

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

9/28/22

PROCEEDINGS OF THE COMMISSION

Regular meeting of the Commission held via Zoom videoconference on September 28, 2022.

PRESENT: Commissioners Hasselblad, Blumreich, Tumpach, and Hoffmann

ABESENT: Commissioner Meinz

ALSO PRESENT: T. Sigmund, N. Qualls, B. Vander Loop, E. Tietzen, B. Clausen, P. Smits, B. Angoli, T. Biese, S. Thieszen, R. Bach, J. Valenta, B. Bartel, B. Oldenburg, L. Sarau, B. Brown, G. Ashauer, T. Garrison, E. Collar, B. Thompson, J. Smudde, P. Wescott, B. Thompson, J. Smies – Legal Counsel, A. Lucas – Brown and Caldwell, Z. Green – Raftelis, J. Mastracchio – Raftelis, P. Glynn – Carlson Dettman Consulting

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

- 1) **Convene in closed session under State Statute 19.85(1)(e) for the purpose of deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session and 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 transfer of certain interceptor segments pursuant to Section 5.05 of the Sewer Use Ordinance to a municipality.**
 - b) **Litigation involving Bayview Interceptor.**
 - c) **Potential litigation resulting from environmental testing by significant industrial user.**
 - d) **Discussion of negotiation strategy concerning an industrial customer.**

Motion #22-055

It was moved by Blumreich, seconded by Hoffman, and unanimously agreed to convene in closed session under State Statute 19.85(1)(e) for the purpose of deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session and 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.

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

Motion #22-056

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

- 3) **Safety Moment.**

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T. Sigmund provided safety information on Fire Safety.

4) **Approval of minutes of Commission meeting held August 24, 2022.**

Motion #22-057

It was moved by Blumreich, seconded by Hoffman, and unanimously agreed to approve the August 24, 2022 meeting minutes as distributed.

5) **Request Commission approval of the 2023 Salary Market Adjustment**

E. Tietyen was joined by P. Glynn from Carlson Dettmann to go over relevant market data and the pay projections that were conducted by the consultant. Tietyen then requested the Commission approval to increase ranges for pay grades 5 through 17 by 4.0% based on the consultant's recommendation.

Motion #22-058

It was moved by Blumreich, seconded by Hoffman, and unanimously agreed to approve the 2023 Salary Market adjustment.

6) **Request Commission approval of the 2023 health insurance plan and premium sharing.**

E. Tietyen went over the amount of employees who are currently covered through NEW Waters health insurance, and how many employees partake in the opt-out payments. In addition, Tietyen showed comparables between the High Deductible Health Plan Option (HDHP) vs. the Local Deductible Plan, which NEW Water currently partakes in. After going over the two, Tietyen stated that staff concluded that the estimated cost savings to NEW Waster of transitioning to an HDHP plan and providing an employer contribution to a Health Savings Account (HSA) is not great enough to warrant the additional at-risk cost exposure assumed by employees as a result of increased deductibles and out of pocket limits.

Both Commissioners Blumreich and Tumpach gave feedback about their personal experiences with HDHP and why it should be considered in the future. Blumreich also suggested that if we went to an HDHP, that we give employees the employer match upfront in January to assist with building up their HSA balance.

Commissioner Hasselblad requested that staff create an educational piece to educate staff on HDHP for the 2024 budget, and survey employees on what they would like. It has been concluded that it is currently too late to survey employees for the 2023 budget year.

Motion #22-059

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It was moved by Blumreich, seconded by Hoffman, and unanimously agreed to approve the 2023 health insurance plan and premium sharing.

7) Request Commission approval for Paid Leave Practices

E. Tietyen stated that the Commission previously had approved temporary modifications to its Paid Leave Policies that included the ability to exercise immediate use of EDB leave time, as well as the payment of up to 25% of lost wages for employees ineligible for paid leave accrual that expired on May 31, 2022. These modifications did not include employees who did not have access to paid leave banks. Since this time, we have ran into instances where employees have to remain home unpaid due to COVID-19. This Paid Leave Practice would provide 25% of lost wages to employees who do not have or qualify for paid leave, and would be retroactive to June 1, 2022.

