2,273,959)	(217,467)	2,798,560	5,400,888	7,723,055	9,762,666	11,767,242	13,734,218
Available Cash, Dec. 31	1,151,770	(886,580)	(2,273,959)	(217,467)	2,798,560	5,400,888	7,723,055	9,762,666	11,767,242	13,734,218	15,660,935
Additional Borrowing	-	3,000,000	-	-	-	-	-	-	-	-	-
Additional Debt Service	-	(332,490)	(332,490)	(332,490)	(332,490)	(332,490)	(332,490)	(332,490)	(332,490)	(332,490)	(332,490)
Available Cash, Jan. 1	3,230,000	1,151,770	1,780,930	61,062	1,785,063	4,468,600	6,738,438	8,728,115	10,435,236	12,107,322	13,741,808
Available Cash, Dec. 31	1,151,770	1,780,930	61,062	1,785,063	4,468,600	6,738,438	8,728,115	10,435,236	12,107,322	13,741,808	15,336,035
Sludge Lagoon	1,926,750	2,106,750	1,830,250	2,010,250	1,688,100	1,868,100	1,495,735	1,675,735	1,248,134	1,428,134	939,772
Vehicle Purchases	193,050	54,050	55,050	91,050	87,050	83,050	79,050	70,050	106,050	142,050	178,050
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GAC Media Replacement	530,000	265,000	-	-	-	-	-	-	-	-	-
Pump Rehab	64,000	50,000	36,000	22,000	70,000	118,000	166,000	214,000	262,000	310,000	358,000