

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

Regular meeting of the Commission held July 25, 2012.

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

**ALSO PRESENT:** T. Sigmund, P. McCarthy, P. Kaster, P. Wescott, M. Diaz, M. Pierner, W. Angoli, N. Qualls, J. Christ, J. Czypinski, M. Urbancic, J. Kennedy, R. Krause, B. Vander Loop, M. Erschnig, J. Van Sistine, J. Nicks–Legal Counsel; R. Messing–CliftonLarsonAllen; M. Heckenlaible–City of Green Bay

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

**1) Approval of minutes of Commission meeting held June 27, 2012.**

**Motion #12-040**

It was moved by Hasselblad, seconded by Tumpach, and unanimously agreed to approve the June 27, 2012 minutes as distributed.

**2) 2011 financial audit presented by CliftonLarsonAllen LLP.**

P. Kaster introduced Renee Messing from CliftonLarsonAllen.

R. Messing distributed the 2011 audit results. She reviewed the following:

- Significant Audit Areas
- Financial Results
- Auditor’s Communication Letter
- Management Letter
- Benchmark Report

Commissioner Hasselblad asked how much of the total cash and investments are encumbered. R. Messing replied \$5.5 million unrestricted.

Commissioner Mainz asked if there were any changes from the government. R. Messing replied none that would impact the Green Bay Metropolitan Sewerage District (GBMSD).

Commissioner Mainz asked about liability on post retirements. R. Messing replied there is no outstanding liability.

Commissioner Alesch asked if there are any hidden sources of liabilities. R. Messing replied all liabilities are included.

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Commissioner Blumreich asked about reconciliation and if the auditor is satisfied with the process. R. Messing replied yes.

- 3) **Convene in closed session under State Statute 19.85 (1) (c) for the purpose of considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility:**
  - a) **Consultation with auditors regarding review of Accounting staff**

#### Motion #12-041

It was moved by Hasselblad, seconded by Mainz, and unanimously agreed to convene in closed session under State Statute 19.85 (1) (c) for the purpose of considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility.

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

#### Motion #12-042

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

- 5) **June financials.**

M. Diaz reported operating revenues for the month of June were 14.4% unfavorable to budget due to less precipitation. Year to date operating revenues were 8.4% unfavorable to budget. She reported operating expenses for the month of June were favorable to budget by \$89,000 as a result of less expenditures in solid waste disposal, power, and maintenance interceptor. Year to date operating expenses were \$1.5 million favorable to budget primarily due to less electrical power usage, contracted services projects planned but not yet started, less diesel fuel usage, and no solid waste disposal hauling to landfill. Net loss for the month of June was (\$268,000) due to lower than projected operating revenues.

- 6) **Request organizational chart transfer of Engineering Technician-GIS position to Systems Technician-GIS position in Information Technology.**

Commissioner Mainz asked if staff is in agreement with this organizational change. T. Sigmund replied yes.

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**Motion #12-043**

It was moved by Mainz, seconded by Hasselblad, and unanimously agreed to revise the organizational chart by transferring the Engineering Technician-GIS position to Systems Technician-GIS position in Information Technology. (See Commission File 12-005)

**7) Request Commission approval of the revisions to the Human Resources and Benefits Manual.**

J. Christ requested Commission approval of the proposed revisions to the Human Resources and Benefits Manual.

Commissioner Blumreich asked staff to clarify the changes to the safety shoes policy.

**Motion #12-044**

It was moved by Blumreich, seconded by Hasselblad, and unanimously agreed to approve the revisions to the Human Resources and Benefits Manual subject to modifications to the safety equipment policy. (See Commission File 12-006)

**8) Performance based pay program update.**

J. Christ reported that starting in January 2013, GBMSD intends to transition its current pay delivery system to a performance based pay program.

Commissioner Alesch asked if an employee can receive a merit increase one year and not a subsequent year. T. Sigmund replied yes, because the increase is based on the employee's performance.

The Commission would like to have a discussion with Carlson Dettmann Associates on the basis and process of the study.

