

GREEN BAY METROPOLITAN SEWERAGE DISTRICT
PROCEEDINGS OF THE COMMISSION

Regular meeting of the Commission held December 7, 2016.

PRESENT: Commissioners Hasselblad, Blumreich, Mainz, and Hoffmann

EXCUSED: Commissioner Tumpach

ALSO PRESENT: T. Sigmund, P. Wescott, B. Hafs, P. Kaster, N. Qualls, J. Smudde, B. Angoli, M. Diaz, B. Brown, L. Sarau, T. Garrison, M. Urbancic, J. Kennedy, B. Butterfield, B. Bartel, J. Cypinski, B. Vander Loop, J. Maas, E. Wilcox, A. Weissbach, P. Smits, J. Van Sistine, J. Smies–Legal Counsel; B. Brown–CH2M; N. Truyman–Outagamie County Land Conservation; K. Vander Loop–City of Green Bay; C. Berndt–Village of Allouez; B. Hesprich–Fox River Fiber; C. Danforth–Oneida Tribe of Indians of Wisconsin

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

1) Moment of silence for Pete Mohr.

T. Sigmund asked for a moment of silence in remembrance of Pete Mohr, who passed away on November 20, 2016. Pete Mohr was an Electrical and Instrumentation Technician at NEW Water, the brand of the Green Bay Metropolitan Sewerage District, and he will be truly missed.

2) Safety moment.

T. Sigmund provided a handout on snow blower safety tips.

Agenda items 3 and 4 were moved down on the agenda until the Chairwoman of the Oneida Tribe of Indians of Wisconsin arrives.

5) Adopt retirement resolutions:

a) Denton Bradley

B. Butterfield stated that Denton Bradley has been part of both the Maintenance and Treatment Departments within the Operations Division for over 33 years. He is currently a mechanic who has provided years of quality service, is well respected within his workgroup, and has mentored many throughout the years.

Commissioner Hasselblad read the retirement resolution.

b) Michael Urbancic

Commissioner Hasselblad read the retirement resolution and presented it to Michael Urbancic.

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

12/07/16

Cont'd

PROCEEDINGS OF THE COMMISSION

B. Hafs stated Michael Urbancic has a lot to be proud of, and thanked him for his hard work and friendship.

J. Kennedy stated Michael Urbancic has held several positions in his tenure at NEW Water, and the skills he brought to the metals analysis lab. Congratulations on your retirement.

M. Urbancic thanked NEW Water for 31 great years.

The Commission wished him the best in his retirement.

Motion #16-071

It was moved by Mainz, seconded by Blumreich, and unanimously agreed to adopt retirement resolutions for Denton Bradley and Michael Urbancic. (Resolutions #16-005 and #16-006 are on file at the NEW Water offices)

Commissioner Hasselblad introduced and welcomed Cristina Danforth, Chairwoman of the Oneida Tribe of Indians of Wisconsin.

3) View "Water Knows No Boundaries" video.

T. Garrison stated the Oneida Tribe of Indians of Wisconsin has been an integral part of the Silver Creek Watershed Project. She stated the "Water Knows No Boundaries" video was fully funded by a grant from the fund for Lake Michigan.

Commissioner Hasselblad stated this is an amazing video and demonstrates the coalition of agencies and support groups. She stated water is our greatest natural resource.

B. Hafs stated this video will be used for three purposes: a progress report on the Silver Creek Watershed Project, a thank you to our collaborative partners, and moving this project forward with potential partners.

4) Presentation on the 2016 Silver Creek Watershed Project.

J. Smudde gave an update on the 2016 Silver Creek Watershed Project, as follows:

- Success in 2016
- The Right People
- The Right Tools
- The Right Conversations at the Right Time

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

12/07/16
Cont'd

PROCEEDINGS OF THE COMMISSION

- Timeline of Grassed Waterway Project #1
- Timeline of Grassed Waterway Project #3
- Grazing Establishment and Monitoring
- Water and Sediment Control Basins (WASCOB)
- Silver Creek – Water Quality Data
- 2016....By the Numbers
- Plans for 2017
- Questions

J. Smudde commended Nikki Truymen and Annette Weissbach for their efforts with the Silver Creek Watershed Project. He stated the Brown County Farm Demonstration Network has been working for the past several years to show how cover crops play an important role in holding soil on the fields to reduce nutrient and sediment loss to nearby streams during the late fall, winter, and early spring seasons; and how cover crops also help improve soil health on the fields. The farming methods used over the past several generations have depleted the soil of organic matter and reduced the biological activity. Cover crop systems will slowly help rebuild the soils to what they once were in native prairies. The Brown County Farm Demonstration Network has been successful in demonstrating new cropping practices and planting strategies for cover crops that will provide long-term financial benefits for farmers. Farmers have begun to incorporate cover crops into their normal operations because of not only their economic interests, but also to improve soil health for future generations.

