

GREEN BAY METROPOLITAN SEWERAGE DISTRICT
PROCEEDINGS OF THE COMMISSION

Regular meeting of the Commission held March 23, 2009.

PRESENT: Commissioners Alesch, Hasselblad, Mainz, Zabel, and Scheberle

ALSO PRESENT: T. Sigmund, D. Busch, P. Kaster, T. Woodworth, M. Pierner, W. Angoli, B. Vander Loop, W. Oldenburg, J. Kennedy, J. Christ, L. Evenson, D. Cawley, M. Kersten, J. Czypinski, D. Lefebvre, M. Erschnig, J. Van Sistine, J. Nicks & A. Harrington–Legal Counsel; J. Andres–Virchow Krause & Company; L. Schley–City of De Pere

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

Commissioner Alesch stated the Commission will move agenda items #6, 7, and 8 after the closed session. He stated the Commission will convene in closed session by 10:00 a.m. and will finish the remaining agenda items when the meeting is reconvened in open session.

- 1) **Approval of minutes of Commission meetings held February 23, 25, March 4, and 6, 2009.**

Motion #09-022

It was moved by Mainz, seconded by Hasselblad, and unanimously agreed to approve the February 23, 25, March 4, and 6, 2009 minutes as amended.

- 2) **February financials.**

T. Woodworth reviewed the February financials. He reported revenues were \$240,000 under budget and expenditures were \$360,000 under budget. He stated the City of Green Bay's volume is \$123,000 under budget and one of the mills has had intermittent shut down, which have also affected revenue.

- 3) **Request Commission approval of an amendment to agreement with Eric Rothstein for strategic planning consulting services in the amount of \$16,000.**

T. Sigmund stated that Eric Rothstein was hired one year ago to develop a strategic plan. He stated the original scope of work required a six month process, which has been exceeded. He reported Eric Rothstein also participated in a meeting for the biosolids management project to offer strategic planning perspectives. This amendment will allow Eric Rothstein to complete the additional services for strategic planning that were not covered under the original scope of work. Staff recommends approval.

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

03/23/09

Cont'd

PROCEEDINGS OF THE COMMISSION

Motion #09-023

It was moved by Hasselblad, seconded by Scheberle, and unanimously agreed to approve an amendment to agreement with Eric Rothstein for strategic planning consulting services in the amount of \$16,000.

- 4) **Request Commission approval of Task Order 6 to CH2M Hill for engineering services to develop a Sulfide Monitoring and Mitigation Study in the amount of \$28,600.**

T. Sigmund stated B. Vander Loop, who is the new Field Services Manager, will give the presentation.

B. Vander Loop requested Commission approval of Task Order 6. He stated CH2M Hill will assist GBMSD in identifying appropriate locations for atmospheric monitoring to gather current sulfide data, develop sulfide mitigation and safeguard options, and give a presentation of the study findings and recommendations to the Commission once completed.

T. Sigmund stated that staff took immediate action to investigate public health concerns arising from a recent hearing testimony.

Commissioner Mainz asked if the local government bodies have been notified. T. Sigmund replied yes. The Village of Ashwaubenon, City of De Pere, and Fox River Fiber have all been contacted. He reported gas meters have been installed and additional gas meters have been purchased. A meeting is scheduled tomorrow with the parties involved.

Commissioner Hasselblad stated that she appreciates the time and attendance to this matter.

Motion #09-024

It was moved by Mainz, seconded by Hasselblad, and unanimously agreed to approve Task Order 6 to CH2M Hill for engineering services to develop a Sulfide Monitoring and Mitigation Study in the amount of \$28,600.

- 5) **Request Commission approval for CH2M Hill to provide engineering design services for the Solids Disposal Improvements Project in the amount of \$151,400.**

W. Angoli reported that staff requested assistance in developing and evaluating solids loading and capacity for processing solids during an interim period of five to seven years.

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

03/23/09

Cont'd

PROCEEDINGS OF THE COMMISSION

W. Angoli reported the original Facilities Plan will be revised to include additional services and then staff will apply for Clean Water Fund Loan financing for the project. He also reported CH2M Hill will investigate and mitigate incinerator clinker formations.

T. Sigmund stated that CH2M Hill is currently working with the integration of the De Pere wastewater transferring to the Green Bay Facility so it makes sense to retain CH2M Hill for the short term instead of bringing in someone new.

Commissioner Meinz stated the Commission needs to be reassured that management staff is reviewing the cost that CH2M Hill provides to the Commission is fair and just cost. W. Angoli stated that CH2M Hill identifies profit. Commissioner Meinz asked if CH2M Hill's level of effort and cost is based on the economy throughout the country. Commissioner Meinz also asked if CH2M Hill has increased its costs from 2008 to 2009, and if so, how do we justify the cost? W. Angoli stated CH2M Hill's profit margin has not increased.

