

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

PROCEEDINGS OF THE COMMISSION

Regular meeting of the Commission held October 24, 2012.

PRESENT: Commissioners Alesch, Hasselblad, Blumreich, Tumpach, and Mainz (via conference call)

ALSO PRESENT: T. Sigmund, P. Kaster, P. Wescott, M. Diaz, M. Pierner, J. Kennedy, W. Oldenburg, J. Christ, W. Angoli, J. Czepinski, M. Urbancic, B. Bartel, J. Becken, B. Vander Loop, T. Garrison, M. Erschnig, R. Brown, J. Van Sistine, J. Nicks–Legal Counsel; M. Heckenlaible–City of Green Bay; C. Berndt–Village of Allouez; L. Collins–JBS Green Bay

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

1) **Public hearing on the Sewer Use Ordinance.**

Commissioner Alesch stated this is a meeting of the Commission of the Green Bay Metropolitan Sewerage District (GBMSD) and the first item on the agenda is a public hearing on the proposed modifications to the GBMSD Sewer Use Ordinance. Mr. Oldenburg, Pretreatment Program Coordinator, will summarize the proposed modifications described in the public notification process that has been followed and report on any comments that have been received to date.

W. Oldenburg reported staff has proposed 58 changes to the GBMSD Sewer Use Ordinance. He stated some of the changes are meant for clarification or typographical changes. He stated there are also some substantive changes, none of which are significant changes to the Pretreatment Program so the Department of Natural Resources (DNR) is not part of this review. He stated GBMSD followed State Statutes requirements in notifying GBMSD customers and stakeholders. The informative summary, the redlined Ordinance, and a final draft of the Ordinance were provided to 195 individuals, including GBMSD municipal customers, significant industrial users, waste haulers, and a variety of other regulators and consultants. The information was also posted on GBMSD's website. He stated the informative summary was published in the Green Bay Press-Gazette. An informative meeting was held with GBMSD stakeholders along with a written comment period. He stated written comments were received from the Villages of Allouez and Ashwaubenon and Cities of Green Bay and De Pere. Many of the comments were questions or asking for clarification. He stated some of the comments were on aspects of the Ordinance that were not part of the proposed changes. He stated GBMSD would like to rescind three of the four contentious proposed changes per comments received from the City of Green Bay. He stated proposed deletions are to Sections 4.10(2), 5.20, and 5.25 and GBMSD staff recommends keeping the language as is.

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W. Oldenburg stated the fourth item that the City of Green Bay did not agree with was with Section 4.58, which addresses sanitary sewer overflow (SSO). The proposed language states that any municipal customer who has an SSO is required to report it to the DNR and would also be required to report it to GBMSD. He stated the intent behind that is so GBMSD would have a better understanding of its service area, to improve the collection system to mitigate SSO, and understand where the SSO takes place within GBMSD boundaries.

Commissioner Hasselblad asked why staff decided to strike the wording in Sections 5.2 and 5.25. W. Oldenburg replied when GBMSD takes out a loan for new interceptor pipes, GBMSD is responsible to pay the interest for the duration of the loan. He stated if a municipal customer prepays, the interest would then be allocated to other municipal customers. Commissioner Hasselblad stated GBMSD could use the prepayment to gain something in the market.

Commissioner Alesch asked what the customers addressed that GBMSD was not planning to change. W. Oldenburg replied two customers were concerned with some of the Ordinance language that was not part of this update. Commissioner Alesch asked why staff wouldn't look at parts of the Ordinance that customers have asked staff to. W. Oldenburg replied GBMSD can definitely look at other revisions in the future. He stated the public hearing and the written comment period were to address the proposed changes that were published in the newspaper. Commissioner Alesch asked what the customers' concerns were. W. Oldenburg replied the Village of Allouez had concerns with:

- The definition section does not include a private sewer
- The customer connection permit should include private sewer
- Section 4.11 should reference a collector sewer
- Section 4.12 permits for laterals and private sewers
- Section 4.13 notice of hookup of a lateral
- Section 4.20 requires a 200 gpd/inch-diameter/mile infiltration flow limit
- Section 4.50 requires a professional engineer's stamp

Commissioner Alesch asked what the implication would be to address the concerns at this time. W. Oldenburg replied that staff has not reviewed the proposed modifications to see if GBMSD would support them, and they were not part of the informative summary that was published in the newspaper. Commissioner Alesch stated so GBMSD would need to have another public hearing and republish the informative summary in the newspaper. W. Oldenburg replied yes.

