

GREEN BAY METROPOLITAN SEWERAGE DISTRICT
PROCEEDINGS OF THE COMMISSION

Regular meeting of the Commission held September 27, 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, J. Christ, J. Czynski, M. Urbancic, B. Bartel, B. Vander Loop, D. Bradley, T. Garrison, J. Van Sistine, J. Nicks–Legal Counsel; M. Heckenlaible–City of Green Bay; B. Knoll–Fox River Fiber

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

1) Approval of minutes of Commission meeting held August 22, 2012.

Motion #12-060

It was moved by Mainz, seconded by Hasselblad, and unanimously agreed to approve the August 22, 2012 minutes as distributed.

2) August financials.

M. Diaz reported total operating revenues for the month of August were favorable by \$89,000 primarily due to higher precipitation received than projected. Year to date operating revenues were \$1.4 million unfavorable to budget. She reported total operating expenses for the month of August were favorable to budget by \$237,000. Year to date operating expenses were favorable by \$2 million to budget due to lower than planned expenses from contracted services, power, and solid waste disposal. Net income for the month of August was \$322,000 as a result of operating income.

Commissioner Hasselblad asked what the percentage is of the contracted services planned that have just recently commenced. M. Diaz replied staff is projecting \$200,000 favorable at year end. T. Sigmund stated year to date contracted services compared to budget is currently at \$550,000 favorable, but staff is projecting \$200,000 favorable to budget at year end.

Commissioner Alesch asked if there will be a negative effect on the Green Bay Metropolitan Sewerage District (GBMSD) for delaying some of these projects. T. Sigmund replied it is timing, and there will be no negative impact on GBMSD. He stated the R2E2 Project design will not show up in contracted services because it is a capital project.

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3) Request Commission approval of abatement of taxes for 2013.

Commissioner Alesch stated GBMSD has not levied a tax since 1977.

M. Diaz stated GBMSD shows sufficient funds in debt service to cover requirements for the following year. She stated there is \$9,415,968 in debt service reserves.

Motion #12-061

It was moved by Mainz, seconded by Hasselblad, and unanimously agreed to approve the abatement of taxes for 2013.

Commissioner Blumreich asked if GBMSD is required or would like to have a person on the Joint Review Board for tax incremental finance districts. J. Nicks replied that he will do a little research and report back to the Commission.

4) Request Commission approval to engage CliftonLarsonAllen LLP for the 2012 financial audit.

M. Diaz stated that GBMSD has acquired services from CliftonLarsonAllen LLP, formerly Clifton Gunderson, since 2010. Staff recommends to contract with CliftonLarsonAllen for the 2013 financial audit at a projected cost of \$25,000.

Commissioner Hasselblad asked what the cost was last year. M. Diaz replied \$22,000.

Commissioner Hasselblad asked when the last time was that GBMSD sent out a request for proposal for the financial audit. M. Diaz replied in 2010.

Commissioner Hasselblad asked if GBMSD was satisfied with CliftonLarsonAllen's work or interaction with GBMSD staff. M. Diaz replied GBMSD staff will work with CliftonLarsonAllen on scheduling and personnel changes.

Commissioner Hasselblad stated that staff can remove the industry standards comparison requirement from the annual financial audit, because that information can be obtained from the National Association of Clean Water Agencies.

Motion #12-062

It was moved by Hasselblad, seconded by Blumreich, and unanimously agreed to engage CliftonLarsonAllen LLP for the 2012 financial audit in the amount of \$25,000.

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5) Request Commission approval of the 2013 health insurance plan and premium sharing.

J. Christ stated that GBMSD has been with the Wisconsin Public Employers Group health insurance since 2004. She stated prior to 2004, GBMSD was self-insured. She stated with staff reductions, GBMSD could not support a self-insured plan or the risks involved, so GBMSD changed to the state plan. She reported that last year GBMSD changed to a deductible plan due to lower premiums. Staff is proposing to stay with the state deductible plan and increase employee participation for the Network Health Plan (the lowest cost plan) to \$95/month for the family plan and \$40/month for the single plan.