T. Sigmund stated the return on investment is 12% and the overall multiplier is about the same. He stated the percent cost of overhead has not changed.

T. Sigmund asked staff if CH2M Hill's hourly cost has increased. W. Angoli replied yes. He stated that he reviews the number of hours required to complete a project compared to the project drawings and disciplines involved, and it meets the norm of the industry.

Commissioner Meinz suggested that staff ask these questions to CH2M Hill and AECOM as a good due diligence.

Motion #09-025

It was moved by Meinz, seconded by Hasselblad, and unanimously agreed to authorize CH2M Hill to provide engineering design services for the Solids Disposal Improvements Project in the amount of \$151,400.

- 9) **Request Commission approval for SEH to assist GBMSD in obtaining an air permit for the two diesel generators for the Electrical Generation Project in the amount of \$6,800.**

W. Angoli reported SEH will assist GBMSD in obtaining an air permit for the two engine generators and prepare a construction permit application for the engines.

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

03/23/09

Cont'd

PROCEEDINGS OF THE COMMISSION

Motion #09-026

It was moved by Zabel, seconded by Scheberle, and unanimously agreed to authorize SEH to assist GBMSD in obtaining an air permit for the two diesel generators for the Electrical Generation Project in the amount of \$6,800.

- 10) **Request Commission approval for Great Lakes Archaeological Research Center to conduct an investigation for the planned mill waste force main in the amount of \$2,131.99.**

M. Pierner stated this request is part of our permit application process with the Wisconsin Department of Natural Resources for construction of a dedicated mill waste force main. He reported the project area is near two archaeological sites, so additional archaeological research is required to determine if the planned pipeline will impact the sites. Previous work performed by Great Lakes Archaeological Research Center has been done efficiently and timely.

Motion #09-027

It was moved by Meinz, seconded by Hasselblad, and unanimously agreed to authorize Great Lakes Archaeological Research Center to conduct an investigation for the planned mill waste force main in the amount of \$2,131.99.

- 11) **Request Commission approval to issue payment to Wisconsin Central LTD for licenses that allow GBMSD to occupy railroad property for the south conveyance pipeline system in the amount of \$42,750.**

M. Pierner requested Commission approval to issue payment for three railroad licenses to Wisconsin Central LTD for the railroad property that our conveyance pipeline facility will cross over. He reported that GBMSD has also received eight track crossing permits for other locations on the conveyance project from CN Railroad.

Motion #09-028

It was moved by Meinz, seconded by Hasselblad, and unanimously agreed to authorize payment to Wisconsin Central LTD for licenses that allow GBMSD to occupy railroad property for the south conveyance pipeline system in the amount of \$42,750.

- 12) **2008 Significant Noncompliance and pretreatment update.**

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

03/23/09

Cont'd

PROCEEDINGS OF THE COMMISSION

W. Oldenburg reported four facilities were in Significant Noncompliance for 2008. He reported three facilities were in Significant Noncompliance in the first half of the year, and one facility was in the second half of the year. All facilities are back in compliance. He stated Notices of Noncompliance are not published but industries do receive letters.

Commissioner Scheberle asked if it is the same characters that are in Significant Noncompliance. W. Oldenburg stated that it is an industry mix. He stated some industries have a higher risk due to the type of operation, but no facility is intentional.

13) Sewer plan approvals:

M. Pierner requested Commission approval of the following sewer plans subject to favorable review by Brown County Planning and the Wisconsin Department of Natural Resources (WDNR).

a) City of De Pere 09-01; GBMSD Request 2009-05

The City of De Pere is requesting replacement of 580 ft. of 8-inch sewer to provide service to existing development.

b) Village of Howard 09004; GBMSD Request 2009-06

The Village of Howard is requesting 1,500 ft. of sewer rehabilitation.

c) Village of Hobart 09-01; GBMSD Request 2009-07

The Village of Hobart is requesting 5,175 ft. of sewer to serve residential, commercial, and mixed use lands along Highway 29-32.

d) Village of Ashwaubenon A-09; GBMSD Request 2009-08

The Village of Ashwaubenon is requesting 400 ft. of sewer to serve a small business center located off of Packerland Drive.

Motion #09-029

It was moved by Mainz, seconded by Hasselblad, and unanimously agreed to approve the City of De Pere 09-01, Village of Howard 09004, Village of Hobart 09-01, and Village of Ashwaubenon A-09 sewer plans subject to favorable review by Brown County Planning and final approval by the WDNR.

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

03/23/09

Cont'd

PROCEEDINGS OF THE COMMISSION

14) Presentation of financial statement and management letter.

T. Woodworth introduced John Andres, Partner with Virchow Krause & Company.

J. Andres reported that GBMSD received a clean audit opinion. He reviewed the management's discussion and analysis. He reported operating expenses increased by \$2.9 million in 2008 due to the operation of a second wastewater treatment plant and the associated labor costs of additional employees. He stated the user fee revenues from municipal waste increased by \$3.9 million in 2008. He then reviewed the rate history adjusted for inflation.

