

GREEN BAY METROPOLITAN SEWERAGE DISTRICT
PROCEEDINGS OF THE COMMISSION

Regular meeting of the Commission held September 27, 2010.

PRESENT: Commissioners Alesch, Hasselblad, and Scheberle

EXCUSED: Commissioners Mainz and Zabel

ALSO PRESENT: T. Sigmund, P. McCarthy, D. Busch, P. Kaster, W. Angoli, M. Pierner, M. Diaz, D. Lefebvre, M. Kersten, J. Christ, W. Oldenburg, J. Kennedy, B. Bartel, J. Czypinski, B. Vander Loop, D. Cawley, J. Van Sistine, J. Nicks–Legal Counsel; T. Foltz–Strand Associates, Inc.; B. Desing–CH2M Hill

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

1) Approval of minutes of Commission meeting held August 23, 2010.

Motion #10-087

It was moved by Scheberle, seconded by Hasselblad, and unanimously agreed to approve the August 23, 2010 minutes as distributed.

2) August financials.

M. Diaz reported total municipal waste operating revenues for August were \$63,000 favorable to budget due to increased flows from the rain, other revenues from septage, and annual lease rental. Year to date operating revenues were \$154,000 unfavorable to budget due to lower than planned user fees. She reported August operating expenses were favorable to budget by \$135,000 due to chemicals, strategic initiative projects not yet started, and natural gas and fuel oil pricing. Year to date operating expenses were \$720,000 favorable to budget due to less than budgeted expenses in strategic initiatives, natural gas and fuel oil, and salaries. She reported net loss for August was \$150,000 unfavorable to budget as a result of non-operating expenses. Year to date net loss was favorable to budget by \$671,000 due to better than planned operating expenses and non-operating revenues.

Commissioner Hasselblad asked what strategic initiatives were put on hold. T. Sigmund replied a request for proposals has been sent out on asset management, but the project has not yet started. He stated \$150,000 in contracted services and watershed planning is awaiting approval by the Department of Natural Resources (DNR). He reported an initial analysis on sustainability has only been completed thus far.

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3) Adopt retirement resolutions:

a) David Lefebvre

Commissioner Alesch congratulated Mr. Lefebvre on his retirement and acknowledged that he will truly be missed.

D. Busch stated that he has had the privilege to work with Mr. Lefebvre for 34 years. He stated Mr. Lefebvre has brought humor and joy to others during stressful situations. Mr. Lefebvre took pride in his work, which was evident in his many accomplishments.

Motion #10-088

It was moved by Hasselblad, seconded by Scheberle, and unanimously agreed to adopt a retirement resolution for David Lefebvre. (Resolution #10-010 is on file at the GBMSD offices.)

b) Michael Strenski

Motion #10-089

It was moved by Hasselblad, seconded by Scheberle, and unanimously agreed to adopt a retirement resolution for Michael Strenski. (Resolution #10-011 is on file at the GBMSD offices.)

c) Michael Kersten

Commissioner Alesch stated the Commission is grateful for the service Mr. Kersten has provided in the merger of the De Pere and Green Bay Facilities and congratulated him on his 40 years of dedicated service.

D. Busch stated that Mr. Kersten began his employment at an entry level position with the City of De Pere. Mr. Kersten has dedicated 40 years of service to the wastewater industry and will retire as Manager of the De Pere Facility.

M. Kersten explained how his career began at the De Pere Wastewater Treatment Facility.

T. Sigmund stated that when we started the annexation of De Pere a little over three years ago, we needed someone to lead that effort. Mr. Lefebvre was asked to lead the Transition Team and did an exemplary job. Mr. Kersten served on that committee and we now have a facility that can run a long time. He stated that we couldn't have done it without these two individuals.

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The Commission wished them the very best in their retirement.

Motion #10-090

It was moved by Scheberle, seconded by Hasselblad, and unanimously agreed to adopt a retirement resolution for Michael Kersten. (Resolution #10-012 is on file at the GBMSD offices.)

4) Request Commission approval to transfer funds to the Debt Service Reserve.

P. Kaster requested Commission approval to transfer funds to the Debt Service (DS) Reserve. He stated the necessity to transfer reserve funds is due to uncollected debt funds in the 2010 budget, which total just over \$1,500,000. He stated the estimated 2011 debt obligation is approximately \$7,900,000. He requested the transfer of \$485,141 from Interceptor Cost Recovery (ICR) Reserve, \$485,140 from Plant Equipment Replacement Fund (PERF) Reserve, and \$376,739 from General Reserve for a total amount of \$1,347,020.

