

GREEN BAY METROPOLITAN SEWERAGE DISTRICT
PROCEEDINGS OF THE COMMISSION

Regular meeting of the Commission held December 2, 2015.

PRESENT: Commissioners Hasselblad, Blumreich, Mainz, and Tumpach

EXCUSED: Commissioner Hoffmann

ALSO PRESENT: T. Sigmund, P. Wescott, P. Kaster, B. Hafs, N. Qualls, J. Smudde, T. Kujava, M. Urbancic, B. Chojnacki, B. Butterfield, J. Strandberg, B. Bartel, B. Angoli, B. Brown, L. Sarau, B. Vander Loop, S. Stainton, J. Cypinski, J. Klingbeil, J. Maas, T. Garrison, J. Van Sistine, J. Nicks–Legal Counsel; B. Brown–CH2M; M. Heckenlaible–City of Green Bay

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

1) Safety moment.

T. Sigmund provided a handout on safe winter driving. He stated the three P's of safe winter driving are: prepare for the trip, protect yourself, and prevent crashes on the road. He stated do not use cruise control when ice is present.

2) Budget hearing.

T. Sigmund reviewed the proposed 2016 budget, as follows:

- Protecting Our Most Valuable Resource: Water
- 2016 Proposed Expenses
- 2016 O&M Expenses
- 2016 O&M Expense Distribution
- 2016 Revenues
- 2016 Municipal Rate
- 2016 Budget Summary
- Next Steps

T. Sigmund stated the budget was duly noticed in the newspaper. He stated NEW Water, the brand of the Green Bay Metropolitan Sewerage District, received two questions/comments from the Villages of Allouez and Bellevue on the proposed budget, and he responded to them. Copies of the correspondence were included in the Commission packet.

Commissioner Mainz asked if the customers were satisfied with NEW Water's responses. T. Sigmund replied yes.

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Commissioner Hasselblad asked if NEW Water has any information on operating financial ratios from industries or NACWA. T. Sigmund replied NACWA's data on rate increases does not break it down into operation and maintenance costs. He stated in the last couple of years, NEW Water's rate increases have been higher than both the NACWA average and EPA Region 5.

Commissioner Hasselblad asked for any questions or comments from the Commission. She stated with the consent of the Commission, she welcomed any comments or questions from anyone representing the municipalities. Hearing none, she asked if there were any representatives from the municipalities that would like to speak concerning the proposed budget. Hearing none and seeing none, the public hearing was closed at 8:44 a.m.

3) **Budget adoption.**

Motion #15-070

It was moved by Blumreich, seconded by Mainz, and unanimously agreed to adopt the 2016 budget as published.

4) **Adopt retirement resolution for Thomas Kujava.**

Commissioner Hasselblad read the retirement resolution and presented it to Thomas Kujava.

P. Wescott stated Thomas Kujava began his employment as a Treatment Operator on September 26, 1978, and later transferred to the Maintenance Department as a Journeyman Mechanic. He has a very outgoing personality. He was a member of the Speaker's Bureau and did an excellent job giving plant tours. He also did a lot of training with the operators at NWTC. He is an avid car enthusiast and has a television show called Wheels TV. P. Wescott thanked him for over 37 years of service.

The Commission wished him well.

Motion #15-071

It was moved by Blumreich, seconded by Mainz, and unanimously agreed to adopt retirement resolution for Thomas Kujava. (Resolution #15-010 is on file at the NEW Water offices)

5) **Introduce new employees:**

- a) **Ben Chojnacki, Lab Analyst I**

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M. Urbancic introduced Ben Chojnacki, the newest member of the Laboratory staff. He stated Ben Chojnacki was previously the lab intern, and recently graduated from the University of Wisconsin – Green Bay (UWGB).