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Commissioner Alesch asked if there was an urgency to approve the proposed Ordinance changes today. W. Oldenburg replied no. T. Sigmund stated the one item would be with dental offices that places or removes mercury amalgam. He stated until it is in the Ordinance, GBMSD cannot enforce dental offices installing and maintaining approved amalgam separators to be in compliance with the Environmental Protection Agency.

Commissioner Alesch asked when staff plans to reexamine the Ordinance. W. Oldenburg replied when the final report is completed on the rate methodology. He stated staff will also be looking at the Ordinance for local limits in the near future. He stated GBMSD is waiting to hear from the DNR on the issues related to local limits.

Commissioner Alesch asked if the Commission has any questions of staff at this time.

Commissioner Alesch asked if there is anyone that would like to speak now for or against the proposed changes.

M. Heckenlaible, Assistant City Engineer, stated the City of Green Bay (City) has submitted written comments. He stated that he is happy to see that three of the major comments have been rescinded. He stated that he would like to speak briefly on the SSO and the rationale for it. He stated that it is not that the City does not want to cooperate with GBMSD, but the City is having a difficult time understanding GBMSD's authority to require that information. He stated if GBMSD would request it, he is sure the City would be more than happy to provide that information. He stated if the City has a SSO within its system, there is nothing GBMSD can do about it as far as the City's maintenance and infrastructure. He stated how that information would benefit GBMSD other than information. He stated the City's recommendation is not to have it required but reworded such that GBMSD could request it. Thank you.

Commissioner Alesch asked if there are any other comments.

C. Berndt, Public Works Director for the Village of Allouez (Village), stated that he has two comments on the proposed Ordinance. He stated many of the changes were more administrative than they were of substance. He stated there are two items the Village would like GBMSD to look at as soon as reasonably possible. He stated the first item is to address the infiltration limits that are in the Ordinance that are applied to the municipalities and to GBMSD. He stated because the infiltration criteria limits that are set are different, he questioned if it is equitable and fair to both GBMSD and the customers if different criteria is applied to the two different entities. He stated the second item is the fines. He stated GBMSD has the authority in the Ordinance to levy up to a \$10,000 fine per day, but it doesn't define what that is applicable to.

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C. Berndt stated the Village assumes that it is applicable to any event that might take place or any violation. He stated the Ordinance should identify the specific violations and the fines associated with the violations. For example, if the Village submits a set of plans late on a project, the Village could be subject to a \$10,000 per day fine, which seems excessive for something that might be an administrative matter. He stated this should be clarified. He stated the last comment he would make is that GBMSD requires by Ordinance that a record drawing for a sewer installation be stamped by a professional engineer. He stated in many cases it is not required by DNR. He stated the Ordinance requires if the Village does maintenance and replacement of a section of sewer, the Village has to retain an engineer to provide a set of stamped record drawings on a project that the Village didn't have a professional engineer to engineer the project. He stated those were the major items that the Village had comments on.

Commissioner Alesch asked if there were any questions from the Commission.

Commissioner Mainz asked if the Ordinance was reviewed by legal counsel. J. Nicks replied that he reviewed the Ordinance when the process first started a couple years ago. He stated that he went through the entire Ordinance to make sure that the various references to the administrative codes were up to date. He stated his involvement with respect to the kind of substantive decision making has been more limited, but his review is that none of those things are particularly radical, other than adding the dentist mercury aspects. He gave staff credit for making an effort to try to clean up some of the language to make it more consistent. He stated the City and Village have identified some discreet policy issues that definitely need to be addressed. He stated it probably could not be addressed at this time because the notices did not apply. He stated GBMSD will have some further amendments of the Ordinance when GBMSD starts looking at local limits and billing methodologies.

Commissioner Alesch asked when GBMSD needs a new posting and hearing. J. Nicks replied when GBMSD makes any changes to the Ordinance, a new posting and new hearing is required because GBMSD must follow the rule making procedures.

Commissioner Mainz asked staff to provide an Ordinance revision schedule to address concerns by GBMSD customers. W. Oldenburg replied GBMSD is waiting for DNR's approval of the local limits. He will provide the Commission with a schedule.

