

GREEN BAY METROPOLITAN SEWERAGE DISTRICT
PROCEEDINGS OF THE COMMISSION

Regular meeting of the Commission held September 27, 2017.

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

ALSO PRESENT: T. Sigmund, P. Wescott, N. Qualls, B. Hafs, B. Vander Loop, T. Brown, N. Langenberg, L. Sarau, B. Angoli, B. Oldenburg, J. Czypinski, B. Bartel, J. Smudde, T. Garrison, J. Maas, J. Van Sistine; J. Nicks–Legal Counsel; K. Heimerman–Schenck, S. Dettmann–Carlson Dettmann Consulting LLC; 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) Safety moment.

T. Sigmund stated that cell phones and hands-free devices should not be used while driving. Please pull over to a safe location if you need to use the phone.

2) Introduce the new Human Resources/Payroll Specialist, Nicole Langenberg.

T. Brown introduced Nicole Langenberg, the new Human Resources/Payroll Specialist, who started at NEW Water, the brand of the Green Bay Metropolitan Sewerage District, on September 11, 2017.

N. Langenberg stated that she graduated from the University of Wisconsin-Oshkosh with majors in Human Resource Management and Accounting. She recently worked as a Human Resources Associate with the Green Bay Public School District, and prior to that she was the Payroll Agent at the Freedom Area School District. She has really enjoyed her first couple of weeks at NEW Water.

The Commission welcomed her.

3) 2018 Budget workshop.

T. Sigmund reviewed the proposed 2018 budget, as follows:

- NEW Water Vision: Protecting Our Most Valuable Resource, Water
- 2018 Proposed Expenses
- Budget Changes Since August Workshop
- 2018 O&M Expenses
- 2018 Revenues
- 2018 Municipal Rate
- 2018 Budget Summary
- Next Steps

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4) Approval of minutes of Commission meeting held August 23, 2017.

Motion #17-050

It was moved by Blumreich, seconded by Mainz, and unanimously agreed to approve the August 23, 2017 minutes as distributed.

5) August financials.

K. Heimerman reported total operating revenues for the month of August were favorable to budget by \$385,000 or 13% from user fees from infiltration/inflow due to higher precipitation and other revenues from hauled waste from the three cheese facilities. Year to date total operating revenues were favorable to budget by \$2,600,000 or 11%. Year to date hauled waste revenues represent 44% of total favorable operating revenues. Total operating expenses for the month of August were unfavorable to budget by \$13,000 or 1% due to unexpected repairs on the forcemain, power, and chemicals, which was offset by favorable to budget amounts from contracted services and maintenance – plant. Year to date total operating expenses were favorable to budget by \$1,100,000 or 8%. Leading the favorable results were contracted services due to project timing of billing versus budget and projects not yet started, salaries & benefits from four unfilled positions and less R2E2 salaries transfer to capital, maintenance – plant of some projects not yet started and timing of billing versus budget, and less heating due to warmer weather and no diesel fuel purchase. Net income for the month of August was \$404,000.

Commissioner Hasselblad asked staff to keep a close eye on revenues with the hauled waste from the three cheese facilities winding down.

Commissioner Blumreich asked about the money remaining in contracted services for 2017 and the increased amount budgeted for 2018. T. Sigmund replied staff has not done a good job at forecasting what month the bill will be received. Staff does not predict any expenses that they do not plan on spending. Contract services is impacted by project timing of billing versus budget and weather. He stated one of the significant increases in the 2018 budget is Adaptive Management. No new grants are anticipated for 2018.

6) Request Commission approval of the 2018 health insurance plan and premium sharing.

T. Brown stated that NEW Water has been with Wisconsin Public Employers (WPE) Group Health Insurance program since 2004. All NEW Water employees are in the Anthem Blue Northeast plan. In 2016 the Commission approved an opt-out program, which will continue to be offered in 2018.

Commissioner Mainz asked if staff makes sure employees that opt-out of the health insurance have coverage. T. Brown replied that she requests proof of health insurance from employees.

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T. Brown reported for 2018 four of the eight health plans have opted out of the state plan. NEW Water employees will need to select a new health plan for 2018. Anthem Blue Northeast plan included all the big networks in Green Bay and the valley. The lowest cost plan for 2018 is Dean Health Insurance – Prevea 360. Employees will need to make a choice to stay with their doctors or choose the lowest cost plan if their doctors are not in the Prevea network. She reviewed the costs associated with the deductible health plans and the high deductible health plans. She stated the cost projections are based on the lowest cost plan, which is Prevea 360.

