

GREEN BAY METROPOLITAN SEWERAGE DISTRICT
PROCEEDINGS OF THE COMMISSION

Regular meeting of the Commission held January 24, 2018.

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

ALSO PRESENT: T. Sigmund, P. Wescott, N. Qualls, B. Hafs, B. Vander Loop, T. Brown, M. Diaz, B. Angoli, T. Garrison, E. Schroth, J. Smudde, B. Oldenburg, J. Cypinski, P. Smits, J. Maas, S. Thieszen, A. Weissbach, J. Van Sistine; J. Nicks and J. Smies–Legal Counsel; B. Brown–CH2M

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

Commissioner Hasselblad thanked Brian Vander Loop for providing the Commission with a copy of the article titled “25 Signs You Have An Awesome Safety Culture.”

1) Safety moment.

T. Sigmund provided safety tips on the proper use of propane heaters and how to minimize blind spots by adjusting side mirrors before driving your vehicle.

2) Introduce the new Public Affairs & Education Specialist, Erin Schroth.

T. Garrison introduced Erin Schroth, who was NEW Water’s, the brand of the Green Bay Metropolitan Sewerage District, intern prior to becoming the Public Affairs & Education Specialist.

E. Schroth stated that growing up on a farm taught her hard work and how to balance chores, work, school, jobs, and playing sports. She attended the University of Wisconsin-Green Bay, worked for the Vice Chancellor, and played on the practice squad for volleyball. She graduated with a double major in Business Administration with an emphasis in marketing and Design Arts. She is very happy to be here.

The Commission welcomed her.

- 3) Convene in closed session under State Statutes 19.85 (1) (g) for the purpose of conferring with legal counsel for the Commission who is rendering oral or written advice concerning strategy to be adopted by the Commission with respect to litigation in which it is or is likely to become involved, and under 19.85 (1) (e) deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specific public business, whenever competitive or bargaining reasons required a closed session:**
- a) Proposed expansion of sewer service area
 - b) Future legal counsel needs

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Motion #18-003

It was moved by Blumreich, seconded by Meinz, and unanimously agreed to convene in closed session under State Statutes 19.85 (1) (g) for the purpose of conferring with legal counsel for the Commission who is rendering oral or written advice concerning strategy to be adopted by the Commission with respect to litigation in which it is or is likely to become involved, and under 19.85 (1) (e) deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specific public business, whenever competitive or bargaining reasons required a closed session.

4) Reconvene in open session.

Motion #18-004

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

Following closed session, agenda items were taken out of sequence based on staff's presence for reporting.

5) Approval of minutes of Commission meetings held December 6, 2017 and January 16, 2018.

Motion #18-005

It was moved by Blumreich, seconded by Tumpach, and unanimously agreed to approve the December 6, 2017 and January 16, 2018 minutes as distributed.

10) Operation report:

a) Effluent quality for November and December

P. Wescott reported both facilities were in full compliance with effluent limits for the months of November and December.

b) Air quality for November and December

P. Wescott reported there were two "Deviation Notification" submittals to the Wisconsin Department of Natural Resources (WDNR). There was an incinerator #2 bypass damper opening assumed to be caused by a high vibration on the ID fan, which caused the ID fan to shut down and the bypass damper to open as a safety precaution. Staff went back to retest it and could not recreate the incident. Everything seemed to be working properly.

Commissioner Meinz ask if it was human error. P. Wescott replied he did not believe so.

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P. Wescott reported the second deviation happened when a contractor was loading the fluid bed incinerator sand into the storage silo. The bags were not fastened correctly and the dust collector system was not activated, causing some material to be released onto the roof. NEW Water staff is working with contractor on getting this issue corrected. Staff will put plans in place that the system is checked prior to unloading and to make sure the dust collector system is on before using the offloading process. NEW Water did not received any feedback from the WDNR on either of these notifications.

6) **November financials.**

M. Diaz reported total operating revenues for the month of November were favorable to budget by 4%. Year to date total operating revenues were favorable to budget by \$2,800,000 due to more precipitation received and hauled waste revenues from the three cheese facilities. Total operating expenses for the month of November were unfavorable to budget by (\$176,000). Year to date total operating expenses were favorable to budget by \$1,000,000. Leading the favorable results were less expenditures from contracted services, salaries & benefits, and natural gas & fuel oil. Net income for the month of November was \$877,000.

Commissioner Hasselblad asked if staff has any indication on the slowdown of hauled waste from the three cheese facilities. B. Oldenburg stated it is unknown at this time. BelGioioso is currently building other wastewater treatment facilities.

7) **Request Commission approval to transfer \$1,451,546.95 from the Debt Service Reserve – Restricted to the R2E2 Reserve – Restricted.**

M. Diaz stated that in May 2017 a workshop was held with the Commission to discuss NEW Water's financial reserves. At that meeting staff recommended transfers among the reserves. In July 2017 staff requested a partial transfer from Debt Service Reserve – Restricted to R2E2 Reserve – Restricted for money that was over collected in Debt Service for the R2E2 Project. Staff is requesting to transfer \$1,451,546.95 from the Debt Service Reserve – Restricted to the R2E2 Reserve – Restricted to be used for the R2E2 Project capital expenditures.

T. Sigmund stated these transfers are done primarily due to how NEW Water borrows money from the Clean Water Fund has gone slower than expected. There will probably be one more transfer next year.