Commissioner Alesch asked if it would require a new hearing if GBMSD decides to rescind those changes. J. Nicks replied since they address the areas of the Ordinance that were already proposed for change, the Commission can accept or reject them as a result of what it hears at the public hearing.

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Commissioner Alesch asked staff to set up a schedule for calendar year 2013 to address municipalities' concerns with the Ordinance. He suggested approval of the proposed changes be deferred to next month or December. T. Sigmund stated that he wouldn't go any later than November because the changes must be published in the newspaper before it becomes official.

2) Request Commission approval of the proposed Sewer Use Ordinance changes.

Motion #12-068

It was moved by Hasselblad, seconded by Blumreich, and unanimously agreed to table this item until the November 28 meeting.

Commissioner Alesch stated that he would like to shift the order of the agenda. He stated that it is important to move the budget workshop up because he would like to have Commission concurrence on the budget that staff will submit to the communities for their review. He stated some of the items can be addressed fairly quickly.

3) Approval of minutes of Commission meetings held September 27 and October 4, 2012.

Motion #12-069

It was moved by Hasselblad, seconded by Blumreich, and unanimously agreed to approve the September 27 and October 4, 2012 minutes as distributed.

4) September financials.

M. Diaz reported total operating revenues for September were 8% unfavorable to budget or \$181,000 primarily due to less precipitation than projected. Overall, operating expenses were favorable for the month of September at \$115,000 due to less expenditures from contracted services, power, and solid waste disposal. For the month of September, there was a net loss of (\$127,000) due to non-operating revenues and expenses.

5) Jacob Becken receives Wisconsin Wastewater Operators' Association Newcomer Award.

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B. Bartel stated every year various awards are presented at the Wisconsin Wastewater Operators Association annual conference. One of GBMSD's operators, Jacob Becken, was nominated and received the Newcomer of the Year Award at the conference. The main criteria for the award is to have less than three years of experience in the wastewater field, demonstrate higher than average growth in their place of employment, willingness to learn, show innovation on the job, and show exceptional enthusiasm for the wastewater treatment profession. He stated Mr. Becken certainly meets all that criteria and is well deserving of the award.

J. Becken stated it's a real honor to be selected. He stated that he works with a lot of very knowledgeable people that make it a lot easier to advance as an operator. Thank you.

The Commission expressed its appreciation and gratitude for his work and the award.

6) Request Commission approval of the 2013 dental insurance carrier and premium sharing.

J. Christ stated MetLife has been GBMSD's provider since last year when it came in with lower rates. MetLife is proposing a 3% increase, which is below the 5.6% trend in the market place. She stated there would be no change in coverage. Staff is requesting to maintain GBMSD's premium sharing at 85% and employees' sharing at 15%, which is based on results of a telephone survey and is within market.

Commissioner Mainz asked if the 15% is the same as last year. J. Christ replied 15% of the premium would be paid by the employee and is the same as 2012.

Commissioner Tumpach stated much like the health care, this is well below the private sector. He stated that he would rather see the employee sharing increased.

Commissioner Mainz stated the Commission needs to look at the health and dental insurance carefully and compare it to businesses in Northeast Wisconsin. He asked staff to initiate some type of schedule to get this information so the Commission can make learned decisions at the appropriate times. T. Sigmund replied a study on benefits will be done in early 2013, and staff will discuss the results with the Commission in April or May 2013.

Commissioner Hasselblad stated insurance companies have a lot of this information.

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Motion #12-070

It was moved by Hasselblad, seconded by Blumreich, with Tumpach voting nay, and agreed to contract with MetLife, Inc. for GBMSD's dental insurance carrier for a one-year period and maintain GBMSD's premium sharing level at 85% effective January 1, 2013.

7) Request Commission approval for the addition of the Environmental Compliance Specialist position and the associated revision to the organizational chart.

Commissioner Tumpach suggested discussing the budget first since this item impacts the budget.

T. Sigmund stated GBMSD would not proceed forward with hiring if this position is not in the 2013 budget. He stated since GBMSD would like to have someone hired shortly after the first of the year, staff needs to start the process soon. He stated this is a result of the movement towards the watershed part of GBMSD's business that staff sees there is significant opportunities for savings for GBMSD customers. GBMSD is not just building facilities here at the treatment plant to comply with the environmental rules that are coming for phosphorus, but is also focusing on the watershed. He stated adaptive management is the best opportunity GBMSD has in reducing its overall costs. He stated there are elements of environmental compliance that are not getting done, such as working with hazardous materials, mercury with dentist amalgam removal, and the significant amount of work with getting the new air construction permit. He requested Commission approval to change the organizational chart.

