

GREEN BAY METROPOLITAN SEWERAGE DISTRICT
PROCEEDINGS OF THE COMMISSION

Regular meeting of the Commission held March 26, 2014.

PRESENT: Commissioners Hasselblad, Mainz, Blumreich, Tumpach, and Hoffmann

ALSO PRESENT: T. Sigmund, P. Kaster, P. Wescott, B. Hafs, N. Qualls, B. Angoli, M. Diaz, M. Erschnig, J. Swoboda, B. Brown, L. Sarau, J. Kennedy, B. Vander Loop, B. Oldenburg, B. Bartel, M. Urbancic, J. Czypinski, T. Brown, T. Garrison, J. Van Sistine, J. Nicks–Legal Counsel

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

- 1) **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 litigation**
 - b) **Fox River Fiber Complaint with Public Service Commission**
 - c) **Duck Creek Golf Center claim**
 - d) **Dock lease negotiations with Noble Petro**
 - e) **Potential dispute regarding condition of Bayview Interceptor**

Motion #14-012

It was moved by Blumreich, seconded by Hoffmann, 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.

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

Motion #14-013

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

- 4) **Approval of minutes of Commission meeting held February 26, 2014.**

Motion #14-014

It was moved by Mainz, seconded by Hoffmann, and unanimously agreed to approve the February 26, 2014 minutes as distributed.

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7) Request Commission approval to enter into an agreement with Arcadis/Red Oak Consulting for a Billing Methodology Development Project.

B. Vander Loop requested Commission approval to award the Billing Methodology Development Project to Arcadis/Red Oak Consulting in the amount of \$119,815 and a 10% contingency of \$11,982 under the authority of the Executive Director for a total amount of \$131,797. He reported the current system has been in place for 40 years and the sewer service area has grown and become more complex. The consulting firm will review how NEW Water, the brand of the Green Bay Metropolitan Sewerage District, bills its customers. A request for proposal was sent to eight qualified consulting firms, and three proposals were received. Staff reviewed and scored the proposals, and recommends awarding the project to Arcadis/Red Oak Consulting. He stated Arcadis/Red Oak Consulting has the strongest team and its proposal included 37% more labor hours to the project.

Commissioner Hasselblad asked what happened to Trilogy Consulting. B. Vander Loop replied Trilogy Consulting did not have adequate experience.

Commissioner Mainz asked if staff thought Trilogy Consulting was qualified but when the proposal was evaluated, staff determined Trilogy Consulting was not qualified. B. Vander Loop replied yes.

Commissioner Mainz asked if the Galardi Rothstein Group proposal included more hours, would it have been the lowest cost proposal. B. Vander Loop replied no, because Galardi Rothstein Group's hourly rate was higher.

Motion #14-015

It was moved by Blumreich, seconded by Tumpach, and unanimously agreed to enter into an agreement with Arcadis/Red Oak Consulting for a Billing Methodology Development Project in the amount of \$119,815 and a 10% contingency under the authority of the Executive Director for a total authorized amount of \$131,797.

3) Presentation by Dr. Val Klump on research relating to Green Bay hypoxia.

J. Kennedy introduced Dr. Val Klump, who has been with the University of Wisconsin – Milwaukee for over 30 years and has been very active in Green Bay research and served on several committees of the Remedial Action Plan. Dr. Klump received a grant from NOAA to study oxygen depletion or hypoxia formation in Green Bay, which has been a collaborative effort to understand hypoxia.

Dr. Klump stated the hypoxia research in Green Bay has been funded through NOAA. There is limited information about hypoxia in Green Bay, though some evidence exists based on Mr. Kennedy's Master of Science thesis work and later monitoring done by NEW Water.