B. Chojnacki stated that he attended Stevens Point High School and graduated from UWGB with a Bachelor's Degree in Biology with a cellular and molecular emphasis and a minor in Applied Human Biology.

b) Brad Butterfield, Maintenance Manager

P. Wescott introduced Brad Butterfield, the new Maintenance Manager.

B. Butterfield stated that he is originally from central Wisconsin, went to UWGB for one semester, and spent nine years in the Navy. He moved to Michigan and then relocated to Wisconsin.

c) Jon Strandberg, Operator-in-Training

B. Bartel introduced Jon Strandberg, who started in November as the new Operator-in-Training.

J. Strandberg stated that he grew up on a small dairy farm around Black River Falls, Wisconsin. He graduated from the University of Wisconsin – Platteville with a Geography Degree with a broad science emphasis. He attended Vermilion Community College in Minnesota and received his Water Resources Degree. He previously worked at Western Lake, NewPage Corporation, Ho-Chunk Nation, and Verso Corporation. He has 20 years of wastewater experience.

The Commission welcomed them.

6) 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) Potential litigation involving force mains

Motion #15-072

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.

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7) Reconvene in open session.

Motion #15-073

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

8) Approval of minutes of Commission meetings held September 30 and October 14, 2015.

Motion #15-074

It was moved by Mainz, seconded by Tumpach, and unanimously agreed to approve the September 30 and October 14, 2015 minutes as distributed.

9) Election of Officers.

T. Sigmund stated that he received three nominations to continue with Kathryn Hasselblad as President and Jim Blumreich as Secretary for 2016.

Motion #15-075

It was moved by Tumpach, seconded by Mainz, and unanimously agreed to keep the slate of officers the same for 2016.

J. Nicks stated historically these meetings have always been a \$50 per diem for Commissioners. State Statutes 200.09 (1) was changed a couple years ago and allows the Commission to set its own per diem. He stated any change in the per diem amount applies only to reappointments and appointments to new Commissioners, not to existing terms. He stated that he is not recommending any changes, but he wanted the Commission to be aware of the change.

Commissioner Mainz asked if anyone is paying more than \$50 per diem. T. Sigmund replied yes. He stated there are seven or eight metropolitan sewerage districts in Wisconsin. He stated the change was proposed by Representative Robin Vos on behalf of Western Lakes, and Western Lakes has adjusted its per diem. He is not aware of any other metropolitan sewerage districts that have changed their per diem.

The Commission asked staff to conduct a survey of current per diem rates for metropolitan sewerage districts in Wisconsin.

10) September and October financials.

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P. Kaster stated the September financials were emailed to the Commission last month. He reported total operating revenues for the month of September were favorable to budget by \$637,000 and total operating expenses were favorable to budget by \$65,000.

P. Kaster reported total operating revenues for the month of October were favorable to budget by \$426,000. He stated septage revenues were 83% of the total other revenues received. He reported total operating expenses for the month of October were favorable to budget by \$70,000. Net income for the month of October was \$985,000.

11) Approve Resolution Authorizing the Issuance and Sale of up to \$1,816,710 General Obligation Sewerage System Promissory Notes, Series 2015B and Providing for Other Details and Covenants with Respect Thereto.

P. Kaster requested Commission approval of the Clean Water Fund Loan application for the Green Bay Facility (GBF) replacement of in-kind disinfection and dechlorination project. The items to be replaced are listed in the memo. He stated the amount of the Clean Water Fund Loan is \$1,816,710. The note would be issued at a subsidized interest rate of 2.275% over 20 years. He stated the closing date has been scheduled for December 23, 2015.

Motion #15-076

It was moved by Blumreich, seconded by Meinz, and unanimously agreed to approve the Resolution Authorizing the Issuance and Sale of up to \$1,816,710 General Obligation Sewerage System Promissory Notes, Series 2015B and Providing for Other Details and Covenants with Respect Thereto. (Resolution #15-011 is on file at the NEW Water offices)

12) Request Commission approval to transfer \$1,034,037.68 from the Interceptor Cost Recovery reserve to the general account.

N. Qualls stated this project is related to Phase 2 of the interceptor relocations to accommodate the Highway 41 upgrades with the Wisconsin Department of Transportation (WDOT). He stated the WDOT has been reimbursing NEW Water at 90%, and the remaining 10% costs have been paid from the Interceptor Cost Recovery (ICR) reserve, which the Commission approved with the original contract. Staff was unsure whether the WDOT would reimburse NEW Water for the bypass pumping, slip-lining of the failed pipe, Black & Veatch engineering support, and design services for the replacement pipe from Brown and Caldwell totaling \$1,034,037.68. The WDOT will not be reimbursing NEW Water for the additional costs. He requested Commission approval to transfer \$1,034,037.68 from the ICR reserve to the general account.