Commissioner Hasselblad stated that she supports the addition of this position to the 2013 budget to augment GBMSD staff on environmental compliance and adaptive management. She stated this is one of the areas GBMSD will be facing new and critical rules in air and water in 2013. She stated those individuals will save this organization a great deal of money. She stated the data that will be gathered and compliance with the changes in the regulations within all of the parameters is going to be critical. She stated GBMSD could waste a great deal of time and its customers' money if GBMSD is out of compliance on this. She stated GBMSD is behind the curve on this and this has her full support.

Commissioner Alesch also expressed his support of this position. He stated one of the prospects is increased capital expenditures unless GBMSD can absolutely demonstrate that the management practices significantly reduce the phosphorus in the river. GBMSD needs to make the communities around the Fox River aware of what is happening.

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Commissioner Alesch stated GBMSD postponed the solids management project a year to do further research requested by the communities. He stated that year is the year for which GBMSD is going to be out of compliance technically on air quality for solids. He stated GBMSD needs to make the investment now to keep this from happening.

Commissioner Hasselblad stated Green Bay Water is facing the same kinds of quandaries and projected costs going forward in terms of the loadings on the drinking water.

Commissioner Tumpach asked what the salary impact is. J. Christ replied \$63,000, which is the midpoint of the range. T. Sigmund stated GBMSD would not hire above midpoint.

Motion #12-071

It was moved by Hasselblad, seconded by Blumreich, and unanimously agreed to approve the addition of the Environmental Compliance Specialist position and the associated revision to the organizational chart. (See Commission File #12-007)

- 9) **Request Commission approval for Robert E. Lee & Associates, Inc. to provide engineering services for modifications to the Duck Creek Interceptor Project 12-036.**

M. Pierner reported the Wisconsin Department of Transportation (WDOT) advanced the schedule on the Highway 29 and County Trunk FF interchange. He stated GBMSD must move 1,200 ft. of pipe or reinforce the existing pipe. GBMSD asked Robert E. Lee & Associates to provide a proposal for engineering services. Previously, GBMSD went through a consultant selection process on Highway 41 & 29 corridor work and staff feels Robert E. Lee continues to meet the criteria that can provide the required engineering work for GBMSD at the lowest cost advantage to GBMSD. He stated 95% of the projected cost should be paid by WDOT. GBMSD is currently in discussions with WDOT whether it can capture 100%. He requested authorization to hire Robert E. Lee at \$92,840 and establish a 5% contingency.

Motion #12-072

It was moved by Mainz, seconded by Hasselblad, and unanimously agreed to approve Robert E. Lee & Associates, Inc. to provide engineering services for modifications to the Duck Creek Interceptor Project 12-036 in the amount of \$92,840 and a 5% contingency for a total project amount of \$97,482.

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10) Request Commission approval to close out the Beaver Dam Creek Interceptor Relocation Project No. 10-502 and issue final payment to PTS Contractors, Inc.

M. Pierner reported GBMSD had to move a couple miles of the Beaver Dam Creek Interceptor out from the Highway 41 right-of-way near the Woodman grocery store. Staff recommends Commission approval to close out the project and issue final payment to PTS Contractors, Inc. in the amount of \$25,825. He stated GBMSD will seek final reimbursement from WDOT, which is 90% of the project cost.

Motion #12-073

It was moved by Blumreich, seconded by Hasselblad, and unanimously agreed to close out the Beaver Dam Creek Interceptor Relocation Project No. 10-502 and issue final payment to PTS Contractors, Inc. in the amount of \$25,825.

11) Budget workshop.

Commissioner Alesch stated GBMSD's budget is not driven by last year's budget but by projections of flows and loads from GBMSD customers. He stated rainfall and temperatures also affect the budget. He stated the Commission asked staff to justify if GBMSD only spent this much in 2012, why it is budgeted for more next year. He stated staff went through the numbers again using the appropriate amount of what GBMSD expects Wisconsin Public Service (WPS) to be charging for the energy GBMSD buys. Consequently, the budget is down \$600,000 from the budget that was proposed.

