

GREEN BAY METROPOLITAN SEWERAGE DISTRICT
PROCEEDINGS OF THE COMMISSION

Regular meeting of the Commission held February 22, 2012.

PRESENT: Commissioners Alesch, Hasselblad, Blumreich, and Tumpach

EXCUSED: Commissioner Mainz

ALSO PRESENT: T. Sigmund, P. Kaster, P. McCarthy, P. Wescott, M. Diaz, J. Czynski, L. Evenson, M. Pierner, W. Angoli, N. Qualls, B. Bartel, J. Kennedy, B. Vander Loop, J. Christ, M. Erschnig, L. Frisch, T. Valenta, J. Nicks–Legal Counsel; M. Heckenlaible–City of Green Bay; K. Kiewatt–Wells Fargo

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

1) Welcome new Commissioner, Mark Tumpach.

Commissioner Alesch introduced and welcomed Mark Tumpach to the Commission.

2) Administer Oath of Office.

T. Sigmund administered the Oath of Office.

3) Elect Commissioner Tumpach as Vice President.

Motion #12-009

It was moved by Hasselblad, seconded by Blumreich, and unanimously agreed to elect Commissioner Tumpach as Vice President.

4) Approval of minutes of Commission meetings held January 25 and 31, 2012.

Motion #12-010

It was moved by Hasselblad, seconded by Blumreich, and unanimously agreed to approve the January 25 and 31, 2012 minutes as distributed.

5) January financials.

M. Diaz reported the total operating revenues for January were unfavorable to budget by \$116,000 due to less snowfall precipitation received. The operating expenses were favorable to budget by \$114,000 due to less electrical power usage, natural gas and fuel oil, and supplementary expenses. She reported the net loss for the month of January was \$111,000 due to non-operating revenues and expenses.

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Commissioner Blumreich asked if salaries fluctuate monthly. J. Christ replied the variance was primarily due to an unanticipated salary payout for a recent retiree, reclassification of pay grades for some positions, and implementation of standby pay for Maintenance staff for snow removal.

6) **Review investment portfolio.**

P. Kaster introduced Kent Kiewatt, Director of Fixed Income Sales for Wells Fargo Securities.

K. Kiewatt thanked the Commission for allowing him to speak today. He provided the Commission with an overview of GBMSD's current investments and strategy. He reported yields are at historic lows and are expected to remain near these levels into 2014. He stated a balanced approach is best and to resist the temptation to reach for yields, which are only slightly higher in the long term during this part of the rate cycle. He suggested remaining consistent in GBMSD's investment approach by utilizing investment sectors that offer relative value and keep excess liquidity to a minimum where possible.

Commissioner Hasselblad asked what other municipalities are doing. K. Kiewatt replied that some other municipalities may look to extend investments in lieu of higher yields, but this approach would yield little in the way of higher returns. He stated it is better to look at two to three year yield durations.

Commissioner Alesch stated GBMSD is looking to borrow money at a maximum of 20 years, and asked if GBMSD can pool with another organization. K. Kiewatt stated that this is out of his area of expertise. He stated these are long-term capital projects and we would have to look at the state statutes to go beyond GBMSD's seven-year investment term per its Investment Policy. He stated Paul Kaster and Tom Sigmund have done a great job on their direction on the portfolio.

Commissioner Blumreich asked about fund draws. K. Kiewatt replied that currently GBMSD has enough liquidity, but the question would be how much does GBMSD need in 2013. He stated this will be discussed at the investment meeting following the Commission meeting.

P. Kaster stated the Commission should keep in mind that reserves make up the bulk of GBMSD investments with an internal goal of approximately five million dollars in liquidity. Most investment opportunities will look at a two to three year investment. P. Kaster also stated that staff is meeting with Wells Fargo and Baird Financial on financing of the R2E2 Project.

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T. Sigmund stated when GBMSD submits a draw request through the Clean Water Fund, payment is made usually within 30 days.

Commissioner Alesch asked if there are any reserves to finance the Solids Management Plan. P. Kaster replied no. He stated all reserves and interest remains in each reserve; however, the Commission has the authority to redirect some or all of the monies in the reserves.

Commissioner Alesch thanked Mr. Kiewatt.

7) **Introduce new employees:**

B. Bartel introduced the two new employees in Treatment, Jenny Pagel and Mike Murphy. He stated they will start formal training on Monday.

a) **Jenny Pagel, Operator-in-Training**

J. Pagel stated that she is excited to be here. She received her Bachelor of Science degree in Environmental Science with a minor in Communications from the University of Wisconsin – Green Bay. She has worked at the City of Appleton Wastewater Treatment Plant for the past nine years. She worked as a Utility Worker covering Solids and Liquids Operator vacancies and most recently as a Solids Operator running the belt filter press operation on anaerobic digested sludge. She stated that she is thankful for this opportunity.

