

**GREEN BAY METROPOLITAN SEWERAGE DISTRICT**  
**PROCEEDINGS OF THE COMMISSION**

Regular meeting of the Commission held July 27, 2017.

**PRESENT:** Commissioners Hasselblad, Blumreich, Mainz, Tumpach, and Hoffmann

**ALSO PRESENT:** T. Sigmund, P. Wescott, N. Qualls, B. Hafs, M. Diaz, B. Angoli, J. Czipinski, B. Settersten, P. Mentink, B. Bartel, T. Brown, J. Smudde, B. Oldenburg, B. Vander Loop, P. Smits, J. Maas, R. Krause; J. Nicks–Legal Counsel; K. Heimerman–Schenck, S.C.; M. Heckenlaible–City of Green Bay; C. Berndt–Village of Allouez

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

**1) Safety moment.**

T. Sigmund reported on safety tips for working around heavy equipment and crane operations.

**2) Introduce the new Computer Support Specialist, Ben Settersten.**

J. Czipinski introduced Ben Settersten, the new Computer Support Specialist for NEW Water, the brand of the Green Bay Metropolitan Sewerage District.

B. Settersten stated that he is excited to be here and has experience with computer support technologies from the Howard-Suamico School District, where he previously worked.

The Commission welcomed him.

**3) Approval of minutes of Commission meeting held June 28, 2017.**

**Motion #17-037**

It was moved by Blumreich, seconded by Mainz, and unanimously agreed to approve the June 28, 2017 minutes as distributed.

**4) June financials.**

M. Diaz introduced K. Heimerman, who will be providing the financial updates over the next few months.

M. Diaz reported total operating revenues for the month of June were favorable to budget by 10%. Year to date total operating revenues were favorable to budget by 8%. Leading the favorable results were user fees from higher precipitation received and other revenues from hauled waste from the three cheese facilities. She stated total operating expenses for the month of June were favorable to budget by 5%.

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M. Diaz reported year to date total operating expenses were favorable to budget by 8%. Leading the favorable results compared to budget were salaries and benefits of five unfilled positions as of June and less electricity used than budgeted. Net income for the month of June was \$664,000.

Commissioner Hasselblad asked if there was any indication of the hauled waste cheese facilities customers reducing their amount of waste to NEW Water, seeing as it contributes to approximately 46% of the hauled waste program revenue. B. Oldenburg replied no; however, hauled waste fluctuates significantly from year to year. M. Diaz concurred, stating monthly budget dollars vary considerably for hauled waste.

Commissioner Mainz asked who the hauled waste cheese facilities were. B. Oldenburg replied Belgioioso Cheese, who has three facilities that truck hauled waste to NEW Water.

Commission Mainz asked if these facilities were located within the City of Green Bay. B. Oldenburg replied no, the facilities are located throughout northeastern Wisconsin.

Commissioner Hasselblad asked if other sources of hauled waste from other cheese facilities were researched as potential revenue sources. B. Oldenburg replied more research will be done as part of the high strength waste program of the R2E2 Project. He stated the majority of the current hauled waste sources that come to NEW Water are due to cost, land application limitations or digester availability, which changes regularly.

**5) Request Commission approval to transfer \$5,958,975 from the General Reserve – Restricted to the General Reserve, transfer \$3,958,719.05 from the Debt Service Reserve to the R2E2 Project Reserve, and transfer \$600,000 from the Interceptor Cost Recovery Reserve to the General Reserve.**

M. Diaz stated a financial reserves workshop with the Commission was held on May 18, 2017. Based on that workshop, staff recommends the following three designated transfers:

- Transfer \$5,958,975 from the General Reserve – Restricted to the General Reserve for three activities: \$3,258,975 to extend the General Reserve from a 90-day to a 120-day target with a minimum of 70 days, \$800,000 to cover cash financing of expected repair of the Industrial Forcemain joints, and \$1,900,000 to cover cash financing of expected repair of Interplant Forcemain joints.
- Transfer \$3,958,719.05 from the Debt Service Reserve to the R2E2 Project Reserve for money that was over-collected from 2013 to 2016 for R2E2 Debt Service that will be used for cash financing of R2E2 Project capital expenses.

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- Transfer \$600,000 from the Interceptor Cost Recovery Reserve to the General Reserve to cover expected cash financing of improvements to the Scott-Bayshore Interceptor.

Commissioner Mainz asked if there were policies and procedures in place for such transfers. T. Sigmund replied yes, which staff will present at the August Commission meeting.

#### **Motion #17-038**

It was moved by Mainz, seconded by Blumreich, and unanimously agreed to transfer \$5,958,975 from the General Reserve – Restricted to the General Reserve, transfer \$3,958,719.05 from the Debt Service Reserve to the R2E2 Project Reserve, and transfer \$600,000 from the Interceptor Cost Recovery Reserve to the General Reserve.

