

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

Regular meeting of the Commission held May 28, 2014.

**PRESENT:** Commissioners Hasselblad, Hoffmann, and Mainz (via conference call)

**EXCUSED:** Commissioners Blumreich and Tumpach

**ALSO PRESENT:** T. Sigmund, P. Kaster, P. Wescott, B. Hafs, N. Qualls, K. Marquardt, M. Diaz, L. Sarau, B. Brown, B. Bartel, M. Urbancic, T. Brown, T. Garrison, M. Erschnig, J. Van Sistine, J. Nicks–Legal Counsel; R. Messing–CliftonLarsonAllen LLP

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

**1) 2013 audit.**

M. Diaz introduced Renee Messing from CliftonLarsonAllen LLP.

R. Messing stated that part of the Commission’s fiduciary responsibility is to review the audit. She distributed copies of the Audit Presentation to the Commission. She reviewed the following:

- Significant Audit Areas
- Auditor’s Report
- Financial Results
- Cash Flow
- Statement of Net Position
- Capital Assets and Related Debt
- Significant Disclosures
- Governance Communication Letter

T. Sigmund stated that staff is working on reconciling interceptor costs associated with fixed assets.

Commissioner Mainz asked about the state of the fixed assets database. R. Messing replied the reconciliation process has gone smoothly and there are no concerns from an audit perspective.

Commissioner Hasselblad asked about Note 10 – Risk Management. R. Messing replied risk management is an ongoing process and NEW Water, the brand of the Green Bay Metropolitan Sewerage District, has insurance coverage to protect against such losses.

Commissioner Mainz asked who writes the audit letter. R. Messing replied that she drafts the letter and management verifies that the statements are correct. She stated it is a collaborative effort.

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Commissioner Hasselblad stated the Commission will convene in closed session to privately ask the auditor the following questions:

- Did the scope of the audit differ from the audit plan?
- Were you provided with all the information you requested? Do you have any reason to believe that information was withheld from you or that management representations were incorrect?
- Did the organization or its counsel impose any limitations on you?
- Did you observe any areas of serious concern over the corporate control environment? Were any integrity or honesty concerns noted?
- Did you detect any material errors, fraud, illegal acts or significant deficiencies or material weaknesses in the internal control system?
- Were there any significant changes in financial statement amounts from the prior year? What were the causes of the changes?
- Did you have enough time to complete all phases of your audit?
- Are there any other items that should be discussed with the audit committee?

- 2) **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**

#### **Motion #14-032**

It was moved by Mainz, seconded by Hoffmann, 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.

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

#### **Motion #14-033**

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

- 4) **Approval of minutes of Commission meetings held April 23 and May 12, 2014.**

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#### **Motion #14-034**

It was moved by Mainz, seconded by Hoffmann, and unanimously agreed to approve the April 23 and May 12, 2014 minutes as distributed.

#### **5) April financials.**

M. Diaz reported total operating revenues for the month of April were favorable to budget by \$514,000 from more precipitation received than anticipated and other revenues. Year to date operating revenues were favorable to budget by \$1,107,000. She stated leading the favorable results were more loads from user fees received than budgeted and other revenues from septage of unanticipated additional septage revenues of \$558,000, accounting for 50% of total favorable revenues received. She reported total operating expenses for the month of April were favorable to budget by \$251,000 due to less expenditures than budgeted from contracted services, salaries & benefits, chemicals, and office related expenses. Year to date operating expenses were favorable to budget by \$774,000, primarily due to less expenditures than budgeted from projects not yet started and timing of invoices versus budget for contracted services and maintenance plant, three unfilled positions in salary & benefits, and power budget projections were higher than actual unit costs. Net income for the month of April was \$1,800,000.

#### **6) Adopt retirement resolution for Bob Nitka.**

Commissioner Hasselblad read the retirement resolution. She asked staff to convey to Mr. Nitka best wishes for the future and a healthy retirement. She stated experience and commitment are keys on the development of this plant.

T. Sigmund stated Mr. Nitka has been on the front line with purchasing equipment and supplies, and has continually looked for opportunities to save NEW Water money.

#### **Motion #14-035**

It was moved by Hoffmann, seconded by Mainz, and unanimously agreed to adopt retirement resolution for Bob Nitka. (See Commission Resolution #14-003)

#### **7) Introduce new Watershed Programs Manager, Keith Marquardt.**

B. Hafs introduced Keith Marquardt, who is the new Watershed Programs Manager.

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K. Marquardt stated that he graduated from the University of Wisconsin-Madison with a Bachelor of Science Degree in Natural Resources. He previously worked for an environmental engineering firm, spent 13 years with the Land & Water Conservation Department in Adams County, and most recently at the Department of Natural Resources (DNR). He stated staff has been very warm and welcoming.