J. Nicks stated NEW Water's Ordinance requires a funds transfer from the ICR reserve be approved by the Commission.

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Motion #15-077

It was moved by Mainz, seconded by Blumreich, and unanimously agreed to approve the transfer of \$1,034,037.68 from the Interceptor Cost Recovery reserve to the general account.

- 13) **Request Commission approval of a Resolution Declaring Official Intent to Reimburse Expenditures From Proceeds of Borrowing for the Dutchman Creek and Scott-Bayshore Interceptor Rehabilitation Project #13-024.**

B. Brown requested approval of a reimbursement resolution to get started on improvements to the Dutchman Creek and Scott-Bayshore Interceptors. Staff is aware of some significant threats to each interceptor. In 2013 Robert E. Lee conducted a study to determine the extent of the problem and potential solutions. He stated the primary concerns are capacity issues in certain sections of the Dutchman Creek Interceptor and areas of exposed pipe along the Green Bay shoreline of the Scott-Bayshore Interceptor. Both interceptors are showing some degradation issues.

Motion #15-078

It was moved by Blumreich, seconded by Mainz, and unanimously agreed to approve the Resolution Declaring Official Intent to Reimburse Expenditures From Proceeds of Borrowing for the Dutchman Creek and Scott-Bayshore Interceptor Rehabilitation Project #13-024. (Resolution #15-012 is on file at the NEW Water offices)

- 14) **Request Commission approval to enter into an agreement with Donohue & Associates, Inc. to provide engineering design and bidding services for the Dutchman Creek and Scott-Bayshore Interceptor Rehabilitation Project #13-024-DS.**

B. Brown stated a request for proposals was sent to six consulting engineering firms, and NEW Water received four proposals. Staff's scoring was included in the Commission memo. He stated two very competitive proposals were received, and Donohue & Associates, Inc. was the best option.

Commissioner Mainz asked if staff is comfortable with Donohue & Associates. B. Brown replied yes.

Commissioner Mainz stated that Donohue & Associates has changed its name over the years. He asked how big the firm is. N. Qualls replied Donohue & Associates have offices in Sheboygan and Chicago.

Commissioner Hasselblad asked why Donohue & Associates firm qualifications ranking was so low. B. Brown replied it was based on the relative size of the organization and of previous projects compared to competing firms' experience. N. Qualls stated the other firms have done much larger projects, which is not needed for this type of work project.

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Motion #15-079

It was moved by Mainz, seconded by Blumreich, and unanimously agreed to enter into an agreement with Donohue & Associates, Inc. to provide engineering design and bidding services for the Dutchman Creek and Scott-Bayshore Interceptor Rehabilitation Project #13-024-DS in the amount of \$230,930 with a 10% contingency of \$23,000 to be administered under the authority of the Executive Director for a total amount of \$253,930.

15) Request Commission approval of Contract 34 Digestion and Solids Facility – Change Order No. 2.

B. Angoli stated that staff has looked at the HVAC system and various areas of painting and coatings to reduce the project cost. The HVAC portion of the project was reduced by \$288,000 and the cost of various painting items was reduced by approximately \$321,000 for a total savings of \$610,000. He stated at this point the project cost has been reduced in total by \$1,200,000. He stated staff will continue to look for additional cost reductions. He requested Commission approval of Change Order No. 2.

Motion #15-080

It was moved by Mainz, seconded by Tumpach, and unanimously agreed to approve Contract 34 Digestion and Solids Facility – Change Order No. 2 for a net credit of (\$610,228).

16) Presentation on the 2015 Silver Creek Watershed Project.

J. Smudde stated a comprehensive annual report will be completed in February. He gave an update on the 2015 Silver Creek Watershed Project, as follows:

- 2015 – A Year of Inventory
- Conservation Planning Meeting
- Grazing and Wetland Planning Meetings
- Water Quality Sampling Results
- Success in 2015
- Observations from the Pilot Project
- Next Steps – 2016
- Questions

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Commissioner Hasselblad asked about any hot spots in terms of phosphorus, and if the owners of those particular parcels are willing to work together on this. J. Smudde replied small areas of hot spots within fields have been found, and a couple of the areas have good agreements and the group is making good progress on others.