Motion #18-006

It was moved by Blumreich, seconded by Hoffmann, and unanimously agreed to transfer \$1,451,546.95 from the Debt Service Reserve – Restricted to the R2E2 Reserve – Restricted.

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- 8) **Request Commission approval for the Executive Director to execute Change Order No. 26 for partial payment for work completed under Work Change Directive 107 Nutrient Recovery System Process Piping Modifications in the amount of \$100,878.59.**

B. Angoli stated back on June 28, 2017 the Commission approved the Work Change Directive for the nutrient recovery system. At this time staff is requesting Commission approval of approximately \$100,000 to pay the contractor for the pumps and valves that have been received and put in place. Staff will keep a close eye on this to keep within the \$275,000 cost for the system. A second request to issue final payment for the remaining labor and materials will be made when the work is completed.

Motion #18-007

It was moved by Mainz, seconded by Hoffmann, and unanimously agreed to authorize the Executive Director to execute Change Order No. 26 for partial payment for work completed under Work Change Directive 107 Nutrient Recovery System Process Piping Modifications in the amount of \$100,878.59.

- 9) **Update of projects:**
a) **Contract 34 Digestion and Solids Facility**

B. Angoli reported the R2E2 Project is moving from the construction phase to start-up of equipment and training of Operations and Maintenance staff. Total work on the nutrient recovery system cost including the \$100,879 approved by the Commission today is \$224,143 to date, and the work is approximately 95% complete. The engineer is finalizing time and materials on the abandoned sludge lagoon and staff plans to report out on the final cost of the work at the February meeting. To date the non-American iron and steel is about \$236,134, out of a maximum allowable de minimus of \$1,122,901.55.

B. Angoli stated on December 11, 2017 the cover on digester tank no. 1 was damaged. The contractor was testing some of the equipment and a vacuum was generated in the tank causing the digester cover to buckle. The manufacturer was onsite to check the situation out and out of 24 panels, the maximum panels that could be saved was six. The manufacturer recommended to replace the whole system. This claim will go to the contractor's insurance company. This will cause a delay in having both digesters up and operational. There was no damage to digester tank no. 2 and it will be placed in operation. Per the current schedule, digester tank no. 1 will be up and ready for seeding by June 18, 2018.

Commissioner Hoffmann asked what the total cost will be to replace the cover on digester tank no. 1. B. Angoli replied \$1,000,000.

Commissioner Mainz asked how the cover is brought on-site. B. Angoli replied the pieces are trucked on-site, welded, painted, and then raised up.

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B. Angoli reported the contractor requested a four month time extension for milestone 4. Currently, staff estimates a two month delay for milestone 4, one month delay for milestone 5, and a two month delay for milestone 6. He stated the current schedule is optimistic and he will keep the Commission up-to-date.

11) Executive Director's report:

a) February Commission meeting

The February Commission meeting will be held Wednesday, February 28, 2018, beginning at 8:30 a.m.

b) Green Bay Facility workplace renovations

NEW Water will be renovating the 1st and 2nd floor of the Administration Building throughout 2017 and 2018. Significant renovation of the Maintenance Building is potentially planned for 2019 or 2020. Larger projects that exceed the approval level of the Executive Director will be brought to the Commission for approval.

Commissioner Mainz asked who the architectural firm is. T. Sigmund replied McMahon & Associates.

c) Wisconsin Department of Revenue private letter ruling

A change was made in the Biennial Budget, which allows work done outside the fence for a wastewater utility to qualify for not having to pay sales and use tax. Historically, it has been anything incorporated within the treatment facility the contractor did not have to pay sales and use tax on materials. A change was made to allow it to go out into the interceptors. The legislation was not clear so NEW Water asked for a private letter ruling and received it from the Wisconsin Department of Revenue. This change will save NEW Water a significant amount of money on the interceptor projects coming up within the next couple of years. Thank you to legal counsel and Bob Brown for their work on this matter.

d) Adaptive Management update

NEW Water has been working for several years on evaluating the pilot scale and looking at a full scale Adaptive Management. Staff is working in parallel with the work at the treatment facility, as well as the watershed as options to be compared against. If NEW Water would proceed with Adaptive Management on a larger scale, a team has identified the Ashwaubenon/Dutchman Creek area. A workshop will be held on January 30, 2018 to look at the plant and to come to an overall consensus.

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e) Adaptive Management Memorandum of Understanding

NEW Water has been working with the WDNR for a few years to get a Memorandum of Understanding (MOU) to clarify what is in the state statute is enacted appropriately. NEW Water staff, legal counsel, and CH2M believes what the WDNR has granted NEW Water in the MOU gives the team the confidence to make Adaptive Management work. T. Sigmund thanked NEW Water staff, legal counsel, and CH2M for all their efforts in receiving the MOU.

J. Nicks stated there are several remarkable things that was achieved in the MOU with the WDNR that made Adaptive Management possible. The MOU helped to define the type and size of area that NEW Water can work in, which led to the Ashwaubenon Creek/Dutchman Creek decision. The MOU expands the compliance term for four permit terms, which means NEW Water has 20 years to work on this if NEW Water goes with Adaptive Management and will delay any capital improvements. NEW Water also has infinite limits for phosphorus during the four permit periods. He stated this was a very significant agreement and thanked everyone involved.

The Commission congratulated the group on this achievement.

There being no further business to come before the Commission, the meeting adjourned at 9:56 a.m.

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Secretary