Motion #22-060

It was moved by Blumreich, seconded by Hoffman, and unanimously agreed to approve the presented Paid Leave Practices.

8) Capital Charge Study Presentation – Raftelis Financial Consultant

Z. Green and J. Mastracchio from Raftelis Financial Consultants gave a presentation on the highlights and favored options from the Capital Charge Study which included:

- Study Purpose and Objective
- Goals of Modifying the Approach to Recover Capital Cost
- History of Capital Charge
- Current Approach to Recovery of Capital Cost
- Process
- Stakeholder Advisory Group
- Recommendation for Capital Charge Reallocation
- Benefits of Reallocation Recommendation and Variable Customer Impacts
- Recommended Approach to Recovery of Capital Cost
- Benefits of 100% Capital Recommendation
- Impacts
- Next Steps

9) Request Commission approval for Capital Charge Year-end Reallocation and revising from 65% to 100%

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B. Vander Loop expanded that after workshops, staff reached out to all of the remaining municipal customers and Sustana Fiber to inform about the workshop favored options for the Capital Charge and its reallocation. Staff met with all but one municipal customer. After the meetings, all of the customers were in favor with the option for utilizing actual flow and load units netted out over 12 months the following year to calculate Capital Charge, and change it from 65% to 100% of total municipal budgeted capital costs to be implemented beginning with the 2024 Budget. Vander Loop also spoke as to why the name should change from Capital Fixed Charge to Capital Charge, since the costs would no longer be fixed if approved.

Motion #22-061

It was moved by Blumreich, seconded by Hoffman, and unanimously agreed to approve the Capital Charge Year-end Reallocation and revising from 65% to 100%.

10) Request Commission approval for position addition to the organizational structure, Information Technology Department.

B. Vander Loop requested Commission approval to add an Information Technology (IT) System Specialist position to the organizational structure within the IT Department. The addition would change the total amount of staff in IT from six to seven full-time employees. Vander Loop provided details on how the department's responsibilities have grown over the years but the amount of employees has not. With several large projects coming up, we cannot experience delays due to staffing.

Motion #22-062

It was moved by Blumreich, seconded by Tumpach, and unanimously agreed to approve the addition to the organizational structure for the Informational Technology Department.

11) Request Commission approval for the Treatment Department headcount change.

P. Wescott requested Commission approval to change Treatment Department total headcount to 24 employees from 22 employees. Wescott discussed the vision during R2E2 design was that the sizing of the solids processing system could allow for weekly shutdowns. This planned shutdown could be done on the weekends at which time on site staffing could be minimal. Facility loadings at the plants have allowed for periodic shutdown of the system but this has not been as frequent as envisioned. Preventive maintenance work has increased and results in small mini shutdowns throughout the month for cleaning, lubrication, and corrective maintenance. In addition, ongoing and future infrastructure improvement projects will be heavily supported by Treatment. The long term drivers for this staffing request include increased solids processing uptime, process optimization, current and future project workload needs, and a continued focus on training.

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Commissioner Tumpach requested additional information in regards to the turnover in the Treatment Department which Wescott provided.

Motion #22-063

It was moved by Blumreich, seconded by Hoffman, and unanimously agreed to approve the Treatment Department headcount change.

12) Request Commission approval for the transfer of funds from Interceptor Cost Recovery Reserve to the General Reserve.

B. Clausen requested the Commission approval to transfer \$2,900,901.23 from the ICR reserve to the General Reserve for the remaining amount to be transferred for the West Tower Drive Phase II and Bayview Interceptor Replacement project.

Motion #22-064

It was moved by Blumreich, seconded by Hoffman, and unanimously agreed to approve the transfer of funds from the Interceptor Cost Recovery Reserve to the General Reserve.

13) Request Commission approval to abate the tax levy for 2023

B. Clausen stated that prior to October 1, we make the determination to levy our rates through taxes or abate the taxes based on funds in our debt service reserves. NEW Water has not had use that levy since 1977. We have equitable funds in our reserves, and request Commission approval to abate the tax levy.

Motion #22-065

It was moved by Blumreich, seconded by Hoffman, and unanimously agreed to abate the tax levy for 2023.

