

**GREEN BAY METROPOLITAN SEWERAGE DISTRICT**  
**PROCEEDINGS OF THE COMMISSION**

Regular meeting of the Commission held September 28, 2011.

**PRESENT:** Commissioners Alesch, Hasselblad, Mainz, Blumreich, and Carpenter

**ALSO PRESENT:** T. Sigmund, P. McCarthy, P. Kaster, P. Wescott, M. Diaz, M. Pierner, W. Angoli, J. Kennedy, J. Christ, B. Bartel, N. Qualls, M. Erschnig, B. Vander Loop, D. Cawley, J. Czypinski, J. Klingbeil, J. Van Sistine, J. Nicks-Legal Counsel; B. Knoll & B. Hannon–Fox River Fiber; M. Heckenlaible–City of Green Bay; R. Kopish–Chamber of Commerce; E. Rakers–City of De Pere

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

**1) Approval of minutes of Commission meeting held August 24, 2011.**

Commissioner Alesch asked staff to include an explanation statement to the auditor's comment.

**Motion #11-052**

It was moved by Blumreich, seconded by Hasselblad, and unanimously agreed to approve the August 24, 2011 minutes as amended.

**2) August financials.**

M. Diaz reported total operating revenues for August were unfavorable to budget by 1.1%. Year to date operating revenues were favorable to budget by 1.6%. She reported total operating expenses for August were favorable to budget by \$152,000 due to better than planned results from salaries and benefits, chemicals, contracted services, and natural gas and fuel oil. Year to date operating expenses were favorable to budget by 11.4%. Net income for the month of August was \$154,000 as a result of lower than planned operating expenses and investment income.

Commissioner Alesch asked why year to date operating expenses were 10% lower than operating revenues. M. Diaz replied due to favorable results in contracted services, salaries and benefits, and solid waste disposal. J. Christ added that there are unfilled staff positions and an employee is on leave of absence.

Commissioner Hasselblad stated that she supports the changes Ms. Diaz has made to the financial reports and appreciates the detail provided to the Commission.

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**3) Request Commission approval of abatement of taxes for 2012.**

Commissioner Alesch stated the Green Bay Metropolitan Sewerage District (GBMSD) typically elects not to recover costs through a property tax levy because it recovers its cost of services through user fees. T. Sigmund stated a letter will go out to each of the communities GBMSD serves informing them of this for 2012.

**Motion #11-053**

It was moved by Hasselblad, seconded by Blumreich, and unanimously agreed to approve the abatement of taxes for 2012.

**4) Request Commission approval to engage Clifton Gunderson LLP for the 2011 financial audit.**

M. Diaz reported the audit of the 2010 financial statements and the single audit was conducted by Clifton Gunderson LLP. She stated staff appreciated Clifton Gunderson's efforts and teamwork and the suggestions provided on GBMSD's processes and reporting. She stated this would be Clifton Gunderson's second year conducting GBMSD's audit.

**Motion #11-054**

It was moved by Hasselblad, seconded by Mainz, and unanimously agreed to engage Clifton Gunderson LLP for the 2011 financial audit in the amount of \$22,000.

**5) Commission review of the Discipline/Termination Grievance Policy and Procedure and the Workplace Safety Grievance Policy and Procedure.**

J. Christ reported Wisconsin Act 10 requires all public employers to adopt either a civil service system or an employee grievance policy. She stated with legal counsel's assistance, staff modified GBMSD's existing grievance policy and renamed it to Discipline/Termination Grievance Policy and Procedure. Other fundamental changes were: employees filing a grievance must propose a remedy, addition of an impartial hearing officer, and formalizing the appeal process to the Commission level.

Commissioner Mainz questioned why the employee needs to propose a remedy. J. Nicks stated this will make sure that staff has some idea of what the employee is looking for and will also help posture the decision making by the Commission.

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Commissioner Mainz asked what the process is and if this process will be used verbatim in all cases. J. Nicks replied yes, because it is a requirement under the Budget Repair Bill. He stated a written grievance would be submitted to the Human Resources Manager and Division Director, next an appeal to the Executive Director, then an appeal to an impartial hearing officer, and lastly an appeal to the Commission.

Commissioner Blumreich asked what GBMSD's experience with grievances has been. J. Christ responded that no grievance has been filed in the 11 years that she has been here.

Commissioner Mainz asked who appoints the impartial hearing officer. J. Nicks replied the Commission.

