

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

Regular meeting of the Commission held February 28, 2018.

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

**EXCUSED:** Commissioner Hoffmann

**ALSO PRESENT:** T. Sigmund, P. Wescott, N. Qualls, B. Hafs, B. Vander Loop, M. Diaz, B. Angoli, P. Mentink, L. Sarau, S. Thieszen, S. Georgel, E. Houghton, S. Bartlett, C. Schweiner, P. Smits, J. Czapinski, J. Maas, T Garrison, E. Schroth, J. Smudde, B. Oldenburg, J. Van Sistine; J. Nicks & J. Smies–Legal Counsel; K. Hanson, J. Burmeister, & A. Wright–Public Financial Management, Inc.; P. Hoeft & M. Steppe–Nicolet National Bank

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

**1) Safety moment.**

T. Sigmund provided safety tips on keeping items close when lifting or carrying items, and store items at a safe height.

**2) Adopt retirement resolution for Curt Schweiner.**

P. Smits stated that Curt Schweiner worked in the Electrical & Instrumentation Department at NEW Water, the brand of the Green Bay Metropolitan Sewerage District, for 26 years. He was a dependable employee and had a passion for the Wellness Committee. Two projects Curt Schweiner was involved in were the UV system in De Pere, where he kept the old system running while starting up the new system, and the switchgear building.

Commissioner Hasselblad read the retirement resolution and presented it to Curt Schweiner. She stated may the months and years ahead be healthy ones.

C. Schweiner stated that he has enjoyed his 26 ½ years working at NEW Water. He made a lot of good friends and NEW Water has excellent staff. He hopes for a long retirement. Thank you.

The Commission congratulated him.

**Motion #18-008**

It was moved by Mainz, seconded by Blumreich, and unanimously agreed to adopt retirement resolution for Curt Schweiner. (Resolution #18-001 is on file at the NEW Water offices)

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#### 3) Introduce the new Pretreatment Program Coordinator, Sara Georgel.

S. Thieszen introduced Sara Georgel, the new Pretreatment Program Coordinator. She began her employment at NEW Water on February 19, 2018 and previously worked for one of NEW Water's significant industrial users.

S. Georgel stated that she was born and raised in Green Bay. She attended the University of Wisconsin – Green Bay and has a Bachelor's Degree in Environmental Science. For the past six years she has been working for a dietary supplement manufacturer. Her primary responsibilities were in environmental compliance, sustainability, and safety. In that role she worked with Bill Oldenburg through NEW Water's pretreatment program.

The Commission welcomed her.

#### 4) Nicolet National Bank investment overview.

M. Diaz introduced Mike Steppe and Pete Hoefft from Nicolet National Bank.

P. Hoefft stated that he handles the administration of the day to day activities and Mike Steppe handles NEW Water's investments.

M. Steppe reviewed the following:

- Fixed Income
- Tax Reform
- Economic Growth
- Inflation
- Federal Government
- Interest Rates
- Key Decisions

Commissioner Hasselblad asked about the wild swings of the equities market. M. Steppe replied the pressure on earnings for companies is intense. The markets have become so institutionally oriented and there is so much pressure on short-term performance. The pressure causes volatility, which he feels will likely continue.

Commissioner Mainz asked what percent return NEW Water receives on its cash. P. Steppe replied 1.17%.

Commissioner Hasselblad asked if that is gross or net. P. Steppe replied gross.

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- 5) **Convene in closed session under State Statute 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:**

- a) **Litigation involving industrial and interplant forcemains**
- b) **Bayview Interceptor Project litigation**

**Motion #18-009**

It was moved by Tumpach, seconded by Mainz, and unanimously agreed to convene in closed session under State Statute 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.

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

**Motion #18-010**

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

- 7) **Approval of minutes of Commission meeting held January 24, 2018.**

**Motion #18-011**

It was moved by Blumreich, seconded by Tumpach, and unanimously agreed to approve the January 24, 2018 minutes as distributed.