The Commission appreciates the good work done on this project.

6) Budget hearing.

T. Sigmund stated slight revisions were made to the budget that was presented at the October meeting. He reviewed the proposed 2017 budget, as follows:

- 2017 Proposed Expenses
- 2017 O&M Expenses
- 2017 Revenues
- 2017 Municipal Rate
- 2017 Budget Summary
- Next Steps

T. Sigmund stated the budget was duly noticed in the newspaper on November 21, 2016. He stated NEW Water received one written comment, which was emailed to the Commission in October and included in the Commission packet along with NEW Water's response. At the request of the Village of Allouez, NEW Water gave a presentation to its Board.

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

12/07/16

Cont'd

PROCEEDINGS OF THE COMMISSION

NEW Water held a quarterly customer meeting on December 2, 2016. A question was asked at that meeting why net income is not used to reduce the subsequent budget. T. Sigmund stated net income or loss is not determined until after the financial audit is completed in April of the following year. He stated the intent of the Rate Stabilization Reserve is to cover years where NEW Water has a net loss. Staff will schedule a Commission workshop to discuss the Rate Stabilization Reserve. An industry representative also asked how the fix charge is calculated, and staff will provide that industry with the information today or tomorrow.

Commissioner Hasselblad stated due to Commissioners' schedules, the reserve workshop should be held in spring.

Commissioner Mainz stated that he would like to take \$2,000,000 from the Rate Stabilization Reserve and apply it to the 2017 rates. T. Sigmund replied if the Rate Stabilization Reserve is used to offset the 2017 rates, there will be a shortfall next year. Considerable discussion ensued regarding the use of the Rate Stabilization Reserve. The Commission agreed that it is crucial to have a meeting to discuss the Rate Stabilization Reserve.

Commissioner Hasselblad opened the floor for any comments or questions.

C. Berndt, Public Works Director from the Village of Allouez, stated the Central Brown County Water Authority has faced the same issues with its reserves. He shared some examples on what the Water Authority has done with its reserves, and will provide a summary memo. He stated the Village of Allouez appreciates the opportunity to provide comments on NEW Water's budget. He complimented Tom Sigmund on being receptive to receiving the feedback and working with NEW Water customers. He stated NEW Water and its customers have come a long way in the last five years in collaborating, discussing, and working together. He stated we've worked through the major capital projects over the last four to five years, and now it becomes very important to look at what is the most economical cost of operation and most realistic and practical rate NEW Water needs to charge. He stated in the last five years the Village of Allouez has spent almost \$14,000,000 on infrastructure, and has made a commitment for a 16-year plan that will cost over \$30,000,000. He stated what NEW Water does in the next few years budget-wise is very important to its customers. The Village of Allouez will provide an explanation on how it views the future and the needs so NEW Water can consider that information in the 2018 budget process.

Commissioner Hasselblad asked for any other comments.

Brian Hesprich, Chief Financial Officer of Fox River Fiber, stated there have been significant rate increases over the last year, which has been very difficult to manage. He stated NEW Water can't change the rates now because it would become problematic, but something could be done in the form of a rebate. He stated anything the Commission can do to stabilize the rates would be beneficial to the manufacturers in this area.

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

12/07/16

Cont'd

PROCEEDINGS OF THE COMMISSION

The Commission appreciates the comments.

Commissioner Hasselblad asked for any other comments. Hearing none, the public hearing closed at 9:50 a.m.

7) **Budget adoption.**

Commissioner Blumreich stated the Commission is supportive of the use of reserves as Commissioner Mainz wishes to do for the coming budget year. NEW Water needs to define its policy on the various reserves and how to use those reserves. He stated the Commission wants that money to benefit our customers. The Commission needs to have a workshop to discuss the reserves before the reserve money is used.

Commissioner Hoffmann agrees the Commission needs to have a workshop to set the path forward.

Commissioner Mainz stated on behalf of unanimity, he will wait for a workshop. He requested staff to bring forward a plan at the January Commission meeting.

Motion #16-072

It was moved by Mainz, seconded by Blumreich, and unanimously agreed to adopt the 2017 budget as published.

8) **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) **Litigation involving industrial and interplant force mains**

Motion #16-073

It was moved by Blumreich, seconded by Mainz, 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.

9) **Reconvene in open session.**

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

12/07/16

Cont'd

PROCEEDINGS OF THE COMMISSION

Motion #16-074

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

10) **Approval of minutes of Commission meeting held October 20, 2016.**

Motion #16-075

It was moved by Blumreich, seconded by Hoffmann, and unanimously agreed to approve the October 20, 2016 minutes as distributed.

