

GREEN BAY METROPOLITAN SEWERAGE DISTRICT
PROCEEDINGS OF THE COMMISSION

Regular meeting of the Commission held February 25, 2013.

PRESENT: Commissioners Hasselblad, Blumreich, Tumpach, and Mainz (via conference call)

EXCUSED: Commissioner Hoffmann

ALSO PRESENT: T. Sigmund, P. McCarthy, P. Kaster, P. Wescott, B. Hafs, M. Pierner, B. Angoli, B. Brown, M. Diaz, J. Maas, T. Brown, J. Kennedy, T. Valenta, G. Natzke, B. Bartel, J. Czepinski, M. Urbancic, B. Vander Loop, T. Garrison, J. Van Sistine, J. Nicks–Legal Counsel; C. Malesky–Red Oak Consulting; M. Harvey–Pirnie Arcadis; S. Stein–Leonard and Finco; M. Heckenlaible–City of Green Bay; C. Berndt–Village of Allouez; B. Hesprich–Fox River Fiber

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

1) Red Oak presentation of rate methodology alternatives.

P. Kaster introduced Carol Malesky from Red Oak Consulting.

C. Malesky reviewed the following:

- Key Objectives of Study
- Objectives of Alternatives
- Rate Alternatives
 - A: Status Quo (Current Methodology)
 - B1: Fixed Monthly Charge with Uniform Rates, Equivalent Water Meters
 - B2: Fixed Monthly Charge with Uniform Rates, Flows and Loadings
 - B3: Fixed Monthly Charge with Uniform Rates, Select Industrial Customers
- Number of Customers and Equivalent Meters
- Assumptions Used for 2014
- Example of Energy Credit
- Unit Rates for Current Approach – Municipal Rate Comparison
- Unit Rates for Current Approach – Procter & Gamble Rate Comparison
- Unit Rates for Alternatives – Municipal Rate Comparison
- Unit Rates for Alternatives – Procter & Gamble Rate Comparison
- Example Energy Credit (Possible Implementation 2018): Unit Rates for Alternatives – Municipal Rates
- Example Energy Credit (Possible Implementation 2018): Unit Rates for Alternatives – Procter & Gamble Rates
- Using the Results
- Why Are Rate & Revenue Stability Important
- Observations on Alternatives

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Commissioner Hasselblad stated the 2018 credits are hypothetical and suggested staff look at revenue and rate stability, and what the impact is on GBMSD's commercial, industrial, and residential customers. She stated real numbers should be added for the R2E2 Project.

Commissioner Tumpach stated this is an important topic and GBMSD's municipal and industrial customers should be here to provide their input.

Commissioner Blumreich stated that he would like to see a five-year span on revenues instead of only 2012 revenues.

J. Nicks stated the current billing methodology is in the Ordinance and an amendment to the Ordinance would need to be made to affect that, following the rule making procedures.

Commissioner Hasselblad stated that she would like to hear from J. Nicks on the risk exposure in opening the Ordinance.

- 2) **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) Fox River Fiber Complaint with Public Service Commission

Motion #13-009

It was moved by Blumreich, seconded by Tumpach, 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.

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

Motion #13-010

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

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Commissioner Meinz disconnected at 9:47 a.m.

4) **Approval of minutes of Commission meeting held January 23, 2013.**

Motion #13-011

It was moved by Blumreich, seconded by Tumpach, and unanimously agreed to approve the January 23, 2013 minutes as distributed.

5) **Preliminary December financials.**

M. Diaz reported operating revenues for the month of December were unfavorable to budget by 26%. She stated overall, operating revenues for 2012 were 8% unfavorable to budget due to reductions in all unit fees except for suspended solids. She reported operating expenses for the month of December were unfavorable to budget by (\$195,000) due to salaries and benefits from compensated absences accrual and contracted services. Operating expenses for 2012 were favorable to budget by 12% as a result of lower than planned expenditures in power, contracted services, solid waste disposal, natural gas and fuel oil, and chemicals. The net loss for the month of December was (\$3,000,000) due to depreciation and loss on disposal of fixed assets. The net loss for 2012 was (\$43,000).