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Dr. Klump reviewed the following:

- Collaborators
- Hypoxia: Why Does It Occur?
 - Over fertilization
 - Highly Productive
 - Sequestration – seasonal Stratification
 - Sediments quickly become anaerobic
 - Benthic Respiration
 - Seasonal Stratification
- Total Phosphorus Trends – NEW Water Monitoring
- Historical Data
- Scientific Objectives
- Management Objectives
- NEW Water and UW-Milwaukee Station Coverage
- Climate Impacts
- Approach: Develop Linked Models
- Continuous Monitoring Data
- Summary

Commissioner Hasselblad asked when the wind fields shifted south. Dr. Klump replied in the 1990s.

Commissioner Mainz asked if hypoxia has been identified in Lake Erie. Dr. Klump replied yes. Implementation of the Clean Water Act significantly reduced phosphorus loadings by the late 1970s; however, significant algal blooms have returned in recent years along with evidence of hypoxia.

The Commission thanked Dr. Klump for his presentation.

5) January and February financials.

M. Diaz reported total operating revenues for the month of January were favorable to budget by \$169,000. She stated total operating expenses were favorable to budget by \$111,000. She stated leading the favorable results were contracted services, salaries and benefits, power, and solid waste disposal.

M. Diaz reported total operating revenues for the month of February were favorable to budget by \$76,000. She stated total operating revenues for the first two months of 2014 were favorable to budget by \$245,000. Leading the favorable results were increased flows from user fees and unanticipated additional revenues from other revenue. She stated total operating expenses for February were favorable to budget by \$182,000.

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M. Diaz reported total operating expenses for the first two months of 2014 were favorable to budget by \$293,000. Leading the favorable results were maintenance plant timing of bill versus budget and less expense for equipment repairs, four unfilled positions in salary & benefits, power projections were higher than actual unit costs, and contracted services timing of bill and legal increased expenses versus budget. Income for the month of February was \$128,000.

6) Introduce new Maintenance Mechanic, Jason Swoboda.

M. Erschnig introduced Jason Swoboda, who began his employment with NEW Water on March 17.

J. Swoboda stated that he is from Manitowoc, and previously worked at Krueger International. He stated that he is grateful to have this opportunity to be part of the NEW Water team.

The Commission welcomed him.

8) Request Commission approval to award the Pump Station Transformer Relocation and MCC-B7 Replacement Contract No. 13-021-CO to Howard Immel, Inc.

L. Sarau reported bids were received on the Pump Station Transformer Relocation and MCC-B7 Replacement Project. She stated the project consists of relocating an existing transformer and replacing an existing motor control center. NEW Water has two existing oil filled transformers that are part of the power supply to the pump station onsite. The transformers are currently located in one building. This project will construct a new building and move one transformer to that building to decrease the risk to the power supply to the pump station in case of a catastrophic event. The project will also replace the MCC-B7 located in the East Mechanical Building due to deterioration. She stated two alternates were included in the project replacing the primary and secondary cables and serving the existing transformer. That work is contingent on cable testing from the relocation of the transformer. She stated if those tests indicate that NEW Water needs to go further with that work, the work will be done under a separate contract. Staff and the design engineer reviewed the five bids and recommends award of the contract to Howard Immel, Inc. with no alternates.

Commissioner Hasselblad stated the project amount is less than the engineer's estimate. L. Sarau replied yes.

Commissioner Mainz asked staff to find out what type of insurance the design engineer has.

Commissioner Mainz asked if the oil in the transformer has been tested for PCBs. M. Erschnig replied it was tested and replaced about 20 years ago with mineral oil to decrease the likelihood of any fires.

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Motion #14-016

It was moved by Mainz, seconded by Blumreich, and unanimously agreed to award the Pump Station Transformer Relocation and MCC-B7 Replacement Contract No. 13-021-CO to Howard Immel, Inc. in the amount of \$547,841 and a 10% contingency under the authority of the Executive Director for a total amount of \$602,625.

9) Request Commission approval to award the Resource Recovery and Electrical Energy Project Contract 33 Primary Switchgear and Utility Relocation to Miron Construction Co., Inc.

