

GREEN BAY METROPOLITAN SEWERAGE DISTRICT
PROCEEDINGS OF THE COMMISSION

Regular meeting of the Commission held March 25, 2015.

PRESENT: Commissioners Hasselblad, Tumpach, Hoffmann, and Mainz (via telephone)

EXCUSED: Commissioner Blumreich

ALSO PRESENT: T. Sigmund, P. Kaster, P. Wescott, N. Qualls, B. Hafs, M. Diaz, B. Angoli, B. Brown, L. Sarau, B. Vander Loop, M. Erschnig, P. Smits, B. Oldenburg, J. Czynski, T. Garrison, T. Brown, M. Urbancic, J. Van Sistine, J. Nicks–Legal Counsel; J. Logan–Fox River Fiber

Commission President Hasselblad called the meeting to order at 8:30 a.m.

1) Safety moment.

T. Sigmund stated NEW Water's, the brand of the Green Bay Metropolitan Sewerage District, safety focus for March was defensive driving. He stated the greatest risk of death is while people are driving vehicles versus work injuries, so it is important to use defensive driving skills. Field Services and Maintenance employees attended a defensive driving class at Fox Valley Technical College.

2) Convene in closed session under State Statute 19.85 (1) (e) for the purpose of 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:

a) Brown County Household Hazardous Waste Facility Agreement

Motion #15-010

It was moved by Tumpach, seconded by Hoffmann, and unanimously agreed to convene in closed session under State Statute 19.85 (1) (e) for the purpose of 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.

3) Reconvene in open session.

Motion #15-011

It was moved by Tumpach, seconded by Hoffmann, and unanimously agreed to reconvene in open session.

Motion #15-012

It was moved by Hoffmann, seconded by Tumpach, and unanimously agreed to approve a five-year agreement with Brown County for funding of the Household Hazardous Waste Facility.

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

3/25/15
Cont'd

PROCEEDINGS OF THE COMMISSION

4) **Approval of minutes of Commission meeting held February 25, 2015.**

Motion #15-013

It was moved by Tumpach, seconded by Hasselblad, and unanimously agreed to approve the February 25, 2015 minutes as distributed.

6) **Request Commission approval to enter into an agreement with Arcadis U.S., Inc. for a Billing Program Design Project.**

B. Vander Loop reported this project is to design and implement a new customer billing program using the new billing methodology that was approved by the Commission at the October 2014 meeting. The new program is scheduled to be fully functional and produce the January 2016 invoice for wastewater service. He stated though Infinity Technology submitted the lowest cost proposal, it was evident during the interview process that Arcadis U.S., Inc. would provide the best technology-based project team with strong wastewater experience and computer design services. He stated Arcadis presented the best project approach due to its past project experience and its clear understanding of the project, which reduces project risk and timely delivery. He requested Commission approval to enter into an agreement with Arcadis for a Billing Program Design Project in the amount of \$150,000 and a 10% contingency of \$15,000 to be administered under the authority of the Executive Director for a total authorized amount of \$165,000.

Commissioner Hasselblad asked if staff felt the proposed cost by Arcadis was justified. B. Vander Loop replied yes.

Commissioner Hasselblad asked if step three, billing program user guide, would also be completed by Arcadis. B. Vander Loop replied yes. N. Qualls stated step three was included in this cost.

Commissioner Hoffmann asked if there will be annual maintenance fees going beyond the initial amount. B. Vander Loop replied no. J. Czynski stated NEW Water staff will maintain the program.

Commissioner Mainz asked if this billing program will be customized for NEW Water. B. Vander Loop replied yes.

Motion #15-014

It was moved by Hoffmann, seconded by Tumpach, and unanimously agreed to enter into an agreement with Arcadis U.S., Inc. for a Billing Program Design Project in the amount of \$150,000 and a 10% contingency of \$15,000 under the authority of the Executive Director for a total authorized amount of \$165,000.

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

3/25/15
Cont'd

PROCEEDINGS OF THE COMMISSION

5) January financials.

M. Diaz reported total operating revenues for the month of January were favorable to budget by \$255,000. Leading the favorable results were user fees and other revenues from the three cheese facilities for the special project for \$105,000. She reported total operating expenses for the month of January were favorable to budget by 10% or \$156,000, due to less expenditures than budgeted from chemicals, natural gas and fuel oil, contracted services, maintenance plant, and small tools. She stated net income for the month of January was \$515,000.

