

GREEN BAY METROPOLITAN SEWERAGE DISTRICT
PROCEEDINGS OF THE COMMISSION

Regular meeting of the Commission held July 24, 2013.

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

ALSO PRESENT: P. Kaster, P. McCarthy, P. Wescott, B. Hafs, M. Diaz, B. Angoli, B. Brown, J. Kennedy, M. Urbancic, M. Erschnig, B. Bartel, J. Czynski, T. Brown, T. Garrison, B. Vander Loop, M. Pierner, J. Van Sistine, J. Nicks–Legal Counsel

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

- 1) **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 litigation**
 - b) **Fox River Fiber Complaint with Public Service Commission**

Motion #13-051

It was moved by Blumreich, 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.

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

Motion #13-052

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

- 3) **Approval of minutes of Commission meetings held June 26 and July 10, 2013.**

Motion #13-053

It was moved by Mainz, seconded by Tumpach, and unanimously agreed to approve the June 26 and July 10, 2013 minutes as distributed.

- 4) **June financials.**

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M. Diaz reported for the month of June total operating revenues were 16% unfavorable to budget due to fewer user fees received from all criteria except inflow and infiltration, and dryer weather than anticipated. Mid-year operating revenues were 2% unfavorable to budget. She stated total operating expenses were favorable to budget by \$152,000. Year to date operating expenses were favorable to budget by \$1,400,000. Leading the favorable results were contracted services, chemicals, salaries & benefits, power, maintenance plant, maintenance interceptor, and solids waste disposal. The net loss for the month of June was \$271,000 due to lower than planned operating revenues.

Commissioner Hasselblad stated that staff is managing expenses as well as possible. She stated expenses are going to increase in the second half of 2013 due to scheduled projects.

5) Adopt retirement resolution for Michael Pierner.

Commissioner Hasselblad stated that Michael Pierner has retired after 36 years of service. She read the retirement resolution and thanked Mr. Pierner for his dedication and years of service. She stated that we think of Mr. Pierner as a friend, and we will miss him.

M. Pierner stated that it has been an honor working with the customer base over the years and a joy to meet and work with all of you. Thank you very much.

Motion #13-054

It was moved by Blumreich, seconded by Hoffmann, and unanimously agreed to adopt the retirement resolution for Michael Pierner. (Resolution #13-009 is on file at the GBMSD offices)

6) Request Commission approval to close out the HVAC & Lab Upgrades Project 11-056-CO and issue final payment to Miron Construction Company, Inc.

B. Brown requested Commission approval to close out the project and make final payment to Miron Construction Company, Inc. in the amount of \$85,998.45. Miron has met the milestones and finished the work well before the contract completion date. He stated the Commission approved the contract amount of \$2,331,860, and contract amendments were \$75,544. He stated \$86,000 is due for previously completed work and final change orders.

Motion #13-055

It was moved by Blumreich, seconded by Hoffmann, and unanimously agreed to close out the HVAC & Lab Upgrades Project 11-056-CO and issue final payment to Miron Construction Company, Inc. in the amount of \$85,998.45.

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7) **Request Commission approval for Robert E. Lee & Associates to provide consulting services for the Dutchman Creek and Scott-Bayshore Interceptor Study, Project 13-024-FS.**

B. Brown requested Commission approval for Robert E. Lee & Associates to provide consulting services for the Dutchman Creek and Scott-Bayshore Interceptor Study. Staff has observed higher than anticipated wastewater levels in the Dutchman Creek pipe and has also expressed deterioration concerns regarding the Scott-Bayshore pipeline. Request for proposals were sent out and three proposals were received. The proposals were ranked using the qualification based selection process, and Robert E. Lee & Associates was the unanimous decision.

Motion #13-056

It was moved by Mainz, seconded by Hoffmann, and unanimously agreed to approve Robert E. Lee & Associates to provide consulting services for the Dutchman Creek and Scott-Bayshore Interceptor Study, Project 13-024-FS in the amount of \$65,006 and a 10% contingency under the authority of the Executive Director for a total amount of \$71,506.