T. Sigmund stated the Commission asked staff at the last budget workshop to compare the 2013 proposed budget to where staff projects GBMSD to be at the end of 2012 instead of comparing the proposed 2013 budget to the 2012 budget. He reviewed the following:

- 2013 Budget Drivers
- Revisions Since Workshop No. 3
- 2013 Proposed Expenses
- 2013 Proposed O&M Expenses
- 2013 Budget vs. 2012 Projected
- 2013 Salaries
- 2013 Benefits
- 2013 Power
- 2013 Contracted Services
- 2013 Maintenance & Repairs

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- 2013 Chemicals
- 2013 Natural Gas & Fuel Oil
- 2013 Solid Waste Disposal
- 2013 Interceptor System
- 2013 Office & Administrative
- 2013 Supplies
- 2013 Employee Development, Training, Travel
- 2013 Revenues
- Municipal Rate
- 2013 Budget Summary

T. Sigmund stated that staff would like to send the proposed budget to its customers on Friday and receive comments before the budget hearing.

Commissioner Alesch stated the budgeted expenses for 2013 are down 0.2 percent from the 2012 budget.

Commissioner Hasselblad stated that staff did exactly what the Commission asked them to do. She stated the Commission pushed staff to the limit and the Commission appreciates the extra effort. She stated staff addressed both drivers; what GBMSD has to spend in 2013 and what needs to be done to protect the environment. She congratulated staff on the \$42,500 refund on workers compensation. She stated that she has never seen a refund on the health and safety side of the ledger, and would like to see a metric or at least a five year scan of GBMSD's recordables to see what they were and what GBMSD is doing in terms of health. T. Sigmund replied that staff will get that information to the Commission.

Commissioner Blumreich stated that he is concerned about the training that hasn't been done, but he understands that staff has been busy. He asked if GBMSD has a policy to provide staff with professional training each year. T. Sigmund replied GBMSD does not. He stated that he will work with the directors to figure out proactively how to arrange for employees to attend the training.

Commissioner Alesch encouraged Commissioners to attend a National Association of Clean Water Agencies conference.

Commissioner Hasselblad stated that natural gas prices are going down and cautioned staff about getting too far out on gas contracts.

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Commissioner Tumpach stated that staff has done a lot of what the Commission has asked them to do. He asked if there were things to be cut out of the budget, what staff would cut.

Commissioner Blumreich departed at 10:05 a.m.

T. Sigmund replied staff has looked at this budget in detail for four months and compared to the first budget workshop in August, the O&M budget is down \$626,000 from that. He stated that he does not have any other items to remove from the budget, and that subsequent reductions would compromise the expected performance of the organization.

Commissioner Alesch encouraged staff to send the proposed budget out on October 26. He stated if staff can find anything between now and then that makes sense to reduce that will not have a serious impact on the ability to do that, to do so. He stated the Commission has done its due diligence.

T. Sigmund stated the proposed budget that the Commission received in its packet is what will go to GBMSD customers and barring anything that staff hears from the customers, it will be the budget that will go to the public hearing.

8) Request Commission approval of performance based pay pilot program.

Commissioner Alesch stated this item will be deferred until the next meeting due to time constraints. He stated since this is a pilot study, staff should develop criteria in order to evaluate it.

12) Rebranding initiative update.

Commissioner Alesch stated this item will be deferred until the next meeting due to time constraints.

13) Update of projects:

- a) **Resource Recovery and Electrical Energy (R2E2)**
- b) **De Pere Facility East Service Area Interceptor Rehabilitation**
- c) **West Tower Drive Interceptor Relocation**
- d) **Laboratory relocation to De Pere Facility**
- e) **Recent stack test results**

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J. Kennedy reported GBMSD conducted a third stack test of Incinerator #2 in September based on earlier problems, which staff believed were the result of some stack liner material that inadvertently got into the sample train after the cover on the sample ports were removed. He stated GBMSD removed the cover the day before the retest on Incinerator #2 and the test results were very good. GBMSD staff is currently in discussions with the DNR about what can or should be done to the liner. He stated staff is proposing to continue to monitor the situation. Staff is also taking pictures around the ports inside the stack. He stated technically GBMSD does not have to test for another two years unless the DNR indicates otherwise.

- 14) Operation report:**
 - a) Effluent quality for September**
 - b) Air quality for September**

- 15) Executive Director's report:**
 - a) November Commission meetings**

There being no further business to come before the Commission, the meeting adjourned at 10:19 a.m.

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Secretary