**6) Request Commission approval of the 2012 health insurance plan and premium sharing.**

J. Christ stated GBMSD has been with the State of Wisconsin health insurance plan since 2004. She stated GBMSD has followed the state's guidelines on premium payments. Previously GBMSD paid 95% of the lowest cost plan. She reported for 2012 the state requires employers to contribute between 50% – 88% of the average premium cost of qualified plans available in the employer's county. Staff has reviewed all options available to GBMSD, including a deductible plan. She reported the deductible plan reduces premiums, creates a potential savings of \$158,480 that could be shared with employees, and would reduce the 2012 budget for health insurance by \$91,136. Staff recommends changing to the Deductible HMO plan and GBMSD would pay 73% of the average premium cost of that plan. Employees can still choose to participate in other state qualified plans, but they will pay the higher cost for their health insurance coverage.

Commissioner Mainz asked to receive a copy of the health insurance information that is provided to the employees.

Commissioner Blumreich asked if the state offers a health savings account or a health reimbursement arrangement. J. Christ replied no.

J. Christ stated that if the Commission approves the Deductible HMO plan, the next item on the agenda is to approve the resolution required by the state.

**Motion #11-055**

It was moved by Mainz, seconded by Blumreich, and unanimously agreed to change from the Traditional HMO plan to the Deductible HMO plan and to set the GBMSD health insurance premium sharing in 2012 for full time employees at \$1,405.80 per month for family plan coverage and \$560.00 per month for single plan coverage.

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- 7) **Request Commission approval to adopt Resolution to participate in the Deductible HMO Option paired with the Deductible Standard Plan.**

**Motion #11-056**

It was moved by Mainz, seconded by Hasselblad, and unanimously agreed to adopt Resolution to participate in the Deductible HMO Option paired with the Deductible Standard Plan. (See Commission File #11-002)

- 8) **Request Commission approval of the 2012 salary market adjustment recommendation.**

J. Christ reported that in 2011 Carlson Dettman Consulting (CDC) sent out a competitive market survey tailored specifically to GBMSD to see how its pay structure aligns to market. Based on the survey data received, CDC determined GBMSD's pay structure to be above market. CDC and staff recommend no market adjustment for 2012.

Commissioner Hasselblad stated that she is comfortable with the results because CDC used Towers Watson in its survey, which is a national firm.

Commissioner Blumreich stated the survey is more equitable due to the amount of data CDC received.

Commissioner Carpenter stated that he has a good comfort level with this survey.

**Motion #11-057**

It was moved by Carpenter, seconded by Hasselblad, and unanimously agreed to approve no market salary adjustment for 2012.

- 9) **Request Commission approval for AECOM to provide engineering design services for the De Pere Facility East Service Area Interceptor Rehabilitation Project 11-038.**

M. Pierner reported GBMSD acquired interceptors through the Annexation and Consolidation Agreement with the City of De Pere. He stated rehabilitation work, as identified in the agreement, has yet to be completed on the De Pere River Crossing, Northeast Interceptor, Southeast Interceptor, and Charles Street Interceptor. He stated since the City of De Pere is responsible for over 60% of the project costs, it is important to ensure the project will provide for the service needs of the area. Staff plans to meet with De Pere to review growth needs of De Pere and compare it to the existing sewer sizing to reach concurrence regarding the planned rehabilitation.

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M. Pierner reported GBMSD staff will meet with De Pere to discuss the project and conduct field survey work before proceeding to final design. He stated staff would come back to the Commission if a major scope change is needed that would require additional funding.

Commissioner Alesch asked why AECOM developed the contract. M. Pierner replied that this contract is connected to the master agreement signed in 1995, which was jointly developed by GBMSD and AECOM. Commissioner Alesch asked legal counsel to review the master agreement.

Commissioner Mainz asked why staff chose AECOM. M. Pierner replied because of the successful rehabilitation of the west side interceptors performed by AECOM, GBMSD would benefit from use of the products developed during that work to save costs on this work. GBMSD would likely see increased costs if it chose a different firm to perform this work.

#### **Motion #11-058**

It was moved by Mainz, seconded by Hasselblad, and unanimously agreed to approve AECOM to provide engineering design services for the De Pere Facility East Service Area Interceptor Rehabilitation Project 11-038 in the amount of \$185,840.

- 10) **Request Commission approval for Camp Dresser & McKee, Inc. to provide consulting services for the Disinfection System Facility Plan Project 11-050.**

This item was deferred to the next meeting.

- 11) **Request Commission approval to close out contract 2009-010 Raw Wastewater Pump Station Bar Screen Replacement project.**

N. Qualls commended J.F. Ahern Company and the Maintenance and Treatment staff for the great job they did in making this project successful. He stated contract change orders were under 2% and the project was completed ahead of schedule.