Commissioner Blumreich asked how many employees do not have doctors in the Prevea network. T. Brown replied NEW Water does not have that information.

T. Brown stated NEW Water is recommending to continue with the employee premium share of 15%, and the employer share of 85% for health insurance. She reviewed the results from a 2017 health insurance survey of customers and Wisconsin wastewater utilities. Historical employer and employee premium share graphs were provided in the memo. A health care option for state municipalities is expected to launch in 2018 by the League of Wisconsin Municipalities and WEA Trust. Quotes received from two similar plan designs were between 7.8% and 10.5% higher than the Prevea 360 plan. If NEW Water would leave the state plan, it would be three years before NEW Water could reapply. She reviewed the budget impacts for health insurance from 2013 to 2018.

Commissioner Mainz asked how NEW Water compares in health insurance cost and coverage with its customers. T. Brown referred to the 2017 health insurance survey results from customers.

The Commission acknowledged and appreciates the work Trisha Brown has done on the health insurance over the past couple of years.

Motion #17-051

It was moved by Hoffmann, seconded by Tumpach, and unanimously agreed to continue with the \$500/\$1,000 Local Deductible Plan program option offered through WPE and to set the NEW Water health insurance premium sharing in 2018 for full-time employees at \$617.10 per month for single plan coverage and \$1,522.02 per month for family plan coverage.

7) Request Commission approval of the 2018 salary market adjustment.

T. Brown introduced Scott Dettmann from Carlson Dettmann Consulting LLC.

S. Dettmann stated that Carlson Dettmann Consulting has assisted NEW Water in its pay structure since 2001. A comprehensive study of the market plan is conducted every three to four years, and is scheduled to be done next year. A review of relevant market data and pay projections was conducted this past summer. He reviewed the results of the 2017 pay policy survey.

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S. Dettmann stated based on the peer information, local comparisons, and regional and national pay policies, Carlson Dettmann Consulting is recommending a 2% structure adjustment for 2018.

Commissioner Hasselblad asked if the wastewater districts that reported a 0% structure increase are exceeding the market structure. S. Dettmann replied that he did not have that information.

T. Sigmund asked what the difference is between a cost of living adjustment and a market adjustment. S. Dettmann replied a cost of living measures a basket of goods and adjustments are made, and a market adjustment measures cost of employment to maintain competitiveness.

Commission Tumpach asked if the market adjustment is based on wages, and not compensation. S. Dettmann replied yes.

Motion #17-052

It was moved by Blumreich, seconded by Mainz, and unanimously agreed to hold 2017 ranges for pay grades 5 and 6, to adjust pay range 7 by 1.0%, and to adjust pay grades 8 through 17 by 2.0% effective January 2018 to maintain NEW Water's market position for the coming year.

8) Request Commission approval to close out the Swan Road Interceptor Extension Project #13-030-CO and issue final payment of \$12,119.55 to Advance Construction, Inc.

L. Sarau reported the Swan Road Interceptor Extension Project was awarded to Advance Construction, Inc. in February 2017 for a total project amount of \$189,805.70 including a 10% contingency. The Swan Road Interceptor extension starts at the intersection of Swan Road and Viking Lane and ends near the intersection of County Highway PP and Rockland Road. Advance Construction has completed the work and the project is ready for close out and to issue final payment. The project was completed under the approved total project amount. She requested Commission approval to close out the Swan Road Interceptor Extension Project #13-030-CO and issue final payment of \$12,119.55 to Advance Construction.

Motion #17-053

It was moved by Mainz, seconded by Blumreich, and unanimously agreed to close out the Swan Road Interceptor Extension Project #13-030-CO and issue final payment of \$12,119.55 to Advance Construction, Inc.

9) Request Commission approval to enter into an easement agreement with Scott Municipal Utility for a water metering station and related water utility facilities and to authorize the Executive Director to sign the agreement.

