

GREEN BAY METROPOLITAN SEWERAGE DISTRICT
PROCEEDINGS OF THE COMMISSION

Regular meeting of the Commission held July 18, 2018.

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

ALSO PRESENT: T. Sigmund, P. Wescott, N. Qualls, B. Hafs, B. Vander Loop, B. Bartel, K. Van Effen, B. Angoli, L. Sarau, P. Mentink, M. Diaz, J. Czynski, P. Smits, S. Thieszen, J. Maas, J. Smudde, B. Oldenburg, T. Garrison, J. Van Sistine, J. Nicks–Legal Counsel; B. Mihalski, C. Kananen, & L. Bauer-Lotto–Green Bay Packaging; J. Gard & M. Vogel–Gard Business Group; K. Hellermann–CH2M/Jacobs; A. Herman–Scott Municipal Utility

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

1) Safety moment.

T. Sigmund provided a handout on wild parsnip and giant hogweed. These plants are poisonous and skin irritants.

2) Green Bay Packaging presentation on new paper mill.

T. Sigmund introduced Bob Mihalski from Green Bay Packaging (GBP).

B. Mihalski, Director of Continuous Improvement for the Mill Operations Group has been with GBP for 15 years. He graduated from the University of Wisconsin-Stevens Point with a Degree in Paper Science and Engineering in 2003, and from the University of Wisconsin-Oshkosh with a Master's Degree in Business Administration in 2015. He thanked the Commission for the opportunity to talk about GBP's project today. He reviewed the following:

- Green Bay Mill of the Future
- GBP History
- GBMD Milestones
- Green Bay Mill Today
- GBP Locations
- Current State of the Industry
- Historic Announcement – June 12, 2018 Press Release
- New Mill Project
- GBP New Mill
- Project Milestones
- Innovative Partnership – GBP & NEW Water
- Reclaimed Water Benefits
- Technical Aspects
- Keys to a Successful Partnership

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B. Mihalski stated that he is working with NEW Water, the brand of the Green Bay Metropolitan Sewerage District, staff to make good business decisions on the appropriate rate structure and discharging to NEW Water. He stated there will be a small amount of pollutants coming back in the reclaimed water and GBP is looking for a discount for those pollutants. GBP also wants to make sure that it will not violate any permits from other pollutants it receives in the reclaimed water. GBP is working on finalizing the letter of intent with NEW Water and City of Green Bay.

Commissioner Mainz asked if a schedule has been established. L. Bauer-Lotto from GBP stated there is a schedule and it was due to be completed in June. GBP is currently working to refine the key points.

Commissioner Mainz suggested to re-establish a schedule with NEW Water to ensure things get done timely. He stated this is a wonderful thing for both parties and he would like to see it happen. If there is anything that he can do to help move this along, let him know.

Commissioner Hasselblad raised some concerns over emerging technologies and contaminants. Who knows what the Environmental Protection Agency, Department of Natural Resources (DNR), or regulator groups will do in the future. She asked if there will be something in the contract to address those kinds of unknowns. She is concerned about the future that could change the economics of this project. She assumed that GBP looked at the emerging technologies and built convergence into the boilers and other systems. She asked if GBP will be storing chlorine onsite or looking at different technology for disinfection. B. Mihalski replied GBP will be using biocide, and NEW Water will disinfect at its lift station. N. Qualls stated that NEW Water will use liquid sodium hypochlorite.

Commissioner Blumreich asked about the impact on the local market for incoming supply of recycled materials. B. Mihalski replied GBP has already established relationships with the local market in Wisconsin, and is also reaching out to other states in the Midwest to solidify incoming raw materials.

J. Gard from Gard Business Group stated that he has been working with GBP on this project. He stated that it is significantly more expensive to site this mill in Green Bay, WI. The commitment has been to partner with the state, the city, and NEW Water. All partners play a significant role in this establishment. The NEW Water piece is scientifically and technically challenging, and also has the ability to make this more economically feasible. The reclaimed water initiative is such an environmental advancement and would be a great achievement for both GBP and NEW Water. It also brings with it some challenges of uncertainty, price, and timing. He stated the Commission has tremendous responsibility to treat all corporate customers and residents effectively and fairly. Timing over the next couple of weeks to create a level of certainty for what we are doing cannot be overstated.