**9) Sewer plan approvals:**

**a) Village of Hobart Project 2320-12-04; GBMSD Request 2012-10**

**b) Village of Hobart Project 5238-12-01; GBMSD Request 2012-11**

M. Pierner reported the Village of Hobart is requesting approval of two sewer extensions. The sewer requests are located in the northwest area of the Village of Hobart along Hwy 29 and will serve commercial and residential development. Brown County Planning has reviewed the plans and given its approval.

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#### Motion #12-045

It was moved by Meinz, seconded by Hasselblad, and unanimously agreed to approve the Village of Hobart Project 2320-12-04 and 5238-12-01 subject to final approval by the Wisconsin Department of Natural Resources (WDNR).

#### 10) Update of projects:

##### a) Resource Recovery and Electrical Energy (R2E2)

W. Angoli reported a charter workshop was held on July 12. He stated a charter document will be provided to the Commission at the August meeting. He reported the project team will be reviewing 100 items and providing information back to the consultant in September and October.

Commissioner Meinz asked about project management. W. Angoli replied all changes to the project will be included in the Zero Delta evaluation.

##### b) HVAC System Improvements

N. Qualls reported the major purpose of this project is to implement energy efficiency and air quality improvements to the laboratory. He reported the project is out for bid and bid opening is scheduled for August 9. He plans to request award of the project at the August meeting. He stated a pre-bid meeting is scheduled for next week.

Commissioner Blumreich asked if a pre-bid meeting is required. N. Qualls replied yes, it is mandatory.

N. Qualls reported the Laboratory staff will move to the De Pere Facility (DPF) during the duration of the project so improvements are currently being made at the DPF.

M. Urbancic stated that GBMSD will contract for metals and organics.

##### c) Disinfection System Facility Plan

N. Qualls reported CDM Smith Inc. has been developing a Disinfection System Facility Plan. He stated the plan will be submitted to the WDNR in early August. He stated the Facility Plan includes rehabilitation of the Green Bay Facility (GBF) disinfection system.

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N. Qualls stated the plan recommends retaining the ultraviolet (UV) technology at the DPF, but eliminate the chlorination/dechlorination backup system. He stated the new UV system is more energy efficient and has more remote operation. He reported staff would like to have the new DPF UV system fully operational by the 2014 disinfection season. Staff is negotiating with CDM Smith for the design phase services and expects to request award of the design at the August meeting.

P. Wescott stated the UV system at the DPF is the oldest unit of this model in the state.

**11) Operation report:**  
**a) Effluent quality for June**

P. Wescott reported both facilities were in full compliance with all effluent limits for the month of June. He reported the DPF tied an effluent discharge record low for Total Suspended Solids with a daily average concentration of 1.0 mg/L and tied a record low for Carbonaceous Biochemical Oxygen Demand (CBOD) with a daily average discharge of 118 lbs/day. The DPF also set an effluent discharge record low for total CBOD discharge for a month at 3,531 lbs.

**b) Air quality for June**

P. Wescott reported the GBF was in compliance with all air quality limits for the month of June. He stated there were no deviation notices requiring WDNR notification.

P. Wescott reported a significant event occurred this past weekend. He reported a power outage occurred at the Wisconsin Public Service (WPS) Quincy Street substation on July 21 affecting the GBF's power Line 135, which had the majority of the GBF load at the time. GBMSD notified the DNR, and the GBF was without power for a period of time while staff and WPS crews worked to restore it. He also reported that on July 16 a squirrel got into a substation and caused an electrical short. He stated staff is reviewing the incidents and will develop and put in place preventive measures.

Commissioner Mainz stated that when a line trips out, there needs to be a second and third backup source. P. Wescott replied staff is currently reviewing that. Commissioner Mainz asked staff to report the results back to the Commission.

**12) Draft 2013 GBMSD budget review.**

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T. Sigmund stated the first budget workshop will be held on August 22. He stated staff would like to provide estimated costs and information to GBMSD customers for their budgeting purposes. He stated the current municipal rate is \$2.143 per 1,000 gallons. The estimated 2013 municipal rate will be \$2.33 - \$2.36, which is a 9 to 10% increase from the 2012 budget. He reported an 11.1% reduction in BOD loading. He stated the reduced loading began to occur in late 2011 and was not factored in the 2012 budget. He stated there is a 2.9% increase in operation and maintenance costs and a 2.2% decrease in debt service and annual capital. He stated there are also cost increases in contracted services, maintenance and repairs, salaries and benefits, data processing, and community outreach. He reported there are four new capital projects requiring debt service. He stated staff will refine the proposed 2013 budget prior to the budget workshop on August 22, and staff will meet with GBMSD customers following the budget workshop. He stated a rate increase of approximately 9% relates to the R2E2 Project, which GBMSD customers were informed about.

