

## GREEN BAY METROPOLITAN SEWERAGE DISTRICT

### PROCEEDINGS OF THE COMMISSION

Regular meeting of the Commission held April 25, 2018.

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

**ALSO PRESENT:** T. Sigmund, P. Wescott, N. Qualls, B. Hafs, B. Vander Loop, M. Diaz, B. Angoli, L. Sarau, T. Garrison, J. Cypinski, B. Bartel, P. Smits, J. Maas, B. Oldenburg, S. Thiesen, J. Smudde, J. Van Sistine; J. Nicks & J. Smies—Legal Counsel; D. Maccoux & J. Swanson—Schenck SC

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

#### 1) **Safety moment.**

T. Sigmund stated there are many instances where employees who work in confined spaces face increased risk of exposure to serious hazards. Since deaths in confined spaces usually occur because the atmosphere is oxygen deficient or toxic, confined spaces should be tested before entry and continually monitored.

#### 2) **Request Commission approval of the Alternative Fixed Charge Methodology developed at 65% of capital budget beginning with the 2019 budget.**

B. Vander Loop stated a memo and customer comments were emailed to the Commission on the Alternative Fixed Charge Methodology. In 2014 the fixed charge began at 15% of the total budget and remained at 15% for three years. The fixed charge was adjusted to 45% and changed from total budget to only capital in 2017. In 2018 the fixed charge portion of capital was increased to 65%. At the March Commission meeting, Arcadis presented its work to date on two fixed charged options: Status Quo and Alternative Fixed Charge Methodology. He reviewed the Status Quo and Alternative Fixed Charge Methodology. NEW Water, the brand of the Green Bay Metropolitan Sewerage District, held two customer workshops, and in addition staff presented the two options to the City of De Pere, two paper mills, and the Public Works Board. NEW Water received three customer comments supporting the Alternative Fixed Charge Methodology, which better reflects the true cost of wastewater treatment. One customer supported the Status Quo because the Alternative Fixed Charge Methodology would increase the City of De Pere's fixed charge, which would be passed on to its customers. Staff recommends Commission approval of the Alternative Fixed Charge Methodology at 65% of the capital budget to be implemented with the 2019 budget, which provides a more equitable cost share.

Commissioner Mainz stated the Commission just received the customer comments yesterday, and he would have appreciated receiving them sooner. He was concerned that one customer was not in favor of the Alternative Fixed Charge Methodology and asked staff for a better understanding as to why. T. Sigmund replied in general, the Alternative Fixed Charge Methodology would increase the wastewater treatment service charge to the City of De Pere, who will most likely pass on a portion of the increase to its customers. The increase is the result of the City of De Pere's BOD and TSS proportions being much higher than its simple average of all parameters as calculated under the Status Quo method.

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Two De Pere paper mills will most likely be negatively impacted the most by the Alternative Fixed Charge Methodology.

Commissioner Mainz asked if staff plans to respond to the letter from Expera Specialty Solutions. T. Sigmund replied yes.

Commissioner Blumreich questioned the decrease in costs from 2016 to 2017 referenced in the Expera Specialty Solutions letter. B. Vander Loop replied the costs noted in the letter were not accurate.

Commissioner Mainz stated during the fixed charge methodology update in March, Arcadis indicated that one customer would be impacted the most. What customer will see the most change? T. Sigmund replied the City of De Pere.

Commissioner Mainz asked if staff has received any feedback from the City of De Pere. T. Sigmund replied the City of De Pere is concerned that the paper mills will put in a pretreatment system, which would decrease the loading for BOD and possibly suspended solids. Both paper mills were asked if they plan to put in a pretreatment system, but no response was given.

Commissioner Mainz asked why the City of De Pere's costs would go up. B. Vander Loop replied a significant portion of De Pere's bill is due to the two paper mills.

Commissioner Blumreich stated the Alternative Fixed Charge Methodology makes the most sense and is equitable to all.

#### **Motion #18-027**

It was moved by Blumreich, seconded by Hoffmann, and unanimously agreed to approve the Alternative Fixed Charge Methodology developed at 65% of capital budget beginning with the 2019 budget.

