

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

Regular meeting of the Commission held August 23, 2017.

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

**EXCUSED:** Commissioner Hoffmann

**ALSO PRESENT:** T. Sigmund, P. Wescott, N. Qualls, L. Sarau, B. Brown, B. Angoli, B. Oldenburg, J. Czypinski, B. Bartel, T. Brown, J. Smudde, B. Vander Loop, P. Smits, J. Van Sistine; 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 provided some safety tips when working around industrial lift trucks.

T. Sigmund distributed the NEW Water, the brand of the Green Bay Metropolitan Sewerage District, 2016 Annual Report. The annual report is also available on NEW Water’s website.

**2) 2018 Budget workshop.**

T. Sigmund stated that staff is about 95% complete on the proposed 2018 budget, and is looking for comments from the Commission and NEW Water customers. He stated the 2018 budget is 1.7% over the 2017 budget. Operations & Maintenance (O&M) expenses are up 7.5%, and there is a reduction of 4.7% in capital expenses. He reviewed the proposed 2018 budget, as follows:

- Agenda
- NEW Water Vision: Protecting Our Most Valuable Resource, Water
- Collaborative Regional Leadership, Sustainability, and Education
- NEW Water Opportunities and Challenges
- 2017 NEW Water Goals
- 2017 Budget Update (through July)
- 2018 Priorities
- NEW Water 2018 Budget Drivers
- R2E2 Rate Stabilization Reserve
- Proposed 2018 Budget
- Flows and Loads
- 2018 Proposed Expenses
- 2018 O&M Expenses
- 2018 O&M Expense Distribution
- NEW Water O&M Expenses

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- 2018 Salaries & Benefits
  - 2018 Contracted Services
  - WPDES Permit Compliance Strategy
  - 2018 Major Capital Projects
  - 2018 Annual Capital
  - Proposed Long-Term Capital Projects
  - Capital Projects for 2019 – 2022
  - 2018 Revenues
  - Impact of Changing Fixed Charge from 45% to 65% of Capital Budget
  - 2018 Municipal Rate
  - 2018 Revenue Sources
  - 2018 Revenues Breakdown by Customer
  - NEW Water Sewer Service Charge Comparison
  - 2018 Budget summary
  - Next Steps
- 3) **Convene in closed session under State Statute 19.85 (1) (c) for the purpose of considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility:**
- a) **Review flexible work schedule program**

#### **Motion #17-041**

It was moved by Mainz, seconded by Blumreich, and unanimously agreed to convene in closed session under State Statute 19.85 (1) (c) for the purpose of considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility.

- 4) **Reconvene in open session.**

#### **Motion #17-042**

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

- 5) **Approval of minutes of Commission meeting held July 27, 2017.**

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#### Motion #17-043

It was moved by Meinz, seconded by Tumpach, and unanimously agreed to approve the July 27, 2017 minutes as distributed.

#### 6) **July financials.**

K. Heimerman reported total operating revenues for the month of July were favorable to budget by \$447,000 or 16% from user fees from infiltration/inflow due to higher precipitation and other revenues from hauled waste from the three cheese facilities. Year to date total operating revenues were favorable to budget by \$2,300,000 or 10%. Total operating expenses for the month of July were favorable to budget by \$371,000 or 17% from contracted services, maintenance – plant and interceptors, and salaries & benefits. Year to date total operating expenses were favorable to budget by \$1,100,000 or 9%. Leading the favorable results were contracted services due to project timing of billing versus budget and projects not yet started; salaries & benefits from four unfilled positions, and salaries transfer to capital of \$22,000. Net income for the month of July was \$595,000.

#### 7) **Request Commission approval to abate the tax levy for 2018.**

T. Sigmund reported NEW Water will have sufficient funds to support all debt service requirements for 2018. He requested Commission approval to abate the tax levy for 2018.

#### Motion #17-044

It was moved by Blumreich, seconded by Tumpach, and unanimously agreed to abate the tax levy for 2018.

#### 8) **Request Commission approval to close out the Ashland Avenue Interplant Forcemain Repair Project #16-010-CO1 and issue final payment of \$8,428.83 to De Groot Inc.**

L. Sarau reported the construction contract for the Ashland Avenue Interplant Forcemain Repair Project was awarded in April 2017 to De Groot Inc. The contract included hardware replacement on the interplant forcemains along Ashland Avenue between Baeten Road and Lombardi Avenue. This work had been accelerated due to the Wisconsin Department of Transportation's (WDOT) construction project on Ashland Avenue. She stated De Groot completed all work in accordance with the contract documents and is ready for close out and final payment. Substantial completion was reached on June 2, 2017, which was almost three weeks ahead of schedule. NEW Water's contractor worked very diligently on this project and at times had more than one crew working on this project to make sure the project was completed to meet the WDOT's timeline. She requested Commission approval to close out the Ashland Avenue Interplant Forcemain Repair Project and issue final payment of \$8,428.83 to De Groot Inc.

