

GREEN BAY METROPOLITAN SEWERAGE DISTRICT
PROCEEDINGS OF THE COMMISSION

Regular meeting of the Commission held September 26, 2018.

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

ALSO PRESENT: T. Sigmund, N. Qualls, P. Wescott, B. Hafs, B. Vander Loop, T. Brown, B. Angoli, L. Sarau, B. Brown, M. Diaz, P. Smits, J. Czynski, B. Bartel, S. Thieszen, B. Oldenburg, T. Garrison, N. Langenberg, J. Van Sistine, J. Nicks–Legal Counsel; S. Dettmann & P. Glynn–Carlson Dettmann Consulting LLC; S. Kimmler–Donohue & Associates; L. Gerold–Brown and Caldwell

Commission President Hasselblad called the meeting to order at 8:30 a.m. She thanked staff for their efforts in keeping the facilities running during recent power outages and rain events, and keeping everyone safe.

1) Safety moment.

T. Sigmund distributed a handout on pedestrian safety. He stated 5,987 pedestrians were killed in the United States in 2016. He stated this handout was provided to the Management Team by Sharon Thieszen, who also incorporated the pedestrian safety with NEW Water's, the brand of the Green Bay Metropolitan Sewerage District, culture attributes and Wisconsin State Statute Chapter 346: Rules of the Road.

2) 2019 Budget workshop.

T. Sigmund stated this is the second budget workshop, and staff does not plan to have a budget workshop in October unless the Commission asks for more information or adjustments are made to the draft 2019 budget. He reviewed the following:

- 2019 Proposed Expenses
- Budget Changes Since August Workshop
- 2019 Operations & Maintenance (O&M) Expenses
- 2019 Revenue
- Municipal Rate Example Comparison
- 2019 Budget Summary
- Next Steps

NEW Water staff will send this information out to its customers. Staff will hold customer meetings as requested. T. Sigmund has a meeting scheduled with the Village of Allouez. The budget hearing and adoption will be held on December 5, 2018.

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2a) 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:

a) Discussion of negotiation strategy concerning a potential industrial customer

Motion #18-071

It was moved by Mainz, seconded by Blumreich, 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.

2b) Reconvene in open session.

Motion #18-072

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

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

3) Approval of minutes of Commission meeting held August 22, 2018.

Motion #18-073

It was moved by Blumreich, seconded by Hoffmann, and unanimously agreed to approve the August 22, 2018 minutes as distributed.

11) Sewer plan approvals:

a) Town of Ledgeview/Ledgeview Sanitary District No. 2 Contract G-2018; GBMSD Request #2018-25

B. Angoli reported the Town of Ledgeview/Ledgeview Sanitary District No. 2 is requesting 574 ft. of 8-inch PVC sanitary sewer within the right of way of Labyrinth Lane, 1,839 ft. of 8-inch PVC sanitary sewer within the right of way of Ridgemont Circle, 809 ft. of 8-inch PVC sanitary sewer within the right of way of Gladiator Lane, and 347 ft. of 8-inch PVC sanitary sewer within a sewer easement located within the Crossing at Dollar Creek Second Addition development. Flow would be tributary to the Swan Road Interceptor.

b) Village of Hobart Contract No. 2320-18-07; GBMSD Request 2018-26.

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B. Angoli reported the Village of Hobart is requesting 1,044 ft. of 8-inch PVC sanitary sewer within the right of way of Camber Court. Flow would be tributary to the Ashwaubenon Creek Interceptor.

c) Scott Municipal Utility Wequiock Creek Interceptor Connection; GBMSD Request 2018-27

B. Angoli reported the Scott Municipal Utility is requesting 40 ft. of 10-inch C-900 sanitary force main within the right of way of Craanen Road connecting existing force main to an existing manhole. Flow would be tributary to the Wequiock Interceptor.

d) Town of Lawrence Project #L0017 9-18-00220; GBMSD Request 2018-28

B. Angoli reported the Town of Lawrence is requesting 306 ft. of 8-inch PVC sanitary sewer in the right of way of Shadow Ridge Way extending from Grant Street and 813 ft. of 8-inch PVC sanitary sewer extending in the right of way of Grant Street. Flow would be tributary to the Ashwaubenon Creek Interceptor.