J. Andres reviewed the restricted funds. He reported GBMSD maintains an equipment replacement fund required by the Wisconsin Department of Natural Resources as a condition of receiving Clean Water Fund Loans. He stated management intends to review the funding policy for all restricted investments during 2009.

J. Andres reported GBMSD has an investment policy that states you can only invest in securities that have a rating by one of the national rating agencies in either of the top two categories. He stated that GBMSD held one security from 2007, which dropped in rating to A1 in 2008. He recommended staff review the policy and reaffirm what the policy should be given the current economy.

J. Andres stated utilities should have at least 50% equity and less than 50% debt. He reported the debt percentage for 2008 was 38%, which is well within the industry guidelines. He stated the treatment plant is 51% depreciated and the interceptor system is 24% depreciated. Virchow Krause & Company contacted Rockford Water Reclamation District and Madison and Milwaukee Metropolitan Sewerage Districts for a benchmark analysis. He stated the benchmark analysis was based on 2007, because 2008 was not yet available. He reviewed the following areas in the benchmark analysis of peer districts:

- Debt vs. net assets
- Net plant value
- Residential revenue comparison
- Expense categorization

Commissioner Hasselblad stated this benchmark analysis is exactly what the Commission has been looking. This analysis provides a level of comfort on where GBMSD is compared to other wastewater treatment facilities.

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

03/23/09

Cont'd

PROCEEDINGS OF THE COMMISSION

- 19) **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) **Fox River PCB sediment issues**
 - b) **Status report on Rockland appeal of De Pere annexation and Rockland/De Pere border negotiations**
 - c) **Fox River PCB insurance coverage issues**
 - d) **DNR air issues**

Motion #09-030

It was moved by Mainz, seconded by Hasselblad, 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.

Commissioner Mainz departed at 10:30 a.m.

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

Motion #09-031

It was moved by Zabel, seconded by Hasselblad, and unanimously agreed to reconvene in open session.

- 6) **Request Commission approval to award contract 2009-01 De Pere and Green Bay Facility Upgrades Project to The Selmer Company in the amount of \$14,198,000 and a 5% contingency for a total project amount of \$14,907,900.**
- 7) **Request Commission approval for CH2M Hill to provide engineering services during construction for the De Pere and Green Bay Facility Upgrades Project in the amount of \$1,800,000 and a 5% contingency for a total project amount of \$1,890,000.**
- 8) **Adopt Reimbursement Resolution for the De Pere and Green Bay Facility Upgrades Project.**

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

03/23/09

Cont'd

PROCEEDINGS OF THE COMMISSION

Motion #09-032

It was moved by Hasselblad, seconded by Zabel, and unanimously agreed to table agenda items #6, 7, and 8.

15) Update of projects:

a) Consolidation Projects – General

T. Sigmund reported the tripartite agreement is ready to be returned to the attorney.

T. Sigmund reported the DNR has found someone to operate the Better Brite facility.

T. Sigmund reported Green Bay Packaging has concerns on the local limits recalculations.

b) Consolidation Projects – Conveyance facilities design and construction phases

M. Pierner reported GBMSD has advertised for bids for three projects in the Green Bay Press-Gazette on March 20 and 27. He reported the bid opening on the Mill Waste Conveyance Force Main is scheduled for April 9. The bid opening on the Wastewater Conveyance from Southern Service Area Force Main Contracts B & C and Intermediate Chemical Building Contract A are scheduled for April 16.

M. Pierner stated a copy of the draft Joint Fiber Optic Network Agreement was included in the Commission packet.

c) RAS/WAS System Improvements Project

W. Angoli reported \$20,000 of the project contingency has been used.

16) Operation report:

a) Effluent quality for February

D. Busch reported both facilities have met effluent compliance for February. He stated there was a slight improvement in phosphorus at the Green Bay Facility.

b) Air quality for February

D. Busch reported a spreadsheet on incinerator air emission quality for the Green Bay Facility was included in the Commission packet. He stated the April report will explain the monitoring process and a report will also be developed for the De Pere Facility.

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

03/23/09

Cont'd

PROCEEDINGS OF THE COMMISSION

17) Legal Counsel report:

a) None

18) Executive Director's report:

a) April Commission meeting

b) American Recovery and Reinvestment Act of 2009

There will be \$106 million in grants and loans allocated for wastewater infrastructure in Wisconsin under the American Recovery and Reinvestment Act of 2009.

c) Ninth Street and Ashwaubenon Creek Interceptor system odor issues

d) UWGB Environmental Management and Business Institute seminar

Distributed a brochure for a seminar scheduled on April 22 at the University of Wisconsin – Green Bay titled “Green Innovations 2009.” If any Commissioners are interested in attending, please contact Tom Sigmund.

There being no further business to come before the Commission, the meeting adjourned at 11:06 a.m.

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

Secretary