Motion #10-091

It was moved by Hasselblad, seconded by Scheberle, and unanimously agreed to transfer \$485,141 from ICR Reserve, \$485,140 from PERF Reserve, and \$376,739 from General Reserve to the DS Reserve for a total of \$1,347,020 to provide sufficient proceeds for the 2011 estimated debt obligations of GBMSD.

5) Request Commission approval of abatement of taxes for 2011.

Commissioner Alesch stated GBMSD has been abating taxes since 1977.

Motion #10-092

It was moved by Hasselblad, seconded by Scheberle, and unanimously agreed to abate the tax levy for 2011.

6) Request Commission approval to revise the compensation to the City of Green Bay for GBMSD Treasurer duties.

P. Kaster stated per the Wisconsin Statutes, the City of Green Bay qualifies to act as Treasurer for GBMSD. P. Kaster requested Commission approval to pay the City of Green Bay up to 30 hours per year at an hourly rate of \$50 per hour. Staff will require the City of Green Bay Treasurer to provide reports detailing her work.

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Motion #10-093

It was moved by Hasselblad, seconded by Scheberle, and unanimously agreed to increase the annual compensation to the City of Green Bay in an amount not to exceed \$1,500 for the duties required by serving as the Treasurer for GBMSD.

7) Request Commission approval of the 2011 Health Insurance Program and premium sharing.

J. Christ requested Commission approval to maintain the current premium sharing methodology at 95% of the lowest cost plan. She reported GBMSD's premium sharing for 2010 was \$1,392,384 and 2011 would be \$1,408,359.

Motion #10-094

It was moved by Scheberle, seconded by Hasselblad, and unanimously agreed to approve GBMSD's share of the 2011 premium at 95% of the lowest cost plan. (See Commission File #10-006)

8) Request Commission approval of 2011 salary market adjustment.

J. Christ stated based on information received from a nationally recognized compensation and benefit consultant firm, WorldatWork salary budget survey, and a telephone survey, staff is recommending a 1.8% market adjustment for 2011. She stated GBMSD will be recruiting key positions in 2011 and the market adjustment will keep pay structure competitive and at market. She stated staff plans to propose to the Commission a detailed market assessment in 2011.

Motion #10-095

It was moved by Hasselblad, seconded by Scheberle, and unanimously agreed to approve a 1.8% market adjustment effective January 2011.

9) Request Commission approval to close out the Mill Waste Conveyance Force Main, Project 2008-012, and issue final payment to MP NexLevel, LLC.

M. Pierner requested Commission approval to close out the contract with MP NexLevel, LLC for construction of a force main sewer to convey wastewater from Fox River Fiber directly to the De Pere Facility. He reported the final contract amount was less than the original contract amount.

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Motion #10-096

It was moved by Scheberle, seconded by Hasselblad, and unanimously agreed to close out the Mill Waste Conveyance Force Main, Project 2008-012, and issue final payment to MP NexLevel, LLC in the amount of \$208,633.46.

10) Request Commission approval of Amendment 2 to Task Order 4 to CH2M Hill for Watershed Phosphorus Trading White Paper.

P. McCarthy reported Task Order 4 provided engineering support in conducting a workshop and developing trading strategy for GBMSD to address upcoming phosphorus criteria arising from the total maximum daily load and statewide standard efforts. He stated a draft white paper was written summarizing the workshop and phosphorus trading approaches. Since the DNR has expressed interest in the white paper, staff is requesting Commission approval of Amendment 2 for CH2M Hill to finalize the white paper. The Commission expressed interest in reading the draft white paper before acting on the amendment, tabling it until the next meeting.

11) Request Commission approval to retain SEH for electrical substation, generator and power monitoring operations and maintenance manuals.

W. Angoli requested Commission approval to retain SEH to develop operations and maintenance manuals for the electrical generation system, power monitoring system, and the electrical substation system.

Motion #10-097

It was moved by Hasselblad, seconded by Scheberle, and unanimously agreed to retain SEH for electrical substation, generator and power monitoring operations and maintenance manuals.

12) Request Commission approval for AECOM Technical Services, Inc. to conduct a condition assessment of the East Bayshore Interceptor lift stations.

