

GREEN BAY METROPOLITAN SEWERAGE DISTRICT
PROCEEDINGS OF THE COMMISSION

Regular meeting of the Commission held August 28, 2013.

PRESENT: Commissioners Hasselblad, Blumreich, Tumpach, and Hoffmann

EXCUSED: Commissioner Meinz

ALSO PRESENT: T. Sigmund, P. Kaster, P. McCarthy, P. Wescott, B. Hafs, M. Diaz, B. Angoli, B. Brown, J. Kennedy, J. Maas, B. Vander Loop, M. Urbancic, M. Erschnig, J. Czypinski, T. Brown, T. Garrison, J. Van Sistine, J. Nicks–Legal Counsel; C. Berndt–Village of Allouez

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

1) Budget workshop.

T. Sigmund reviewed the following:

- Providing an Essential Service for Over 80 Years
- Regional Leadership, Education, and Sustainability
- NEW Water 2020 Vision
- Clean Water Industry Opportunities and Challenges
- The Water Resources Utility of the Future, A New Paradigm
- NEW Water Opportunities and Challenges
- Why the Watershed Matters
- Adaptive Management Facilitates Real Water Quality Improvements
- 2013 NEW Water Priorities
- 2013 Highlights
- Benefits of Employee Development
- Employee Best Observations
- NEW Brand, New Attitude
- 2014 Priorities
- Bold, Transformative Thinking Required
- NEW Water 2014 Budget Drivers
- Flows and Loads
- 2014 Proposed Expenses
- 2014 O&M Expenses
- 2014 O&M Expense Distribution
- 2014 Salaries & Benefits
- Contracted Services
- Proposed 2014 Major Capital Expenses
- 2014 Annual Capital

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- Proposed Long-Term Capital Projects
- Capital Expenditures for 2015-2018
- 2014 Revenues
- Municipal Rate
- 2014 Revenue Sources
- 2014 Revenue Breakdown by Customer
- Estimated Reserve Status
- 2013 Average Annual Residential Sewer Charges
- NEW Water Sewer Service Charge Comparison
- 2014 Budget Summary
- 2014 Budget Summary – O&M
- 2014 Budget Summary – Capital
- Next Steps

Commissioner Tumpach asked staff to provide the Commission with a rate excluding the BOD reduction, using the 2014 flows and loads projection.

Commissioner Tumpach stated the employee premium sharing for health insurance should be in line with the national average of 25%. He proposed the employee premium sharing for 2014 be increased to 15%, with 5% increments until it reaches 25%.

Commissioner Blumreich stated the employee premium sharing should be closer to market, but moving from 6% to 15% is a significant increase.

T. Sigmund stated the employee premium sharing increased from 3% in 2012 to 6% in 2013. He stated in 2011 and 2012 the employee premium sharing stayed at 3%, but employee deductibles were added.

Commissioner Hasselblad stated the Commission should increase the employee premium sharing as humane as possible and suggested increasing it from 6% to 9%.

T. Sigmund stated WIPFLi conducted a benefits study, which showed that the average of those surveyed have 15% employee sharing in health insurance premiums and 85% employer sharing. He recommended increasing the employee premium sharing to 9% in 2014, realizing there will likely be another increase in 2015. He stated NEW Water, the brand of the Green Bay Metropolitan Sewerage District, has not had a salary market adjustment in three years, the retirement system has increased the employee sharing in 2013 and 2014, and increases in employee premium sharing for health and dental insurance have caused employees to experience reductions in their gross pay. He stated many of the employees are at the top of their pay range so they have not received a merit raise in several years.

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Commissioner Hoffmann stated that he would support Mr. Sigmund's recommendation, but would be interested in Commissioner Meinz's input.

Commissioner Hasselblad asked the Commission to review the NEW Water vision statement, consider increasing the employee contribution for health insurance to 9% versus 15%, and review the proposed 2014 priorities. She recommended that if an additional budget workshop is needed after the September 25 budget workshop, the October 10 meeting be rescheduled to October 2.

- 2) **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**
 - c) **Rock Solid litigation**

Motion #13-058

It was moved by Blumreich, seconded by Tumpach, 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.