11) **Discussion of NEW Water Commission officer elections.**

T. Sigmund stated typically at the December meeting the Commission elects the President and Secretary for the next calendar year. Commission President Hasselblad's term concludes at the end of this month, and she has asked to be reappointed to another term. Her reappointment will be on the Brown County Board's December 21, 2016 meeting agenda. T. Sigmund suggested to wait until the January meeting to elect the Commission President and Secretary.

12) **September and October financials.**

M. Diaz reported total operating revenues for the month of September were favorable to budget by 5% or \$139,000. Third quarter year to date total operating revenues were favorable to budget by \$1,300,000 due to other revenues from septage from the three cheese facilities and user fees. She reported total operating expenses for the month of September were favorable to budget by \$46,000 or 3%. Third quarter year to date total operating expenses were favorable to budget by \$1,200,000. Leading the favorable results were contracted services, natural gas and fuel oil, salaries and benefits, maintenance plant, and power. Net income for the month of September was \$282,000. She stated the restrictive and unrestrictive reserve legends were provided in the Commission packet.

M. Diaz reported total operating revenues for the month of October were favorable to budget by 6%. Year to date total operating revenues were favorable to budget by \$1,500,000. Leading the favorable results were other revenues from septage from the three cheese facilities and user fees. She stated other revenues from septage from the three cheese facilities is decreasing. She reported total operating expenses for the month of October were right on budget. Year to date total operating expenses were favorable to budget by \$1,200,000. Leading the favorable results were contracted services, natural gas and fuel oil, salaries and benefits, maintenance interceptor, and solid waste disposal. Net income for the month of October was \$927,000.

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

12/07/16

Cont'd

PROCEEDINGS OF THE COMMISSION

- 13) **Request Commission approval to engage Schenck SC for the 2016 financial audit in the amount of \$23,100.**

M. Diaz stated in 2013 NEW Water sent out a request for proposal (RFP) for the 2013, 2014, and 2015 financial audits, and CliftonLarsonAllen was awarded the three-year contract. As part of a continuous review and assessment of the auditing services, the Accounting Department sent out a RFP in September to five financial institutions, and proposals were received from Baker Tilly, CliftonLarsonAllen, Schenck, and Wipfli. A summary of each proposal was provided in the Commission packet. She stated additional experience and qualifications from Schenck included extensive experience in governmental accounting, including capital and restrictive funds; and customer feedback received was professional, resourceful, approachable, and timely. After reviewing the proposals, conducting telephone interviews, and based upon government experience specifically with wastewater sewerage districts and other governmental entities, staff recommends to award the contract to Schenck SC for the 2016 and 2017 audit. She stated with Commission approval, NEW Water can continue to retain Schenck for up to an additional three years at a cost to be agreed upon. NEW Water retains the right to terminate the contract at the end of each year. She requested Commission approval to engage Schenck SC for the 2016 financial audit in the amount of \$23,100.

Commissioner Blumreich stated that he has some concerns with Schenck's depth of experience with sewerage districts. He supports staff's recommendation with the right to terminate the contract at the end of each year.

Motion #16-076

It was moved by Hoffmann, seconded by Mainz, and unanimously agreed to engage Schenck SC for the 2016 financial audit in the amount of \$21,000 and a 10% contingency of \$2,100 under the authority of the Executive Director for a total amount of \$23,100.

- 14) **Request Commission approval to close out the De Pere Facility Gravity Filter Building HVAC System Project 13-028-CO and issue final payment of \$47,380.71 to Great Lakes Mechanical, Inc.**

B. Brown reported the construction work is done for the De Pere Facility Gravity Filter Building HVAC upgrade. He stated the primary focus of the project was to ensure NEW Water had an effective air intake and exhaust system for the separate areas of the building. A couple of isolation gates were also installed to control incoming effluent to the building. He stated this was the first time NEW Water worked with Great Lakes Mechanical, who was the primary contractor. Great Lakes Mechanical adopted to our system pretty quickly and were very responsive to any issues brought forward. The most noteworthy aspect was the project came in 5% below the original contract amount due to less repairs needed than projected.

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

12/07/16
Cont'd

PROCEEDINGS OF THE COMMISSION

B. Brown requested Commission approval to close out the De Pere Facility Gravity Filter Building HVAC System Project and issue final payment of \$47,380.71 to Great Lakes Mechanical, Inc.

Motion #16-077

It was moved by Mainz, seconded by Blumreich, and unanimously agreed to close out the De Pere Facility Gravity Filter Building HVAC System Upgrade Project 13-028-CO and issue final payment of \$47,380.71 to Great Lakes Mechanical, Inc.

- 15) **Request Commission approval of Amendment No. 6 to the Agreement for the Design and Implementation of an Adaptive Management Pilot Project for the Silver Creek Watershed in the amount of \$360,000.**

J. Smudde stated Amendment No. 6 is building upon the amendments and contract NEW Water has had with CH2M over the last couple of years. He provided a vision for 2017 during his presentation on the Silver Creek Watershed Project. Staff is looking to continue implementation of water quality monitoring, evaluate the progress made, and make decisions for a full scale Adaptive Management. He stated a fair portion of the scope of work is not specific to Silver Creek, but working with the Wisconsin Department of Natural Resources (WDNR) to chart a path going forward.

