

GREEN BAY METROPOLITAN SEWERAGE DISTRICT
PROCEEDINGS OF THE COMMISSION

Regular meeting of the Commission held September 26, 2019.

PRESENT: Commissioners Blumreich, Mainz, Hoffmann, and Tumpach

EXCUSED: Commissioner Hasselblad

ALSO PRESENT: T. Sigmund, N. Qualls, B. Vander Loop, J. Smudde, T. Brown, B. Clausen, B. Angoli, B. Brown, P. Mentink, P. Smits, S. Thieszen, E. Houghton, B. Oldenburg, J. Czipinski, T. Garrison, J. Maas, J. Van Sistine, N. Agamaite, A. Kowalzek-Adrians, R. Krause, J. Smies–Legal Counsel; S. Dettmann–Carlson Dettmann Consulting LLC

Commission Secretary Blumreich called the meeting to order at 8:30 a.m.

1) Safety moment.

T. Sigmund provided safety tips on extinguishing grease and kitchen fires. Grease and kitchen fires are considered a class K fire and can be very common in households. All NEW Water, the brand of the Green Bay Metropolitan Sewerage District, staff are required to complete fire safety and extinguisher training annually.

Commissioner Blumreich stated that agenda items will be taken out of sequence based upon the consultant's request and closed session.

2) 2020 Budget workshop.

T. Sigmund presented the updated 2020 budget information since the last budget workshop, as follows:

- 2020 Proposed Expenses
- 2020 O&M Expenses
- 2020 O&M Expense Distribution
- 2020 Budget Changes Since August Workshop
- 2020 Revenue
- Municipal Rate Comparison
- 2020 Budget Summary
- Next Steps

Commissioner Blumreich questioned the rate increase expected from Wisconsin Public Service (WPS). P. Smits stated that WPS requested a 4.9% increase, and NEW Water staff budgeted 3.4%.

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Commissioner Mainz asked how reserve transfer amounts are calculated. T. Sigmund replied that expenses that are not ongoing are usually funded with reserves, except for interceptor cost recovery projects. Many one-time capital projects could also be funded through reserves. B. Vander Loop stated that staff will provide the Commission with an update on reserves before the end of the year.

Commissioner Blumreich asked if volume was partially calculated by historical fluctuations with weather. B. Vander Loop explained that plant flow is based partly over a five-year historical average of wet weather. T. Sigmund added that with the increase in flows from higher precipitation the last few years, it is safe to say that it has caused a slight decrease in the volume rate.

Commissioner Mainz asked if staff solicited presentations of the proposed 2020 budget to NEW Water customers. T. Sigmund replied yes. Staff offers presentations on the budget to NEW Water customers each year. While response is usually low, staff will present to the Village of Allouez Board next week. He added that customers are also welcome to send any questions they have on the budget to him and he will respond.

9) Request Commission approval of the 2020 salary market adjustment.

T. Brown introduced Scott Dettmann from Carlson Dettmann Consulting LLC. She explained that a comprehensive market survey is conducted every three years. This year only a mini survey was done since the comprehensive market survey was completed in 2018.

S. Dettmann stated that Carlson Dettmann Consulting has been assisting NEW Water with maintaining its formal pay programs since 2001. Staff reviews relevant market data and pay plan projections including 13 wastewater districts and local municipalities including Green Bay, De Pere, Ashwaubenon, and Brown County. Based on current pay policy survey results, he recommended a pay structure increase of +2.2% for pay grades 6 – 17, and a +1.6% increase for pay grade 5 for 2020 because pay grade 5 still leads the market.

Commissioner Tumpach asked if the +1.6% increase for pay grade 5 would bring it back to market. S. Dettmann replied yes, and explained that last year pay grade 5 was held because it led the market.

Commissioner Tumpach questioned whether the small difference in increase was worth the effort or if a +2.2% increase for all pay grades would be feasible. T. Brown replied that only two staff are in pay grade 5.

Motion #19-073

It was moved by Tumpach, seconded by Mainz, and unanimously agreed to adjust pay grades 5 – 17 by +2.2% effective January 2020 to maintain NEW Water's market position for the coming year.

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- 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) **Discuss negotiation strategy concerning a potential industrial customer**
 - b) **Litigation involving industrial forcemain**
 - c) **Litigation involving Bayview interceptor**

Motion #19-074

It was moved by Mainz, seconded by Hoffmann, 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 #19-075

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

- 5) **Approval of minutes of Commission meeting held August 28, 2019.**

Motion #19-076

It was moved by Mainz, seconded by Tumpach, and unanimously agreed to approve the August 28, 2019 minutes as distributed.