Commissioner Hasselblad asked how long NEW Water will receive septage from the three cheese facilities. B. Oldenburg replied that it will be based on rates, DNR requirements, and property for land application.

T. Sigmund stated due to the audit, the February financials will be provided to the Commission next week.

7) Request Commission approval to award the 2015 Green Bay Facility Mechanical Building Roof Replacement Project to Northern Metal & Roofing Co., Inc.

M. Erschnig stated the roof replacement project is for three smaller mechanical building roofs on the basin complex that have been in place with the same roofs since 1975. The roofs are starting to leak and the equipment in them is part of the MCC-B1/B1A Replacement Project. He stated requests for proposals (RFPs) were sent out and three proposals were received. He requested Commission approval to award the 2015 Green Bay Facility Mechanical Building Roof Replacement Project to Northern Metal & Roofing Co., Inc. in the amount of \$166,430 and a 5% contingency of \$8,322 under the authority of the Executive Director for a total project amount of \$174,752.

Commissioner Mainz asked if these are metal roofs. M. Erschnig replied they are flat built-up bituminous roofs.

Motion #15-015

It was moved by Mainz, seconded by Hoffmann, and unanimously agreed to award the 2015 Green Bay Facility Mechanical Building Roof Replacement Project to Northern Metal & Roofing Co., Inc. in the amount of \$166,430 and a 5% contingency of \$8,322 under the authority of the Executive Director for a total project amount of \$174,752.

8) Request Commission approval to enter into an agreement with Starboard Consulting for replacement of NEW Water's Computerized Maintenance Management System.

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

3/25/15
Cont'd

PROCEEDINGS OF THE COMMISSION

M. Erschnig stated a Computerized Maintenance Management System (CMMS) was developed in-house in the mid 1970s. In 1999 that system was replaced with the current MP2 system. He stated the newest machine that the MP2 system can run on is Windows XP and email notifications have to run on a Windows NT system, and there is no opportunity to upgrade it. NEW Water formed a team and hired a consultant to evaluate the current MP2 system and review the recommendation from the 2011 RBAM study to determine if a CMMS replacement project was necessary. RFPs were sent out to six qualified CMMS software application providers and five proposals were received. He stated a qualification based selection tool was used to score and rank each firm. He stated the team selected Maximo to be implemented by Starboard Consulting, who submitted the lowest cost proposal of the two companies representing Maximo. He stated Maximo was NEW Water's second choice back in 1999. He stated since that time Maximo was bought out by IBM so it has a lot of good support and an established program. The team looked at the 10-year cost of ownership of the program and Maximo ranked the best. Staff contacted the Knoxville Facility in Nevada that uses Maximo and received positive comments on Maximo and Starboard Consulting. He requested Commission approval to enter into an agreement with Starboard Consulting for replacement of NEW Water's CMMS in the amount of \$505,319 and a 10% contingency of \$50,500 under the authority of the Executive Director for a total authorized amount of \$555,819.

Motion #15-016

It was moved by Hoffmann, seconded by Mainz, and unanimously agreed to enter into an agreement with Starboard Consulting for replacement of NEW Water's Computerized Maintenance Management System in the amount of \$505,319 and a 10% contingency of \$50,500 under the authority of the Executive Director for a total authorized amount of \$555,819.

9) Request Commission approval to close out the West Tower Drive Interceptor Relocation Project 10-621 and issue final payment of \$40,574.65 to PTS Contractors, Inc.

B. Angoli reported this project began in August 2012. In March 2013 staff requested a \$1,000,000 contingency increase due to issues encountered under Highway 41. He stated an inspection was done in 2014 and a section of pipe was found to be in serious condition. Staff came back to the Commission to request an additional \$1,000,000 contingency for that work. He stated the work has been completed and staff is requesting to close out and issue final payment to PTS Contractors, Inc. He stated there was approximately \$1,900,000 in change orders and \$226,800 in bypass pumping costs for a total amount of \$8,778,850.82.