B. Mihalski stated GBP just found out yesterday that it will need some level of advanced filtration. The biggest challenges for GBP is the amount of chlorides in the reclaimed water, and the impact on the quality of the paper and corrosion. If GBP would need to add advanced filtration for the reclaimed water, it would be a significant increase in costs. Need to make this cost-effective.

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The Commission thanked them for being here today.

3) Introduce the new LTE Wastewater Treatment Plant Operator-In-Training, Kayli Van Effen.

B. Bartel introduced Kayli Van Effen, the new limited term Wastewater Treatment Plant Operator-In-Training, who started at NEW Water on July 9, 2018.

K. Van Effen stated that she is from Escanaba, MI. She attended Bay Community College and graduated in May with an Associate's Degree in the field of Water Resource Management. She is excited on what the future may hold for her here at NEW Water.

The Commission welcomed her.

- 4) Convene in closed session under State Statute 19.85 (1) (e) for the purpose of deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session and 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) Discussion of negotiation strategy concerning a potential industrial customer
 - b) Claims related to West Tower Drive Interceptor failure
 - c) Litigation involving industrial and interplant forcemains
 - d) R2E2 contract negotiations

Motion #18-047

It was moved by Blumreich, seconded by Mainz, and unanimously agreed to convene in closed session under State Statute 19.85 (1) (e) for the purpose of deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session and 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.

5) Reconvene in open session.

Motion #18-048

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

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Following closed session, agenda items were taken out of sequence based on staff's presence for reporting.

6) Approval of minutes of Commission meeting held June 27, 2018.

Motion #18-049

It was moved by Mainz, seconded by Blumreich, and unanimously agreed to approve the June 27, 2018 minutes as distributed.

7) Request Commission approval of the Resolution to Authorize Use of Electronic Signatures.

Motion #18-050

It was moved by Hoffmann, seconded by Blumreich, and unanimously agreed to approve the Resolution to Authorize Use of Electronic Signatures. (Resolution #18-007 is on file at the NEW Water offices)

17) Operation report:

- a) **Effluent quality for June**
- b) **Air quality for June**

P. Wescott reported NEW Water was in full compliance with effluent and air quality limits for the month of June.

15) Sewer plan approvals:

- a) **Town of Lawrence Project #1101-03-18; GBMSD Request 2018-21**

B. Angoli reported the Town of Lawrence is requesting 561 feet of 8-inch PVC sanitary sewer within the right of way of Entrance Road and 2,160 feet of 8-inch PVC sanitary sewer within the right of way of Loop Road. Flow would be tributary to the Ninth Street Interceptor.

- b) **Town of Ledgeview/Ledgeview Sanitary District No. 2 Contract D-2108; GBMSD Request 2018-22**

B. Angoli reported the Town of Ledgeview/Ledgeview Sanitary District No. 2 is requesting 632 feet of 8-inch PVC sanitary sewer within the right of way of Scray Hill Road, 708 feet of 8-inch PVC sanitary sewer within the right of way of Road A, 276 feet of 8-inch PVC sanitary sewer within the right of way of Road B, and 505 feet of 8-inch PVC sanitary sewer within easement between Scray Hill Road and Road A. Flow would be tributary to the Swan Road Interceptor.

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B. Angoli requested Commission approval of these sewer plans subject to favorable approval recommendations from Brown County Planning and final approval by the WDNR.

Motion #18-051

It was moved by Mainz, seconded by Blumreich, and unanimously agreed to approve the Town of Lawrence and Town of Ledgeview/Ledgeview Sanitary District No. 2 sewer plans subject to favorable review by Brown County Planning and final approval by the WDNR.

