

GREEN BAY METROPOLITAN SEWERAGE DISTRICT
PROCEEDINGS OF THE COMMISSION

Regular meeting of the Commission held April 23, 2014.

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

ALSO PRESENT: T. Sigmund, P. Kaster, P. Wescott, B. Hafs, N. Qualls, B. Angoli, M. Diaz, J. Kennedy, E. Wilcox, M. Erschnig, L. Sarau, B. Brown, J. Maas, B. Vander Loop, B. Bartel, M. Urbancic, J. Czynski, 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) **Proposed Amended and Restated License Agreement with Noble Petro, Inc., a subsidiary of Noble Americas**

Motion #14-020

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.

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

Motion #14-021

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

Commissioner Meinz departed at 9:14 a.m.

- 3) **Approval of minutes of Commission meeting held March 26, 2014.**

Motion #14-022

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

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4) **March financials.**

M. Diaz reported total operating revenues for the month of March were favorable to budget by \$348,000. Leading the favorable results were more loads received than budgeted and unanticipated additional septage revenues of \$197,000. She stated for the first quarter total operating revenues were favorable to budget by \$593,000. She stated the favorable results were due to increased loads from user fees and unanticipated additional septage revenues of \$328,000, accounting for 98% of total other revenues received. She reported total operating expenses for the month of March were favorable to budget by \$231,000 due to less expenditures than budgeted from contracted services, salaries & benefits, maintenance plant, and chemicals. First quarter of 2014 total operating expenses were favorable to budget by \$523,000 primarily due to less expenditures than budgeted from projects not yet started and timing of billing versus budget for maintenance plant and contracted services, four unfilled positions in salary & benefits, and power budget projections were higher than actual unit costs. Net income for the month of March was \$740,000.

T. Sigmund stated under operating revenues, staff is looking at the influent sampler at the Green Bay Facility and doing work in parallel with another type of sampler. Staff is investigating if samples from one of the samplers are trending high for some of the strength parameters. Staff will report back to the Commission next month.

5) **Adopt retirement resolution for John Kennedy.**

Commissioner Hasselblad read the retirement resolution. She stated the retirement resolution encapsulates just a small part of what Mr. Kennedy has done at NEW Water, the brand of the Green Bay Metropolitan Sewerage District. She stated the legacy he leaves as you look out at the receiving waters at this plant, his love for the receiving waters, and his assistance on the watershed management that brought it to a focal point. All of those things have been extraordinary. Mr. Kennedy leaves a mark here and anybody would be proud to call this their legacy. Thank you for all you have done.

B. Hafs congratulated Mr. Kennedy on his retirement. He stated that he was fortunate to know and work with Mr. Kennedy for over 25 years. He stated they were both part of the Remedial Action Plan and Technical Advisory Committees. He stated that he was fortunate to work with Mr. Kennedy at NEW Water for the past 1 ½ years. Thank you and best wishes on your retirement.

J. Kennedy stated our role here at NEW Water is very important and we must not lose sight of that. People outside do look to NEW Water because it has quite a reputation as an environmental steward. He has been very proud to be a part of that and he knows staff will carry on because it is critical to do so. He stated our jobs at NEW Water are very important.

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T. Sigmund stated the entire Green Bay area and Northeast Wisconsin certainly is a better place because of Mr. Kennedy's work at NEW Water. The contributions he has made and dedication that he has had to this area has made a huge difference in the water environment and it has translated to the economics of the area as well as the social for people living here. The work Mr. Kennedy has done has had a huge impact on the triple bottom line for this community. Thank you very much.

Motion #14-023

It was moved by Blumreich, seconded by Hoffmann, and unanimously agreed to adopt retirement resolution for John Kennedy. (See Commission Resolution #14-002)

6) Introduce new Water Resource Specialist, Erin Wilcox.

J. Kennedy introduced Erin Wilcox, who assumes the role of Water Resource Specialist. Ms. Wilcox has been at the Fresh Water Institute affiliated with the University of Wisconsin – Milwaukee.

E. Wilcox stated that she was born and raised in Milwaukee. She went to undergrad at the University of Wisconsin – La Crosse. She started undergraduate research and learned her love for the lakes so she pursued a Master's Degree at the University of Maine – Orono. She worked at the Great Lakes Water Institute in Milwaukee and the research lab. During the past six years she started as an hourly employee helping out with research and worked her way up to a managerial in the research labs as well as the field sampling analysis and graduate students. She is really excited about getting out on the bay and to see where she can take this position. Thank you for the wonderful welcome she has received.