B. Angoli stated Contract 33 is the second contract awarded under the Resource Recovery and Electrical Energy (R2E2) Project. He stated a new primary switchgear building will be constructed and underground utilities will be relocated to open the area where the digesters and solids building will be located to allow underground work to begin on Contract 34. NEW Water received three bids: Miron Construction Co., Inc., C.D. Smith Construction, and Howard Immel Inc. Staff recommends award of Contract 33 to Miron Construction, who was the low bidder, in the amount of \$6,243,260 and a 10% contingency under the authority of the Executive Director.

Commissioner Hasselblad stated the engineers' estimates have been high on a number of projects. She asked if there was a cushion in the engineers' estimates. B. Angoli replied the engineer contacted C.D. Smith and was informed that many contractors are purchasing all the major equipment to cut markups by subcontractors and reduce the overall markup on subcontractors, which reduces cost to the project. He stated CH2M HILL is revisiting how markups are done to match current contractors' overhead procedures.

Commissioner Blumreich suggested that staff keep track of what the engineers' estimates are versus what the bids are actually coming in at.

Motion #14-017

It was moved by Hoffmann, seconded by Blumreich, and unanimously agreed to award the Resource Recovery and Electrical Energy Project Contract 33 Primary Switchgear and Utility Relocation to Miron Construction Co., Inc. in the amount of \$6,243,260 and a 10% contingency under the authority of the Executive Director for a total amount of \$6,867,560.

10) Request Commission approval to enter into an agreement with CH2M HILL to provide construction related services for the Resource Recovery and Electrical Energy Project Contract 33 Primary Switchgear and Utility Relocation.

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B. Angoli reported construction services for this project include: shop drawing reviews, construction site observations & inspections, operations and maintenance manuals, and miscellaneous items. He requested Commission approval to enter into an agreement with CH2M HILL to provide construction related services for the R2E2 Project Contract 33 Primary Switchgear and Utility Relocation in the amount of \$733,280 and a 10% contingency under the authority of the Executive Director.

Commissioner Blumreich asked should cables run underground in water. B. Angoli replied electrical manhole sump pumps will be added to keep those areas dry.

Motion #14-018

It was moved by Blumreich, seconded by Hoffmann, and unanimously agreed to enter into an agreement with CH2M HILL to provide construction related services for the Resource Recovery and Electrical Energy Project Contract 33 Primary Switchgear and Utility Relocation in the amount of \$73,400 and a 10% contingency under the authority of the Executive Director for a total amount of \$807,220.

Commissioner Blumreich departed at 10:40 a.m.

11) Sewer plan approvals:

a) Town of Lawrence Project No. L0017-93060.16; GBMSD Request 2014-03

B. Angoli reported the Town of Lawrence is requesting to install 1,028 ft. of 8-inch and 404 ft. of 8-inch sewer pipes to flow to the Ashwaubenon Creek Interceptor.

b) City of De Pere Project No. 14-01; GBMSD Request 2014-04

B. Angoli reported the City of De Pere is requesting to relocate sewer pipes along County Highway PP and Prospect Street. Flow would be tributary to the Swan Road Interceptor.

Motion #14-019

It was moved by Mainz, seconded by Hoffmann, and unanimously agreed to approve the Town of Lawrence Project No. L0017-93060.16 and City of De Pere Project No. 14-01 sewer plans subject to favorable review by Brown County Planning and final approval by the Wisconsin Department of Natural Resources (WDNR).

12) 2013 significant noncompliance summary and pretreatment update.

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B. Oldenburg reported there were six Significant Industrial Users (SIUs) that were in significant noncompliance for 2013. He stated two industries were in noncompliance the second half of the year, and the rest were in noncompliance the first half of 2013. NEW Water is required to publish the SIUs in significant noncompliance in the Green Bay Press-Gazette. All six SIUs have been informed of the publication on three separate occasions. In addition, one SIU received a Notice of Violation and two SIUs received Notices of Noncompliance for the second half of 2013. He stated all SIUs are either back in compliance or working to get back into compliance.