Commissioner Alesch stated some municipalities pay for retirees insurance. J. Christ replied GBMSD does not. Commissioner Alesch asked if that is the norm. J. Christ replied that she did not know.

Commissioner Alesch stated that he would like GBMSD to become closer to the normal practices of municipal governments and other industries similar to GBMSD. He asked staff to do a comparison of GBMSD's benefits to other municipalities and similar industries.

Commissioner Tumpach stated that he analyzes health care for a living. He stated employee contributions for health insurance premiums are 25% in the private sector. He stated compared to the public sector, this is a pretty good plan. He stated that he would like to get some market data before the Commission approves this item. He stated GBMSD needs to be relative to its peers. T. Sigmund replied that a comparison was done for 2012. He stated the Milwaukee Metropolitan Sewerage District (MSD) is at 6% - 8% for family coverage and Madison MSD is at 5% for family coverage and is self-funded. He stated the cities of Appleton, Green Bay, and De Pere were also included in the study. He stated at 3%, GBMSD was below the entities it contacted. At 6%, GBMSD is similar to other wastewater treatment facilities.

Commissioner Tumpach stated the premiums are high. J. Christ stated that staff met with Dan Ruder from Aon and he indicated that GBMSD is considered a risk for a new insurer because no claims information is available. Commissioner Tumpach stated from his experience, GBMSD would not be considered a risk. He asked if staff contacted Blue Cross/Blue Shield or Humana.

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Commissioner Alesch stated that he would like to have a wage and benefits comparison done. He stated a policy should be developed on what GBMSD wants to do and where it wants to be. T. Sigmund replied comparison costs for monthly family premium coverage are: \$1,445 for GBMSD, \$1,297 for the City of Appleton, \$1,435 for Brown County, \$1,682 for Milwaukee MSD, \$1,474 for the City of Green Bay, \$1,821 for the City of De Pere, and \$1,505 for Madison MSD. He stated GBMSD does not contribute to health insurance for retirees. He stated retirees are eligible to buy health insurance at the full rate.

Commissioner Mainz stated that he does not have a problem with approving the health insurance for next year. He suggested the Commission discuss the health insurance in March for 2014.

Commissioner Alesch stated the Commission can comprehensively discuss it due to Commissioner Tumpach's expertise in health insurance.

Motion #12-063

It was moved by Hasselblad, seconded by Mainz, with Tumpach voting nay, and agreed to set the GBMSD portion of health insurance premiums in 2013 for full time employees at \$1,557 per month for family plan coverage and \$622.70 per month for single plan coverage.

6) Request Commission approval of the 2013 salary market adjustment.

J. Christ stated GBMSD's current pay structure is still ahead of the market so staff is recommending no market adjustment.

Commissioner Blumreich stated the Wisconsin Retirement System is increasing employee contribution from 5.9% to 6.65%.

Motion #12-064

It was moved by Blumreich, seconded by Mainz, and unanimously agreed to approve no salary market adjustment for 2013.

7) Request Commission approval of a Reimbursement Resolution for the De Pere Facility UV Disinfection System Expansion Project.

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8) Request Commission approval of a Reimbursement Resolution for the Resource Recovery and Electrical Energy Project.

T. Sigmund stated Reimbursement Resolutions allow GBMSD to request reimbursement for internal funds expended prior to a Clean Water Fund loan or bond closing.

Motion #12-065

It was moved by Hasselblad, seconded by Blumreich, and unanimously agreed to approve Reimbursement Resolutions for the De Pere Facility UV Disinfection System Expansion Project and the Resource Recovery and Electrical Energy Project. (Resolutions #12-008 and #12-009 are on file at the GBMSD offices.)

9) Update of projects:

a) Resource Recovery and Electrical Energy (R2E2)

W. Angoli reported meetings were held on September 10 and 11 to review digester bench scale testing performance, risk management, and project update. He stated the second half of the risk and value management workshop will be held on October 8. He stated the project is moving along and on schedule. He stated various manual guides and process training presentations are under review by staff.