B. Angoli requested Commission approval of the sewer plans subject to favorable approval recommendations from Brown County Planning and final approval by the Wisconsin Department of Natural Resources (WDNR).

Commissioner Hasselblad asked if the sewer requests were industrial or residential. B. Angoli replied residential.

Motion #18-074

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

4) August financials.

M. Diaz reported total operating revenues for the month of August were favorable to budget by \$195,000 due to more precipitation received. Year to date total operating revenues were favorable to budget by \$1,600,000 or 6%. Leading the favorable results were more precipitation received from snow melts and several rain events and other revenues from hauled waste. Year to date hauled waste revenues were favorable to budget by \$793,000, representing 48% from total favorable operating revenues. The three cheese facilities have been using their pretreatment facility and hauling waste to another facility. NEW Water can expect to see actual hauled waste revenues closer to budget going forward.

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M. Diaz reported total operating expenses for the month of August were slightly unfavorable to budget from more expenditures in power, natural gas & fuel oil, chemicals, and solid waste disposal. Year to date total operating expenses were favorable to budget by \$1,300,000 from less expenditures in contracted services, maintenance – plant and interceptor due to timing of billing and projects not yet started, and salaries & benefits from one unfilled position as of August and several unfilled positions from the prior months. NEW Water received a workers compensation refund of \$43,000. Net income for the month of August was \$65,000.

Commissioner Hasselblad asked if there were any environmental concerns with the hauled ash. P. Wescott replied no. NEW Water is planning to haul ash every five to six months once the Resource Recovery and Electrical Energy (R2E2) is on-line. NEW Water currently hauls ash every month with the existing multiple hearth furnaces.

5) Request Commission approval of the 2019 health insurance plan and premium sharing.

T. Brown reported NEW Water continues to purchase its health insurance through the Wisconsin Public Employers (WPE) Group Health Insurance program. Employees are enrolled in three of the four state qualified plans available in Brown County. In 2016 a health insurance opt-out program was implemented, and staff plans to continue to offer the opt-out program in 2019. Fifteen employees utilized the opt-out program in 2018. Dean Health Insurance – Prevea 360 will have a 13.8% premium decrease for the single plan and 14.3% for the family plan in 2019, due in part to a drawdown of reserves of \$8,700,000. She reviewed the plans available in Brown County.

T. Brown stated that staff recommends to continue the current 15% employee cost share and 85% NEW Water cost share of the lowest cost plan, Dean Health Insurance – Prevea 360. In 2018, 50% of employees were enrolled in Dean Health Insurance – Prevea 360, 48% were enrolled in Network Health, and 2% were enrolled in WEA Trust. Even though Network Health experienced only a slight increase in premium for 2019, the premium will be 19.2% higher than Dean Health Insurance – Prevea 360 plan. NEW Water employees in the Network Health plan will see an increase of \$228 a month in the family premium. The Local High Deductible Health Plan (HDHP) is the lowest cost program option offered by WPE for 2019. NEW Water's current plan is the next lowest cost option, but is approximately 14.5% higher than the HDHP family plan.

Commissioner Blumreich asked what the difference was between Dean Health Insurance – Prevea 360 and Network Health. T. Brown replied Dean Health Insurance – Prevea 360 includes only the Prevea network, and Network Health includes Prevea, Bellin, and Affinity networks.

Commissioner Tumpach asked if NEW Water can offer both plans. T. Brown replied no, only state government agencies can offer both plans. T. Sigmund stated that staff will follow up with the state to find out why.

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T. Brown stated the benefit plan design did not change. To transition to a HDHP would result in a greater at-risk cost exposure to employees and would cost NEW Water more. The HDHP deductible is higher by \$1,000 for the single plan and \$2,000 for the family plan than NEW Water's current plan. If NEW Water withdraws from the WPE health insurance program, NEW Water could not return to the program for three years. The 2019 budget would reflect a budget decrease of 12.4% compared to the 2018 budget. Based on this information, she requested Commission approval to continue with the \$500/\$1,000 Local Deductible Plan offered through WPE and to contribute \$532.64 per month for the single health insurance premium and \$1,303.76 per month for the family health insurance premium with the remainder of the premium paid by the participating employee.