Commissioner Mainz asked if all samples are being analyzed by the same firm. J. Smudde replied yes. The samples are processed through AgSource Laboratories in Bonduel, WI.

Commissioner Blumreich asked what the difference is between owners and growers. J. Smudde replied the owners physically own the property, but they don't necessarily farm the land. The renters that till the property are referred to as the growers.

B. Hafs acknowledged Jeff Smudde and CH2M for all the work they've done on this project. He stated partnerships have been critical on this project.

Commissioner Mainz asked how long does staff think this project will take place. B. Hafs replied the grant is for five years, and the project is in the first year of that grant. He stated in 2018 staff must notify the Department of Natural Resources (DNR) of how staff plans to proceed. T. Sigmund stated this project could continue for many years. B. Hafs added the intent is to have the hard practices permanent and sustainable.

17) **Request Commission approval of Amendment No. 5 to the Agreement for the Design and Implementation of an Adaptive Management Pilot Project for the Silver Creek Watershed.**

J. Smudde stated CH2M was secured for 2014 and 2015 for the Silver Creek Pilot Project. Staff recommends to continue the efforts of CH2M through Amendment No. 5 in the amount of \$262,300 plus a contingency for a total amount of \$283,000. The project is moving forward into the implementation phase.

Commissioner Hasselblad asked if staff sees any changes in the proposed scope of work for 2016, which were not anticipated. J. Smudde replied no. He stated a few things that were originally anticipated to be done in 2015 were deferred to 2016 because of timing and landowner meetings.

Commissioner Mainz asked if CH2M has been responsive. J. Smudde replied yes.

Motion #15-081

It was moved by Mainz, seconded by Blumreich, and unanimously agreed to approve Amendment No. 5 to the Agreement for the Design and Implementation of an Adaptive Management Pilot Project for the Silver Creek Watershed in the amount of \$262,300 and a contingency of \$20,700 under the authority of the Executive Director for a total authorization of \$283,000.

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18) Request Commission approval of Agreement Regarding Silver Creek Cost-Share Agreements.

J. Smudde stated the next step in the implementation phase is the cost share agreements. Copies of the two cost-share agreements were included in the Commission packet. He stated within the Great Lakes Restoration Initiative (GLRI) grant, permanency is a requirement. One of the obstacles with this project is how to make permanency happen. Staff worked with legal counsel and developed permanency cost-share agreements for the Oneida Tribe property and privately owned land. NEW Water agreed to release deed restrictions on privately owned lands that are acquired by the Oneida Tribe, and management practices on the newly acquired land would be permanent.

J. Nicks stated this is a pilot project, and the agreements would satisfy the permanency requirement by the GLRI grant. He stated the Oneida Tribe would like to reserve the right to take private property into trust without any deed restrictions. The cost-share agreement with the private landowners stipulates the hard practices are permanent and protected by a deed restriction. The cost-share agreement with the Oneida Tribe provides for a contractual commitment that the practices would be permanent with a limited waiver of sovereign immunity.

Motion #15-082

It was moved by Mainz, seconded by Blumreich, and unanimously agreed to approve Agreement Regarding Silver Creek Cost-Share Agreements.

19) Update of projects:

a) **Contract 34 Digestion and Solids Facility**

B. Angoli reported Contract 34 milestone no. 1 was completed on the storm water pond and manholes for the backflow prevention system on the fire loop on the plant. Installation of the backflow preventers was not completed because the valves needed to meet the specific requirements had not been found. The backflow preventers will be delivered and installed in February. He stated work will begin on putting in the drainage systems around the buildings and on the high strength waste area for the temporary receiving area.

Commissioner Hasselblad asked if the backflow preventers will delay the project. B. Angoli replied no.

b) **GBF Disinfection System Upgrades Project**

L. Sarau reported the GBF Disinfection System Upgrades Project began in mid October, and consists of in-kind replacement of the existing chlorination/dechlorination feed systems and piping. J.F. Ahern Co. was awarded the construction contract in July 2015, and has completed most of the demolition work in the tunnels and the Dechlorination Building.