- 8) **Preliminary December financials.**

M. Diaz stated the December financials are preliminary due to the financial audit being conducted next week. Total operating revenues for the month of December were favorable to budget by 15%. Leading the favorable results were user fees. Year to date total operating revenues were favorable to budget by \$3,200,000 or 9% due to user fees and other revenues from hauled waste, which represents 44% of total favorable operating revenues primarily from the three cheese facilities. She stated this seems to be a trend in the latter part of the year. Total operating expenses for the month of December were unfavorable to budget by 22%. Year to date total operating expenses were favorable to budget by 3%. Leading the favorable results were less expenditures from contracted services, salaries & benefits, power, supplementary expenses, and natural gas & fuel oil. Net income for the month of December was \$2,800,000. She stated included in the Commission packet were year-end projections on restrictive and unrestrictive funds.

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Commissioner Hasselblad asked if there was anything staff had not anticipated in either of these categories. T. Sigmund replied staff has plans for some of the unrestricted funds that were discussed at the reserves workshop. NEW Water is paying cash instead of taking out additional loans for some of the R2E2 Project expenses. Also staff is using the reserves to supplement the debt when customers prepay their loans to prevent a rate increase.

Commissioner Hasselblad asked if staff will use history to do different forecasting for contracted services to prevent over budgeting in a given year. M. Diaz replied staff has done that in the current budget. T. Sigmund added that he anticipates in 2018 contracted services will run as a deficit because NEW Water has collected money for projects in 2017 and the projects will be done in 2018. The actual expenses will show a surplus in 2017 and a deficit in 2018.

**9) Request Commission approval of a Resolution Authorizing the Issuance and Sale of Not to Exceed \$7,000,000 General Obligation Refunding Bonds, Series 2018.**

B. Vander Loop introduced Kristin Hanson, Aaron Wright, and Jon Burmeister from Public Financial Management, Inc. (PFM), who are here today to answer any questions the Commission may have. In January PFM notified NEW Water about an opportunity to call 2008 NEW Water's General Obligation Sewerage Improvement Bonds and refinance without penalty. The current interest rate is 4.44% on approximately \$6,800,000. Since starting this process, the market has been experiencing some fluctuation with market uncertainty on the refinancing side. In order to move quickly to minimize the risk in the market staff is requesting approval of a Parameter Resolution that sets some parameters that have to be met or exceeded, \$20,000 annually or \$200,000 over the life of the bond, and delegate approval of the sale of the bonds tomorrow to the Executive Director. NEW Water received an Aaa bond rating from Moody's. As of yesterday's close, the annual net savings is projected at about \$60,000 per year or \$600,000 over the life of the bond. He estimated a refunding total of approximately 8%.

T. Sigmund asked what the maximum amount of time is before NEW Water accepts the sale. K. Hanson from PFM replied by tomorrow afternoon.

Commissioner Mainz asked why staff chose a \$200,000 savings versus a \$500,000 savings. B. Vander Loop replied when NEW Water initially started this process, the savings was anticipated to be \$800,000, but the market started fluctuating. He stated after discussion with bond counsel, it was decided to have a Parameter Resolution to protect NEW Water. T. Sigmund stated that staff discussed the amount and decided \$200,000 is an amount that would benefit NEW Water customers.

Commissioner Mainz asked if the \$200,000 included the fee. B. Vander Loop replied the \$200,000 is net of the fees.

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#### Motion #18-012

It was moved by Blumreich, seconded by Tumpach, and unanimously agreed to approve a Resolution Authorizing the Issuance and Sale of Not to Exceed \$7,000,000 General Obligation Refunding Bonds, Series 2018 resulting in a minimum of \$200,000 in debt service savings to the Green Bay Metropolitan Sewerage District and authorize the Executive Director to accept the winning bond bid. (Resolution #18-002 is on file at the NEW Water offices)

- 10) **Request Commission approval to authorize the Executive Director to enter into a contractual agreement with Donohue & Associates, Inc. to provide engineering services to complete the Green Bay Facility and De Pere Facility Clarifier Rehabilitation Study Project in the amount of \$175,450.**

