

GREEN BAY METROPOLITAN SEWERAGE DISTRICT
PROCEEDINGS OF THE COMMISSION

Regular meeting of the Commission held September 25, 2013.

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

ALSO PRESENT: T. Sigmund, P. Kaster, B. Hafs, N. Qualls, M. Diaz, B. Angoli, B. Bartel, L. Kornowski, M. Erschnig, A. Warden, B. Vander Loop, T. Brown, J. Kennedy, M. Urbancic, T. Garrison, J. Van Sistine, J. Nicks–Legal Counsel; C. Berndt–Village of Allouez; M. Heckenlaible–City of Green Bay

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

1) Introduce new employees:

a) Lizzie Kornowski, Operator-in-Training

B. Bartel introduced Lizzie Kornowski. He stated Ms. Kornowski was hired September 9 as an Operator-in-Training. She was an intern this past summer and has accepted a full time position.

L. Kornowski stated that she is attending Northeast Wisconsin Technical College (NWTC) for Environmental Engineering.

b) Allan Warden, Mechanic

M. Erschnig introduced Allan Warden, who began his employment with NEW Water, the brand of the Green Bay Metropolitan Sewerage District, on September 16.

A. Warden stated that he completed a four-year Millwright Apprenticeship Program at NWTC and was employed for 18 years as a Journeyman Millwright.

The Commission welcomed them.

2) Budget workshop.

T. Sigmund reviewed the following:

- 2014 Priorities
- NEW Water 2014 Budget Drivers
- 2014 Proposed Expenses
- 2014 O&M Expenses
- Contracted Services
- 2014 Revenues
- Municipal Rate
- 2014 Budget Summary – O&M
- 2014 Budget Summary – Capital
- Next Steps

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T. Sigmund stated the Village of Allouez has asked to speak to the Commission to address its letter regarding NEW Water's proposed 2014 budget.

Commissioner Tumpach asked about the projected 5.1% increase by WPS. T. Sigmund replied WPS is projecting to increase its rates for 2014 by 7% – 7.3%. Staff included a 5.1% increase for WPS in the 2014 budget. He stated WPS may not finalize its increase until December.

- 3) **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 #13-066

It was moved by Mainz, 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.

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

Motion #13-067

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

- 5) **Approval of minutes of Commission meeting held August 28, 2013.**

Motion #13-068

It was moved by Blumreich, seconded by Mainz, and unanimously agreed to approve the August 28, 2013 minutes as distributed.

- 6) **Introduce new Director of Technical Services, Nathan Qualls.**

T. Sigmund stated that he is pleased to introduce Nathan Qualls as the new Director of Technical Services. He stated a nationwide search began in early July. Three candidates were interviewed and Mr. Qualls was the unanimous choice.

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N. Qualls stated that he appreciates the opportunity and is excited about the challenge. He stated Technical Services is a great team to work with.

Commissioner Hasselblad stated that Mr. Qualls has also received two significant awards. Congratulations.

7) **August financials.**

M. Diaz reported total operating revenues for the month of August were 9% unfavorable to budget due to fewer revenues received than budgeted due to drier weather than anticipated. Year to date operating revenues were slightly unfavorable to budget by (\$63,000) due to user fees. Other revenues were favorable to budget from additional revenues received from septage of special project with the three cheese facilities and a new project totaling \$348,000 for the year. She reported total operating expenses for the month of August were favorable to budget by \$75,000. Leading the favorable results were chemicals, salaries & benefits, contracted services, and power. Year to date operating expenses were favorable to budget by \$1,600,000. She stated net income for the month of August was \$45,000.

Commissioner Hasselblad questioned why insurance is up \$10,000. M. Diaz replied due to the increase of fixed assets when reconciling the De Pere Facility (DPF). T. Sigmund stated the insurance renewal is in April and staff must project the cost for the upcoming year.

Commissioner Hasselblad questioned why the investment income is behind. M. Diaz replied it is due to the timing of investments, maturity, and purchasing.