#### **3) 2017 financial audit.**

M. Diaz introduced David Maccoux and Josh Swanson from Schenck SC.

J. Swanson from Schenck reviewed the following:

- Independent Auditors' Report
- Managements' Discussion and Analysis
- Statement of Net Positions
- Statement of Revenues, Expenses, Change in Net Position

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- Statement of Cash Flows
- Financial Statement Footnote Disclosures

D. Maccoux from Schenck reviewed the single audit report and management communications. He stated the audit went well and NEW Water staff was well prepared. The auditors appreciated the support they received from NEW Water staff.

Commissioner Blumreich stated in past years NEW Water had fairly significant differences on fixed assets reconciling the subsidiary to the general ledger. Are the auditors satisfied that staff has done an adequate job of that in regard to this audit? J. Swanson replied yes.

Commissioner Hasselblad asked if there was anything in last year's report or in your findings that would cause eyebrows to be raised by external audiences at any level for disproportionate increases or disproportionate decreases. D. Maccoux replied no.

- 4) **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; under State Statute 19.85 (1) (e) for the purpose of deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session; and 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) **Consultation with auditors regarding employee evaluation**
  - b) **Discussion of negotiation strategy concerning a potential industrial customer**
  - c) **Litigation involving industrial and interplant forcemains**

#### **Motion #18-028**

It was moved by Blumreich, seconded by Hoffmann, 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; under State Statute 19.85 (1) (e) for the purpose of deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session; and 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.

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5) **Reconvene in open session.**

**Motion #18-029**

It was moved by Mainz, seconded by Blumreich, 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.

6) **Approval of minutes of Commission meetings held March 27 and 28, and April 16, 2018.**

**Motion #18-030**

It was moved by Mainz, seconded by Blumreich, and unanimously agreed to approve the March 27 and 28, and April 16, 2018 minutes as distributed.

8) **Request Commission approval to enter into the Agreement for Purchase of Capacity in Green Bay Metropolitan Sewerage District Interceptor Sewers with Luxemburg and to authorize the Executive Director to sign the agreement.**

L. Sarau stated that in November 2016 the Village of Luxemburg (Luxemburg) purchased capacity and connected to the Wequiock Creek Interceptor. Prior to that Luxemburg was connected to the Scott Bayshore Interceptor and shared a forcemain with Royal Scot. That forcemain had some capacity issues, which caused Luxemburg to experience a couple treatment plant overflows. In November 2017 Luxemburg connected to the Wequiock Creek Interceptor and expressed interest in purchasing an additional 1 cfs in the interceptor and all the downstream interceptors to the NEW Water plant. The Wequiock Interceptor was designed to accommodate the additional 1 cfs; however, NEW Water had never looked at the downstream interceptors to see what could be accommodated. A review was conducted to determine if there was enough capacity. The results indicated that there was not enough permanent capacity available in multiple segments.

NEW Water looked at flow monitoring and the Mike Urban Sewer Model to see if there was any unused capacity in the interceptors to enter into a temporary lease with Luxemburg. Unused capacity is a portion of an interceptor capacity that NEW Water determines is not being currently used by customers. There were two segments that did not have adequate unused capacity to enter into a temporary lease with Luxemburg at this time. NEW Water staff presented the results to the Luxemburg Village Board, and Luxemburg decided to purchase permanent capacity where it was available with the understanding that it does not run through the entire system and cannot be used at this time. Godfrey & Kahn drafted an Agreement to Purchase for that capacity with the stipulation that Luxemburg cannot use that 1 cfs until improvements are made to the Scott Bayshore Interceptor.

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L. Sarau requested Commission approval to enter into an Agreement for Purchase of Capacity in Green Bay Metropolitan Sewerage District Interceptor Sewers with Luxemburg and to authorize the Executive Director to sign the agreement.

Commissioner Blumreich asked why Luxemburg has a restriction on its capacity. L. Sarau replied Luxemburg is looking at future development. N. Qualls added that Luxemburg had funds available to purchase the 1 cfs at this time and has an industry that is interested in discharging to Luxemburg.

#### **Motion #18-031**

It was moved by Blumreich, seconded by Mainz, and unanimously agreed to enter into the Agreement for Purchase of Capacity in Green Bay Metropolitan Sewerage District Interceptor Sewers with Luxemburg and to authorize the Executive Director to sign the agreement.