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

Motion #13-059

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

- 4) **Request Commission approval of settlement agreement with Rock Solid Group.**

Motion #13-060

It was moved by Blumreich, seconded by Hoffmann, and unanimously agreed to approve the settlement agreement with Rock Solid Group in the amount of \$410,000 plus court costs.

- 5) **Approval of minutes of Commission meetings held July 24 and 30, 2013.**

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Motion #13-061

It was moved by Blumreich, seconded by Tumpach, and unanimously agreed to approve the July 24 and 30, 2013 minutes as distributed.

7) Request Commission approval of the Secretary's Certificate of Commission Resolution Authorizing Persons to Transmit Instructions to Wells Fargo Bank Minnesota, N.A.

P. Kaster requested Commission approval of the Secretary's Certificate of Commission Resolution authorizing four employees to act on NEW Water's behalf to transfer funds within NEW Water accounts. He stated the funds transfer requires two employees' signatures.

Motion #13-062

It was moved by Blumreich, seconded by Hoffmann, and unanimously agreed to approve the Secretary's Certificate of Commission Resolution Authorizing Persons to Transmit Instructions to Wells Fargo Bank Minnesota, N.A. (See Commission File #13-004)

8) Request Commission approval to execute the Davis-Bacon Wage Rate Compliance Certification for the HVAC and Lab Upgrades Project 4198-32.

B. Brown stated this is the final document to be executed to satisfy the Clean Water Fund Program Financial Assistance Agreement for the HVAC and Lab Upgrades Project. He reported Somerville has maintained binders of Davis-Bacon compliance documents related to the project, and staff has reviewed the information and believes it to be complete and accurate.

Motion #13-063

It was moved by Hoffmann, seconded by Tumpach, and unanimously agreed to execute the Davis-Bacon Wage Rate Compliance Certification for the HVAC and Lab Upgrades Project 4198-32.

6) July financials.

M. Diaz reported for the month of July total operating revenues were favorable to budget by \$462,000 primarily due to billing adjustments from prior months. Year to date operating revenues were 1% favorable to budget. She stated the favorable results were from other revenues from septage from three cheese facilities, resulting in \$304,000 in additional revenue. She stated total operating expenses were favorable to budget by \$186,000. Year to date operating expenses were favorable to budget by \$1,500,000. Driving the favorable results were contracted services, chemicals, salaries & benefits, power, maintenance plant, and solids waste disposal. She stated net income for the month of July was \$754,000 due to the billing adjustments.

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Commissioner Hasselblad stated the additional graphs included in the financial memo were very helpful. Thank you.

9) Request Commission approval for Strand Associates to provide consulting services for the De Pere Facility Effluent Filtration Backwash System Rehabilitation Study, Project 13-028-FS.

B. Brown requested Commission approval of a consulting services contract for the De Pere Facility Effluent Filtration Backwash System Rehabilitation Study. He stated the age and condition of some of the equipment has been a concern for several years. A request for proposals was sent out in July and proposals were received from Donohue & Associates, Robert E. Lee & Associates, and Strand Associates. He stated two of the proposals were very competitive. A qualifications-based selection scoring matrix was used to independently score each proposal. After extensive review of the proposals, staff recommends awarding the consulting services contract to Strand Associates, which was also the lowest cost proposal.

Motion #13-064

It was moved by Blumreich, seconded by Hoffmann, and unanimously agreed to approve Strand Associates to provide consulting services for the De Pere Facility Effluent Filtration Backwash System Rehabilitation Study, Project 13-028-FS in the amount of \$41,939 and a 10% contingency under the authority of the Executive Director for a total amount of \$46,139.

10) Sewer plan approvals:

- a) **Town of Lawrence Project L0017-390360; GBMSD Request 2013-18**
- b) **Village of Hobart Project 2320-13-03; GBMSD Request 2013-19**
- c) **Town of Lawrence Project L0017-930362.02; GBMSD Request 2013-21**
- d) **Town of Lawrence Project 3950; GBMSD Request 2013-22**
- e) **City of De Pere Project 13-12; GBMSD Request 2013-23**

B. Angoli stated the sewer plan requests are for residential development and conform to GBMSD standards. He requested Commission approval of the sewer plans subject to favorable approval recommendations from Brown County Planning (BCP) and final approvals by the Wisconsin Department of Natural Resources (WDNR).