M. Pierner requested Commission approval for AECOM to perform a condition assessment of the East Bayshore Interceptor System, which includes 11 lift stations, force mains, and gravity sewer sections. He stated the lift stations and force mains are at the end of the original design life of 20 years, so a condition assessment is critical to determine any upgrade needs.

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Motion #10-098

It was moved by Scheberle, seconded by Hasselblad, and unanimously agreed to approve AECOM Technical Services, Inc. to conduct a condition assessment of the East Bayshore Interceptor lift stations in the amount of \$65,250 and a 5% contingency for a total amount of \$68,513.

- 13) Adopt Reimbursement Resolution for the East Bayshore System Condition Assessment, Project 2010-004.**

Motion #10-099

It was moved by Scheberle, seconded by Hasselblad, and unanimously agreed to adopt a Reimbursement Resolution for the East Bayshore System Condition Assessment, Project 2010-004. (Resolution #10-013 is on file at the GBMSD offices.)

- 14) Pretreatment update.**

W. Oldenburg reported on six Notices of Violation and three Notices of Noncompliance for the first half of 2010. He stated the industries are either back in full compliance or working to get back in compliance.

- 15) Update of projects:**

- a) Consolidation Projects – Treatment plants construction phase**
- b) Ninth Street and Ashwaubenon Creek Interceptor Rehabilitation – Phase 2**
- c) Raw Wastewater Pump Station Bar Screen Replacement**
- d) North Basin Complex Gate Replacement**
- e) Pump Station Monitoring & Control Improvements**
- f) M&C Improvements WAS Thickening**
- g) Electrical Generation Facility**
- h) Sludge Loading and Chemical Addition System**
- i) Air permit update**

J. Kennedy reported staff has received a formal close out letter from the DNR on the Letter of Noncompliance. He reported GBMSD's Title V permit for the first half of 2010 lists five instances of noncompliance with the secondary chamber minimum temperature permit limit. He stated preventative measures have been put into place but meeting the eight hour average temperature requirement will pose significant ongoing challenges to GBMSD given the realities of multiple hearth incinerator operation.

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16) Operation report:

a) Effluent quality for August

D. Busch reported both facilities were in full compliance with all effluent limits for August.

b) Air quality for August

D. Busch reported the Green Bay Facility was in full compliance with air quality limits and guidelines for August.

17) Executive Director's report:

a) October Commission meetings

A Commission workshop to discuss long term financial planning rates will be held on October 13.

b) NACWA 2010 Nutrient Summit update

The NACWA 2010 Nutrient Summit was a good meeting and more information will be provided as it becomes available.

c) Bruce Bartel replaces David Lefebvre as Treatment Manager

Staff interviewed internal and external candidates and selected Bruce Bartel as the new Treatment Manager.

d) Recognition of 25, 30, and 40 year service anniversaries

Employees that have reached milestone service anniversaries in 2010 are Mike Urbancic (25 years); Bob Hart, Bonnie Perrigoue, Ken Stevens, and Paul Willems (30 years); and Mike Kersten (40 years).

18) 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) Discussion of possible dispute on Swan Road Interceptor

b) Status report on Rockland appeal of De Pere annexation

c) Fox River PCB insurance coverage issues

d) Billing issues with Georgia-Pacific

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Motion #10-100

It was moved by Hasselblad, seconded by Scheberle, 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.

19) Reconvene in open session.

Motion #10-101

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

20) Presentation of draft Solids Management Plan.

B. Desing from CH2M Hill reviewed the refinements and cost opinion of the recommended Solids Management Plan.

21) Budget workshop.

T. Sigmund gave an overview of the proposed 2011 budget. He stated the average residential customer will pay 16.7% over 2010. He reviewed the following:

- 2010 accomplishments by division
- Approved staff positions
- Total salary & benefits
- 2011 benefit percent of gross salaries
- GBMSD flows and loads
- 2011 expenses by category
- 2011 revenues by category
- User charge billings (2007 – 2011)
- 2011 user charge revenue breakdown
- Estimated reserve status
- Proposed 2011 capital projects
- Proposed long-term capital projects
- Outstanding debt (2007 – 2011)
- Municipal rate comparison
- Rate impacts

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- Mill unit comparison
- GBMSD municipal rate comparison
- 2011 budget recommendations
- Customer outreach

There being no further business to come before the Commission, the meeting adjourned at 11:47 a.m.

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Secretary