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N. Qualls reported that on November 2, 2016 the Scott Town Board approved the creation of the Scott Municipal Utility (SMU) to be responsible for the former Scott Storm Water Utility, Scott Sanitary District, and Scott Water Utility. SMU intends to continue consolidation by incorporating the other three sanitary districts. SMU desires to operate a water metering building on NEW Water's property located on Van Lanen Road, where NEW Water's metering station is located. The metering station is currently unused due to low wastewater flow. He stated this easement agreement is an opportunity for NEW Water to support the needs of one of its customers and gain some value from the property. Staff requests Commission approval to authorize the Executive Director to enter into an easement agreement with SMU.

Motion #17-054

It was moved by Mainz, seconded by Blumreich, and unanimously agreed to enter into an easement agreement with SMU for a water metering station and related water utility facilities and to authorize the Executive Director to sign the agreement.

10) Sewer plan approval:

a) Village of Hobart Project #2320-17-02; GBMSD Request 2017-17

B. Angoli reported the Village of Hobart is requesting 518 ft. of 8-inch PVC sanitary sewer on Centerline Drive, 669 ft. of 8-inch PVC sanitary sewer on Larson Orchard Parkway, 365 ft. of 8-inch PVC sanitary sewer on LaGuardia Drive, and 1,599 ft. of 8-inch PVC sanitary sewer within easement north of Witman Road. He stated flow would be tributary to NEW Water's Duck Creek Interceptor for the Centerline Drive and Larson Orchard Parkway and to the Ashwaubenon Creek Interceptor for the LaGuardia Drive and Witman Road easement sanitary sewers.

Motion #17-055

It was moved by Mainz, seconded by Hoffmann, and unanimously agreed to approve the Village of Hobart Project #2320-17-02 sewer plan subject to favorable review by Brown County Planning and final approval by the Wisconsin Department of Natural Resources (WDNR).

11) Update of projects:

a) Contract 34 Digestion and Solids Facility

B. Angoli reported \$2,423.17 of the authorized contingency for Contract 34 has been used for construction change orders. The project schedule is showing a two-month delay in milestones 4 and 5 due to damage to the fluidizing air blower during system checkout, granular carbon absorption modifications, sludge holding tank not performing as specified, digester piling claim, rain delays, and a number of change orders. Staff is looking into a no-cost time extension for milestones 4 and 5.

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Commissioner Mainz asked about the project schedule. B. Angoli replied the project schedule was ambitious. The project was not awarded until June, and the contract was signed with work to begin in July 2015. This resulted in lost time for summer excavation and concrete placement of footings, base slab, and walls. The contractor did perform this work over winter as allowed by weather. Concrete winter work required extra time for covering, heating, and setup of concrete. Additional information will be provided at the October and December Commission meetings.

Commissioner Mainz asked staff to document increases to the project and asked that the engineer do the same.

12) Operation report:
a) Effluent quality for August

P. Wescott reported both facilities were in full compliance with effluent limits for the month of August.

b) Air quality for August

P. Wescott reported the Green Bay Facility was in compliance with air quality limits for the month of August. There were no events during the month that would have resulted in "Deviation Notification" submittals to the WDNR.

13) Executive Director's report:
a) October Commission meeting

The October Commission meeting will be held Thursday, October 26, 2017, beginning at 8:30 a.m.

b) Brian Vander Loop promoted to Director of Business Services

On September 10, 2017 Brian Vander Loop was promoted from Field Services Manager to Director of Business Services. T. Sigmund is pleased to have him in his new role.

The Commission congratulated him.

c) Wisconsin's 2017 Dairy Education Conference

On September 13, 2017, NEW Water hosted a tour for 80 attendees from the Wisconsin's 2017 Dairy Education Conference. NEW Water staff attended the meeting and gave presentations, which was a great opportunity to discuss NEW Water's conservation efforts in Silver Creek with the farmers.

Commissioner Hasselblad asked about Silver Creek. B. Hafs replied that Jeff Smudde presented a synopsis of the Silver Creek Adaptive Management Pilot Project at the conference.

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Commissioner Mainz asked about farmers sending their waste to NEW Water versus land spreading. T. Sigmund replied the State Statutes do not allow wastewater treatment facilities (WWTFs) to treat that type of waste. J. Nicks added WWTFs are authorized to treat municipal and industrial waste, and it does not extend to agriculture.

NEW Water received good coverage on the Area of Concern Clean Bay Backers Tour as Sarah Bartlett gave a presentation on Water Quality of Green Bay.

There being no further business to come before the Commission, the meeting adjourned at 10:00 a.m.

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Secretary