8) **Request Commission approval of abatement of taxes for 2014.**

M. Diaz reported metropolitan sewerage districts are permitted to abate the tax levy obligation by having sufficient funds available in its debt service reserves to pay the debt obligations for the following year. She stated as of October, NEW Water has \$12,445,400 in the debt service reserves and the funds required for 2014 is \$8,024,952. NEW Water has sufficient funds and staff recommends Commission approval to abate the tax levy.

Commissioner Hasselblad stated that NEW Water has not levied a tax since 1977.

Motion #13-069

It was moved by Mainz, seconded by Blumreich, and unanimously agreed to approve the abatement of taxes for 2014.

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9) Request Commission approval of the 2014 health insurance plan and premium sharing.

T. Brown stated a 9% employee health premium share is included in the 2014 budget, which is an increase from 6% in 2013. Anthem Blue Northeast has the lowest cost premiums, a decrease of 22% for 2014. She stated a mini survey was conducted and of the 90% of employees that responded to the survey, 96% confirmed that their primary care physicians were in Anthem Blue Northeast. Staff is recommending Commission approval to contribute \$611.90 of the monthly single health insurance premium and \$1,523.20 of the monthly family health insurance premium with the remainder of the premium paid by employees.

Commissioner Mainz asked if Anthem Blue Northeast is equivalent to the insurance plans the employees currently have. T. Brown replied the plan designs are the same. Anthem Blue Northeast reduced costs to get members back on its health plan and has a bigger network offered in Brown County.

Commissioner Blumreich stated Anthem Blue Northeast is rated lower than Network Health.

Commissioner Hasselblad stated health insurance choices are an annual decision.

T. Brown stated the premiums are determined on the lowest cost plan and the open enrollment period is October 7 – November 1, 2013.

Commissioner Tumpach stated that he expressed at the last meeting that NEW Water needs to be in line with the municipal base. He had proposed to increase the employee premium share to 15% and would be willing to drop it to 12%, which is the low end of the municipal base.

Commissioner Mainz stated that he agrees, but the increase should be done over a period of time and not all in one year.

Commissioner Blumreich stated that the employee premium share should be increased from 6% to 9%.

Motion #13-070

It was moved by Mainz, seconded by Blumreich, with Tumpach voting nay, and agreed to set the NEW Water portion of the health insurance premiums in 2014 for full time employees at \$1,523.20 per month for family plan coverage and \$611.90 per month for single plan coverage.

10) Request Commission approval of the 2014 salary market adjustment.

T. Brown stated that staff recommends no salary adjustment for 2014 based on the market survey conducted.

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Commissioner Mainz stated that NEW Water has worked with Carlson Dettmann Consulting for a long time and he would like to utilize a different consulting firm to get national data.

Commissioner Hasselblad questioned whether the information the Commission receives from Carlson Dettmann Consulting is adequate.

Motion #13-071

It was moved by Hoffmann, seconded by Tumpach, and unanimously agreed to approve no salary market adjustment for 2014.

11) Sewer plan approvals:

a) Village of Suamico Project S-1207; GBMSD Request 2013-24

B. Angoli reported the Village of Suamico is requesting 1,535 ft. of 8-inch sewer to serve residential and commercial development south of Sunny Lane. Flow would be tributary to the Bayview Interceptor.

b) Town of Ledgeview C-2013; GBMSD Request 2013-25

B. Angoli reported the Town of Ledgeview is requesting 1,655 ft. of 8-inch sewer to serve 22.4 acres of residential development on Beachmont Road. Flow would be tributary to the Swan Road Interceptor. He stated both sewer plans conform to NEW Water standards and approval would be subject to favorable approval recommendations from Brown County Planning (BCP) and final approvals by the Wisconsin Department of Natural Resources (WDNR).

Motion #13-072

It was moved by Mainz, seconded by Blumreich, and unanimously agreed to approve the Village of Suamico Project S-1207 and Town of Ledgeview C-2013 sewer plans subject to favorable review by BCP and final approval by the WDNR.