#### **6) Request Commission approval to increase the contingency amount for Amendment No. 1 to Short Elliot Hendrickson's Agreement for the additional professional services by \$41,696.**

P. Mentink stated that on March 29, 2017, the Commission approved the Agreement for Professional Services with Short Elliot Hendrickson Inc. (SEH) for the design and construction related services phases related to the De Pere Facility (DPF) Electrical Distribution and Emergency Generator Project. He explained that since entering into the agreement with SEH, two additional areas of concern have been identified by NEW Water staff that can be efficiently addressed and resolved by modifying the scope of the current project. The first concern is the steep grade of a portion of the main access road that leads down to the main pump station at the DPF. Although this issue is not directly related to this project, in the winter the relatively steep grade of the access road makes snow removal more difficult to complete safely. On at least one occasion, the plow vehicle could not maintain control, which resulted in the vehicle striking the guard rail that protects the existing structure located at the bottom of the grade.

P. Mentink stated the second issue identified related to the future demolition of the existing Solids Handling Building. Currently there is existing electrical equipment housed in Electrical Building No. 4 that distributes and provides power to the existing Solids Handling Building and existing Gravity Filter Building. The Electrical Building No. 4 was constructed as an appendage to the existing Solids Handling Building and even though the demolition of the existing Solids Handling Building would eliminate the need for some of the electrical equipment to provide power for this structure, other components of the existing electrical equipment would still be required to provide power to the existing Gravity Filter Building. He stated in order to allow complete demolition of the existing Solids Handling Building in the future, the electrical system components need to be relocated. He explained that the relocation of the required electrical equipment can be efficiently incorporated into the current electrical distribution project.

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P. Mentink requested Commission approval to increase the contingency amount for Amendment No. 1 to SEH's Agreement for Engineering Services for the additional professional services to include the access road re-grading and equipment relocation out of Electrical Building No. 4 by \$41,696 to be administered under the authority of the Executive Director.

Commission Hasselblad asked what the original contingency was. P. Mentink replied \$29,800, which was 10% of the original project cost, resulting in a new total contingency of \$71,976.

#### **Motion #17-039**

It was moved by Blumreich, seconded by Mainz, and unanimously agreed to increase the contingency amount for Amendment No. 1 to SEH's Agreement for the additional professional services by \$41,696 to be administered under the authority of the Executive Director for a total authorized project amount of \$369,447.

#### **7) Request Commission approval to execute a Permanent Access Easement with associated Hold Harmless Agreement as required by the City of Green Bay for the Scott-Bayshore Interceptor Rehabilitation Project, and to authorize the Executive Director to sign the Agreement.**

N. Qualls stated that NEW Water is looking to gain access to property owned by the City of Green Bay to maintain the Scott-Bayshore Interceptor. As part of the requirements of this project and to benefit permanent access, enhancements to the access driveway will be made. NEW Water staff and legal counsel negotiated with the City of Green Bay, but due to certain policies, the City of Green Bay has additional requirements that need to be met including a Hold Harmless Agreement.

J. Nicks from Godfrey & Kahn stated that this particular request by the City of Green Bay is unusual considering that the proposed easement would benefit the City of Green Bay and NEW Water customers.

Commissioner Mainz asked how the property was currently being accessed. N. Qualls replied that NEW Water is using the current easement on the City of Green Bay's property to access the interceptor. Due to construction on the interceptor, additional access is needed which results in requiring the City of Green Bay's approval of an extended easement.

Commissioner Mainz asked if other customers require this. J. Nicks replied no. He stated upon legal review, there would be no increase in risk to NEW Water to comply with the City of Green Bay's requirements.

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#### Motion #17-040

It was moved by Hoffman, seconded by Tumpach, and unanimously agreed to enter into the Permanent Access Easement and associated Hold Harmless Agreement with the City of Green Bay and to authorize the Executive Director to sign the agreements.

#### 8) Update of projects:

##### a) Contract 34 Digestion and Solids Facility

B. Angoli reported the R2E2 Project is moving along with having the most contracted personnel onsite to date, approximately 160 people. He stated most of the work being completed is electrical and instrumentation, wiring, and installing mechanical equipment. The construction schedule is still behind schedule by approximately 20-30 days for milestones 4 and 5. Milestone 4 is the start-up of the new solids building and milestone 5 is the start-up of the new digester. Staff is working to close these gaps in the schedule.

B. Angoli stated that work is being started on the abandoned sludge lagoon site. NEW Water did receive closure from the Army Corp. of Engineers for this work. The nutrient recovery system piping modifications are also underway. Contractors are ordering the materials and getting ready to install the piping for that process. NEW Water received the manufacturer's recommended changes on the carbon absorption system, which staff is currently reviewing. NEW Water is waiting for information regarding the American Iron and Steel requirements; however, the contractor on a letter to clarify procurement process for meeting the American Iron and Steel requirement for the Clean Water Fund Loan.

Commissioner Mainz asked if the American Iron and Steel requirements have slowed the process down for staff. B. Angoli replied that it could slow down progress if staff is in the process of ordering some materials like valves, which could delay it up to three to four months. The contractors try to work with the requirements and are good at looking for parts and getting them quicker.