P. Mentink stated part of the treatment facilities both at Green Bay and De Pere are a number of clarifiers that play an integral part in treating wastewater. Some of these clarifiers are reaching their design life and some are getting to be 40 years old. NEW Water sent out a request for proposals to six engineering firms to come in and do a condition assessment of all the facilities and recommend a path going forward. Five proposals were received. After review of one of the firm's experience with similar size facilities and that type of equipment, staff was not comfortable with the qualifications and that firm was eliminated from further consideration. Staff reviewed the remaining proposals and recommends award of the project to Donohue & Associates due to its wide experience level with similar projects, a good project team, and a good working relationship with NEW Water. Donohue & Associates also has a good understanding of NEW Water's process and has supporting staff in-house. He recommended Donohue & Associates in the amount of \$159,500 and a 10% contingency. He stated some of the items in Donohue's proposal was not required by NEW Water, which reduced the proposal amount by \$20,000.

Commissioner Mainz asked why staff did not recommend one of the other engineering firms that were less expensive. P. Mentink replied based on the criteria established and the scoring, staff was comfortable with the team Donohue & Associates put together and its past experience and knowledge.

Commissioner Mainz asked if you were spending your own money, would you still choose Donohue & Associates. P. Mentink replied yes. Donohue & Associates has been responsive, very efficient, and has had successful projects with NEW Water.

Commissioner Mainz asked if Donohue & Associates will do the work. P. Mentink replied Donohue & Associates is the primary and has one subconsultant, CH2M Hill, for the odor control portion of the project. The odor control portion would be similar to the work CH2M Hill has done on the R2E2 Project.

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N. Qualls stated that NEW Water approaches qualified consultants; however, not all teams are created equal. Donohue & Associates has a very strong Project Manager, who worked with Pat Wescott and staff on the Operation Evaluation Report and did a great job; has large project experience and has done work with Milwaukee Metropolitan Sewerage District on its secondary clarification process; and has good team members and firm qualifications. NEW Water is making a decision on the consultant somewhat based on cost, but the decision and the work done in the study phase has the potential to impact a \$10,000,000 – \$20,000,000 project.

Commissioner Hasselblad asked if NEW Water is at any risk of failure from any of these clarifiers. N. Qualls replied one of the final clarifiers went down last year and was repaired quickly and put back into operation.

T. Sigmund stated that as the useful life of the clarifiers is exceeded, the risk of failure does increase. The odor control of the primary clarifiers is a key component of this project and the work done on the Operation Evaluation Report identified potential improvements to redesign the secondary clarifier to capture more solids and phosphorus.

Commissioner Tumpach asked where Strand Associates came up short. N. Qualls replied staff was not comfortable with the supporting staff of the Strand team.

#### **Motion #18-013**

It was moved by Blumreich, seconded by Tumpach, and unanimously agreed to authorize the Executive Director to enter into a contractual agreement with Donohue & Associates, Inc. to provide engineering services to complete the Green Bay Facility and De Pere Facility Clarifier Rehabilitation Study Project in the amount of \$159,500 and a 10% contingency of \$15,950 to be administered under the authority of the Executive Director for a total amount of \$175,450.

#### **11) Request Commission approval to increase the contingency amount to Brown and Caldwell's agreement for consulting services for the Bayview Interceptor Replacement Project by \$90,000.**

P. Mentink stated this project began several years ago and construction was postponed to allow settling of the soil. While finalizing the design, additional concerns were raised. Given the history of this project and on the recommendation of the consultant, NEW Water elected to re-evaluate the path going forward. NEW Water is currently negotiating the scope of work. He requested Commission approval to increase the contingency amount by \$90,000 under the authority of the Executive Director to keep this project moving forward.

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#### Motion #18-014

It was moved by Mainz, seconded by Blumreich, and unanimously agreed to increase the contingency amount to Brown and Caldwell's agreement for consulting services for the Bayview Interceptor Replacement Project by \$90,000 to be administered under the authority of the Executive Director.