#### **7) March financials.**

M. Diaz reported total operating revenues for the month of March were favorable to budget by 2%. Year to date total operating revenues were favorable to budget by 5%. Leading the favorable results were other revenues from hauled waste from the three cheese facilities. Total operating expenses for the month of March were favorable to budget by 12%. Leading the favorable results were contracted services, maintenance – plant, and chemicals. For the first quarter total operating expenses were favorable to budget by 14% due to timing of invoicing compared to budget. Leading the favorable results were contracted services, maintenance – plant, and salaries & benefits. Net income for the month of March was \$185,000.

The Commission thanked Maridey Diaz for her efforts in a very organized and smooth audit process.

#### **9) Request Commission approval of Work Change Directive 77 for the hauling of excess excavated material to the abandoned sludge lagoon site as part of the R2E2 Project Contract 34 at a cost of \$323,649.19.**

B. Angoli stated in May 2017 the Commission approved a work change directive for hauling excess excavated material at a cost not to exceed \$160,000. On October 26, 2017 the Commission approved an increase for hauling excess excavated material from \$160,000 to \$325,000. The contractor has moved and graded approximately 53,000 cubic yards of excess material at the old sludge lagoon site. Total time and materials for the removal and grading of excess excavated material is \$323,649.19.

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**Motion #18-032**

It was moved by Blumreich, seconded by Tumpach, and unanimously agreed to approve Work Change Directive 77 for the hauling of excess excavated material to the abandoned sludge lagoon site as part of the R2E2 Project Contract 34 at a cost of \$323,649.19.

**10) Sewer plan approvals:**

**a) Village of Ashwaubenon Project #56-0121.16; GBMSD Request #2018-11**

B. Angoli reported the Village of Ashwaubenon is requesting 2,408 ft. of 18-inch PVC sanitary sewer along Mike McCarthy Way between Holmgren Way and Ashland Avenue and 254 ft. of 12-inch PVC sanitary sewer on Holmgren Way going north from Mike McCarthy Way. Flow would be tributary to the West Fox Interceptor.

**b) Village of Bellevue Contract B-18; GBMSD Request #2018-15**

B. Angoli reported the Village of Bellevue is requesting 690 ft. of 8-inch PVC sanitary sewer along Costco Way off Town Hall Road, 1,625 ft. of 8-inch PVC sanitary sewer along Town Hall Road between Lime Kiln Road and Monroe Road, and 140 ft. of 8-inch sanitary sewer crossing Monroe Road. Flow would be tributary to the East River Bellevue Interceptor.

**Motion #18-033**

It was moved by Mainz, seconded by Hoffmann, and unanimously agreed to approve the Village of Ashwaubenon and Village of Bellevue sewer plans subject to favorable review by Brown County Planning and final approval by the Wisconsin Department of Natural Resources (WDNR).

**11) Update of projects:**

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

B. Angoli reported to date approximately \$742,000 out of \$3,027,000 of the contract contingency has been used and the project is 95% complete. The co-generation system has been checked out by the manufacturer and ready for startup on natural gas. The estimated cost spent to date on modifications to the nutrient recovery system is \$245,000. There are no major issues with the American Iron and Steel requirements. The digester cover material is on site for fabrication by the contractor. The construction schedule continues to fluctuate resulting from issues from startup of process systems. Staff is reviewing additional scope of work associated with the construction related services that were not anticipated for the project.

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**12) Operation report:**

**a) Effluent quality for March**

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

**b) Air quality for March**

P. Wescott reported that on March 7, 2018 there was a visual observation of a bypass damper leak. Incinerator #2 was shut down to investigate. The incinerator draft was increased to provide additional negative pressure within the interior of the incinerator. Incinerator #2 was restarted and there were no leaks. NEW Water staff did not consider this situation a deviation, but communicated the situation and the corrective action taken in an email to the WDNR. The WDNR staff acknowledged the situation and no further action was taken.

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

**a) May Commission meeting**

The May Commission meeting will be held Wednesday, May 23, 2018, beginning at 8:30 a.m.

**b) Brian Shikoski promoted to Electrical & Instrumentation Technician Apprentice**

Brian Shikoski was promoted from Maintenance Mechanic to Electrical & Instrumentation Technician Apprentice. The Maintenance Mechanic position will be filled by the Maintenance Mechanic Apprentice.

There being no further business to come before the Commission, the meeting adjourned at 11:10 a.m.

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**Secretary**