8) **Update of projects:**

a) **Resource Recovery and Electrical Energy (R2E2)**

B. Angoli reported staff has been reviewing fluidized bed specifications and incorporating into the procurement contract. Staff met with the engineer to discuss development of the Energy Management Manual and requirements for Design Manuals. He stated various design meetings were held over the last month.

Commissioner Hasselblad asked if the project is on schedule. B. Angoli replied the project is slightly behind schedule and CH2M Hill is currently revising the schedule. Commissioner Hasselblad asked that the Commission receive a copy of the revised schedule in the next Commission packet.

Commissioner Mainz asked what the cost impact is with the delay. B. Angoli replied that he does not know what the cost impact is. He stated the delay was due to the changes with Fox River Fiber and future phosphorus regulations. Commissioner Mainz stated the Commission does not want any surprises with cost or schedule.

b) **Duck Creek Interceptor North Leg Modifications**

B. Brown reported all relocation work north of STH 29 has been completed. He stated the project work is driven by the Hwy 41 schedule. He stated protective measures were taken to preserve the environmentally sensitive nature of the site. Poor soils and drainage issues were encountered. The project began in mid-June and is on schedule.

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- 9) **Operation report:**
a) **Effluent quality for June**
b) **Air quality for June**

P. Wescott reported both facilities were in full compliance with effluent and air quality limits for June. The De Pere Facility tied an effluent discharge record low for Total Suspended Solids with a daily average concentration of 1.0 mg/L.

P. Wescott reported there were two deviation notification submittals to the Wisconsin Department of Natural Resources. He reported on an opacity deviation of 3 minutes and 35 seconds on Incinerator #1. On Incinerator #2, an air filter seal failure resulted in a false positive pressure reading causing the emergency bypass damper to open for 1 minute and 31 seconds.

- 10) **Draft 2014 NEW Water budget review.**

P. Kaster reported the draft 2014 budget is about 95% complete. He reviewed the current 2013 costs and estimated 2014 costs. He stated a budget workshop will be held with the Commission on August 28, 2013. He stated the projected 2014 costs will be discussed at a customer luncheon on August 1, 2013. He asked if the Commission has any areas of concerns or questions.

Commissioner Hasselblad proposed to look at the health and dental surveys conducted with private and public agencies, and review the budget parameters and trends. She stated Commission questions are critical in pacing the budget and rate increases. She asked Commissioners to email their questions to Tom Sigmund prior to the budget workshop.

Commissioner Mainz asked if a fixed residential charge is expected. P. Kaster replied that NEW Water, the brand of the Green Bay Metropolitan Sewerage District, charges a fixed charge, but he is not sure how the municipalities are charging their customers.

Commissioner Mainz asked staff to provide a five-year history of data for comparison.

Commissioner Hasselblad stated that she has asked Tom Sigmund to provide a brief update on the NACWA Summer Conference "Building Resiliency" at the August Commission meeting.

- 11) **Executive Director's report:**
a) **August Commission meeting**

The August Commission meeting will be held August 28, 2013 beginning at 8:30 a.m. A budget workshop will be part of that meeting.

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b) Stack rehab

Pullman Power was contracted to reline Incinerator #2 stack, which was an unbudgeted expense that will be offset by postponing an operational needs review until 2014.

c) Credit card program update

The Business Services Division sent out a Request for Proposals and four credit card companies responded. Staff reviewed several credit card programs for potential savings and available benefits. The Fleet Program allows NEW Water to avoid Federal Taxation of 18.4 cents per gallon of gas and 24.4 cents per gallon of diesel fuel. The Credit Program allows NEW Water to receive a rebate for purchases.

d) NACWA 10th Annual Platinum Award

NEW Water received the National Association of Clean Water Agencies (NACWA) 10th Annual Platinum Award. In 2012, NACWA awarded only 158 Platinum Awards within the entire United States. The award displays the dedicated commitment of staff to not only meet the requirement, but to excel.

P. Kaster reported that NEW Water has received a AAA rating from Moody's.

Commissioner Blumreich asked staff to provide the Commission with a copy of Moody's Report.

P. Kaster reported municipalities are contacting Red Oak Consulting directly for assistance with implementing the new rate methodology.

There being no further business to come before the Commission, the meeting adjourned at 9:35 a.m.

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Secretary