Motion #13-065

It was moved by Hoffmann, seconded by Tumpach, and unanimously agreed to approve the Town of Lawrence Projects L0017-390360, L0017-930362.02, and 3950; Village of Hobart Project 23-20-13-03; and City of De Pere Project 13-12 sewer plans subject to favorable review by BCP and final approval by the WDNR.

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11) Update of projects:

a) Resource Recovery and Electrical Energy (R2E2)

B. Angoli reported that staff has been reviewing the 30% documents on the Ash Dewatering Cells and Sludge Holding Tanks. He reported the schedule was modified to include the breakdown of processes to be reviewed by staff, but now must be updated to include the court decision on the Clean Air Act and its impact on NEW Water's construction air permit.

b) Duck Creek Interceptor North Leg Modifications (STH 29/CTH FF)

B. Brown reported the project is nearly complete. He stated final level adjustments for three manholes will be completed after the CTH FF work is completed in the summer of 2014. Staff is working to secure the third pay request to facilitate allocating the appropriate charges to contributory customers.

c) Air permit compliance update

J. Maas gave an update on NEW Water's air operating permit. She reported the stack liner repair work was completed in May 2013 and stack tests were performed in June. The test results show that NEW Water is in compliance with particulate emissions and carbon monoxide (CO) limit, indicating the stack liner repair work was successful. The stack test report was submitted to the WDNR.

J. Kennedy reported a series of four stack tests are required by NEW Water's air operating permit. He stated a regression analysis was completed and will be submitted to the WDNR. NEW Water will submit a construction permit request to the WDNR, which will include proposed changes to the CO emissions calculation.

12) Operation report:

a) Effluent quality for July

P. Wescott reported both facilities were in full compliance with effluent and air quality limits for July. The De Pere Facility set an effluent discharge record low for Total Kjeldahl Nitrogen with a daily average discharge of 56 pounds per day and a total monthly discharge of 1,739 pounds. He reported the Green Bay Facility (GBF) experienced higher than normal Total Phosphorus (TP) values for the month of July. The monthly average permit limit for TP is 1.0 mg/L and the GBF averaged 0.97 mg/L for the month of July. Staff began feeding ferric chloride on July 7 and TP values returned to normal. Staff believes a toxic event entered the system for a short duration. He commended staff on an excellent job of maintaining the TP values under 1.0 mg/L.

b) Air quality for July

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P. Wescott reported the GBF was in compliance with all air quality limits and there were no deviation events for the month of July.

13) Executive Director's report:

a) September Commission meeting

The September Commission meeting will be held September 25, 2013 beginning at 8:30 a.m. A budget workshop will be part of that meeting.

b) Jack Day and Peer Excellence Awards

An employee appreciation luncheon was held and two employees, nominated by other staff, received awards. Bill Oldenburg, Pretreatment Program Coordinator, received the 2013 Jack Day Award and Terri Lealou, Receptionist, received the 2013 Peer Excellence Award. Both recipients are well deserved.

c) DC Circuit Court ruling on EPA's Sewage Sludge Incinerator Rule

The Environmental Protection Agency's (EPA) Sewage Sludge Incinerator (SSI) Rule was established in March 2011 requiring emission compliance by March 2016. The National Association of Clean Water Agencies (NACWA) challenged the rule. The DC Circuit Court upheld the rule, but remanded sections of the rule back to EPA for further explanation. NACWA plans to work with EPA to revise the limit methodology. EPA would like to regulate SSI under Section 129, instead of the current Section 112.

d) NACWA 2013 Summer Conference summary

The Commission will receive a memo summary the NACWA 2013 Summer Conference. The memo will provide a link for the Commission to view the presentations.

There being no further business to come before the Commission, the meeting adjourned at 10:43 a.m.

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Secretary