Commissioner Mainz asked if the industries have been good to work with. B. Oldenburg replied yes.

13) 2013 Industrial Achievement Awards.

B. Oldenburg reported twelve industries have qualified for the 2013 Gold Award, which is the first year NEW Water is issuing the Gold Award. The Gold Award requires three consecutive years of full compliance. He reported one industry qualified for the 2013 Gold Zero Discharger Award, 10 SIUs qualified for the 2013 Silver Award, and one SIU qualified for the 2013 Silver Zero Discharge Award. He stated an ad will be placed in the Green Bay Press-Gazette tomorrow recognizing the industries, and certificates will be mailed out to them.

14) Update of projects:

a) Resource Recovery and Electrical Energy (R2E2)

B. Angoli reported NEW Water has received information from the engineer that one of the original cost estimates from the Basis of Design Report from a specialty contractor for construction of the digestion tanks was originally very low. He stated when the 60% design was sent out, the cost estimate from the specialty contractor was significantly higher. The team is looking to see what was missed from the original cost estimate. The Zero Delta Committee will look at all items to make sure the R2E2 Project stays within the \$147,000,000 budget. Once NEW Water receives all the updates and the construction costs, staff will go through the report to see what needs to be reduced from the project to stay within budget. Staff will provide a report at the next Commission meeting.

b) De Pere Facility UV Disinfection System Expansion

B. Brown reported the substantial completion date for the project is April 22. He stated construction activities and equipment installation are in the finishing stages. He stated some training started last week and operation and maintenance development will continue over the next month. Functional testing will start the end of next week and performance testing should start the week of April 7. He stated the project is moving along within budget.

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c) Highlights of Fox Wolf Watershed Alliance White Paper regarding Adaptive Management for the Lower Fox River basin

J. Kennedy reported NEW Water participated with four other Fox Valley wastewater treatment plants in a study conducted by the Fox Wolf Watershed Alliance to look at how Adaptive Management might work in the Lower Fox River Basin. He stated the project produced a tool that will be very helpful for the development of future Adaptive Management Plans.

15) Operation report:

a) Effluent quality for February

P. Wescott reported both facilities were in full compliance with effluent quality limits for February.

b) Air quality for February

P. Wescott reported there was one deviation notice that happened on Incinerator #1 in February. He stated the incinerator was running at a steady state when the emergency bypass damper opened unexpectedly and it was closed within two minutes. He stated on the next outage the Maintenance staff checked the unit and could not find anything wrong. Earlier this month in coordinated work with Wisconsin Public Service, staff determined a faulty uninterruptable power supply was identified as the cause of the bypass damper opening. Staff removed the faulty uninterruptable power supply from service, inspected it, talked to the manufacturer, and will be replacing the unit.

P. Wescott gave an air permit compliance update regarding modifications with NEW Water's existing Title V permit. NEW Water requested three changes to its permit, and earlier this week the DNR agreed to the proposed changes and has issued a new permit. He stated Julie Maas will give an update at the April Commission meeting.

16) Executive Director's report:

a) April Commission meeting

The March Commission meeting will be held on Wednesday, April 23, 2014, beginning at 8:30 a.m.

b) Insurance renewal contract

P. Kaster has been working with two insurance brokers and the existing broker, and was able to find substantial savings in insurance of about \$60,000 over the year.

Commissioner Mainz asked if the Public Officials Liability covers the Commission. P. Kaster replied yes, as well as the Executive Team. Commissioner Mainz asked staff to email the liability amount to the Commission, and asked legal counsel to review the amount to make sure it is adequate.

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There being no further business to come before the Commission, the meeting adjourned at 10:50 a.m.

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Secretary