

GREEN BAY METROPOLITAN SEWERAGE DISTRICT

PROCEEDINGS OF THE COMMISSION

Regular meeting of the Commission held via Zoom videoconference on April 22, 2020.

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

ALSO PRESENT: T. Sigmund, P. Wescott, N. Qualls, B. Vander Loop, J. Smudde, T. Brown, T. Garrison, J. Maas, J. Van Sistine, J. Smies–Legal Counsel; K. Hanson–PFM Financial Advisors LLC

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

1) **Safety moment.**

T. Sigmund highlighted some of the safety tips from the Wisconsin Department of Health Services COVID-19 Tips for Staying Safe. Stay at home, limit your physical interaction with the same people and less than five total to help stop the spread of the coronavirus, stay at least six feet apart from others, limit trips to the store, stay in touch over the phone or video service with family and friends as much as possible, support each other, and as always, wash your hands often with soap and water.

2) **Request Commission approval of a Resolution Authorizing the Issuance and Sale of Not to Exceed \$23,000,000 Taxable General Obligation Refunding Bonds, Series 2020.**

B. Vander Loop stated that a document outlining the pros and cons of taxable versus tax-exempt bonds was provided in the Commission packet. He introduced Kristin Hanson from PFM Financial Advisors LLC, who will be available to answer any questions. At the March meeting the Commission was informed that staff was pursuing approval to refinance a \$20,000,000 tax-exempt General Obligation Bonds that was approved by the Commission in July 2013. NEW Water, the brand of the Green Bay Metropolitan Sewerage District, staff and PFM have been closely monitoring the feasibility to refinancing to taxable bonds, and he reviewed the favorable results monitored over the last few weeks. The average interest rate on the outstanding \$20,000,000 tax-exempt General Obligation Sewerage Bonds is approximately 4.50% and the interest rate for the taxable bonds is projected to be in the range of 2.12% to 2.72%, which is a significant savings.

Commissioner Hasselblad asked if there are any triggers that would make this less acceptable to NEW Water in the short-term. K. Hanson replied the taxable rate has been less volatile over the last couple of weeks; however, there are a lot of unknowns. Approval of the resolution would give flexibility with setting a sale date and if the market changes, NEW Water can pull the sale and bring it back at a future time.

Commissioner Blumreich stated there are three options on the table: 1) do nothing, which would forgo the savings from the refinancing; 2) wait until the current bonds are callable and then pursue a tax-exempt refinancing, if it is cheaper; and 3) do a taxable refinancing to allow NEW Water to borrow the money now and pay the existing bond when it is refundable or callable. Historically, tax-exempt rates are usually cheaper than taxable rates.

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Commissioner Tumpach asked what the call date is. T. Sigmund replied the call date is July 2023.

K. Hanson stated that before the tax reform three years ago, businesses were able to do a tax-exempt refunding before the call date. Under the new tax law, the only option NEW Water has is taxable refunding.

Commissioner Blumreich asked what Kristin Hanson's experience has been recently about this size of issue and who is buying these issues. K. Hanson replied since COVID-19, people are going back to market with taxable issues. NEW Water has a AAA credit rating and would see less interest and higher rates if it did not have such a high credit rating. Both the tax-exempt and taxable market are looking at high rated credits, either with a AA or AAA rating.

T. Sigmund asked when the sale would take place if it is approved today. K. Hanson replied Tuesday, Wednesday, or Thursday of the week of May 4, 2020.

Commissioner Blumreich stated that banks cannot bid, but insurance companies can. K. Hanson replied because these are taxable, PFM can reach out on behalf of NEW Water to banker's banks that can bid on behalf of local banks.

Commissioner Meinz asked who would possibly bid on this. K. Hanson replied regional bidders, such as Robert W. Baird, Piper Jaffray, and J.P. Morgan. She stated it will depend on who they have as investors.

Motion #20-038

It was moved by Blumreich, seconded by Tumpach, and unanimously agreed to approve a Resolution Authorizing the Issuance and Sale of Not to Exceed \$23,000,000 Taxable General Obligation Refunding Bonds, Series 2020 if the net present value savings exceed \$1,370,000 over the bond issuance life, and authorize the Executive Director to accept the winning bond bids. (Resolution #20-003 is on file at the NEW Water Offices)

- 3) **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) **Potential litigation resulting from the failure of the granulated activated carbon system of the fluidized bed incinerator**

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Motion #20-039

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.

4) Reconvene in open session.

Motion #20-040

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

5) Approval of minutes of Commission meetings held March 20 and 25, 2020.

Motion #20-041

It was moved by Mainz, seconded by Hoffmann, and unanimously agreed to approve the March 20 and 25, 2020 minutes as distributed.