6) **Adopt retirement resolution for Gary Natzke.**

P. Wescott reported Gary Natzke started at GBMSD on October 4, 1976 as a Treatment Operator. Mr. Natzke transferred to Maintenance and held the positions of Collection System Coordinator and Foreman for 11 years. He then became the Mechanical Team Leader for eight years, and then accepted the new position of Maintenance Planner and Scheduler. Mr. Natzke is very well liked, extremely organized, a good employee, and can handle any task in a professional manner. He will be missed.

Commissioner Hasselblad read the resolution and presented it to Mr. Natzke.

G. Natzke stated that he has enjoyed his years at GBMSD. He stated it is a good place to work, has a lot of good people, and he is looking forward to his retirement.

T. Sigmund stated Mr. Natzke took on the role of Maintenance Planner and Scheduler and GBMSD has become much more efficient because of him. Thank you.

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Motion #13-012

It was moved by Blumreich, seconded by Tumpach, and unanimously agreed to adopt a retirement resolution for Gary Natzke. (Resolution #13-003 is on file at the GBMSD offices.)

- 7) **Introduce new employees:**
a) **Julie Maas, Environmental Compliance Specialist**

B. Hafs introduced Julie Maas, GBMSD's new Environmental Compliance Specialist.

J. Maas stated that before coming to GBMSD, she was an Environmental Specialist at U.S. Venture for 2 ½ years and her focus was on the U.S. Oil Division. She completed her Master's of Science Degree in Environmental Science and Policy through the University of Wisconsin – Green Bay. She is looking forward to doing a lot of good work with GBMSD.

- b) **Trisha Brown, Human Resources Manager**

T. Sigmund introduced Trisha Brown, GBMSD's new Human Resources Manager. He stated Ms. Brown started last Monday and has a lot of experience.

T. Brown stated that she has 20 plus years of Human Resources experience, all in the health care sector. She stated over the last 16 years she held the position of Human Resources Director at Community Memorial Hospital in Oconto Falls. She also worked at St. Vincent Hospital in Human Resources and the Accounting Department. She is looking forward to the challenges at GBMSD.

- 8) **Tracy Valenta receives the Green Bay Chamber of Commerce Young Professional of the Year award.**

B. Hafs stated Ms. Valenta received the Young Professional of the Year award from the Green Bay Chamber of Commerce for her outstanding work at GBMSD.

Commissioner Hasselblad stated that Ms. Valenta is one of the few women Merchant Marine Captains. Ms. Valenta also serves on the board of the Fox Wolf Watershed Alliance, and is a member of the American Water Resources Association, International Association for Great Lakes Research, and National Water Quality Monitoring Network. She stated Ms. Valenta has an outstanding background and this award is well deserved.

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9) Sewer plan approvals:

a) Village of Ashwaubenon Project A0017-920207; GBMSD Request 2013-03

M. Pierner reported the Village of Ashwaubenon is requesting to replace and resize the existing sewer to serve 34 acres of land, including a new Cabela's store.

b) Village of Pulaski Project 0295-13-01; GBMSD Request 2013-04

M. Pierner reported the Village of Pulaski is requesting to replace and resize the existing sewer. He stated there is no new service planned at this time.

c) Village of Howard Project 12013; GBMSD Request 2013-05

M. Pierner reported the Village of Howard is requesting to extend sewer off of the Bayview Interceptor including a section of 18-inch sewer to serve residential growth in the Village and possibly provide future service to the Town of Pittsfield.

d) City of Green Bay 2013 Capital Projects; GBMSD Request 2013-06

M. Pierner reported the City of Green Bay has submitted its capital projects and requests Commission approval and delegation of technical review to staff.

M. Pierner requested Commission approval of the above sewer plans and to delegate technical review of the City of Green Bay sewer plans to staff subject to favorable review by Brown County Planning (BCP) and final approval by the Wisconsin Department of Natural Resources (WDNR).

Motion #13-013

It was moved by Blumreich, seconded by Tumpach, and unanimously agreed to approve the Village of Ashwaubenon Project A0017-920207, Village of Pulaski Project 0295-13-01, Village of Howard Project 12013, and City of Green Bay 2013 Capital Projects and delegate technical review to staff, subject to favorable review by BCP and final approval by the WDNR.

10) Update of projects:

a) Resource Recovery and Electrical Energy (R2E2)

B. Angoli reported this past month staff reviewed for comment technical memorandums, Basis of Design Reports, and held workshops with the designer for the polymer system, cake storage, dewatering, digestion, co-digestion, thickener sludge pumps ash handling, septage receiving, biogas conditioning and storage, biogas engine generator, fluid bed incineration and waste heat recovery. He reported a 3D model for the new Solids Building is in place for staff to review and comment.