16) Update of projects:

a) Contract 34 Digestion and Solids Facility

B. Angoli reported the fluid bed incinerator was shut down for a short period of time to repair leaks on the thermal oil system to the dryer and heat exchanger. The fluid bed incinerator was restarted after repairs. Digester no. 1 cover and equipment have been tested and is ready for start-up. The original design scope of work for the R2E2 Project included the demolition of the existing solids building. The design of Contracts 33 – Primary Switchgear and Utility Relocation and Contract 34 – Digestion and Solids Facility exceeded the costs within the design services. The engineer has not requested additional fee for exceeding the design costs to complete the work for two contracts. To complete the demolition design work for the solids building, staff is evaluating how to close out the R2E2 design contract and complete the demolition contract for the existing solids building. Staff will bring this item to the Commission at the August meeting.

Commissioner Hoffmann asked if the scope changed. T. Sigmund replied yes, the scope and schedule for Contract 34 changed.

8) Request Commission approval to enter into an Agreement for Scott Municipal Utility Purchase of Capacity in Wequiock Creek Interceptor Sewer.

L. Sarau stated the Scott Municipal Utility (SMU) has requested to change the discharge location for the Royal Scot portion of the service area into the Wequiock Creek Interceptor. SMU is hoping this will resolve an H2S issue at its current discharge point into SMU's gravity system. SMU will shorten the length of its forcemain by connecting to the Wequiock Interceptor. The Wequiock Creek Interceptor was designed to accommodate flow from the Royal Scot portion of SMU. The agreement has been reviewed and approved by SMU. She requested Commission approval to enter into the Agreement for SMU Purchase of Capacity in Wequiock Creek Interceptor Sewer with SMU and authorize the Executive Director to sign the agreement.

Commissioner Hasselblad asked if legal counsel has reviewed this agreement. J. Nicks from Godfrey & Kahn replied that he wrote it.

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Motion #18-052

It was moved by Mainz, seconded by Tumpach, and unanimously agreed to enter into an agreement for Scott Municipal Utility Purchase of Capacity in Wequiock Creek Interceptor Sewer with SMU and to authorize the Executive Director to sign the agreement.

- 9) **Request Commission approval to enter into an agreement with Short Elliott Hendrickson Inc. to provide construction related services for the 2018 Industrial Forcemain Fitting Repair Project #16-011-CS1.**

L. Sarau stated the design portion of the Industrial Forcemain Repair Project has been completed and bids have been received. The project is moving into the construction phase and staff has requested a professional services agreement to provide construction related engineering services. Staff has reviewed the scope of services and level of effort and finds it to be reasonable for the work requested. She requested Commission approval to enter into an agreement with Short Elliott Hendrickson (SEH) to provide construction related services for the 2018 Industrial Forcemain Fitting Repair Project #16-011-CS1 in the amount of \$313,130 and a 10% of \$31,313 contingency under the authority of the Executive Director for a total amount of \$344,443.

Commissioner Hasselblad asked if an RFP was sent out. L. Sarau replied no. The design portion of the work went out in an RFP. Staff prefers to stay with the same consultant when it comes to construction services because the consultant understands the design that was put together.

Motion #18-053

It was moved by Blumreich, seconded by Hoffmann, and unanimously agreed to enter into an agreement with SEH to provide construction related services for the 2018 Industrial Forcemain Fitting Repair Project #16-011-CS1 in the amount of \$313,130 and a 10% of \$31,313 contingency under the authority of the Executive Director for a total amount of \$344,443.

- 10) **Request Commission approval to enter into an agreement with Short Elliott Hendrickson Inc. to provide construction related services for the 2018 Interplant Forcemain Fitting Repair Project #16-010-CS2.**

L. Sarau stated the design portion of the Interplant Forcemain Fitting Repair Project has been completed and bids have been received. The project is moving into the construction phase and staff has requested a professional services agreement to provide construction related engineering services. Staff has reviewed the scope of services and level of effort and find it to be reasonable.

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L. Sarau requested Commission approval to enter into an agreement with SEH to provide construction related services for the 2018 Interplant Forcemain Fitting Repair Project #16-010-CS2 in the amount of \$317,325 and a 10% contingency of \$31,733 under the authority of the Executive Director for a total amount of \$349,058.