12) Update of projects:

a) Resource Recovery and Electrical Energy (R2E2)

B. Angoli reported staff has reviewed the 30% documents for the polymer system and primary electrical substation. He stated the current primary electrical substation is 35 years old and major cabling will be relocated for the new substation. He reported the fluidized bed incineration specification was advertised and two manufacturers attended the pre-bid meeting. He stated it will be a two envelope bid process. If the first envelope containing the technical information does not meet the contract requirements, the cost bid will be returned to the manufacturer unopened. Staff plans to bring the fluidized bed incineration contract to the Commission for approval in November.

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b) City of De Pere Charles Street Interceptor Relocation Project

N. Qualls reported the Commission approved the request by the City of De Pere to relocate a portion of NEW Water's Charles Street Interceptor sewer and collector sewer to serve a proposed development subject to satisfaction of NEW Water staff's concerns and favorable recommendation from BCP and final approval by WDNR. NEW Water staff, its consultant, City of De Pere, and the developer have been working together to clarify poor soil conditions. NEW Water has approved the City of De Pere to move forward contingent upon the incorporation of the pipe manufacturer's input into the pipe support design due to the soil conditions encountered. NEW Water staff and its consultant will work closely with the City of De Pere and the developer throughout construction.

13) Operation report:

a) Effluent quality for August

B. Bartel reported both facilities were in full compliance with all effluent limits for the month of August. The Green Bay Facility (GBF) set effluent discharge record lows for Total Kjeldahl Nitrogen with a daily average concentration of 1.01 mg/L, average daily discharge of 225 pounds per day, and a total monthly discharge of 6,986 pounds.

b) Air quality for August

B. Bartel reported the GBF was in compliance with all air quality limits for the month of August. He reported there were three deviation notification submittals to the WDNR. He stated the events occurred during Wisconsin Public Service power interruptions from the August 7 storm. He stated the Electrical/Instrumentation staff was called in to investigate the power interruptions.

14) Executive Director's report:

a) October Commission meeting

The October Commission meeting will be held October 23, 2013 beginning at 8:30 a.m. Customers will be given the opportunity to speak about NEW Water's budget and staff will request approval of the dental insurance carrier and premium sharing at that meeting.

b) October 10, 2013 budget workshop

The second budget workshop was scheduled for October 10, 2013. Since the second budget workshop was held today and the health insurance was approved by the Commission staff recommends cancelling the October 10 meeting.

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c) Executive Director approved agreements

A list of agreements approved by the Executive Director was provided in the Commission packet.

d) Fouling problems in force main

T. Sigmund stated that B. Vander Loop, Field Services Manager, will give an update on a project that began several years ago relating to the De Pere and Fox River Fiber force main. He stated this is an example of great work by staff taking on a problem and saving NEW Water customers money.

B. Vander Loop reported Field Services and Operations have worked together to develop a cost-effective solution to fouling problems in the 10-inch mill force main from the DPF to the GBF. He stated the 10-inch mill force main went on-line in June 2010, and NEW Water began experiencing a decrease in the pump rate and an increase in the pump discharge pressure, caused by slime build up within the force main. Staff tried various technologies to correct the problem with some success. In May Field Services revisited the poly pig. Staff did not have much experience with the poly pig so staff contacted Infratech Technologies. Infratech recommended NEW Water use a low density swab-type pig. NEW Water successfully cleaned 38% of the line from about the Mason Street Bridge to the GBF tunnels, which increased the pumping rate 25%. Today the poly pig will be launched through the downstream segments into the GBF tunnels, which should clean 79% of the line. Next week the poly pig launcher will be moved from the GBF to the DPF. A poly pig will be launched soon after the installation at the DPF, which will clean 100% of the force main length.

T. Sigmund reported that NEW Water has used \$50,000 of hydrogen peroxide to combat the fouling problems with marginal success. He stated NEW Water may be able to use two to three poly pigs a year instead of the hydrogen peroxide in treating the fouling problems at a cost of \$60 each.

Commissioner Hasselblad stated on behalf of all of NEW Water customers, thank you.

There being no further business to come before the Commission, the meeting adjourned at 10:16 a.m.

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Secretary