Commissioner Hasselblad stated NEW Water has a 90% reimbursement from the Wisconsin Department of Transportation (WDOT). She asked if the WDOT reimbursement includes the contract change orders and bypass pumping costs. B. Angoli replied that NEW Water has not received any information back from the WDOT. J. Nicks stated that this is going to be an uncertain area because of the circumstances. He stated NEW Water has the final costs and will meet with the WDOT.

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

3/25/15

Cont'd

PROCEEDINGS OF THE COMMISSION

Commissioner Mainz asked if there has been any discussion with Robert E. Lee on the claim. J. Nicks replied that everyone has been put on notice of the claim and the investigation continues.

Motion #15-017

It was moved by Hoffmann, seconded by Tumpach, and unanimously agreed to close out the West Tower Drive Interceptor Relocation Project 10-621 and issue final payment of \$40,574.65 to PTS Contractors, Inc.

- 10) **Request Commission approval of Amendment No. 12 for CH2M HILL to provide bid and award services for the Resource Recovery and Electrical Energy Project – Contract 34 Digestion and Solids Facility.**

B. Angoli reported Amendment No. 12 will provide bid and award services for Contract 34. Staff is looking to advertise the project on April 6. He stated the services would include: provide the advertisements and notices to contractors, answer bidders' questions and requests for additional information, assist with pre-bid meeting, analyze bids received and recommend award of contract, and work with the contractor on initial work breakdown structure and construction schedule. He requested Commission approval for CH2M HILL to provide bid and award services in the amount of \$362,049.

Motion #15-018

It was moved by Mainz, seconded by Hoffmann, and unanimously agreed to approve Amendment No. 12 for CH2M HILL to provide bid and award services for the Resource Recovery and Electrical Energy Project – Contract 34 Digestion and Solids Facility in the amount of \$362,049 for a total authorized amount of \$12,111,398, which includes previously authorized contingency amount of \$901,325 under the authority of the Executive Director.

- 11) **Request Commission approval of Amendment No. 13 for the additional Nutrient Recovery design services for the Resource Recovery and Electrical Energy Project.**

B. Angoli reviewed the major impacts on the design of the nutrient recovery system. He stated when the Resource Recovery and Electrical Energy (R2E2) capital cost estimate was updated, an \$8,000,000 increase in the cost estimate was discovered. Work ceased on the nutrient recovery portion of the project until revisions could be made to reduce costs. This created design inefficiencies. He stated the design approach was modified due to a concern and a potential protest based on patent infringement was addressed. He stated the engineer is requesting additional money for the additional work required. He requested Commission approval to amend the scope of work in the amount of \$314,236.

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

3/25/15
Cont'd

PROCEEDINGS OF THE COMMISSION

Commissioner Hoffmann asked what checks and balances are in place since there was not a competitive proposal. B. Angoli replied CH2M HILL submitted its original costs and outlined the reasons for the additional costs. Staff reviewed the original costs, additional information, and requested further information. The information was then presented to the Executive Director and Director of Technical Services for their review. Staff has worked with CH2M HILL for two months to make sure NEW Water received a fair and reasonable price. T. Sigmund stated NEW Water has CH2M HILL's hourly rates for various staff, and NEW Water reviews the tasks to make sure it contains the appropriate amount of project management, technical and engineering staff. He stated since there was not a competitive proposal, NEW Water must use its experience in this situation. N. Qualls stated NEW Water had some actual billing costs and hours so staff could go back and look at actual hours spent on some of these tasks, and they did line up.

T. Sigmund stated in addition to the legal help on the nutrient recovery system, CH2M HILL provided a lot of technical support and expertise on the patent issue.

Motion #15-019

It was moved by Hoffmann, seconded by Tumpach, and unanimously agreed to approve Amendment No. 13 for the additional Nutrient Recovery design services for the Resource Recovery and Electrical Energy Project in the amount of \$314,236 for a total authorized amount of \$12,425,634, which includes the previously authorized contingency amount of \$901,325 under the authority of the Executive Director.

12) Request Commission approval to increase the contingency amount for the Green Bay Facility Disinfection System Upgrades Project design services.