6) March financials.

B. Vander Loop reported March's operating revenues were favorable to budget by \$447,000 or 14% from additional flow volume due to more precipitation received. Year to date total operating revenues were favorable to budget by \$824,000 or 9% from additional flow volume due to more precipitation received.

B. Vander Loop reported March's operating expenses were favorable to budget by \$133,000 or 6% from less expenditures in contracted services due to timing of projects. March's operating expenses with unfavorable results had more expenditures in plant maintenance, natural gas & fuel oil, and power. Year to date total operating expenses were unfavorable to budget by (\$558,000) or (10%) due to more expenditures in solid waste disposal for the granular activated carbon (GAC) unit, plant maintenance, and power. Operating expenses with favorable results had less expenditures from contracted services. Net income for the month of March was \$524,000, and net income year to date was \$678,000.

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7) **Sewer plan approval:**

a) **Village of Suamico Project #601701; GBMSD Request #2020-12**

N. Qualls stated the Village of Suamico is requesting approval of a sewer plan to serve a public safety building.

Commissioner Mainz asked that municipalities provide a detailed map of their sewer plan requests.

Motion #20-042

It was moved by Mainz, seconded by Blumreich, and unanimously agreed to approve the Village of Suamico sewer plan subject to favorable approval recommendations from Brown County Planning and final approval by the Wisconsin Department of Natural Resources (WDNR).

8) **2019 Aquatic Monitoring Program updates.**

S. Bartlett reviewed the 2019 Aquatic Monitoring Program, as follows:

- 2019 Highlights
- NEW Water Sampling Locations
- Yearly Average Total Phosphorus 1986-2019
- Yearly Average Total Suspended Solids 1991-2019
- 2019 Dissolved Oxygen Trend
- 2020 Collaborative Research
- Bay Beach Routine Microcystin Monitoring
- Bay Beach CyanoHAB Monitoring

Commissioner Blumreich asked what the Mayor's opinion was on cyanobacteria and how it affects the Bay Beach reopening. S. Bartlett replied that the Mayor was very interested in learning more about it. She offered to give a presentation along with other collaborators on the data collected. The Mayor recognizes that he is in a delicate position in moving forward with revitalizing the Bay Beach area. He was very responsive and asked good questions to get a baseline knowledge.

Commissioner Hasselblad asked legal counsel about NEW Water's position on this. J. Smies stated that NEW Water can share the information it has, but does not have a legal obligation to do so.

S. Bartlett stated that their working group has been asked to help the DNR and the City of Green Bay on what a monitoring program should look like. Staff will keep the Commission informed on how the group plans to disseminate this information.

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9) 2019 Watershed Monitoring Program updates.

B. Young reviewed the 2019 Watershed Monitoring Program, as follows:

- 2019 Highlights
- Watershed Sampling
- NEW Water's Silver Creek Pilot Project
- 2014-2019 Silver Creek Total Suspended Solids Concentrations
- 2014-2019 Silver Creek Phosphorus Concentrations
- 2019 Silver Creek at Florist Grab vs Event Total Phosphorus
- Silver Creek at Florist Drive Annual Loads
- Successes Beyond Water Quality
- Silver Creek Water Quality Takeaways
- Ashwaubenon Creek and Dutchman Creek (ACDC) Full Scale Adaptive Management
- 2018-2019 ACDC Phosphorus
- 2018-2019 ACDC Total Suspended Solids
- ACDC Water Quality Takeaways and Next Steps

Commissioner Hasselblad asked if the ACDC Project will see the same kind of collaborative efforts as the Silver Creek Project. B. Young replied yes, a lot of the farmers and growers from the Silver Creek Project will also participate in the ACDC Project.

Commissioner Hasselblad asked if there are still monetary incentives for the farmers. B. Young replied yes, cost share agreements will be going out to the farmers, and the farmers are ready to implement.

Commissioner Tumpach asked if NEW Water does any sampling on the farm land in Mahon Creek. B. Young replied no. Commissioner Tumpach asked if this farmer should be following best practices for tilling, cover crop etc. T. Sigmund replied that staff will make the inquiry with Brown County.

10) Update of projects:

a) Project Updates Summary

N. Qualls stated the Engineering team is working to keep projects moving safely without risking the health of staff and protect operation. There have been some delays in projects as contractors are also trying to manage the COVID-19 issues.