14) Request Commission approval to award the construction contract for the Green Bay Facility 2022 Dryer Vapor Condenser Bypass Project #220005DS to August Winter & Sons in the amount of \$125,925.

T. Biese requested Commission approval to award a construction contract to add an emergency bypass to the Dryer Vapor Condenser to address a safety issue. Several contractors were contacted

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in regards to this project but one sealed bid came in from August Winter & Sons that was within 10% of the project engineers cost projection.

Motion #22-066

It was moved by Blumreich, seconded by Hoffman, and unanimously agreed to award the construction contract for the Green bay Facility 2022 Dryer Vapor Condenser Bypass Project #220005DS to August Winter & Sons in the amount of \$125,925.

- 15) **Request Commission approval to enter into an agreement with Strand Associates to provide professional services for the design of the De Pere Facility Pumping and Headworks Projects in the amount of \$901,365.**

B. Angoli stated as one of the first projects to come from the new Facilities Plan, the De Pere Facility Pumping and Headworks project comes with many drivers behind it. Capacity limitations, aging infrastructure, regulatory requirements, operational challenges, and system optimization call for this project to be complete. B. Angoli stated that five proposals had been sent out, and three proposals were received. At this time, after review, staff recommends Strand Associates for the project.

Motion #22-067

It was moved by Blumreich, seconded by Hoffman, and unanimously agreed to enter into an agreement with Strand Associates to provide professional services for the design of the De Pere Facility Pumping and Headworks Projects in the amount of \$901,365.

- 16) **Request Commission approval of Resolution Declaring Official Intent to Reimburse Expenditures from Proceeds of Borrowing for the De Pere Facility Pumping and Headworks Project in the amount of \$31,000,000.**

B. Angoli stated that staff is looking to reimburse NEW Water for the capital project expenditures made before issuance of the Clean Water Fund Program tax exempt bonds for the De Pere Facility Pumping and Headworks Project.

Motion #22-068

It was moved by Blumreich, seconded by Hoffman, and unanimously agreed to Declare Official Intent to Reimburse Expenditures from Proceeds of Borrowing for the De Pere Facility Pumping and Headworks Project in the amount of \$31,000,000.

- 17) **Request Commission approval of Change Order No. 5 for the De Pere Facility Tertiary Filtrations and Service Water Improvements Contract in the amount of \$130,464.40.**

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B. Angoli stated that on March 24, 2021 the Commission approved award of the De Pere Facility Tertiary Filtration and Service water Project for a contract amount of \$7,873,469 with a contingency amount of \$787,347 to use for change orders. All change orders to date have been under \$100,000 and were able to be approved by the Executive Director. Change Order No. 5 exceeds that threshold, and is being brought forward to Commission. This change order provides electrical disconnects to the equipment and site work improvement. The total of these two items comes to \$130,464.40 for this project.

Commissioner Blumreich questioned whether the original design of this project included these items, and Angoli stated that this was something that was missed in the original design process.

Motion #22-069

It was moved by Blumreich, seconded by Tumpach, and unanimously agreed to the approval of Change Order No. 5 for the De Pere Facility Tertiary Filtrations and Service Water Improvements Contract in the amount of \$130,464.40.

18) Request for Commission approval of an Agreement with Red Zone Robotics for the West Tower Drive and Fox River Crossing Siphon Assessments in the amount of \$549,475.

L. Sarau stated that in August of 2022, sent our proposals for inspections for the West Tower Drive and Fox River Crossing Siphon. Red Zone Robotics were the only contractors to respond to the proposal, and their bid was in line with the cost estimates by staff. Due to past experience with Red Zone Robotics and their reputation, staff recommends that the award be granted to them.

Motion #22-070

It was moved by Blumreich, seconded by Tumpach, and unanimously agreed to the approval of an Agreement with Red Zone Robotics for the West Tower Drive and Fox River Crossing Siphon Assessments in the amount of \$549,475.

19) 2023 Budget Workshop.

T. Sigmund gave a presentation of the 2023 Budget workshop that included the following:

- Changes to 2023 Budget from the August 24 Presentation
- 2023 Proposed Expenses
- 2023 Revenue
- Municipal Rate Comparison
- 2023 Budget Summary
- Next Steps

20) Regional I&I Reduction Program Update.