Commissioner Alesch asked what the training process is. B. Bartel explained there will be one trainer in liquids and one in solids for five months. After the five months, the Operators-in-Training will start on a crew and receive hands on training. Commissioner Alesch asked if the Operators-in-Training are licensed. B. Bartel replied yes.

b) **Mike Murphy, Operator-in-Training**

M. Murphy stated that he recently graduated from the University of Wisconsin – Stevens Point with a Bachelor of Science degree majoring in Waste Management with a minor in Soil Science. He worked as an intern for the Village of Marathon Wastewater Treatment Facility. He grew up in the small town of Edgerton and moved to Green Bay last week. He stated that he didn't know much about wastewater prior to his work with the Village of Marathon, but the internship helped him. He stated that he is excited to get started.

The Commission welcomed them.

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- 8) **Request Commission approval to close out Contract No. 2009-01 De Pere and Green Bay Facility Upgrade and issue final payment to The Selmer Company.**

W. Angoli reported the De Pere and Green Bay Facility Upgrade has been completed and ready for close out and final payment to The Selmer Company in the amount of \$53,546.44. He stated the original contract amount was \$14,198,000 with an authorized contingency of \$1,394,920.86 with an overall contract amount of \$15,592,920.86.

Motion #12-011

It was moved by Blumreich, seconded by Hasselblad, and unanimously agreed to close out Contract No. 2009-01 De Pere and Green Bay Facility Upgrade and issue final payment to The Selmer Company in the amount of \$53,546.44.

- 9) **Request Commission approval to close out Contract No. 2009-011 North Basin Complex Gate Replacement Project and issue final payment to J.F. Ahern Co.**

N. Qualls commended J.F. Ahern Co. for a great job in making this project successful. He stated the original contract amount was shy of \$2,000,000 with a total contract amount of \$2,162,106.

Commissioner Alesch asked if the gates were replaced. N. Qualls replied yes.

Motion #12-012

It was moved by Hasselblad, seconded by Blumreich, and unanimously agreed to close out Contract No. 2009-011 North Basin Complex Gate Replacement Project and issue final payment to J.F. Ahern Co. in the amount of \$18,915.

- 10) **Update on GBMSD's Ambient Water Quality Monitoring Program 2011 changes.**

T. Valenta stated that she is excited about the changes that have occurred during the first year of implementing the expansion of the Ambient Water Quality Monitoring Program (AWQMP). She gave an overview of the history and mission of the AWQMP. She stated the new workboat, The Bay Guardian, was delivered on June 6, 2011. She stated the workboat allows her to safely work in the transition area of the lower Green Bay, where the Fox River plume mixes with cleaner waters from the northern bay. She stated the documentation of water quality benefits related to reduced pollutant loadings in the Fox/Wolf watershed will first be seen in this area. She sampled in this region seven times last year, starting the end of June and completed her last survey in October, in addition to completing 17 lower bay surveys.

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Commissioner Alesch asked if GBMSD covered the debt service to pay for the boat. T. Valenta replied yes. She explained that the grant money collected during 2011 was applied to the debt service on the boat.

T. Valenta stated that in expanding the AWQMP, GBMSD more than doubled the study area. She presented phosphorus data collected from the Fox River to the mid-bay that showed the high degree of variability in water quality. She stated the data can be used to measure progress against the TMDL or NR 102 standards. The mid-bay is an area of water that if and when new phosphorus regulations are implemented, improvements to water quality should be first observed.

Commissioner Hasselblad asked if GBMSD could safely say that the AWQMP is a benefit to its customers. T. Valenta replied yes. She stated the monitoring program provides benefits to GBMSD customers via better understanding of the aquatic resources of its region, ensuring that its WPDES permit is realistic, and actively collaborating with the scientific community to further increase our understanding while bringing in additional revenue.

Commissioner Alesch stated this is important for phosphorus regulations. He stated this gives GBMSD a basis of how much phosphorus has been reduced. T. Valenta stated because of how successful GBMSD's monitoring program is, GBMSD can offer services to other organizations, such as St. Norbert College. St. Norbert College could potentially hire GBMSD to take students out on the bay to do research. In 2011, GBMSD collected \$50,000 in grant money and is slated to collect almost \$46,000 in 2012. The program will continue to pursue funding through active partnerships with organizations monitoring water quality on the Great Lakes.

Commissioner Hasselblad asked if the workboat will be included in the annual report. T. Valenta replied a summary will be included in the annual report.

Commissioner Hasselblad congratulated Ms. Valenta on her work.

11) Update on dual fuel for generators.

W. Angoli stated in 2008 staff reviewed the fuel options for standby emergency generators at the Green Bay Facility (GBF) due to increased diesel fuel pricing. The engine generator options reviewed were diesel fuel, natural gas, and dual fuel. The cost of diesel was approximately \$1,000,000 per unit, natural gas was approximately \$1,500,000 per unit, and dual fuel was approximately \$2,000,000 per unit.

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W. Angoli stated the maintenance cost for diesel fuel and natural gas would be very similar. The engine generator systems were installed to be used primarily for emergency plant power. The number of hours each system would run per year was less than 150 hours per unit, if emergency power is not required. He stated with the minimal usage of the generation system, it was not cost effective to spend an additional \$1,000,000 for natural gas engine generators or an additional \$2,000,000 for dual fuel. Therefore, staff selected the diesel fuel engine generator system.