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N. Qualls stated that NEW Water provided input to Central States on projects that might qualify for potential stimulus package for public works type construction projects. He stated timing will be a big issue. Some projects are more replace in-kind and can easily be accelerated. Projects requiring more technical review will be harder to meet the timeline. NEW Water should have a number of projects ready to go assuming the time frame is October this year or April of next year.

b) Contract 35 Solids Building 300 Demolition

N. Qualls reported Contract 35 Solids Building 300 Demolition has moved into onsite road work. The contractor punched a hole in a concrete pipe causing a release, and staff is working with the WDNR on the appropriate reporting and notifications.

Commissioner Mainz asked if the contractor has contacted its insurance company. N. Qualls replied that he did not know. NEW Water staff is in the process of putting together a fixed design for the pipe. NEW Water is not anticipating any out-of-pocket costs.

Commissioner Mainz asked about the cleanup costs. N. Qualls replied the cleanup was relatively straight forward. Staff pumped wastewater from the storm water system into the sanitary sewer. NEW Water is waiting to see if there is any further requirements from the WDNR.

T. Sigmund stated that NEW Water has incurred staff time and overtime costs due to calling staff in to address the issue over 1 ½ days.

c) De Pere Facility Electrical Distribution and Emergency Generator

N. Qualls reported the new generators are in place and the old equipment has been removed. There are some technical issues related to being able to parallel power with electrical utility power. Staff does not anticipate significant cost to NEW Water. Things have gone pretty well on the project.

11) March 2020 Operations report.

P. Wescott reported both facilities were in full compliance with all effluent limits for the month of March. The GAC system was brought back on line in mid-February and has functioned very well. The annual stack testing was conducted in March, and staff received preliminary information last week. Staff will report the results at the May Commission meeting. NEW Water is in the process of renewing its five year air permit. Julie Maas is taking the lead on this.

P. Wescott reported that NEW Water continues to receive high strength waste from a single source. There have been some issues with the biogas generators, which will be talked about more under the Executive Director's report.

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12) Executive Director's report.

a) May Commission meeting

The May Commission meeting will be held on Wednesday, May 27, 2020, beginning at 8:30 a.m. The meeting may be held via Zoom videoconference.

b) City of De Pere sewer plan update

Last month the Commission asked if St. Norbert College was notified about the sewer plan extension. NEW Water staff contacted the City of De Pere, and it is part of the City's procedure to contact the property owners.

c) COVID-19 paid leave statistics

Through March 15, 2020, NEW Water had 14 employees using some type of COVID-19 related paid leave.

T. Brown reported through April 18, 2020, there were 22 employees that have utilized paid leave time totaling 760 hours. Fifty-three percent of those hours were paid as a result of child care reasons, 38% of those hours were for individuals offsite but do not have work available, and 9% of those hours were for individuals out ill with symptoms and were asked to refrain from coming to work until they receive clearance from the nurse. None of those employees have gone through testing and there are no positive cases of COVID-19. Sixty percent of staff on any given day are offsite. All departments have now implemented some sort of alternative scheduling practices. Treatment, Maintenance, Lab, and Field Services all have various schedule rotations.

Commissioner Mainz asked what the process is for employees that have to take time off. T. Brown replied that a new COVID pay code was added and there are variations on how employees code their time. Employees submit time requests noting appropriate reason for leave and it is approved by their manager and final approval by Human Resources. As absence for childcare reasons fall under EFMLA, employees are required to submit a leave request and receive approval as this leave counts towards the annual Federal FMLA 12 week entitlement.

Commissioner Mainz asked about employees that are not at work, but are necessary to be onsite. T. Brown stated that the employee works it out with their manager.

Commissioner Mainz asked if there have been any issues with overtime. T. Brown replied no, it has not been an issue.

Commissioner Mainz asked if NEW Water has sent anyone home because of COVID-19. T. Brown replied no. A process is in place for any employees having symptoms.

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d) COVID-19 response update

The COVID-19 Focus Group led by Sharon Thieszen, meet every day to talk about COVID-19 issues with a focus on providing consistency across the organization. Staff has shifted workforce to keep some on the bench so not all staff are exposed at the same time. NEW Water has increased some standby pay and standby time for staff to be able to respond to things. From mid-April through the end of May, there has been about \$20,000 additional costs to NEW Water for some overtime and putting some groups on standby during the week.

e) Biogas Engine Generators update

Biogas Engine Generator (BEG) No. 4 has experienced an almost total failure and will require to be taken offsite and rebuilt. BEG No. 3 has reoccurring valve issues and should be repaired by the end of the day tomorrow. NEW Water staff will be discussing with the contractor and manufacturer a potential extension of the warranty, which would be a second extension of the warranty.

The long block needed to repair BEG No. 4 is to be shipped from Germany. There could be a significant delay for anything shipped out of Europe that is not a medical supply.

f) Public service announcements update

The Public Affairs and Education Department continues to put out public service announcements in many languages.

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

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Secretary