Motion #18-075

It was moved by Tumpach, seconded by Meinz, and unanimously agreed to continue with the \$500/\$1,000 Local Deductible Plan program option offered through WPE and to set the NEW Water health insurance premium sharing in 2019 for full-time employees at \$532.64 per month for single plan coverage and \$1,303.76 per month for family plan coverage.

6) Request Commission approval of the 2019 salary market adjustment.

T. Brown introduced Scott Dettmann and Patrick Glynn from Carlson Dettmann Consulting.

S. Dettmann reported that Carlson Dettmann Consulting has been acquired by A Cottingham & Butler Company. He reviewed the following:

- NEW Water Compensation Program Summary
- Custom Survey – 2018
- Market Pricing
- Market Pricing Resources
- Analysis/Pay Plan Development
- Proposed 2019 Pay Structure – Hourly Amounts
- Carlson Dettmann Consulting Annual Wage Increase Survey

Commissioner Tumpach questioned the disparity in the pay grades. S. Dettmann replied pay growth in the U.S. economy for entry and near entry level positions has remained relatively stagnant following the end of the "great recession" in contrast to steady increases in compensation provided to positions found in managerial and higher-level scientific, technology, engineering, and mathematic disciplines.

T. Brown reviewed the 2018 actual market and merit percentages of base salaries and the 2019 budgeted market and merit percentages of base salaries.

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Motion #18-076

It was moved by Mainz, seconded by Blumreich, and unanimously agreed to hold the 2019 range for pay grade 5 and to adjust ranges for pay grades 6 through 17 based on the consultant's recommendation. (See Commission File #18-004)

7) Request Commission approval to enhance the Extended Disability Bank benefit.

T. Brown stated this request would expand NEW Water's current Extended Disability Bank (EDB) benefit. Personal Time Off (PTO) hours can be taken as a partial payment or transferred to EDB or vacation bank at the end of each calendar year. The EDB benefit serves as an alternative to short term disability insurance and can be used in certain situations related to medical and/or other Family and Medical Leave Act events. NEW Water matches employees' hours transferred to EDB. When leaving the organization, employees receive 50% of their EDB benefit. Employees retiring can use their EDB bank as paid leave conversion to pay future health insurance premiums. EDB value converted to credits at retirement is tax free and NEW Water would not incur the Social Security tax expense. The proposed maximum allowable amount for the EDB2 account would be 520 hours and would be 100% employee funded. The proposed changes to the Human Resources and Benefits Manual were included in the Commission packet in track changes and clean copy. She requested Commission approval to implement a secondary EDB account, EDB2, effective with the 2018 PTO declaration process in November 2018.

Motion #18-077

It was moved by Mainz, seconded by Hoffmann, and unanimously agreed to implement a secondary EDB bank for employees to fund up to a maximum of 520 hours through excess PTO. Guidelines for funding and utilizing the secondary EDB bank will be detailed in the Human Resources and Benefits Manual. The ability for employees to transfer hours to this bank would become effective with the 2018 PTO declaration process conducted in November 2018. (See Commission File #18-005)

8) Request Commission approval to abate the tax levy for 2019.

M. Diaz stated under Chapter 67 Municipal Borrowing and Municipal Bonds §67.11, municipalities that issue debt obligations must establish and maintain a debt service fund payment for the obligations. Chapter 200 Metropolitan Sewerage Districts Subchapter I §200.13(2),(5) permits Sewerage Districts to levy a tax upon property for its performance of duties. In 67.05(10) and 67.12(12)(ee), Metropolitan Sewerage Districts are permitted to abate the above stated taxation by having sufficient funds available in its designated debt service fund to pay debt obligations for the following year.

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M. Diaz stated NEW Water will have sufficient funds on hand to support all debt service requirements for 2019 as of October 1, 2018 from rate collection, offsets, and transfers. The funds available in NEW Water's Debt Service reserves are \$23,010,788 and the requirement funds for 2019 is \$16,249,285. Staff recommends to abate the tax levy for the cities, villages, and towns having territory in NEW Water for 2019.