Motion #18-054

It was moved by Hoffmann, seconded by Blumreich, and unanimously agreed to enter into an agreement with SEH to provide construction related services for the 2018 Interplant Forcemain Fitting Repair Project #16-010-CS2 in the amount of \$317,325 and a 10% contingency of \$31,733 under the authority of the Executive Director for a total amount of \$349,058.

11) Request Commission approval to award the 2018 Industrial Forcemain Fitting Repair Contract.

L. Sarau stated the Industrial Forcemain is the single 12-inch forcemain from Fox River Fiber to the De Pere Facility. It was generally constructed using high density polyethylene (HDPE) pipe. There have been two failures on that forcemain to date, which includes a corrosion issue and a joint restraint type issue. The purpose of the construction is to replace the corroding hardware and protect the new hardware and improve the connections. NEW Water received two bids on July 12, 2018. The low bid is approximately \$1,200,000 from Advance Construction. Bids have been reviewed and staff is requesting award to Advance Construction, Inc. who was the lowest responsive, responsible bidder. She requested Commission approval to award the 2018 Industrial Forcemain Fitting Repair Contract to Advance Construction, Inc. in the amount of \$1,206,635.00 and a 10% contingency of \$120,663.50 under the authority of the Executive Director for a total amount of \$1,327,298.50.

Motion #18-055

It was moved by Blumreich, seconded by Meinz, and unanimously agreed to award the 2018 Industrial Forcemain Fitting Repair Contract to Advance Construction, Inc. in the amount of \$1,206,635.00 and a 10% contingency of \$120,663.50 under the authority of the Executive Director for a total amount of \$1,327,298.50.

12) Request Commission approval to award the 2018 Interplant Forcemain Fitting Repair Contract.

L. Sarau stated the Interplant Forcemain is the dual 10-inch forcemain from the De Pere Facility to the Green Bay Facility. There is also a 20-inch forcemain from the De Pere Facility that discharges to the West Fox River Interceptor. It was generally constructed as an open cut construction with polyvinyl chloride (PVC) pipe, with two exceptions: a horizontal directional drilling section with HDPE pipe at Ashwaubenon Creek and a second horizontal directional drilling section that used fusible PVC at the Fox River Crossing to the Green Bay Facility property.

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L. Sara stated breaks in the Industrial Forcemain prompted investigation because there were similar materials used on that project. The investigation did find the same corrosion issue as on the Industrial Forcemain. The purpose of the project is to replace the corroding hardware and protect the new hardware, and improve the HDPE connections. NEW Water received two bids on July 12, 1018. The low bid was approximately \$2,000,000 from De Groot. Bids have been reviewed and staff is recommending award to De Groot, Inc. as the lowest responsive, responsible bidder. She requested Commission approval to award the 2018 Interplant Forcemain Fitting Repair Contract to De Groot, Inc. in the amount of \$2,212,478.22 and a 10% contingency of \$221,247.82 under the authority of the Executive Director for a total amount of \$2,433,726.04.

Commissioner Hasselblad stated the bid was twice the amount of the engineer's estimate. L. Sarau replied the engineer looked at the Ashland Avenue Project when putting together its estimate. The Ashland Avenue Project did not include any costs for pavement repair, which should have been included in this project and accounts for some of the discrepancy.

Motion #18-056

It was moved by Mainz, seconded by Hoffmann, and unanimously agreed to award the 2018 Interplant Forcemain Fitting Repair Contract to De Groot, Inc. in the amount of \$2,212,478.22 and a 10% contingency of \$221,247.82 under the authority of the Executive Director for a total amount of \$2,433,726.04.

13) Request Commission approval to award the Bayview Interceptor Replacement Project #10-621-CO1 to PTS Contractors, Inc. in the amount of \$5,419,623.

P. Mentink reported that bids were received to replace a damaged section of the Bayview Interceptor sewer located under Highway 41. On July 9, 2018 NEW Water received two bids from pre-qualified contractors, and the third contractor declined to submit a bid. The bids were received from PTS Contractors and Super Excavators. NEW Water staff and the engineer reviewed the bids and determined that PTS Contractors, Inc. submitted the lowest responsive, responsible bid. He requested Commission approval to award the Bayview Interceptor Replacement Project to PTS Contractors, Inc. in the amount of \$4,926,930 and a 10% contingency of \$492,693 under the authority of the Executive Director for a total project amount of \$5,419,623.