Commissioner Alesch stated the BOD loading has been decreasing steadily over the last 20 years. He asked staff what GBMSD can do to increase BOD loading or what new technology is out there for treating sewage. T. Sigmund replied staff is looking at different types of air compressors that GBMSD has and is also looking at improving efficiency in oxygen transfer. He stated changing to an anaerobic digester with co-digestion will be a benefit to GBMSD customers.

Commissioner Alesch stated that GBMSD needs to look outside the box. He asked staff to look into treating algae and provide the Commission with information at the August or September meeting.

Commissioner Hasselblad asked what the capital range is for the four projects. T. Sigmund replied approximately \$8 million, which does not include the Dutchman Creek Interceptor renewal. M. Pierner stated the Dutchman Creek Interceptor needs to be expanded because it has limited capacity. He stated a study is planned to be done to identify costs, which the cost could easily be \$2 million. He stated future highway expansion work by the Wisconsin Department of Transportation (WDOT) is likely in the area of Hwy 172 and Hwy 41 that will impact GBMSD sewers. WDOT would be responsible for 90% of the cost.

**13) Executive Director's report:**  
**a) August Commission meeting**

The August Commission meeting will be held on August 22 beginning at 8:30 a.m.

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#### **b) Agreements approved by Executive Director**

A list of agreements approved by the Executive Director was provided to the Commission.

Commissioner Mainz asked if there is an approval limit for the Executive Director. T. Sigmund replied yes. He stated the Risk Based Asset Management (RBAM) Project was budgeted and the first phase was brought to the Commission for approval. He stated that he approved the \$200,000 for the second phase of the project. P. Kaster stated that part of the 2012 strategic initiatives included the RBAM Project. Commissioner Mainz stated agreements over \$100,000 must be approved by the Commission in accordance with GBMSD's procedures. He noted the Great Lake TV & Seal contract was approved, which was also over \$100,000. He asked staff to bring these two contracts to the Commission for approval at the August meeting to maintain GBMSD's procedures.

#### **c) Strategic Plan update**

Staff continues to work on implementation of Strategic Plan initiatives. Watershed management, RBAM, and improving GBMSD sustainability have been a focus for staff through several projects. GBMSD has been an active participant in the phosphorus reduction workgroup commissioned by Brown County Executive Troy Streckenbach. GBMSD is part of a five wastewater utility group working together to understand the requirements for Adaptive Management and Water Quality Trading. GBMSD is also participating in a working group with the DNR to better define the Adaptive Management Guidance and is participating on a water quality trading group with NACWA.

GBMSD staff is working to complete an RBAM condition assessment at the DPF by the end of 2012 and will focus on the GBF in 2013. Part of the RBAM initiative is to implement a business case analysis for all projects and activities with an estimated cost of \$20,000 and develop a comprehensive and balanced 20-year Capital Improvement Plan. GBMSD has been advancing sustainability through the completion of the R2E2 facilities plan. GBMSD continues to evaluate opportunities to recover resources and improve energy efficiency. GBMSD staff participated in developing the EPA Sustainability Guidance Document and participated in a webinar in June to endorse and support use of this document. The NACWA financial survey is available on the Commission web page. An update on the NACWA Summer Conference will be provided at the August meeting.

#### **d) Rate methodology update**

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P. Kaster reported a kick off meeting was held on July 13. He stated a Sharepoint site will be set up with Malcolm Pirnie, similar to the R2E2 Project. He reported staff will contact a list of stakeholders and ask them to participate in developing a new rate methodology for GBMSD. An initial meeting will be held at the end of August. Malcolm Pirnie will update the Commission on activities at the August meeting.

- 14) **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) **Rock Solid Group Legal Complaint**
  - b) **Georgia-Pacific billing issues**
  - c) **Legal strategy related to recent stack test results**

**Motion #12-046**

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.

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

**Motion #12-047**

It was moved by Mainz, 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 11:05 a.m.

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Secretary