Motion #18-078

It was moved by Mainz, seconded by Blumreich, and unanimously agreed to abate the tax levy for 2019.

- 9) **Request Commission approval to close out the construction contract for the Scott-Bayshore Interceptor Rehabilitation Project #13-024-CO1 and issue final payment of \$26,251.45 to Insituform Technologies USA, LLC.**

B. Brown stated the Commission approved the construction contract for the Scott-Bayshore Interceptor Rehabilitation Project over one year ago. He stated this has been an unusual project because the work was done in about four to five weeks in November and December 2017. The landscaping work and some rework were completed in spring. He requested Commission approval to close out the construction contract and issue final payment to Insituform Technologies.

Motion #18-079

It was moved by Blumreich, seconded by Hoffmann, and unanimously agreed to close out the construction contract for the Scott-Bayshore Interceptor Rehabilitation Project #13-024-CO1 and issue final payment of \$26,251.45 to Insituform Technologies USA, LLC.

- 10) **Request Commission approval to enter into a contractual agreement with Strand Associates, Inc. to provide engineering assistance for the De Pere Facility Tertiary Filtration, Service Water, and Miscellaneous Piping Improvements Study in the amount of \$64,585.**

B. Angoli reported this study will look at the De Pere Facility's existing tertiary filters that are undersized and over 20 years old, the reliability and efficiency of the service water pumping and piping system, and miscellaneous piping improvements. NEW Water sent out a request for proposal and received five proposals. Strand Associates' proposal met all of the requirements and provided a strong team. He requested Commission approval to enter into a contractual agreement with Strand Associates to provide engineering assistance in the amount of \$58,715 and a 10% contingency for a total amount of \$64,585.

Commissioner Hasselblad questioned the bid received from CDM Smith. B. Angoli replied CDM Smith overanalyzed the scope of the project.

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Motion #18-080

It was moved by Mainz, seconded by Blumreich, and unanimously agreed to enter into a contractual agreement with Strand Associates, Inc. to provide engineering assistance for the De Pere Facility Tertiary Filtration, Service Water, and Miscellaneous Piping Improvements Study in the amount of \$58,715 and a 10% contingency of \$5,870 to be administered under the authority of the Executive Director for a total authorized amount of \$64,585.

12) **Interceptor System Master Plan Project summary presentation.**

L. Sarau introduced Sandy Kimmler from Donohue & Associates, who was the Interceptor System Master Plan Project Manager.

Commissioner Mainz asked about the MIKEURBAN Model. S. Kimmler replied the MIKEURBAN Model is widely used.

S. Kimmler stated this has been a two year project. She reviewed the following:

- NEW Water Owns and Operates
- Project Goals
- Overview of Master Plan Development
- Step 1: Identify System Needs
- Condition Assessment
- Capacity Assessment
- Determine Existing Flows – Flow Monitoring
- Model of Sewer System (MIKEURBAN)
- Step 2: Define System Improvement Alternatives
- What We Know
- Major Considerations for Identifying Projects
- Step 3: Capital Improvement Plan (CIP)
- Use Risk Analysis to Prioritize Projects
- 20-Year Capital Improvement Plan
- CIP Project Summary

L. Sarau reviewed the anticipated spending and next steps.

Commissioner Blumreich stated the costs should be sensitized to inflation.

Commissioner Mainz departed at 11:05 a.m.

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13) Update of projects:

a) Contract 34 Digestion and Solids Facility

B. Angoli stated this is the third quarter report. Milestone no. 4 Solids Facility has been completed as of August 31, 2018. He stated this milestone is for solids facility equipment, which has been functional tested in accordance with the contract documents. This includes centrifuges, pumps, dryer, incineration system, and cogeneration system. Building services include HVAC, fire protection, fire resistive enclosure hazards, fire walls, sanitation systems, elevators, interior and exterior lighting and exits, and building signage. There has been only one recordable accident, a hand cut requiring some stitches, which is a remarkable safety record by the contractors for a project this size and complexity.

