

GREEN BAY METROPOLITAN SEWERAGE DISTRICT
PROCEEDINGS OF THE COMMISSION

Special meeting of the Commission held May 7, 2012.

PRESENT: Commissioners Alesch, Mainz, Blumreich, and Tumpach

EXCUSED: Commissioner Hasselblad

ALSO PRESENT: T. Sigmund, P. McCarthy, P. Kaster, P. Wescott, W. Angoli, B. Bartel, L. Evenson, J. Van Sistine, J. Nicks–Godfrey & Kahn

Commission President Alesch called the meeting to order at 7:31 a.m.

1) Resource Recovery and Electrical Energy (R2E2) Project review.

T. Sigmund stated this has been a four-year process to determine the best alternative for the Solids Management Plan. He reviewed the following:

- GBMSD Strategic Principles
- Update Customer Pricing Policy
- Planning for the Future
 - Aging infrastructure
 - Environmental compliance by March 2016
 - Increase evaporative capacity
- Solids Alternative Costs
- Solids Alternatives Operations Labor Comparison

T. Sigmund reviewed the comparative costs for fluid bed incineration, R2E2, and composting, as follows:

- Solids Project Annual Debt Retirement
- Cumulative Solids Project Debt Retirement
- Annual Solids Operation & Maintenance (O&M) Cost
- Cumulative Solids O&M Cost
- Annual Solids O&M Cost Plus Debt Retirement
- Cumulative Solids O&M Cost Plus Debt Retirement

T. Sigmund stated the lowest capital cost alternative was not the best value due to higher O&M costs. He stated lower R2E2 O&M costs quickly offset the higher capital cost and is the best overall value for GBMSD customers.

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T. Sigmund reviewed the following:

- R2E2 Annual Net Savings from Energy Recovery
- R2E2 Cumulative Net Savings from Energy Recovery
- R2E2 Project Benefits

T. Sigmund stated the R2E2 Project will keep GBMSD in regulatory compliance for solids handling, provide adequate capacity and desired level of service for GBMSD customers, and provide cost-effective recovery of valuable resources. He stated the project detail will be refined during preliminary design to look for additional resource recovery opportunities and capital cost savings.

Commissioner Mainz asked what the overall project contingency is. T. Sigmund replied the project contingency is 10% - 15% of the project cost, which will continue to be refined during different stages of the design project.

Commissioner Alesch asked about value engineering. T. Sigmund stated a third party engineer will be hired to review the preliminary design phase.

Commissioner Mainz asked what the facility size will be based on. T. Sigmund replied it will be based on the Facility Plan, which includes the residential and commercial growth plan of 1% per year out to 20 years as provided by Brown County Planning. He stated GBMSD contacted its top 10 wet industries and asked what their future plans are and all 10 industries indicated that they are not planning any growth in industrial waste load and no new waste load. He stated the Facility Plan industrial load growth is estimated at today's flows and loads.

T. Sigmund stated the Facility Plan used an estimated 84,000 gallons per day of high strength waste that GBMSD could receive from dairy and cheese factories directly to the anaerobic digester.

Commissioner Mainz asked how many industries do GBMSD currently accept high strength waste from. T. Sigmund replied none.

Commissioner Mainz asked if an electric rebate from electricity produced with greenhouse gases was factored into the cost of the project. T. Sigmund replied GBMSD will not receive a premium for electricity produced at GBMSD. All electricity produced will be used within the plant. The Wisconsin legislature reduced previously established renewable electrical goals for utilities so the utilities no longer need electricity from renewable sources.

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Commissioner Alesch asked about mining for phosphorus and nitrogen. T. Sigmund stated Madison Metropolitan Sewerage District is currently doing struvite/phosphorus removal and expects payback in eight years. GBMSD is not sure that this will be cost effective.

Commissioner Blumreich asked who GBMSD will compete with for these high strength wastes and does GBMSD know if the waste will be available. T. Sigmund replied others are talking about getting federal grants and preferred pricing to install digesters. He stated once you have the digester built, energy recovery is relatively straight forward and has a good payback. There will likely be competition for these high strength wastes.

Commissioner Tumpach asked if the salvage value is being considered. T. Sigmund answered yes. He stated a 40-year analysis was not done because Alternative 3B will be in place for 30 years or so. He stated demolition is calculated in all plans.

Commissioner Tumpach asked what the 20-year salvage value dollar amount is and what the present worth cost would be if the salvage value was removed. T. Sigmund replied that staff will provide that information to the Commission.

Commissioner Mainz asked staff to review salvage costs.

Commissioner Mainz asked once the consultant is selected, will the Commission have an opportunity to discuss the consultant's process going forward. T. Sigmund stated the Commission can discuss the process with the consultant at the June meeting or a special meeting can be scheduled.

Commissioner Blumreich stated potential savings from energy recovery is important. T. Sigmund stated energy recovery will be reviewed during the design phase.

Commissioner Alesch stated it is critical to develop a strategy and start implementing it. T. Sigmund stated GBMSD will develop a marketing plan.

There being no further business to come before the Commission, the meeting adjourned at 8:35 a.m.

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Secretary