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L. Sarau was joined by A. Lucas from Brown and Caldwell to go over a presentation for the Regional I&I Program Update that included the following:

- Regional I&I Reduction Program Development
- Elements of the Regional I&I Reduction Program
- Educational Assistance
- Technical Assistance
- Flow Limits
- Enforcement
- Financial Assistance
- Stakeholder Feedback
- Regional I&I Reduction Program – Challenges
- Next Steps
- Possible Implementations Phase Tasks

Commissioner Hasselblad asked for an update in the October Commission meeting of the Municipal Partner meeting that is to be held on October 20, 2022.

21) August Financials.

B. Clausen stated that the operating revenues in total were favorable to budget both in August, and year to date. Revenues have been favorable due to additional BOD and TSS Loadings.

Operating expenses in August were unfavorable to budget by 9% due to from more expenditures than budgeted in chemicals; offset by contracted services. Year to date, operating expenses were favorable to budget by 2% from less expenditures in contracted services, interceptor maintenance, salary, and benefits which were offset by power, chemicals, and plant maintenance.

22) Update of Projects:

a) DPF Tertiary Filtration and Service Water Improvements Project

B. Angoli stated that during startup of the north filtration system, staff and engineer noticed cavitation in the backwash pumps and documented it to the manufacturer and contractor. Over the past three months the cavitation in the pumps has increased and flowrate for backwashing the filters has decreased. The filtration manufacturer visited the site to review the issues and has proposed options to resolve them. Project team discussion resulted in moving forward with the recommendation to increase the suction header from 2-inch to 3-inch to reduce the water velocity, eliminate cavitation, and to increase backwash flowrates. Design and cost responsibility is being reviewed and discussed with the project team.

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23) August 2022 Operations report.

Both facilities were in full compliance with all effluent limits for the month of August. The Green Bay Facility tied performance records for Ammonia for average daily concentration, average pounds discharged per day, and for total pounds discharged per month.

The Green Bay Facility was in compliance with air quality limits for the month of August.

For the month of August, the solids processing facility generated 1,452 MWH of electricity. Bio-gas from the digestion process was utilized for on-site electrical generation. Total bio-gas volume recovered was 247,423 CCF. This is approximately 94% of the total volume produced. The remaining volume was sent through the waste gas flare. NEW Water received 1,261,653 gallons of high strength waste in August.

24) Executive Director's Report

a) October Commission meeting

The next meeting will be held on October 26, 2022, at 8:30 a.m. This meeting will be a hybrid meeting.

b) COVID-19 update

A general update of COVID-19 was provided to the Commission.

c) Employee Appreciation Event

An Employee Appreciation Event was held in a hybrid format on August 24, 2022. The Jack Day Award of Accomplishment was presented to Sharon Thieszen, Field Services Manager, and the Peer Excellence Award was presented to Lisa Sarau, Staff Engineer. About 77 people attended the hybrid event.

d) Experience Modification Factor Summary for Workers Compensation Insurance

NEW Water received information from the Wisconsin Compensation Rating Bureau that our 2023 experience modification factor for our Workers Compensation Insurance policy will be 0.67. The lowest mod factor achievable within the insurance industry is 0.66, which leaves a controllable difference of 0.01 basis points. This is a 0.11 basis point drop from 2022, and is a direct result of NEW Water's staff's commitment to safety.

e) NEW Water Celebration of the Clean Water Acts 50th Anniversary

On October 18, NEW Water will be hosting an event with partners at the STEM Innovation Center to celebrate the 50th Anniversary of the Clean Water Act and NEW Water's 90 years of community Service. The event will occur as a hybrid in-person, and live over Zoom.

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f) NEW Water Hosts Emergency Response Exercise

On Aug. 31, NEW Water hosted an emergency response training scenario with Brown County Emergency Management, Green Bay Fire, Green Bay Police, Amateur Radio Emergency Service, and the Wisconsin Emergency Management at the Green Bay Facility

There being no further business to come before the Commission, the meeting adjourned at 10:58 a.m.

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Secretary