- 12) **Request Commission approval to increase the design services contingencies for Short Elliot Hendrickson Inc. in the amount of \$44,000 for the Industrial Forcemain Repair Project and \$6,000 for the Interplant Forcemain Repair Project.**

L. Sarau stated NEW Water hired Short Elliot Hendrickson Inc. (SEH) to design a solution to address a bolt corrosion issue. After the design agreement was signed, an additional failure was experienced on the industrial forcemain that had a different root cause than bolt corrosion. An investigation into that failure indicated that the type of connection used between the HDPE pipe and a ductile iron fitting was not sufficient to restrain against forces acting on that connection. She stated photos from the original construction showed that the same type of connection was used throughout the entire industrial forcemain and possibly in two locations on the interplant forcemain at a crossing at Ashwaubenon Creek. Design of this repair for that different type of connection is outside of the original scope of design that NEW Water had with SEH for the industrial and interplant forcemain. SEH is working with a specialty subconsultant to finalize a scope for design services, but have been able to provide an estimate. She requested Commission approval to increase the design services contingencies for SEH in the amount of \$44,000 for the Industrial Forcemain Repair Project and \$6,000 for the Interplant Forcemain Repair Project. Totals for the projects would increase to \$106,737 for the Industrial Forcemain Repair Project and \$83,359 for the Interplant Repair Project.

Commissioner Mainz asked about a new forcemain. L. Sarau replied staff has not looked into a new forcemain, and it would be very expensive. She stated there is a confidence now that multiple failures have been found and can be addressed appropriately.

#### Motion #18-015

It was moved by Tumpach, seconded by Mainz, and unanimously agreed to increase the design services contingencies for Short Elliot Hendrickson Inc. in the amount of \$44,000 for the Industrial Forcemain Repair Project and \$6,000 for the Interplant Forcemain Repair Project under the authority of the Executive Director for a total amount of \$106,737 for the Industrial Forcemain Repair Project and \$83,359 for the Interplant Forcemain Repair Project.

- 13) **Sewer plan approvals:**
- a) **City of De Pere Project #18-01; GBMSD Request 2018-01**
  - b) **City of De Pere Project #18-04; GBMSD Request 2018-02**

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B. Angoli stated the City of De Pere is requesting 745 ft. of 8-inch PVC sanitary sewer on Bridgeport Circle and 459 ft. of 8-inch PVC sanitary sewer along Main Avenue. Flow would be tributary to NEW Water's Ninth Street Interceptor.

**c) City of Green Bay 2018 Capital Projects; GBMSD Request 2018-03**

The City of Green Bay is requesting approval of its capital projects, including Eaton Heights 2 Subdivision, Sitka Heights Subdivision, Bradley Estates Subdivision, Sitka Street, Superior Road, Hillcrest Drive, Grandview Estates, Erie Road, Pine Acres Estates, Excalibur 3<sup>rd</sup> Addition, Excalibur 4<sup>th</sup> Addition, Lorraine Lane, Cornelius Drive, Edgewood Lane, Harvest Court, Perkins Avenue, Badger Street, N. Webster Avenue, Blonde Street, and East Mason Street. B. Angoli stated detailed plans will be submitted to NEW Water staff for technical review. Any sewer extensions not shown or covered within this approval would require Commission approval.

**d) Town of Lawrence Project #L0017-91600570; GBMSD Request 2018-04**

The Town of Lawrence is requesting 893 ft. of 12-inch PVC sanitary sewer on French Road, 5,309 ft. of 8-inch PVC sanitary sewer on French Road, 230 ft. of 8-inch HDPE sanitary sewer for French Road Siphon, 115 ft. of 6-inch HDPE sanitary sewer for French Road Siphon, 315 ft. of 10-inch PVC sanitary sewer for I-41 Crossing, and 506 ft. of 10-inch PVC sanitary sewer on Mid Valley Road. Flow would be tributary to NEW Water's Ninth Street Interceptor.

**e) Village of Ashwaubenon Project #56-0121.14; GBMSD Request 2018-05**

B. Angoli reported the Village of Ashwaubenon is requesting 3,400 ft. of 8-inch PVC sanitary sewer along Cormier Road and 275 ft. of 8-inch PVC sanitary sewer along Holmgren Way. Flow would be tributary to NEW Water's West Fox Interceptor.