12) Sewer plan approvals:

a) Village of Bellevue – Project A-12; GBMSD Request 2012-02

The Village of Bellevue is requesting 327 ft. of 8-inch sewer to serve residential lands.

b) Village of Howard – Project 09013; GBMSD Request 2012-03

The Village of Howard is requesting to replace 2,904 ft. of 6, 8, and 12-inch sewer in the Lone Grove Avenue and Memorial Drive area.

Motion #12-013

It was moved by Hasselblad, seconded by Blumreich, and unanimously agreed to approve the Village of Bellevue A-12 and the Village of Howard 09013 sewer plans subject to favorable review by Brown County Planning and final approval by the Wisconsin Department of Natural Resources (WDNR).

13) Update of projects:

a) Resource Recovery and Electrical Energy (R2E2)

B. Bartel reported there have been no additional public comments received on the R2E2 Project. The deadline was February 14. He stated the Request for Proposal (RFP) was sent to consultants on February 15. An external stakeholders meeting is scheduled for March 6.

Commissioner Hasselblad asked how many written comments were received. B. Bartel replied one from the Village of Allouez and one from Richard Parins.

The Commission commended Mr. Bartel on the exceptional job he has done.

b) Air permit status update

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J. Kennedy gave an update on the status of GBMSD's air permit. He stated GBMSD received a Letter of Noncompliance (LON) on March 3, 2011 from the WDNR regarding compliance problems with opacity and the eight hour 950° F secondary chamber permit limit. GBMSD's response letter was accepted by the WDNR, but the issue of the secondary chamber temperature required a more realistic method for demonstrating compliance. He stated a test protocol was developed for measuring dioxin during non-normal operations. Stack testing was conducted in August 2011. The results indicated that compliance with the dioxin standard would not be a problem for GBMSD under any operating scenario. GBMSD, with the assistance of its consultant, will submit a permit modification request to the WDNR to remove the secondary chamber temperature limit. He expects that a final closeout letter from the original March 3, 2011 LON will be part of this process.

J. Kennedy further noted that Jim Crawford retired at the end of January and Randy Matty is the new WDNR Area Air Engineer for GBMSD.

Commissioner Alesch stated that he assumes GBMSD will have fewer problems with its air permit now that plans for the Solids Management Project are nearing completion. J. Kennedy agreed. Commissioner Alesch commended Mr. Kennedy and staff for their work related to the many negotiations with the WDNR over the past two years.

14) **Operation report:**

a) **Effluent quality for January**

P. Wescott reported both facilities were in full compliance with all effluent limits for January. The De Pere Facility (DPF) tied a record low for Total Suspended Solids (TSS) with a daily average concentration of 1.0 mg/L and for TSS daily average discharge of 45 lbs/day. The DPF also set a new all time effluent discharge low for total TSS discharge for a month at 1,380 lbs.

b) **Air quality for January**

P. Wescott reported the GBF was in compliance with air quality limits for January.

Commissioner Alesch asked if the wet well was corrected. P. Wescott replied yes.

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

a) **March Commission meeting**

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The March Commission meeting will be held on March 28 beginning at 8:30 a.m.

b) NACWA 2012 Winter Conference

T. Sigmund reported on the National Association of Clean Water Agencies (NACWA) 2011 Winter Conference he attended in Ft. Lauderdale, Florida. He stated the conference focused on utility compliance and integrated planning. He stated NACWA filed a legal petition with the U.S. Environmental Protection Agency (EPA) requesting reconsideration and a stay of the Clean Air Act (CAA) maximum achievable control technology (MACT) standards for municipal sewage sludge incinerators (SSIs). In addition to requesting reconsideration of the SSI Rule, NACWA's petition also requests that EPA stay or postpone the effective date of the final Rule pending the reconsideration process and promulgation of regulations replacing the SSI Rule. The National Association of Manufacturers and other groups moved to intervene in a law suit brought by the Sierra Club against EPA over the agency's decision to delay the effective date of new regulations on boilers and incinerators. The EPA has denied reconsideration of the SSI Rule.

Commissioner Blumreich asked about the legal funding to participate in the Sewage Sludge Incinerator Advocacy Coalition. T. Sigmund stated NACWA asked utilities to contribute \$5,000 per permitted incinerator unit. He stated GBMSD contributed \$10,000.

c) GBMSD 2012 goals

T. Sigmund reported GBMSD's 2012 goals were emailed to the Commission.

T. Sigmund reported the rate methodology RFP was sent out this week and approval of the consultant will be requested at the April meeting.

- 16) 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, and under 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) Georgia-Pacific billing issues**
 - b) Performance review of Executive Director**

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Motion #12-014

It was moved by Hasselblad, seconded by Blumreich, 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, and under 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.

17) Reconvene in open session.

Motion #12-015

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

There being no further business to come before the Commission, the meeting adjourned at 11:20 a.m.

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Secretary