

**MINUTES OF THE NEENAH WATER WORKS COMMISSION
AND
STORM WATER CITIZEN ADVISORY BOARD MEETING**
Regular Meeting – November 21, 2022
Council Chambers – City Hall

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

Also Present: Deputy Director of Finance Kahl

Excused: None.

President Schmeichel called the meeting to order at 4:28 p.m.

Approve Meeting Minutes for October 17, 2022 – Following discussion, **M.S.C. Bauman/Boyette to approve the October 17, 2022 Meeting Minutes**. All voting aye.

Approve the Invoices for October 2022 – Commissioners asked about the generator repair charges from Fabick Cat. Director Mach explained that the generator required part replacements and repairs. At the time of service, there was a coolant leak, fuel line injector grommets were broken, the air filter housing needed repair, heater relays were burnt, oil lines were leaking, and the fan guard was loose. In addition, the starter batteries needed replacing and the radiator needed cleaning. As this is a critical part of our operation, the repairs and replacements were necessary.

Following discussion, **M.S.C. Bauman/Boyette to approve the October 2022 invoices**. All voting aye.

Appearances – Mr. William Pollnow introduced himself to the Commission. Mr. Pollnow wanted to express his disagreement with the borrowing of funds as the Utility was becoming nearly debt-free in 2025 and completely debt-free in 2026. He noted that the reserve accounts and cash balance were more than adequate to fund the projected CIP.

Old Business/New Business

Election of Commission Secretary – President Schmeichel called for nominations for Waterworks Commission Secretary and asked Director Mach for a few details regarding the role of Secretary. Director Mach noted that the Secretary customarily reviews the finances and invoices of the Utility and directs any questions to the Director. These items are then discussed at the following meeting. Commissioner Bauman nominated Commissioner Hemes and Commissioner Boyette seconded the nomination. Commissioner Hemes accepted the nomination. There were no further nominations.

Following discussion, **M.S.C. Bauman/Boyette to elect Commissioner Hemes as Secretary of the Waterworks Commission**. All voting aye.

Approve Borrowing of Funds from the City of Neenah for the Purpose of Funding CIP Items – Director Mach presented a memo detailing the request to borrow \$3M from the City in order to fund CIP items in 2023 and 2024. The CIP expenditures for these two years is especially high and Director Mach requested that former Finance Director Easker and Deputy Director of Finance Kahl work with him in order to ensure adequate funding. Commissioners expressed their concerns in that they wished the Utility could continue with no borrowing and become debt-free. Director Mach reminded the Commission that the cash flow projections indicated a negative cash position in 2023. While being debt-free may be attractive, it is not feasible to sustain this model. Cities, other utilities, and businesses

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in general operate with debt. Wise debt usage, especially when rates are low (in this situation), is the way to ensure adequate capital is available to fund current and future expenditures.

Following discussion, **M.S.C. Hemes/Schmeichel to give Director Mach authorization to borrow \$3,000,000 from the City of Neenah at 2% with a repayment term of 10-years.** Commissioners Schmeichel, J. Lang, Hemes, and Bauman voting aye; Commissioner Boyette voting nay. Motion carried 4 ayes -1 nay.

Award Chemical Bids for 2023 – Director Mach presented the bids for water treatment chemicals to be supplied to the Utility in 2023. The bid for Sodium Hypochlorite is only applicable for the first quarter of 2023 and rebidding for this chemical will need to be completed again for each subsequent quarter. The low bids were highlighted are these bids and suppliers are acceptable to the Utility.

Following discussion, **M.S.C. Bauman/Hemes to award all low bids received for chemicals purchased in 2023.** All voting aye.

Director's Report –

1. Water Loss Report – Staff continue leak detection efforts throughout the city. A number of larger leaks were discovered and repaired recently.
2. The following change orders were approved at the November 10, 2022 Board of Public Works meeting:
 - Change Order 1 Contract 11A-22 Water Service Replacement Reddin Avenue & Zemlock Avenue extending the completion deadline to April 30, 2023.
 - Change Order 1 Contract 11B-22 Water Service Replacement Hunt Avenue, Madison Street & Nicolet Boulevard extending the completion deadline to April 30, 2023
3. Solar installation update – The solar array continues to operate well. A representative from the PSC visited the site and was pleased with the installation.
4. Private lead service line replacement funding update – No updates.
5. The next regular Waterworks Commission meeting is scheduled for December 19, 2022.

Following discussion, **M.S.C. Hemes/Schmeichel 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 in at 5:28 p.m.** All voting aye.

Respectfully submitted,



Anthony L. Mach
Director, Neenah Water Utility