

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

PROCEEDINGS OF THE COMMISSION

Regular meeting of the Commission held December 19, 2011.

PRESENT: Commissioners Alesch, Hasselblad, Mainz, and Blumreich

ALSO PRESENT: T. Sigmund, P. McCarthy, P. Kaster, P. Wescott, M. Pierner, W. Angoli, J. Kennedy, J. Christ, B. Bartel, L. Evenson, M. Erschnig, B. Vander Loop, J. Cypinski, J. Van Sistine, J. Nicks–Legal Counsel; M. Heckenlaible–City of Green Bay

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

1) **Budget adoption.**

Commission President Alesch stated the proposed 2012 operating expenses represent a reduction in costs from the 2011 budget. He stated capital costs are going up because of the regulations imposed on the Green Bay Metropolitan Sewerage District (GBMSD) by state and federal regulators. He stated GBMSD's 2012 budget reflects a 5.8% reduction in salaries and fringe benefits, pushing those costs onto the employees.

Commissioner Alesch asked if the proposed 2012 budget can be changed. J. Nicks replied that the budget can be changed after a notice is published and another vote taken.

Commissioner Mainz questioned the parameters. He stated phosphorus went from \$.70 to \$.48 and TKN went down \$.11. T. Sigmund replied every five years GBMSD has Jake Boomhouwer reallocate the rate methodology. He stated in 2007 the units, processes, and parameters were reviewed. He stated since 2007, the capital improvements were mainly flow related, with some relating to phosphorus. He stated in 2011 the costs were allocated to the right categories, which could not be done until after the total project costs were known. He stated online phosphorus analyzers are now used for process control with less emphasis on laboratory tests.

Commissioner Mainz asked if 100% of appropriate capital costs are charged to phosphorus. T. Sigmund replied yes. He stated the De Pere Facility costs are properly allocated because it was acquired after 2007.

Commissioner Mainz asked how often the rate methodology is revised. T. Sigmund replied the rate methodology is reviewed when GBMSD has invested \$10,000,000 in capital improvements or every five years. Commissioner Mainz asked if Mr. Boomhouwer is the only person GBMSD has had revise the rate methodology. T. Sigmund replied yes. He stated Mr. Boomhouwer was previously with Black & Veatch and is now with CDM. He stated GBMSD will request proposals for a rate methodology review and update to be completed in 2012.

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Commissioner Hasselblad asked if GBMSD continues to use those parameters and given the new regulations, should the rate methodology be reviewed more often. T. Sigmund replied construction projects should be completed prior to a review to allow proper allocation of the costs. Commissioner Hasselblad stated a review is done every five years or upon completion of a major project, and not necessarily spending \$10,000,000. T. Sigmund replied yes.

Commissioner Mainz asked if the Budget Repair Bill caused increases in most of the expense categories. T. Sigmund explained that for variances, positive revenue numbers are budget increases and positive expense numbers are reductions in costs.

2) **Approval of minutes of Commission meeting held November 30, 2011.**

Motion #11-093

It was moved by Hasselblad, seconded by Blumreich, and unanimously agreed to approve the November 30, 2011 minutes as distributed.

3) **Election of officers.**

Commissioner Alesch asked for nominations for Commission President and Secretary.

Commissioner Mainz asked for a rotation of officers. He stated there is a lot on the Commission's plate and some things are not getting done. He stated the Commission needs to look at that.

Commissioner Hasselblad stated that she would argue that knowledge and history of the Commission President is absolutely critical at this time, and she would like to see the Solids Management Plan completed before a change in officers is made.

Commissioner Blumreich echoed Commissioner Hasselblad's comments.

Commissioner Mainz stated the Commission has an obligation as a Board during the year and he feels the Commission has not met that obligation. He has asked for a review of GBMSD's Executive Director, which had not been done in 2011. He stated that it is time to make a change to the Board's officers.

Commissioner Hasselblad agreed with Commissioner Mainz on the review of the Executive Director. She stated it is the Commission's responsibility and the Commission needs to gather information and set a formula.

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Commissioner Alesch also agreed and stated that he met with Scott Dettmann to discuss patterns that other organizations use. He stated the process must be objectively measurable and consistently reliable. He thought January would be an appropriate time to review the Executive Team.

Commissioner Mainz stated that he has requested this item be put on the agenda, and it needs to get done and off the table. He stated that he does not want to be a part of a Commission that doesn't get things done.

Commissioner Alesch stated it will be on the January agenda.

Commissioner Hasselblad stated the Commission needs to set goals and markers during the year.

Commissioner Alesch stated that he would report on a proposed approach before the next Board meeting.

Commissioner Hasselblad stated that this is a personnel issue and a meeting could be scheduled solely on this item.

Commissioner Blumreich stated that it would be unfair to develop a process and conduct the review immediately.