B. Angoli stated approval of these sewer plans would be contingent upon favorable approval recommendations from Brown County Planning and final approval by the Wisconsin Department of Natural Resources (WDNR).

**Motion #18-016**

It was moved by Mainz, seconded by Tumpach, and unanimously agreed to approve the City of Green Bay 2018 capital projects with technical review and approval to be done later in the year by NEW Water staff, City of De Pere, Town of Lawrence, and Village of Ashwaubenon sewer plans subject to favorable review by Brown County Planning and final approval by the WDNR.

Commissioner Mainz disconnected at 10:04 a.m.



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#### 14) 2017 Aquatic Monitoring Program updates.

S. Bartlett gave an update on the 2017 Aquatic Monitoring Program, as follows:

- Great Lakes Surface Environmental Analysis
- 2017 Highlights
- Sampling Locations
- Mean Total Suspended Solids
- Mean Total Phosphorus
- Dissolved Oxygen 2017 – Entrance Light
- Green Bay Regional Water Quality Issues
- Monthly AOC Averages
- Blue-Green Algae Assessment in Lower Green Bay
- Research Questions
- 2016 Microcystins and TP, TN
- Cyanobacterial Toxins in Lower Bay
- Scum Sample Site
- 2018 Collaborations

#### 15) 2017 Silver Creek water quality updates.

E. Houghton gave an update on the 2017 Silver Creek water quality, as follows:

- Silver Creek Subwatershed Landcover
- Sampling Locations
- 2017 Silver Creek Summary
- 2017 Total Phosphorus
- Cumulative Precipitation – Green Bay
- Event Samples
- 2017 Total Suspended Solids
- Silver Creek WDNR Median Total Phosphorus
- Silver Creek Stream Bed Nutrients
- Silver Creek Stream Bed Solids
- 2017 Field Season Goals
- 2018 Field Season Goals

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**16) Update of projects:**

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

B. Angoli reported the R2E2 Project has moved into the checkout and start-up of equipment phase, with some mechanical and electrical work being finalized. Approximately \$124,000,000 has been spent on the project and \$480,000 of the contingency has been used. The contract work is 94% complete. He reviewed the amounts spent to date on the project, contingency, nutrient recovery system, American Iron and Steel requirements, and what has been paid from the R2E2 Reserve Fund in lieu of the Clean Water Fund. The engineer is finalizing the time, material and equipment on the Work Change Directive on the abandoned sludge lagoon, and staff plans to present this at the March Commission meeting. Replacement of the damaged digester cover schedule was included in the project report. He stated there are some issues with the thermal oil pumping system, which is used to capture heat for use in the dryer, digesters, and plant heating. This will cause a delay in start-up of the fluid bed incinerator. There were issues found during start-up of the dryer system and NEW Water is waiting for manufacturer's recommended changes. During checkout of co-generation system some additional components were required for system operations, which is delaying checkout and start-up of system.

**17) Operation report:**

**a) Effluent quality for January**

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

**b) Air quality for January**

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

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

**a) March Commission meeting**

The March Commission meeting will be held Wednesday, March 28, 2018, 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.

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**c) NEW Water's property insurance**

NEW Water's property, building, and treatment processes were appraised in 2017. Brian Vander Loop noticed discrepancies and found out some items were double counted, which resulted in a savings of \$29,000. Thank you to Brian Vander Loop for his diligence.

**d) NACWA's 2018 Winter Conference**

T. Sigmund will provide the Commission with a written summary on the NACWA 2018 Winter Conference.

**e) NACWA's 2018 Public Information & Education Award**

NEW Water received the NACWA 2018 Public Information & Education Award on its "Water Knows No Boundaries" video at the 2018 Winter Conference.

**f) Einstein Science Expo event**

NEW Water partnered with Green Bay Water Utility at the Einstein Science Expo. The event was well attended.

**g) World Water Day event**

NEW Water will partner again with Green Bay Water for World Water Day on March 15, 2018 to be held at the Jack Day Center.

There being no further business to come before the Commission, the meeting adjourned at 10:41 a.m.

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**Secretary**