#### **Motion #11-059**

It was moved by Blumreich, seconded by Carpenter, and unanimously agreed to approve close out of contract 2009-010 Raw Wastewater Pump Station Bar Screen Replacement project and issue final payment to J.F. Ahern Co. in the amount of \$17,167.

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#### 12) Update of projects:

##### a) Consolidation Projects – Treatment plants construction phase

Commissioner Hasselblad stated that there seems to be more outstanding issues with the projects. She asked what is happening and if this is a trend. W. Angoli replied that staff is working with The Selmer Company on the Davis-Bacon issues. T. Sigmund stated that it has been a challenge for The Selmer Company with the level of effort from the smaller subcontractors.

##### b) Beaver Dam Creek Interceptor Relocation – Phase 1 work related to Highway 41 expansion

##### c) North Basin Complex Gate Replacement

W. Angoli stated GBMSD requested a project-specific waiver from the EPA on the stainless steel checker plate. He stated the project required 900 lbs. of the stainless steel checker plate, but an order of 10,000 lbs. or more is required from U.S. manufacturers.

##### d) Electrical Generation Facility

W. Angoli reported there are additional cost issues with The Selmer Company on the Davis-Bacon requirements.

##### e) Sludge Loading and Chemical Addition System

He reported the wall panels manufactured in Canada received a waiver from the Buy American requirement under the ARRA rules.

##### f) Solids Management Plan

B. Bartel reported the third customer working group meeting was held yesterday. He stated 17 people attended and staff shared various technical memos prior to the meeting so they could review the information in advance of the meeting. He stated Alternative 16 – Rehabilitation of Existing Multiple Hearth Furnaces has been taken off the table because rehabilitation of the incinerators is too risky and would cost approximately \$88,000,000. He stated co-digestion in Alternatives 3A and 3B would bring in high strength organic waste to the digesters. Alternatives 11 – Conventional Composting and 14 – Incineration and Drying were also taken off the table. The alternative that scored the highest was Alternative 3B. The most viable options appear to be Alternatives 2, 3A, and 3B.

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B. Bartel stated that Eric Rothstein presented a rate analysis on the Solids Management Plan to the customer working group. He stated another meeting will be held in mid-October to answer any questions. He stated the recommended alternative is 3B and staff will present the formal request to the Commission at the October meeting. A public hearing will be held sometime in January.

Commissioner Blumreich asked about present value on capital O&M costs.

Commissioner Alesch requested a chart on present worth versus present cost.

Commissioner Alesch stated phosphorus recovery has been removed from Alternative 3B, but could be added at a later date. He stated a dryer could also be added to reduce solids to the incinerator.

T. Sigmund stated Alternative 3B produces electricity instead of pellets, which reduces complexity.

#### **g) Risk Based Asset Management**

P. Kaster reported staff is working with Red Oak Consulting to develop a risk based approach to asset management. He stated that progress to date includes the development of formal hierarchy, attributes, condition, criticality, and risk methodologies.

#### **h) Air issues update**

J. Kennedy reported the results from the recent stack test indicate that GBMSD demonstrated compliance with carbon monoxide. He stated one more series of stack tests will be conducted in spring. At that time, staff will discuss all test results with the WDNR to determine whether modifications to GBMSD's reporting requirements for carbon monoxide are warranted. GBMSD received approval of a research and testing exemption to evaluate the performance of lime addition to the incinerator process. He reported clinker formations have been reduced with the lime addition. He stated a letter was submitted to the WDNR summarizing results of the testing and GBMSD requested to continue the use of lime under its existing Title V permit. The WDNR responded favorably to GBMSD's request.

#### **13) Operation report:**

- a) Effluent quality for August**
- b) Air quality for August**

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

**14) Executive Director's report:**

**a) October Commission meetings**

The budget workshop will be held on October 5 and the next Commission meeting is scheduled on October 26 beginning at 8:30 a.m.

**b) Agreements approved by Executive Director**

A memo summarizing agreements approved by the Executive Director was provided in the Commission packet.

**c) Weapons Policy**

A copy of the Weapons Policy that was reviewed by legal counsel and approved by Executive Staff was included in the Commission packet.

**15) 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) Georgia-Pacific billing issues**

**c) Fox River PCB insurance settlement**

**d) Rock Solid Group's claim**

**Motion #11-060**

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.

**16) Reconvene in open session.**

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**Motion #11-061**

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

There being no further business to come before the Commission, the meeting adjourned at 10:55 a.m.

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Secretary