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L. Sarau stated J. F. Ahern is completing the excavation work to replace the sodium bisulfite solution piping between the Dechlorination Building and chlorine contact basins. J. F. Ahern is installing the new double containment piping in the tunnels, and pouring new concrete equipment pads and concrete containment areas for the day tanks and feed pumps. She stated the contractor encountered a conflict with buried sodium bisulfite piping and existing duct bank, and a work change directive will be issued.

Commissioner Hasselblad asked how much the work change directive will be. L. Sarau replied approximately \$20,000 to \$25,000.

20) Operation report:

a) Effluent quality for September and October

P. Wescott reported both facilities were in full compliance with all effluent limits for the months of September and October. He stated there was good performance at both facilities.

b) Air quality for September and October

P. Wescott reported the GBF was in compliance with all air quality limits for the months of September and October.

21) Executive Director's report:

a) January Commission meeting

The January Commission meeting will be held Wednesday, January 27, 2016, beginning at 8:30 a.m.

b) NEW Water's holiday celebrations

The internal holiday luncheon will be held on Tuesday, December 15. The external holiday party will be held on Friday, December 4, at Riverside Ballroom.

c) Draft 2016 Commission meeting schedule

A proposed 2016 Commission meeting schedule was provided in the Commission packet. Due to the holidays, there will be no November meeting and the December meeting will be held on December 7. The budget hearing and adoption will be held at the December 7 meeting. The NACWA Winter Conference will conflict with the February meeting date, so staff is proposing February 26 or 29 for the Commission meeting. The meeting will be scheduled on Monday, February 29.

d) Disclosure of Related Party Transactions

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The Commission is required to sign the Disclosure of Related Party Transactions form per the State Statutes.

e) 2016 health insurance opt-out incentive results

Two employees opted out of the 2016 health insurance, which was a net savings to NEW Water of approximately \$23,000.

f) Total compensation comparisons

Carlson Dettmann Consulting presented market adjustment information at the October meeting. Carlson Dettmann Consulting provided a chart on total compensation to the Green Bay Water Utility Commission. NEW Water staff put together a similar comparison of data for total compensation; which was included in the Commission packet. Carlson Dettmann Consulting used data from the Bureau of Labor Statistics to complete its chart.

g) Stack test results

Results from the recent testing showed that emissions from Incinerator 2 were below the limits for all pollutants. Both incinerators have met the limit for the 2016 MACT Standards.

h) NACWA's 2016 Winter Conference

The NACWA 2016 Winter Conference will be held in San Diego, CA. Commissioners interested in attending, please contact Jean Van Sistine.

i) Front gate closure – January 1, 2016

Beginning January 1, 2016, NEW Water's front gate will be closed 24/7. Employees can use their security badge to open the gate.

j) R2E2 Project open houses

R2E2 Project open houses were held one evening at the Village of Allouez and a daytime meeting at NEW Water's GBF. Six people attended the meeting in Allouez, and four at the GBF.

k) NEW Water and WBAY-TV's Thanksgiving story

A link to a Thanksgiving story on things that shouldn't go down the drain was emailed to the Commission.

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T. Sigmund reported information was emailed to the Commission yesterday on a leak at the East Bayshore Interceptor. He thanked NEW Water staff who responded to the leak. He also acknowledged a contractor who came out on very short notice and a waste hauler who brought two vehicles out to extract the material out of the wetwell and hauled it to a downstream pump station. The leak has been stopped and repaired.

N. Qualls stated that off of the force main in an ancillary line there was a copper pipe that had split. He stated the pipe was removed from the system.

T. Sigmund stated NEW Water contacted Gary Kincaid at the DNR and the Brown County Environmental Division through the health department. NEW Water also tried contacting the DNR Spill Coordinator who was not available, then called a hotline in Madison. The DNR will be sending someone out today to decide what action needs to be taken. Brian Vander Loop contacted three residents in the area to let them know what was going on and offered them bottled water. He stated this force main was built by a community group in 1989 and NEW Water took it over as part of its interceptor. Staff will look at 11 lift stations in the area to see if this pigtail of copper exists.

Commissioner Hasselblad wished a safe and healthy new year to all.

There being no further business to come before the Commission, the meeting adjourned at 10:42 a.m.

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Secretary