Motion #18-057

It was moved by Mainz, seconded by Blumreich, and unanimously agreed to award the Bayview Interceptor Replacement Project #10-621-CO1 to PTS Contractors, Inc. in the amount of \$4,926,930 and a 10% contingency of \$492,693 under the authority of the Executive Director for a total project amount of \$5,419,623.

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- 14) **Request Commission approval to sell 0.53 acres contained in Brown County document #1681785 to the City of Green Bay for \$1, contingent upon NEW Water securing an acceptable ingress/egress easement across Brown County Parcel 20-689 with the City of Green Bay.**

B. Vander Loop stated this is part of a request by GBP to the City of Green Bay.

Motion #18-058

It was moved by Meinz, seconded by Hoffmann, and unanimously agreed to sell 0.53 acres contained in Brown County document #1681785 to the City of Green Bay for \$1, contingency upon NEW Water securing an acceptable ingress/egress easement across Brown County Parcel 20-689 with the City of Green Bay.

Commissioner Meinz department at 11:34 a.m.

- 16) **Update of projects:**
b) **Charles Street Interceptor Upgrades**

L. Sarau reported work has been completed on CSI-011 to CSI-017 since her last report. There is 566 ft. left to be done. The contractor is currently completing some work for the City of De Pere since this is a joint project. The contractor plans to continue work on the interceptor the week of July 30, 2018.

- c) **Reclaimed Water System**

N. Qualls stated that NEW Water will be negotiating an agreement for some design work and plans to request approval at the August Commission meeting in an effort to accommodate GBP's timeline.

- 18) **Draft 2019 NEW Water budget review.**

T. Sigmund stated the first Commission budget workshop will be held at the August meeting. He stated that staff will continue to refine the budget and reduce areas of uncertainty. He reviewed the current 2018 expenses, estimated 2019 expenses, and next steps. NEW Water will provide its customers with 2019 draft projected costs. Many of NEW Water customers are in the final stages of developing their budgets.

- 19) **Executive Director's report:**
a) **August Commission meeting**

The August Commission meeting will be held Wednesday, August 22, 2018, beginning at 8:30 a.m.

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b) Strategic Plan update

An update to the Strategic Plan was provided in the Commission packet.

c) Cost Allocation Methodology report

CDM Smith periodically updates NEW Water's cost allocations. The last update was completed in 2016. This update includes the R2E2 work and other projects that have been completed. Another update will likely be done again in 2021 upon final completion of the R2E2 projects. This information will be shared with Procter & Gamble and City of Green Bay. Staff has incorporated the recommendations from CDM Smith into the 2019 budget.

d) Employee Appreciation Luncheon

An employee appreciation luncheon will be held on August 21, 2018 at 11:30 a.m. Please let Jean Van Sistine know if you plan to attend.

e) Utility Leaders of the Future Program

Lisa Sarau and Pat Smits completed the Utility Leaders of the Future Program in June. This is the second year NEW Water has participated in this program. NEW Water plans to have two employees participate in the program next year. This is collaborative effort with other utilities.

f) R2E2 internal/external launch

An internal R2E2 celebration will be held on September 8, 2018. An external celebration will be held later in September.

g) Green Bay Yachting Club East Shore Stabilization Project

h) Green Bay Kids' Day

NEW Water partnered with the Green Bay Water Utility at the Green Bay Kids' Day event.

T. Sigmund distributed a memo from NACWA regarding the National Office proposal for the 2019 Winter Conference theme, which is "The Clean Water Act/Safe Drinking Water Act Nexus...Conflict or Collaboration."

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There being no further business to come before the Commission, the meeting adjourned at 11:45 a.m.

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A handwritten signature in black ink, reading "James J. Blumrich", written in a cursive style. The signature is positioned above a horizontal line.

Secretary