- 8) **Request Commission approval of the 2020 health insurance plan and premium sharing.**

T. Brown stated that NEW Water has participated in the Wisconsin Public Employers (WPE) Group Health Insurance program since 2004. NEW Water currently has 81 employees enrolled in three of the five state qualified plans available in Brown County, with the majority enrolled in Dean Health Insurance – Prevea360 which is the lowest cost provider.

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T. Brown reported that in 2020, four health plans will be available to staff. NEW Water implemented an insurance opt-out program in 2016. Currently, 18 employees receive opt-out payments. Staff plans to continue to offer the opt-out program in 2020.

T. Brown stated that staff recommends to continue with the current employee cost share at 15% and 85% NEW Water cost share of the lowest cost plan, Dean Health Insurance – Prevea360 with an increase in cost ranging from 6.1% to 6.4%. Staff looked into a high deductible health plan again, but did not see a great enough cost savings to NEW Water to implement, with savings only being roughly \$5,500. Staff recommends also to continue with the \$500/\$1,000 Local Deductible Plan option offered through WPE.

Commissioner Tumpach asked if Dean Health Insurance – Prevea360 required co-insurance. T. Brown replied no, but the plan includes certain co-pays for medications and Emergency Room visits.

Commissioner Mainz asked what employees think of the health plan. T. Brown replied that she has not heard any comments or suggestions in quite a while and took that as a good sign from employees.

Commissioner Tumpach stated that the insurance plan offered to NEW Water employees is a very good plan, and it is not the typical plan and costs offered by other employers.

Commissioner Mainz asked if NEW Water requires employees to take their spouse's health insurance plan if it is offered. T. Brown replied no and state that the state plan does not allow NEW Water to do this.

Based on the information provided, T. Brown requested Commission approval 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 2020 for full-time employees at \$565.30 per month for single plan coverage and \$1,388.74 per month for family plan coverage.

Motion #19-077

It was moved by Tumpach, seconded by Mainz, 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 2020 for full-time employees at \$565.30 per month for single plan coverage and \$1,388.74 per month for family plan coverage.

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6) August financials.

B. Clausen reported total operating revenues for the month of August were favorable to budget by \$196,000 or 7% due to additional municipal TSS loadings and additional flow volume due to more precipitation received. Year to date total operating revenues were favorable to budget by \$1,500,000 or 6% due to additional municipal TSS loadings and additional flow volume due to more precipitation received. Total operating expenses for the month of August were favorable to budget by \$10,000 or 1 from less expenditures in maintenance – interceptors and power. Year to date total operating expenses were unfavorable to budget by (\$1,400,000) or (10%) from more expenditures than budgeted from maintenance – interceptor and contractor expenses related to Bayview Interceptor, Interplant and Industrial Forcemain repairs. Operating income for the month of August was \$1,200,000 and operating income year to date was \$11,800,000. Net loss for the month of August was (\$131,000) and net income year to date was \$740,000.

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

B. Clausen stated that under Chapter 67 Municipal Borrowing and Municipal Bonds Section §67.11, municipalities that issue debt obligations must establish and maintain a debt service fund payment for the obligations. Under 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. She stated that NEW Water has not levied a tax since 1977.

Commission Mainz asked why NEW Water levied a tax in 1977. T. Sigmund replied that it was due to the main facilities planning at that time and grant funds coming in short, so the rest was put on the tax bill.

B. Clausen stated that NEW Water will have sufficient funds on hand to support all debt service requirements for 2020 as of October 1, 2019 from rate collection, offsets, and transfers. She requested Commission approval to abate the tax levy for 2020.

Motion #19-078

It was moved by Mainz, seconded by Hoffmann, and unanimously agreed to abate the tax levy for 2020.

10) Request Commission approval to close out the construction contract for the De Pere Facility Administration Building HVAC Rehabilitation Project #18-028-CO and issue final payment of \$21,952.93 to Hurckman Mechanical Industries, Inc.

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B. Brown reported that the De Pere Facility (DPF) Administration Building HVAC Rehabilitation Project #18-028-CO work has been completed and is ready to close out and issue final payment. The project went as planned and staff is happy with the work completed. The new system is up and running as expected. He requested Commission approval to close out the construction contract for the DPF Administration Building HVAC Rehabilitation Project #18-028-CO and issue final payment of \$21,952.93 to Hurckman Mechanical Industries.

Motion #19-079

It was moved by Meinz, seconded by Tumpach, and unanimously agreed to close out the construction contract for the DPF Administration Building HVAC Rehabilitation Project #18-028-CO and issue final payment of \$21,952.93 to Hurckman Mechanical Industries, Inc.