Commissioner Hasselblad asked staff to review the significant risks with the Commission after the second workshop. W. Angoli replied the information will be provided in written form.

b) Air issues update

T. Sigmund reported the third stack test on Incinerator #2 has been completed. He stated preliminary results indicate a positive test result due to very little particulate matter collected. He stated GBMSD staff met with the Department of Natural Resources (DNR) officials on September 19 to discuss options going forward. He stated GBMSD's existing two incinerators will not meet the March 2016 deadline for the Maximum Achievable Control Technology (MACT) standards. He stated the DNR was non-committal, but is willing to take it to the Environmental Protection Agency Region 5 to work towards a resolution.

Commissioner Hasselblad asked about the MACT standards. T. Sigmund replied the MACT standards were promulgated in 2011 and will take effect in 2016.

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- 10) Operation report:**
- a) Effluent quality for August**
 - b) Air quality for August**

P. Wescott reported both facilities were in full compliance with all effluent and air quality limits for August. He reported the De Pere Facility (DPF) set effluent discharge record lows for Total Biochemical Oxygen Demand (TBOD) and Carbonaceous Biochemical Oxygen Demand (CBOD). He reported the Green Bay Facility (GBF) experienced higher than normal Total Suspended Solids (TSS) values for the month due to issues with the samplers. He stated the higher TSS values were still within permit limits. He reported staff has identified the problem and has taken corrective action. He reported new sampler stilling wells have been ordered.

P. Wescott reported GBMSD experienced a power outage on September 16. He stated there was a fault at the Procter & Gamble substation, which resulted in the breaker for Line 137 at the Tower Drive substation to open. GBMSD lost Line 137, which led to the loss of sodium bisulfite feed and caused the emergency bypass dampers for both incinerators to open for 75 minutes until power was restored.

Commissioner Mainz asked whether GBMSD has sufficient redundant power supply. Considerable discussion ensued. T. Sigmund stated that staff will come back to the Commission with emergency generator design criteria and a power distribution system review.

- 11) Executive Director's report:**
- a) October Commission meetings**

The budget workshop will be held on Thursday, October 4, 2012, beginning at 8:30 a.m. Commissioners Hasselblad and Blumreich stated that they will be unable to attend the budget workshop. The budget workshop will begin at 8:45 a.m. for quorum purposes. The October Commission meeting will be held on Wednesday, October 24, 2012, beginning at 8:30 a.m.

- b) Draft 2013 budget approval process timeline**

Two budget process scenarios were presented to the Commission. Some municipal and industrial customers require GBMSD's budget information to finalize their budget. GBMSD will have the budget hearing and adoption at the November 28 Commission meeting.

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c) Public hearing on GBMSD's Sewer Use Ordinance

A public hearing on GBMSD's Sewer Use Ordinance will be held on October 24.

Commissioner Alesch asked if the rate plan is in the Sewer Use Ordinance. J. Nicks stated the Sewer Use Ordinance qualifies as a rule and he will look into it.

d) Recognition of 25 and 35 year service anniversaries

Employees that have received milestone service anniversaries in 2012 are: Marty Pyke with 25 years; and Steve Albers, Debbie Cawley, Dean Gaffaney, Tom Nitka, and Mike Pierner with 35 years. T. Sigmund stated the he appreciates their service.

e) 2012 Jack Day Award and Peer Excellence Award recipients

Scott Thompson, Treatment Trainer, received the Peer Excellence Award and Nathan Qualls, Engineer, received the Jack Day Award at the employee recognition luncheon.

The Commission expressed its appreciation for the efforts of the employees recognized for milestone anniversaries and the two award winners.

12) 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, and under 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) Georgia-Pacific billing issues**
- b) Employment performance review**

Motion #12-066

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, and under 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.

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13) Reconvene in open session.

Motion #12-067

It was moved by Meinz, 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 10:30 a.m.

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Secretary