Commissioner Hasselblad thanked Bill Angoli for keeping the Commission up to date on the progress of the R2E2 Project. She stated that with a project this size and multi-year in length, the reporting has been excellent. She asked once the project is complete for a wrap-up report of key takeaways and lessons learned for future projects and other wastewater utilities that might benefit from such information.

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Commissioner Blumreich asked if the project being behind schedule would affect the budget or cost of construction. B. Angoli replied that any projected time extension could possibly affect the budget if the contractors have to be onsite for a longer period than anticipated. Staff is currently negotiating a no cost time extension with such contractors. Other costs might be incurred due to the delayed project schedule if the digesters are not up and running on time due to lack of biogas being produced. T. Sigmund added that some costs are anticipated and being projected in the 2018 budget, which will be based on projected start-up dates.

**9) Operation report:**  
**a) Effluent quality for June**

P. Wescott reported both facilities were in full compliance with effluent limits for the month of June. He stated the DPF tied performance records for: Total Suspended Solids (TSS) for average daily concentration, average pounds discharged per day, total monthly pounds discharged, and Ammonia for average daily concentration and average pounds discharged per day. The GBF tied performance records for Ammonia for average daily concentration, average pounds discharged per day, and for total monthly pounds discharged.

**b) Air quality for June**

P. Wescott reported the GBF was in compliance with air quality limits for the month of June.

**10) Draft 2018 NEW Water budget review.**

T. Sigmund stated that a snapshot of next year's budget has been provided to the Commission at the July Commission meeting for the past several years to help provide an estimate of costs for NEW Water's customers. However, not all costs have been received including health insurance and market adjustments. Wisconsin Public Service costs will remain the same as previous years. He reviewed the current 2017 expenses, estimated 2018 expenses, and next steps. NEW Water, legal counsel, and City of De Pere have been in discussions regarding the abandonment of a segment of interceptor that is located in the Department of Transportation's (DOT) right-of-way, which would impact the operation and maintenance budget.

Commissioner Blumreich asked if the state decided on a self-insured plan for 2018. T. Sigmund replied that the Joint Finance Committee declined the self-insurance proposal, and NEW Water has not received a response from the Employee Trust Fund (ETF) on what the impact of that will be. It is anticipated to be an 8% increase, which was placed in the draft budget as a placeholder until more information is available.

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T. Sigmund explained that staff continues to look at High Deductible Health Plans and traditional options for staff to compare costs for NEW Water. He stated informational sessions were held for staff once again this year and continue to provide Frequently Asked Questions sheets for staff to better inform them of their possible options.

Commissioner Mainz asked if two options could be offered to staff. T. Sigmund replied that if the regulations have not changed since last year, then local government employers must choose one option, which is an ETF requirement. T. Brown stated that local government employers cannot offer two plans but state agencies can. T. Sigmund added that more detail would be provided to staff in August.

**11) Executive Director's report:**  
**a) August Commission meeting**

The August Commission meeting will be held Wednesday, August 23, 2017, beginning at 8:30 a.m.

**b) NACWA awards**

NEW Water received recognition at the summer NACWA Conference in the form of a Platinum 14 award for the GBF recognizing 14 consecutive years of 100% permit compliance and a Platinum 5 award for the DPF recognizing consecutive years of 100% permit compliance.

**c) STEM Superheroes Summer Camp**

In July, NEW Water once again teamed up with the Boys & Girls Club of Green Bay for a STEM Superheroes Summer Camp. This year's four-day camp enlisted 14 children from the Club, who worked with Speakers Bureau staff to learn important STEM (science, technology, engineering, mathematics) skills and earn "Defenders of the Bay" certificates. The Green Bay Water Utility, along with the Einstein Project, collaborated with NEW Water for this year's event.

**d) Employment separations**

A document detailing reasons for employee separations since 2014 was included in the Commission packet.

**e) Employee Appreciation Luncheon**

NEW Water's Employee Appreciation Luncheon will be held Tuesday, August 15, 2017, from 11:30 a.m. – 1:00 p.m. in the Maintenance garage. The Commission was invited to attend.

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**f) Stack test update**

A complete series of stack testing was completed for both multiple hearth incinerators to demonstrate compliance with emission limits established by the sewage sludge incinerator rules that went into effect in 2016. Results showed that emission limits were met for all pollutants.

**g) Emerging Leaders Program**

On Thursday July 13, 2017, a graduation ceremony was held for the inaugural class of the Utility Leaders of the Future training program. There were 17 participants from six utilities (Madison MSD, Milwaukee MSD, Racine Wastewater Utility, Metropolitan Council - Environmental Services, the Metropolitan Water Reclamation District of Greater Chicago, and NEW Water). NEW Water had two participants in the program: Jake Becken (Treatment Leader) and Matt Schmidt (Operations Trainer). A group of NEW Water staff attended the graduation ceremony.

The Commission congratulated the two recent program graduates.

There being no further business to come before the Commission, the meeting adjourned at 9:33 a.m.

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**Secretary**