The Commission welcomed her.

7) Request Commission approval of Amended and Restated License Agreement with Noble Americas.

Commissioner Hasselblad stated there was extensive conversation in closed session on the agreement, the insurance policies, and potential degradation of the receiving waters with the proposed fuel docking facility, and who is responsible in the event there was a spill. She stated there are one or two points yet to ascertain, particularly if the parent company has had or is in the process of settling any lawsuits for degradation, and how they were settled. Legal counsel will look into that.

P. Kaster requested Commission approval of the Amended and Restated License Agreement with Noble Americas, who is the parent company of Noble Petro, Inc. He stated the agreement would be for 25 years in the amount of \$225,000. He reiterated the discussion at length with legal counsel on the liability and environmental concerns.

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Motion #14-024

It was moved by Blumreich, seconded by Hoffmann, and unanimously agreed to approve the Amended and Restated License Agreement with Noble Americas after sufficient information on any potential lawsuits and how they have been handled has been received and as long as the Commission is convinced that there has not been significant degradation by Noble Americas.

8) Request Commission approval of Relocation Order for the Swan Road Interceptor Extension, GBMSD Project 13-030.

L. Sarau stated work is in the design phase on the extension of the Swan Road Interceptor. She stated in order to construct the interceptor, an easement is needed from some property owners to allow NEW Water to proceed through some farm land. The first step in the easement acquisition is the Relocation Order. She requested Commission approval of the Relocation Order, and that the Relocation Order is filed in accordance with Wisconsin State Statutes.

Motion #14-025

It was moved by Hoffmann, seconded by Blumreich, and unanimously agreed to approve the Relocation Order for the Swan Road Interceptor Extension, GBMSD Project 13-030.

9) Request Commission approval to enter into an agreement with Donohue & Associates for the Interceptor System Master Plan Project.

L. Sarau stated the Interceptor System Master Plan Project will look at NEW Water's interceptor system as a whole and help staff plan on how to do maintenance and capital improvements in the future. Staff sent out request for proposals and received four proposals. Staff went through a proposal review process with the selection team. Staff recommends award of the project to Donohue & Associates, who provides a very experienced project team with a detailed project approach on how the work would be done at a fair cost. Staff recommends Commission approval to authorize the Executive Director to enter into a contractual agreement with Donohue & Associates for Phase 1 of the Interceptor System Master Plan Project.

Commissioner Hasselblad stated the Commission should note that Donohue & Associates was not the low bidder, but received the highest total score in the review process.

Commissioner Blumreich asked why staff asked for estimates on Phase 2. L. Sarau replied staff looked at the project as a whole and the cost for the entire project. She stated staff will negotiate with the consultant selected for Phase 1 for Phase 2.

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Motion #14-026

It was moved by Blumreich, seconded by Tumpach, and unanimously agreed to enter into an agreement with Donohue & Associates for the Interceptor System Master Plan Project in the amount of \$124,500 and a 5% contingency under the authority of the Executive Director for a total amount of \$130,820.

10) Request Commission approval to award the 2014 Planned Roof Replacement and Restoration Projects to Northern Metal & Roofing Co., Inc.

M. Erschnig stated four proposals were received from four local contractors. He stated the projects include the Green Bay Facility Headworks and South Plant Buildings, De Pere Facility Electrical Building #2 and Administration Building, and a couple meter stations. He stated the lowest cost bidder was Northern Metal & Roofing, Inc., who has fixed the last three roofs at NEW Water. Northern Metal & Roofing is very responsible and has done a good job. He requested Commission approval to award the 2014 Planned Roof Replacement and Restoration Projects to Northern Metal & Roofing Co., Inc. for a total amount of \$658,198.

Motion #14-027

It was moved by Hoffmann, seconded by Tumpach, and unanimously agreed to award the 2014 Planned Roof Replacement and Restoration Projects to Northern Metal & Roofing Co., Inc. in the amount of \$626,855 and a 5% contingency under the authority of the Executive Director for a total amount of \$658,198.