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B. Angoli stated last month a team took a trip to see a Bucher Dehydris press and disc dryers to help in the decision process for equipment selection. He stated at the March Commission meeting staff plans to request approval of a consultant to perform value engineering on the R2E2 Project.

b) West Tower Drive Interceptor Relocation

M. Pierner reported construction difficulties have been encountered in relocating 60-inch interceptor sewer pipe for the Wisconsin Hwy 41 expansion project. Water and very wet sand have been encountered in the directional bore and jacking operation crossing under the existing highway just south of Velp Avenue near Lone Grove Street. The amount of water and soil entering into the face of the boring operation has caused the highway roadbed to settle. He stated work has been suspended while the road is repaired. The plan is to change to an alternate method of completing the bore that will stop the loss of material, which has affected the integrity of the highway. The alternative method of installing a larger casing pipe to intercept the existing bore and recover the mining machine is likely to increase the project cost some \$700,000 to \$900,000. The current GBMSD contingency amount authorized for this project has some \$400,000 remaining. When GBMSD has more detailed cost information, staff will request the contingency be increased to cover the justified costs. It is projected that the Wisconsin Department of Transportation (WDOT) will reimburse GBMSD for 90% of the final cost.

c) Duck Creek Interceptor – North Leg Modifications

M. Pierner reported GBMSD has to relocate some interceptor sewers along Hwy 29 and CTH FF to allow for the construction of a new interchange. He stated the project is on a fast track basis because the WDOT has advanced its schedule for safety reasons requiring GBMSD to have its modifications completed by July 2013. GBMSD has advertised for bids and will request approval at the March Commission meeting.

d) HVAC & Lab Upgrades

B. Brown reported the project is progressing as planned. He stated the Lab staff will be moving back to the Green Bay Facility next Tuesday.

e) Air issues update

J. Kennedy reported GBMSD received a letter of noncompliance from the DNR. He stated that the issue relates to the interpretation of the incinerator water evaporative capacity parameter in GBMSD's air permit. Staff is reviewing the information and will reply to the DNR by the required deadline.

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11) Operation report:

a) Effluent quality for January

P. Wescott reported both facilities were in full compliance with effluent quality limits for January. The De Pere Facility tied an effluent discharge record low for Total Suspended Solids with a daily average concentration of 1.0 mg/L. He stated 12-month rolling average graphs for effluent quality and permit limits were included in the Commission packet.

b) Air quality for January

P. Wescott reported a deviation notification was submitted to the WDNR. He stated condensation in the secondary chamber pressure sensing line resulted in a false positive draft causing the emergency bypass damper to open for seven minutes. The Electrical/Instrumentation (E/I) staff cleaned out the sensing line and insertion port. He stated that staff began cleaning ash out of the secondary chamber during each incinerator outage. This three-month practice began last year. Going forward, E/I staff will perform preventive maintenance every week on the sensing line. He stated the issues are only with Incinerator #2.

12) Executive Director's report:

a) March Commission meetings

An electrical generation and power distribution workshop will be held on Tuesday, March 12, 2013, beginning at 8:30 a.m.

b) Agreements approved by Executive Director

A list of agreements approved by the Executive Director was included in the Commission packet.

c) NACWA Utility of the Future Report

A copy of the NACWA Water Resources Utility of the Future Blueprint was included in the Commission packet. An electronic copy of the document was emailed to GBMSD customers and is also available on GBMSD's website.

d) Brown County Phosphorus Committee White Paper update

Bill Hafs, Tom Sigmund, and Commissioner Hoffmann are members of the Phosphorus Committee that has put together a White Paper. Brown County Executive Troy Streckenbach presented the White Paper to the Brown County Board at its February meeting.

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e) **Issue Administrative Order**

GBMSD plans to issue an Administrative Order to PC Fibre Technology. An Administrative Order is an escalation in GBMSD's enforcement process. This is the third consecutive six-month period that PC Fibre Technology has not been in compliance for self-monitoring and reporting. The next step requires Commission action.

There being no further business to come before the Commission, the meeting adjourned at 10:30 a.m.

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Secretary