L. Sarau stated the Commission approved an agreement with Strand Associates in October 2014 for design services for the Green Bay Facility Disinfection System Upgrades Project. She stated at that time a 15% contingency was requested because the project contained several unknowns that would not be uncovered until further inspection was done on the system. During the code review and condition assessment of the project, Strand noted several issues to be resolved. She stated the first item was improved emergency eyewashes and showers in order to provide tepid water so users could complete the full 15-minute drench period. The second issue was HVAC improvements in the dechlorination building for the fire protection system. She stated the fire protection system has been turned off during winter months, since the chemical is drained from the building. According to code, the fire protection system must stay on. She stated improvements will be made to the HVAC so the pipes do not freeze in the winter. The original contingency was \$24,756 and the amendment for these two items is \$28,400 for a difference of \$3,644. Staff would like to add an additional 5% contingency of \$8,252 to cover any other unexpected design changes. She requested Commission approval to increase the contingency amount by \$11,896 to be administered under the authority of the Executive Director for a total project amount of \$201,696.

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

3/25/15
Cont'd

PROCEEDINGS OF THE COMMISSION

Motion #15-020

It was moved by Hoffmann, seconded by Tumpach, and unanimously agreed to increase the contingency amount for the Green Bay Facility Disinfection System Upgrades Project design services by \$11,896 to be administered under the authority of the Executive Director for a total authorized project amount of \$201,696.

13) **2014 significant noncompliance summary and pretreatment update.**

B. Oldenburg reported there were two Significant Industrial Users (SIUs) over three different violations that were in significant noncompliance in 2014, and will be published in the Green Bay Press-Gazette. One SIU's sample point has gone to zero because it is tanking and shipping wastewater, and the other SIU is considering tanking and shipping or installing a pretreatment system. He reported there were two Notices of Violation (NOV) that occurred in the second half of 2014. One SIU had reporting issues and the other SIU had a pH issue. One SIU received a Notice of Noncompliance (NON).

Commissioner Hasselblad stated these are not punitive actions but rather collaborative to bring these facilities into compliance. B. Oldenburg replied yes. He stated that he has met with and also had several phone conversations with the SIUs. In 2014 NEW Water issued five NOVs and four NONs, which are down from the last few years.

Commissioner Hasselblad asked if the two facilities are aware of the publication. B. Oldenburg replied yes.

14) **2014 Industrial Achievement Awards.**

B. Oldenburg reported 19 SIUs qualified for the Silver Award and 13 SIUs qualified for the Gold Award for 2014. The certificates have been signed by the Commission President and Executive Director and will be mailed out today and the awards will be published in the Green Bay Press-Gazette within the next week. He stated next year there could be 11 SIUs that are eligible for the Platinum Award.

15) **Update of projects:**

a) **Resource Recovery and Electrical Energy (R2E2)**

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

3/25/15
Cont'd

PROCEEDINGS OF THE COMMISSION

B. Angoli reported six general, four mechanical, and four electrical contractors have been prequalified for the R2E2 Contract 34 Project. He stated two general contractors did not qualify because they do not have the wastewater experience required, and one mechanical contractor and one electrical contractor did not qualify because of safety requirements. Three third tier contractors have been reviewed and were accepted to bid to the general contractor. He stated the construction air permit was approved by the Wisconsin Department of Natural Resources (WDNR). He reported the nutrient design is through the 90% review and comments were provided back to keep everything on schedule. He stated approval of Contract 33 services during construction amendment for additional costs will be requested at the April Commission meeting.

b) Primary Switchgear and Utility Relocation (R2E2 – Contract 33)

B. Brown reported the storage building has been formally turned over to NEW Water. He stated fence installation around the south end of the Switchgear Building and demolition and site reconstruction work continues. He stated some communication issues and relay problems were exposed when testing the diesel generators with the new switchgear. NEW Water is working with the project team and design engineer to assure that the generators can be operated in all required modes before staff signs off on the functional testing. He stated employee training on the gear was conducted last week and training with instrumentation on the PLC will be conducted while additional sessions on instrumentation and HVAC are scheduled for next week. The project is on track for late April substantial completion.

c) MCC-B1/B1A Replacement

L. Sarau stated the MCC-B1 was delivered to the site on March 11, which was almost two weeks ahead of the anticipated date. She stated the contractor, Van Ert Electric Company, Inc., has modified its scheduled due to the early delivery of the MCC-B1 and anticipates the MCC-B1 will be installed and tested by April 8, which meets the milestone date of April 15. Photos were included in the Commission packet of the MCC-B1, new panelboard, and the New Programmable Logic Controller. She stated the MCC-E1 will be demolished. She stated work continues and is scheduled to be completed before the next reporting period.