11) Sewer plan approvals:

a) Village of Howard Project No. 14-005; GBMSD Request 2014-05

B. Angoli reported the Village of Howard is requesting 840 ft. of 12-inch sewer along Cardinal Lane.

b) Village of Bellevue Project No. B-8907; GBMSD Request 2014-06

B. Angoli reported the Village of Bellevue is requesting a series of upgrades.

Motion #14-028

It was moved by Blumreich, seconded by Hoffmann, and unanimously agreed to approve Village of Howard Project No. 14-005 and Village of Bellevue Project No. B-8907 sewer plans subject to favorable review by Brown County Planning and final approval by the Wisconsin Department of Natural Resources (WDNR).

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12) Update of projects:

a) Resource Recovery and Electrical Energy (R2E2)

B. Angoli stated NEW Water received cost estimates for the 30% design showing the R2E2 Project was over the \$147,000,000 budget. The team reviewed all the cost estimates and paired out items that could be taken out of the system from a standpoint of redundancy and downsizing. He reported the project is back within budget.

b) De Pere Facility UV Disinfection System Expansion

B. Brown reported most of the construction activities have been completed for the project and the system is ready for operation. The functional testing and the effluent quality portion of the performance testing were completed on April 14. He stated the preliminary numbers looked very good. The scheduled substantial completion date was April 22. He stated the engineer's inspection and performance testing are scheduled to be completed on April 24, so the revised substantial completion date is April 25. He stated Change Order #2 was received, and an additional change order will be required to finish up the project. He stated the project will be completed on time and within the approved budget.

c) Air compliance update

J. Maas gave an update on the construction permit application. She reported the DNR issued a construction permit to NEW Water on March 24, which included the changes NEW Water had requested regarding its carbon monoxide monitoring requirements. NEW Water will now calculate its carbon monoxide using a regression equation and the calculation of pounds per hour water evaporative rate will change from a 7-day rolling average to a 14-day rolling average. She stated NEW Water will no longer have a limit on the incinerator operating hours each month. The Treatment staff implemented these changes immediately upon issuance of the new permit. She stated the April incinerator emissions report will no long show the hours of operation and the pounds per hour water evaporative rate will now be a 14-day average. Also included will be a running total of NEW Water's carbon monoxide emissions for the year.

Commissioner Hasselblad asked about the carbon dioxide requirements. J. Maas replied NEW Water is still okay with the carbon dioxide because it is still under the threshold for the greenhouse gas with this permit.

Commissioner Hasselblad asked about the evaporative rate. J. Maas replied the sludge that is fed into the incinerator contains a certain amount of water and the incinerator was designed at a certain capacity to evaporate 8800 pounds of water per hour. She stated the DNR is not as concerned about the evaporative rate and NEW Water is required to stay below the maximum capacity of the incinerator. J. Kennedy stated the 8800 pound criterion is the original design criterion of the incinerators from the manufacturer, which is essentially the operating guideline.

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- 13) Operation report:**
a) Effluent quality for March
b) Air quality for March

P. Wescott stated the negotiations and work Ms. Maas has done with the DNR is good for the air quality side of NEW Water, and he commended her efforts.

P. Wescott reported both facilities were in full compliance with effluent and air quality for March. He stated last month he reported on a notice of deviation for a bypass damper opening in February. Staff has determined the route cause, which is an uninterruptable power system (UPS) that malfunctioned causing the damper opening. In March NEW Water was coordinating some work with Wisconsin Public Service on a Tower Drive substation, and staff did some troubleshooting and found the faulty UPS system. Staff pulled the UPS system out of service, worked with the manufacturer, and a new unit is ready to be installed. He stated the new unit will be installed once both incinerators are shut down.

Commissioner Hasselblad asked if the deviation notifications to the DNR are at the level of a notice of violation. P. Wescott replied no. Commissioner Hasselblad asked if these deviation notices have resulted in any fines. P. Wescott replied no.

- 14) Executive Director's report:**
a) May Commission meeting

The May Commission meeting will be held on Wednesday, May 28, 2014, beginning at 8:30 a.m. The auditor report will be first on the agenda for the May meeting and then the Commission will go into closed session.

Commissioner Hasselblad stated a discussion was held on the timing of closed session and looked at putting it back to the end of the meeting. She stated due to Commissioners' schedules and the critical issues that must be addressed, the Commission decided it was best to leave the closed session at the beginning of the meetings. She stated if staff knows there are customers coming in for a certain agenda item, the item can be moved up before closed session. The Commission appreciates your patience and will keep those sessions as tightly controlled as possible.

There being no further business to come before the Commission, the meeting adjourned at 9:49 a.m.

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Secretary