Commissioner Mainz asked how much is NEW Water's out of pocket cost. J. Smudde will provide the Commission with that information.

Motion #16-078

It was moved by Mainz, seconded by Blumreich, and unanimously agreed to approve Amendment No. 6 to the Agreement for the Design and Implementation of an Adaptive Management Pilot Project for the Silver Creek Watershed in the amount of \$328,802 and a contingency of \$31,198 under the authority of the Executive Director for a total authorization of \$360,000.

- 16) **Sewer plan approval:**
a) **Village of Pulaski Contract No. 5569-16-02; GBMSD Request 2016-25**

B. Angoli stated the Village of Pulaski is requesting a sewer extension along Sharon Lane off of Mountain Bay Road for 400 ft. of 8-inch sewer.

Motion #16-079

It was moved by Mainz, seconded by Blumreich, and unanimously agreed to approve the Village of Pulaski Contract No. 5569-16-02 sewer plan subject to favorable review by Brown County Planning and final approval by the WDNR.

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

12/07/16

Cont'd

PROCEEDINGS OF THE COMMISSION

17) Update of projects:

a) Contract 34 Digestion and Solids Facility

B. Angoli stated a year-end report was included in the Commission packet. He stated next year staff plans to provide the Commission with quarterly reports. He reviewed the project budget for Contract 34.

T. Sigmund stated the project contingency has not yet been tapped into.

B. Angoli stated a lot of electrical and mechanical equipment work needs to be done, and there are no major issues at this time. He anticipates using some of the contingency amount for unforeseen equipment changes. He stated the project is on schedule and the milestone dates have been met. The start-up training events need to be scheduled. He stated a lot of time has been spent reviewing shop drawings. He stated there have been 11 construction change orders and four claims submitted. Two of the claims have been dropped, one claim has been settled, and one claim is currently under review.

Commissioner Hasselblad wished everyone a peaceful and joyful holiday. She departed at 10:50 a.m.

18) Operation report:

a) Effluent quality for September and October

P. Wescott reported both facilities were in full compliance with effluent limits for the months of September and October.

b) Air quality for September and October

P. Wescott reported there were three "Deviation Notification" submittals to the WDNR, which occurred in late September and early October. There was a problem with the scrubber system strainer, a PLC failure, and the shutdown of the induced draft fan for high vibration. Each of the problems resulted in emergency bypass damper openings. Staff has addressed these issues.

19) Executive Director's report:

a) January Commission meeting

The January Commission meeting will be held Wednesday, January 25, 2017, beginning at 8:30 a.m. Staff will bring forward a plan for a workshop to discuss the reserves.

b) NEW Water's holiday celebrations

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

12/07/16
Cont'd

PROCEEDINGS OF THE COMMISSION

The external holiday party is this Friday, December 9, 2016, at the Green Bay Distillery. The internal holiday party will be held Thursday, December 15, 2016. Commissioners are welcome to attend both events.

c) Draft 2017 Commission meeting schedule

A draft 2017 Commission meeting schedule was provided in the Commission packet. The November and December meetings will be combined and held in early December as in the past.

d) Disclosure of Related Party Transactions

Commissioners are required to sign a Disclosure of Related Party Transactions form annually.

e) 2017 health insurance opt-out incentive results

Twelve of 96 eligible employees have opted out of the health insurance in some way. NEW Water paid out \$22,000 in incentives and saved \$151,353 in premiums, which is a net savings of \$129,353.

f) NACWA's 2017 Winter Conference

The NACWA Winter Conference will be held in February in Tampa, FL. Please let staff know if you are interested in attending.

g) 2016 Wisconsin Great Lakes Chronicle

A copy of the 2016 Wisconsin Great Lakes Chronicle featuring an article on NEW Water was included in the Commission packet.

h) Lower Fox River Perennial Forage Project

Information on the Lower Fox River Perennial Forage Project was provided in the Commission packet.

i) 2016 Youth Apprenticeship Award

NEW Water received an award from the Northeast Wisconsin Manufacturing Alliance. Bruce Bartel and Dave Hoppe attended the program and accepted the award on behalf of NEW Water. The award recognizes a lot of initiative and hard work by NEW Water staff in making the Youth Apprenticeship Program work for wastewater. NEW Water was the first in the state to implement a wastewater apprenticeship program, and it has been very successful.

12/07/16
Cont'd

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

PROCEEDINGS OF THE COMMISSION

There being no further business to come before the Commission, the meeting adjourned at 11:00 a.m.

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

Secretary