Commissioner Hoffmann asked who the manufacturer of the PLC is. L. Sarau replied Rockwell.

16) Operation report:

a) Effluent quality for February

P. Wescott reported both facilities were in full compliance with effluent limits for February.

b) Air quality for February

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

3/25/15
Cont'd

PROCEEDINGS OF THE COMMISSION

P. Wescott reported there was one "Deviation Notification" submittal to the WDNR in February. He stated the bypass damper opened as a result of a loss of electrical power for the ID fan on Incinerator No. 1. The ID fan tripped out during a shutdown of the plant to switch off the new switchgear. He stated in Contract 33 the contractor identified a current transmitter on the new switchgear that required repair. The contractor needed the power switched over from the new switchgear to the old switchgear so the current transmitter could be repaired. During the shutdown another contractor in the emergency generator building landed a grounding wire, which tripped a breaker and caused the fan to trip out. Staff switched the plant over to the old switchgear, restarted everything, and closed the bypass damper. This event resulted in a rather lengthy deviation of approximately 21 minutes. He stated the transmitter has been fixed.

17) Executive Director's report:
a) April Commission meeting

The April Commission meeting will be held Wednesday, April 22, beginning at 8:30 a.m. Commissioner Hasselblad will not be present for that meeting.

b) NR101 Fees

Since NEW Water did not discharge at its permit limits, NEW Water saved \$545,000 in potential NR101 Fees last year, and the savings would be about the same for the last 10 years. The dedication and pursuit of excellence of staff in operating this facility has saved NEW Water customers money in electricity, chemicals, and fees paid to the DNR.

c) Umbrella limits for suspended solids and phosphorus

Staff met with the Cities of Green Bay and De Pere and DNR on March 6 on umbrella limits for suspended solids and phosphorus. There will be some follow up to see if it is a benefit for both municipalities and NEW Water.

d) Construction air permit

Attorneys from Godfrey & Kahn and a consultant did a lot of work on the construction air permit and NEW Water is very pleased to have it. NEW Water is working on getting an operating permit from EPA Region 5.

e) NACWA awards

NEW Water qualified for and submitted applications for the Platinum level award for the Green Bay Facility and the Gold level award for the De Pere Facility. Awards will be presented at the 2015 NACWA Summer meeting.

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

3/25/15

Cont'd

PROCEEDINGS OF THE COMMISSION

f) Executive Director's approval authority for R2E2 Project

Contract 34 construction project is estimated to be in the range of \$100,000,000 – \$110,000,000. Generally projects have a 5% contingency. Contract 34 would have a \$5,500,000 contingency, which would span over two to three years. The Executive Director's authority level is \$100,000 for all amendments. Some of the change orders on that project will be quite large, and staff would like to know how the Commission would like to handle these amendments. Staff will provide the Commission with additional information.

Commissioner Hasselblad stated that a change in the policy should be project specific and limited to this project because of the size. She asked staff to agenda this item.

Commissioner Mainz asked what the authority level is for other public works managers and Executive Directors. He also asked legal counsel if there are any issues with increasing the Executive Director's approval level. J. Nicks replied no, as long as it's within the contingency allocated to the Executive Director. He stated if the amount exceeds the contingency amount, it should go back to the Commission. T. Sigmund stated that he would follow up with other utilities on their authority level.

g) Insurance coverage renewal

NEW Water receives insurance renewal quotes every year from Arthur J. Gallagher & Co. for all insurance except for property damage insurance. The premium for the coming year is \$4,000 less than last year and there was a significant reduction in workers' compensation due to the mod factor. Staff will proceed with renewal of the insurance coverage.

h) Phosphorus Summit

Congressman Reid Ribble is hosting a Phosphorus Summit on April 1 from 7:30 – 11:30 a.m. at the Neville Museum. The DNR Secretary and Tom Sigmund have been asked to speak at the meeting.

There being no further business to come before the Commission, the meeting adjourned at 9:50 a.m.

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

Secretary