B. Angoli stated the design agreement scope of work included demolition of the existing solids building. As design of the R2E2 Project progressed, schedule and cost impacts occurred that resulted in the engineer exceeding the agreement budget. Staff and the engineer met to discuss the schedule delays and cost impacts to the project. No final conclusions were reached at the time and the engineer continued to deliver the base design without invoicing costs. Staff is proceeding to close out the design agreement and move forward with a separate design and services during construction agreement for the solids building demolition. Staff plans to come back to the Commission next month for approval of design work for Contract 35 Demolition of Solids Building.

b) Charles Street Interceptor Upgrades

L. Sarau reported the interceptor work has been completed except for the sewer televising. The City of De Pere work has not been completed yet, and the City of De Pere has put the contractor on notice for liquidated damages. She stated based on the recommendation from legal counsel, NEW Water has submitted a claim to the insurance company to determine who is responsible for the missed lateral connection.

14) Operation report:

a) Effluent quality for August

b) Air quality for August

P. Wescott reported both facilities were in compliance with effluent limits for the month of August. The Green Bay Facility tied performance records for Ammonia.

P. Wescott reported there were two events that occurred on August 28, 2018. Some effluent flow was diverted around the disinfection system at the De Pere Facility to prevent flooding of equipment while some influent flow from the De Pere Facility was diverted to the Green Bay Facility for treatment. Heavy rains caused hourly average flow to peak at 42.2 mgd at the De Pere Facility. The Green Bay Facility had a partial plant power outage caused by a breaker trip on the incoming plant feed during a severe thunderstorm.

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Staff began to feed disinfection chemical manually for approximately one hour until normal operation was restored, and plant effluent did not receive disinfection for six minutes. NEW Water notified the WDNR about both events.

15) Executive Director's report:

a) October Commission meeting

The October Commission meeting will be held Wednesday, October 24, 2018, beginning at 8:30 a.m.

b) Jack Day and Peer Excellence Awards

The Employee Appreciation Luncheon was held on August 21, 2018. Jeff Czypinski, IT Manager, received the Jack Day Award of Accomplishment and Mike Wells, Systems Tech-GIS, received the Peer Excellence Award. About 80 employees took part in the luncheon.

c) Recognition of 20, 25, and 30 year service anniversaries

The following employees were recognized at the Employee Appreciation luncheon for completing significant service milestones: Erik Hepp (20 years); Mike Gardner and Kevin Johnson (25 years); and Paul Schmitt and Bill Angoli (30 years).

d) Resource Recovery and Electrical Energy dedication ceremony

An external dedication ceremony will be held on October 16, 2018 from 10:00 – 10:30 a.m. Congressman Mike Gallagher and Brown County Executive Troy Streckenbach are planning to speak at the event. Commissioners are welcome to attend.

e) Renard Island and waterfront development update

NEW Water supports the end-use plan for Renard Island led by Brown County. NEW Water's concern is to limit the evaluation done to Renard Island, and not to include the bay of Green Bay shoreline.

f) Staff participation with external organizations and committees

A list of external organizations and committees that NEW Water staff participate in was provided in the Commission packet, which gives the Commission a sense of how our workforce is engaged.

g) NEW Water staff out of area travel

A summary of NEW Water out of area travel outside of EPA Region 5 that was budgeted for 2018 and 2019 was provided in the Commission packet.

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h) NEW Water employee satisfaction survey

Jamie Lynch, Executive Director of the Strategic Research Institute at St. Norbert College, presented the results of the employee satisfaction survey from May 2018 to the Management Team. A report was provided in the Commission packet. Staff can arrange a presentation to the Commission, if desired.

i) Manure spill in Silver Creek

On September 10, 2018, about 300,000 gallons of liquid manure was spilled into Silver Creek. The land is owned by the Oneida Tribe. NEW Water staff will schedule a meeting to get more information on the spill remediation and investigation.

T. Sigmund reported staff from the State of Wisconsin Clean Water Fund were on site yesterday and today, and will be touring R2E2. The Clean Water Fund has been a great partner to NEW Water.

Commissioner Hasselblad thanked staff for representing NEW Water with external organizations and committees.

There being no further business to come before the Commission, the meeting adjourned at 11:24 a.m.

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Secretary