Motion #11-094

It was moved by Blumreich, seconded by Hasselblad, with Mainz voting nay, to approve Commissioner Alesch as President.

Motion #11-095

It was moved by Mainz, seconded by Blumreich, and unanimously agreed to approve Commissioner Hasselblad as Secretary.

4) Request Commission approval of the 2011 Compensation Study Final Report.

J. Christ stated the Commission has seen shorter versions of the 2011 Compensation Study. She stated the Commission previously acted on two of the items in the report, which were no market adjustment and restructuring of the longevity program. She stated the full report provides some repetitive information and includes attachments on how the results were determined and analyzed. Staff is requesting implementation of the recommendations listed in the report on pages 6 and 7. Staff will use these guidelines to keep GBMSD's compensation program at market and reasonable.

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Commissioner Hasselblad asked if the study included any private sectors. J. Christ replied only for the engineering positions. Commissioner Hasselblad asked if there were any outliers that pay greater than market. J. Christ replied GBMSD is 5% above market and that is why the Commission did not approve a market adjustment.

Commissioner Hasselblad asked about a performance based pay system. J. Christ stated GBMSD recently implemented a new performance appraisal system. She stated the process needs to be refined prior to moving to a performance based pay system.

Commissioner Alesch stated that he is interested on how the employees feel about the new system. J. Christ replied the Performance Evaluation Committee may be expanded and more training will be offered to employees.

Commissioner Mainz complimented Ms. Christ on the final report. He asked how the positions were ranked and what input did staff have. J. Christ replied a position description questionnaire (PDQ) was filled out by the employees and reviewed by their directors. The PDQ was then analyzed by the Performance Evaluation Committee and the Executive Director. She stated Mr. Dettmann reviewed all positions for similarity and consistency with public and private sectors.

Commissioner Mainz asked if the Commission is suppose to approve the salary grades. J. Christ replied no.

Motion #11-096

It was moved by Hasselblad, seconded by Blumreich, and unanimously agreed to approve the actions items as represented in the 2011 Compensation Study. (See Commission File 11-007)

5) Request Commission approval to increase the current half time Communications and Education Specialist position to full time commencing on January 1, 2012.

L. Evenson requested Commission approval to increase the current half time position to full time. She stated there has been a significant increase in communication on the budget rate increases, Solids Management Plan, rate methodology, and internal communication. She reported in a survey conducted in 2010 GBMSD's external stakeholders rated communication at the top of the list of priorities. She stated other areas requiring additional efforts are the branding initiative, brochures, website, and education program.

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Commissioner Hasselblad stated that GBMSD needs to be as transparent as it can possibly be. Staff needs to focus on tightening communications with the public and private sectors.

Commissioner Mainz stated approving the position change is long term. He stated that he would like to see the position stay at half time and supplement the remaining half time and overhead costs on a public relations consultant to assist staff. L. Evenson replied that this position would also be involved with changes to the watershed and phosphorus.

Commissioner Alesch stated that he would like to see the additional half time hours focused on education. L. Evenson replied that Rita Krause has touched 500 people with tours and is also working with University of Wisconsin Green Bay on the Environmental Education Center.

Commissioner Hasselblad asked about communications with state regulators. L. Evenson responded that she and Tom Sigmund are lobbyists.

T. Sigmund stated that he supports the full time position request. He stated it has been slow going with communication on watershed and phosphorus. He stated GBMSD needs to build a stronger relationship with its stakeholders, which is a long-term commitment.

Commissioner Mainz asked if staff is currently using a consultant. T. Sigmund replied yes, for high-end strategy activities.

Commissioner Hasselblad asked for a quarterly report on strategic initiatives, such as issues, regulations, state representatives, and critical items to the organization. L. Evenson stated that she has been tracking this for the last two years. She stated previously GBMSD was under the radar and averaged 20 - 25 customer contacts, and now GBMSD has about 150 - 200 customer contacts.

Commissioner Hasselblad stated communication has denotations and connotations, which can be a vehicle of deceit. She stated staff should be very careful with how things are written.

Commissioner Mainz stated the reason why he would prefer the position to stay at half time and utilize a consultant is that this opens up GBMSD to the market. He stated at this point in time, GBMSD should supplement with a good consultant and get the maximum it can for the cost.

Commissioner Blumreich stated that he has no reservations about the person, but the type of candidate changes when hiring a half time position to a full time position. He advocates that GBMSD recruit if the position is approved to full time.

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P. Kaster stated that he and Lisa Evenson take in depth strategic look at the process on a regular basis. He stated that Ms. Evenson also meets with the Executive Director on a regular basis.

Commissioner Hasselblad stated the Commission needs to be part of this process. She stated there are a lot of good candidates and GBMSD should advertise for this position if approved.

Motion #11-097

It was moved by Hasselblad, seconded by Blumreich, and unanimously agreed to table this item until next month.