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Commissioner Mainz asked about the remaining work on the interplant forcemains. L. Sarau replied Short Elliot Hendrickson (SEH) is investigating the leak that occurred earlier this year, and plans to finish the design this year. N. Qualls added NEW Water needs to determine if the joint failure that occurred earlier this year, which was not consistent with just bolt corrosion, was an isolated incident or if more work needs to be done on the forcemains.

#### **Motion #17-045**

It was moved by Mainz, seconded by Tumpach, and unanimously agreed to close out the Ashland Avenue Interplant Forcemain Repair Project #16-010-CO1 and issue final payment of \$8,428.83 to De Groot Inc.

- 9) **Request Commission approval to award the construction contract for the Scott-Bayshore Interceptor Rehabilitation Project #13-024-CO1 to Insituform Technologies USA, LLC in the amount of \$791,600.30.**

B. Brown reported a study of the Dutchman Creek and Scott-Bayshore Interceptors began back in 2013, and the design phase started almost two years ago. NEW Water has been working through some complications and delays, mostly regulatory and residential concerns. Staff is now looking at the construction phase of the two interceptors separately. The design work is completed on the Scott-Bayshore Interceptor. The Scott-Bayshore rehab effort has been focused on the condition of the pipe, as well as one segment where the cover material has eroded away to the point that the pipe is exposed along the shore of Green Bay. Initial project plans incorporated riprap cover material mandated by the Wisconsin Department of Natural Resources (WDNR) in multiple areas, but resistance from riparian owners prompted NEW Water to modify and minimize the design. The final design involves lining over 3,000 ft. of the pipe and adding cover material only in the area where the pipe is currently exposed.

B. Brown stated four contractors submitted bids for the construction work, and two bids were within 5% of the engineer's estimate. The lowest bid was submitted by Insituform Technologies USA, who is well qualified to do this type of work. He requested Commission approval to act on the engineer's recommendation to award the construction contract for the Scott-Bayshore Interceptor Rehabilitation Project to Insituform Technologies USA in the amount of \$719,600.30 plus a 10% contingency for a total amount of \$791,600.30.

Commissioner Mainz stated taking into account the comments received from property owners, is this work going to be enough. B. Brown replied staff will monitor the area for additional erosion to determine if future action is required.

Commissioner Mainz asked if NEW Water inherited this interceptor from the City of Green Bay. B. Brown replied yes, in 1969.

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Commissioner Hasselblad asked if staff is comfortable with the variances in the competing bids. B. Brown replied yes.

**Motion #17-046**

It was moved by Blumreich, seconded by Meinz, and unanimously agreed to award the construction contract for the Scott-Bayshore Interceptor Rehabilitation Project #13-024-CO1 to Insituform Technologies USA, LLC in the amount of \$719,600.30 and a 10% contingency of \$72,000 under the authority of the Executive Director for a total amount of \$791,600.30.

- 10) **Request Commission approval to enter into an agreement with Donohue & Associates, Inc. to provide construction related engineering services for the Scott-Bayshore Interceptor Rehabilitation Project #13-024-CS1 in the amount of \$48,670.**

B. Brown reported Donohue & Associates, Inc. was awarded the design and bidding services for the Dutchman Creek and Scott-Bayshore Interceptor Rehabilitation Projects in December 2015. Staff is pleased with the work Donohue & Associates has done, and asked Donohue & Associates to submit a proposal for construction related engineering services associated with the Scott-Bayshore Interceptor Rehabilitation Project construction contract. NEW Water staff reviewed the proposal and level of effort, and finds it to be reasonable. He requested Commission approval to enter into an agreement with Donohue & Associates for the Scott-Bayshore Interceptor Rehabilitation Project in the amount of \$44,270 and a 10% contingency of \$4,400 under the authority of the Executive Director for a total amount of \$48,670.

**Motion #17-047**

It was moved by Meinz, seconded by Tumpach, and unanimously agreed to enter into an agreement with Donohue & Associates, Inc. to provide construction related engineering services for the Scott-Bayshore Interceptor Rehabilitation Project #13-024-CS1 in the amount of \$44,270 and a 10% contingency of \$4,400 under the authority of the Executive Director for a total amount of \$48,670.

- 11) **Request Commission approval of the following Financial Policies:**
- a) **Debt Service Reserve**
  - b) **General Reserve**
  - c) **Interceptor Cost Recovery Reserve**
  - d) **Investment**
  - e) **Investment Interest Use**
  - f) **Plant and Equipment Replacement Fund Reserve**

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T. Sigmund stated the financial reserves policies were discussed at the May 18, 2017 Commission workshop. Most of the policies have not been updated in several years. He reviewed the proposed changes to the financial policies.

Commissioner Hasselblad asked if staff is aware if there have been any violations intentional or otherwise in the Investment Policy. T. Sigmund replied no.

J. Nicks from Godfrey & Kahn suggested that the Commission review the financial policies on an annual basis.

T. Sigmund is developing a Plant Capital Replacement Reserve Policy, which will be presented to the Commission for approval at a future meeting.