The Commission welcomed him.

**8) Request Commission approval to enter into an agreement with CH2M HILL for an Adaptive Management Pilot Project for the Silver Creek Watershed.**

B. Hafs requested Commission approval to authorize the Executive Director to enter into an agreement with CH2M HILL for the design and implementation of an Adaptive Management Pilot Project for the Silver Creek Watershed. He stated this pilot project is a collaborative effort by several agencies and organizations to reduce phosphorus in a rural agriculture watershed.

Commissioner Hasselblad asked what efforts would take place in November and December. B. Hafs replied meetings with the landowners and planning for the next year.

Commissioner Hasselblad congratulated staff on this joint effort.

Commissioner Hoffmann asked how many landowners are involved. B. Hafs stated that he does not know how many landowners, but the area includes about 50 to 75 fields.

**Motion #14-036**

It was moved by Hoffmann, seconded by Mainz, and unanimously agreed to enter into an agreement with CH2M HILL for an Adaptive Management Pilot Project for the Silver Creek Watershed in the amount of \$189,852 and a contingency of \$17,785 under the authority of the Executive Director for a total amount of \$207,637.

**9) Sewer plan approval:**

**a) Village of Howard Project No. 2013-2024.03; GBMSD Request 2014-07**

N. Qualls reported the Village of Howard is requesting to install 2,787 ft. of 8-inch PVC sanitary sewer. He stated flow would be tributary to the Duck Creek Interceptor.

**Motion #14-037**

It was moved by Hoffmann, seconded by Mainz, and unanimously agreed to approve Village of Howard Project No. 2013-2024.03 sewer plan subject to favorable review by Brown County Planning and final approval by the WDNR.

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#### 10) Update of projects:

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

N. Qualls reported work has begun on Contract 33 to relocate utilities and move the substation. He stated staff has been reviewing the 60% design documents for the solids processing facility. He stated there is an incredible amount of plans and specification documents to review, and staff has been doing a great job reviewing all the documents. Staff will receive the 60% design documents for the fluid bed incineration system and digestion and biogas system on June 10 and 19. He stated in early June staff and the designer will be performing a Process Hazard Analysis on the R2E2 processes.

T. Sigmund stated NEW Water will host a groundbreaking event next spring when Contract 34 is awarded.

##### b) De Pere Facility UV Disinfection System Expansion

B. Brown reported the UV disinfection system has been operating for about one month with favorable performance. He stated work continues on the punch list items. He stated the substantial completion date was delayed by three days to allow for additional required performance testing.

T. Sigmund stated the energy costs for the UV disinfection system at the De Pere Facility have been cut in half.

Commissioner Hasselblad asked how the energy costs were cut in half. N. Qualls replied technology improvements over the last decade. He stated all of the existing horizontal bulbs had to be on at all times. He stated the new vertical bulbs can be turned on row by row and the bulbs can be changed without bringing them out of the water.

##### c) Pump Station Transformer Relocation and MCC-B7 Replacement

L. Sarau reported construction began on the new Transformer Building on May 12. She stated the contractor expects the project to be completed in late July or early August.

#### 11) Operation report:

##### a) Effluent quality for April

##### b) Air quality for April

P. Wescott reported both facilities were in full compliance with effluent and air quality limits for April.

#### 12) Executive Director's report:

##### a) June Commission meeting

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The June Commission meeting will be held on Wednesday, June 25, 2014, beginning at 8:30 a.m.

**b) NACWA 2013 Cost of Clean Water Index**

NACWA surveys its members annually to gather information on sewer service charges at the retail and customer level. NEW Water participates in this survey, and is in Region 5.

**c) Customer communications summary**

A memo from Tricia Garrison on advanced customer communications was provided in the Commission packet. A meeting was held last week with municipal customers and significant industrial users. Two individuals leading the group stated that the information received at the meeting was exactly what they were looking for. NEW Water will continue to host these meetings quarterly.

**d) NACWA Summer Conference**

The NACWA 2013 Summer Conference theme will be "Managing & Financing the Resilient Clean Water Utility." The draft agenda has been posted on NACWA's website. Commissioner Blumreich is planning to attend.

**e) Youth Apprenticeship Program**

Brandon Burton attends Southwest High School and has been working at NEW Water through the Youth Apprenticeship Program for the past two years. Brandon Burton and Scott Thompson were the speakers at the Chamber of Commerce graduation ceremony on May 22.

B. Bartel stated Mr. Burton will be continuing his education at Northeast Wisconsin Technical College for Wastewater Environmental Engineering.

Commissioner Mainz commended staff on a good audit.

There being no further business to come before the Commission, the meeting adjourned at 9:33 a.m.

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**Secretary**