6) Update of projects:

a) Consolidation Projects – Treatment plants construction phase

W. Angoli reported that staff is working with the contractor and AWARD to get the lien released against GBMSD.

b) North Basin Complex Gate Replacement

W. Angoli reported the Environmental Protection Agency is in the process of providing a noncompliance letter regarding the stainless steel checker plate, which is not manufactured in the United States, and would allow GBMSD to close out the project.

c) Resource Recovery and Electrical Energy (R2E2)

B. Bartel reported two public informational meetings were held last week at the Allouez Village Hall. He reported 10 people attended the afternoon session and six people attended the evening session. He stated a reporter from the Green Bay Press Gazette was in attendance and wrote an article that was published in the Wednesday newspaper. He stated Mr. Angoli presented the facility plan to the Department of Natural Resources (DNR) last Thursday.

Commissioner Mainz asked if three Commissioners showed up at the meeting, would it be considered a quorum. J. Nicks replied yes. He stated if three Commissioners were to attend the meeting, the meeting has to be properly noticed.

d) Mercury spill report

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J. Kennedy reported that staff responded appropriately to a small but significant spill of mercury back in August 2011. A full report of the incident was submitted to the DNR, though it was not considered an environmental release. He reported as part of the identified corrective actions, staff plans to evaluate the entire facility for any other possible sources of mercury.

Commissioner Mainz asked if it is a requirement to notify the DNR. J. Kennedy replied that technically it is not required unless the spill results in a release to the environment, but past practice has been to notify the DNR as a courtesy.

Commissioner Hasselblad stated GBMSD's voluntary reporting may not have been required, but shows its philosophy of maintaining an effective working relationship with the DNR.

7) **Operation report:**

a) **Effluent quality for November**

P. Wescott reported both facilities were in full compliance with all effluent quality limits for November.

b) **Air quality for November**

P. Wescott reported on one deviation notice that was reported to the DNR. He reported an ID fan tripped out while staff was troubleshooting a bad thermocouple. He stated while staff was working behind the control panel making repairs to the bad thermocouple, a wire for the flow signal from the furnace scrubber broke. The loss of signal from the scrubber, that was the result of the wire breaking, caused the ID fan to trip out and the bypass damper to open. The thermocouple and wire were repaired.

Commissioner Mainz asked if this is a notice of violation. P. Wescott replied no. Commissioner Mainz asked what the difference is between a violation and deviation. P. Wescott replied that a notice of deviation is a method GBMSD uses to report any minor deviation from established operating guidelines, either contained within its air permit as a limit or procedure. In more serious instances, the DNR may consider a deviation to be a violation, and would notify GBMSD accordingly.

Commissioner Mainz asked what GBMSD can do to prevent these deviations from occurring. P. Wescott replied the equipment is in need of replacement. He stated the existing equipment has been experiencing frequent failures due to the age of the facility and the hydrogen sulfide present in the atmosphere damages the electrical components. He stated repair work has been done on this equipment to ensure reliability and prevent reoccurrence, and the repairs have been on-going. He stated that future repairs should significantly reduce these problems.

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8) Executive Director's report:

a) January Commission meeting

The next Commission meeting is scheduled on January 25, 2012 beginning at 8:30 a.m.

b) Draft 2012 Commission meeting schedule

A draft 2012 Commission meeting schedule was included in the Commission packet. He stated most of the meetings have been scheduled on the fourth Wednesday of the month.

c) Disclosure of Related Party Transactions

Please complete the Disclosure of Related Party Transactions as required by the State Statutes.

d) GBMSD draft 2012 goals

The draft 2012 GBMSD goals were included in the Commission packet. He stated division, section, and individual goals are also being developed. More detail and proposed measurements will be provided at the January meeting.

9) Consideration of Commissioner compensation.

J. Nicks reported the Budget Repair Bill provides a provision that allows the Commission to set its own per diem. He stated if the Commission sets a per diem, it would affect all Commissioners. He stated this situation only exists one time. He stated any future changes in the per diem amount would apply only to subsequently appointed or reappointed Commissioners.

Commissioner Mainz stated that he would like to see more information on what other Commissioner per diems are in Wisconsin.

Motion #11-098

It was moved by Mainz, seconded by Hasselblad, and unanimously agreed to table this item until the next meeting to get additional information.

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- 10) 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) Georgia-Pacific billing issues**
- b) Rock Solid Group claim**

Motion #11-099

It was moved by Blumreich, seconded by Hasselblad, 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.

- 11) Reconvene in open session.**

Motion #11-100

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

- 12) Request Commission approval or denial of Rock Solid Group claim.**

Motion #11-101

It was moved by Hasselblad, seconded by Blumreich, and unanimously agreed to disallow the Rock Solid Group claim. (See Commission File 11-008)

There being no further business to come before the Commission, the meeting adjourned at 10:22 a.m.

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Secretary