#### **Motion #17-048**

It was moved by Blumreich, seconded by Tumpach, and unanimously agreed to approve the Debt Service Reserve, General Reserve, Interceptor Cost Recovery Reserve, Investment, Investment Interest Use, and Plant and Equipment Replacement Fund Reserve Financial Policies. (See Commission File #17-002)

#### **12) Sewer plan approval:**

##### **a) Town of Ledgeview/Ledgeview Sanitary District No. 2 Contract D-2017; GBMSD Request 2017-16**

B. Angoli reported the Town of Ledgeview/Ledgeview Sanitary District No. 2 is requesting 1,082 ft. of 8-inch PVC sanitary sewer on Grande Ridge Drive, 1,534 ft. of 8-inch PVC sanitary sewer on Grande Vista Trail, and 1,426 ft. of 8-inch PVC sanitary sewer on Terra Grande Trail. He stated flow would be tributary to NEW Water's Swan Road Interceptor.

#### **Motion #17-049**

It was moved by Mainz, seconded by Blumreich, and unanimously agreed to approve the Town of Ledgeview/Ledgeview Sanitary District No. 2 sewer plan subject to favorable review by Brown County Planning and final approval by the WDNR.

#### **13) Laboratory update.**

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B. Oldenburg stated in January 2017 the Laboratory Services Department changed its name to Laboratory & Research Department. Staff is currently developing some research projects to focus on in late 2017 and early 2018. A new Lachat instrument was purchased for the nutrients laboratory for phosphorus and nitrogen. A new Inductively Coupled Plasma instrument was also purchased for advanced metals analysis. He stated there were some staffing and title changes this year. He reviewed 2017 statistical data.

Commissioner Hasselblad stated that she would like the Commission to take a tour of the laboratory after an upcoming Commission meeting.

Commissioner Mainz asked on metals, microbiology, nutrients, and wet chemicals, if NEW Water gets samples from qualified facilities that determine the accuracy of its instruments. B. Oldenburg replied yes.

#### 14) Update of projects:

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

B. Angoli reported Contract 34 work being performed is primarily mechanical piping and electrical wiring. The contractor has started work for piping inside the digester tanks. The digesters exterior insulation finish system, which starts with a five-inch thick Styrofoam system is being applied to the outside of the digesters. Plans to start moving the stock piled soil from the Quincy Street area to the abandoned sludge lagoon site is scheduled to begin next week. The contractor has purchased the valves and pumps for the nutrient recovery system approved change order. R2E2 Reserve Funds were used to pay invoices from CD Smith and CH2M. The granular carbon absorption system accepted changes include two carbon monoxide monitors and the flushing water system. NEW Water is receiving quotes for that work from the contractor. NEW Water and engineer are in discussions with Multiform Harvest on how to move forward with the nutrient recovery system. He reported the fluidized air blower equipment for the fluid bed incinerator was intentionally started up and it overheated, which caused damage to the fan. The impact on the schedule for this system is unknown at this time.

Commissioner Hasselblad stated at some point she would like the Commission to take a tour of the facility.

#### 15) Operation report:

##### a) Effluent quality for July

P. Wescott reported both facilities were in full compliance with effluent limits for the month of July.

Commissioner Hasselblad asked if the increase in phosphorus discharge is normal for this time of year. P. Wescott replied staff has seen an increase in phosphorus discharge during the summer months, and it is trending back down. The increase in phosphorus discharge is nowhere near the permit limit.

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**b) Air quality for July**

P. Wescott reported the Green Bay Facility was in compliance with air quality limits for the month of July. There were no events during the month that would have resulted in "Deviation Notification" submittals to the WDNR.

**16) Executive Director's report:**

**a) September Commission meeting**

The September Commission meeting will be held Wednesday, September 27, 2017, beginning at 8:30 a.m.

**b) Executive Director approved agreements**

A list of agreements approved by the Executive Director was provided in the Commission packet.

**c) Pat Smits promoted to Maintenance Manager**

Pat Smits was promoted from Asset Reliability Coordinator to Maintenance Manager on August 14, 2017.

**d) Jack Day and Peer Excellence Awards**

NEW Water's Employee Appreciation Luncheon was attended by 85 employees. The Jack Day Award of Accomplishment was presented to Bill Angoli, Project Manager, and the Peer Excellence Award was presented to Jake Becken, Treatment Leader. Both award recipients were well deserved.

**e) Recognition of 25, 30, and 40 year service anniversaries**

At the Employee Appreciation Luncheon, several employees were recognized for significant service milestones: Jim Harper, Pat Linssen, and Brian Vander Loop (25 years); Marty Pyke (30 years); and Tom Nitka (40 years).

**f) NEW Water logo on digesters**

NEW Water is getting quotes to fabricate and install the NEW Water logo on a stand-alone frame on the new digesters. The logo will be placed on the south side of one digester and the north side of the other digester.

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Commissioner Hasselblad announced that Tom Sigmund was the recipient of the prestigious 2017 Water Environment Federation Fellows designation, which recognizes achievements, stature, and contributions in the water profession. Congratulations!

There being no further business to come before the Commission, the meeting adjourned at 10:31 a.m.

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**Secretary**