11) Update of projects:

a) Contract 34 Digestion and Solids Facility

B. Angoli stated that staff is working on finalizing all of the work change directives and change orders, which he anticipates will be brought to the Commission in October. The next phase will be closing out the project. There are a few issues remaining with generators, reversing screw conveyor and sludge pumping equipment that need to be discussed with staff and the project consultant prior to the closing of the project.

b) Contract 35 Solids Building 300 Demolition

B. Angoli stated that the project is moving along and the contractor completed an electrical salvage throughout the Solids Building to remove electrical equipment which they could resell. The universal waste removal is complete. Over the past 20 years, staff has been testing and removing asbestos found within the plant. The contractor's staff is trained to look for potential asbestos material during construction demolition. Material in question by the contractor's staff has been sampled by staff and sent for testing to ensure there is no remaining asbestos containing material in the building. All tests on asbestos came back negative, so work can continue and no abatement is required. The contractor currently has its demolition permit submitted to the City of Green Bay and Wisconsin Department of Natural Resources, awaiting approval to continue with the removal of the precast panels and equipment.

Commissioner Meinz asked who the contractor was for the project. B Angoli replied that the demolition subcontractor is Veit and the general contractor is C.D. Smith.

c) Green Bay Facility Administration Building Office Renovation

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B. Brown stated that the project is in its third and final phase, which includes the lobby and engineering areas, and also building out an IT space in the basement. The schedule has been aggressive throughout the project and the project is expected to be completed by the end of October.

B. Brown stated that a substantial amount of the approved contingency has been consumed, primarily by a single modification to the project scope for additional communication cabling. Depending on the significance of the issue in the third phase of work, additional contingency funding may be required.

d) De Pere Facility Electrical Distribution and Emergency Generator

P. Mentink stated the project is making good progress. Emergency electrical generators were delivered to the site and set in place, and the access road regrading is underway. Construction of the new building is almost finished, and the mechanical equipment will be installed soon. A new gas main will need to be installed to supply natural gas to the new emergency generators. WPS is currently designing and completing the plans for the installation of the required gas main. Contractors are working to recover the schedule.

12) August 2019 Operations report.

P. Smits stated that both facilities were in full compliance with all effluent limits for the month of August. Total bio-gas volume recovered was 135,800 CCF or 99.1% of the total volume produced. The amount of bio-gas produced was much lower than normal due to the fluidized bed incinerator being shut down during the month of August due to issues with the heat exchanger.

Commissioner Mainz stated that the Green Bay Facility Energy Utilization – R2E2 chart is somewhat misleading for biogas utilization and asked staff to look at reworking the chart to better reflect how much gas was purchased on the chart if possible. T. Sigmund responded that staff will look into modifying the chart.

13) Executive Director's report:

a) October Commission meeting

The next Commission meeting will be held on Wednesday, October 23, 2019, beginning at 8:30 a.m. A special Commission meeting will be scheduled in October.

b) U.S. Senator Tammy Baldwin visits to NEW Water

U. S. Senator Tammy Baldwin visited NEW Water in September to learn more about blue-green algae and local efforts to address the issue. NEW Water's Water Resources Specialist, Sarah Bartlett, provided a lot of information and gave the Senator a tour aboard NEW Water's Bay Guardian of the Aquatic Monitoring Program. Other local community water partners and leaders were in attendance as well.

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c) EPA's Office of Science and Technology within the Office of Water visit

In August the Director of the Environmental Protection Agency's Office of Science and Technology within the Office of Water, along with her staff, visited NEW Water to learn more about NEW Water's resource recovery efforts and new technology with the Resource Recovery and Electrical Energy facility.

d) Area flooding impacts NEW Water

During the week of September 11, 2019 wet weather in Brown County impacted NEW Water's two treatment plants and interceptor system, which managed approximately 135 million gallons per day at its peak, some three times the average amount of water. Staff worked diligently to make sure both facilities and its equipment could manage the flow. NEW Water held a customer meeting shortly after the rain event and asked its customers to continue to look at "clear water" that manages to get into the sanitary system through Inflow and Infiltration (I&I). A Stakeholder Advisory Group, comprised of municipal customers and NEW Water staff, has been established and held its first meeting recently to continue to look at this complex issue.

Commissioner Blumreich stated that the public announcement made to area residents to limit washing clothes and dishes was a successful way to make it relevant to area homeowners about the use of water in relationship to area flooding and the wastewater treatment plant.

e) Wisconsin Wastewater Operators Association Conference

The 53rd Annual Wisconsin Wastewater Operators Association Conference will be held in Green Bay at the KI Convention Center from October 8 – 11, 2019. NEW Water is the host for the conference and will be providing tours of the Green Bay Facility on October 9, 2019.

There being no further business to come before the Commission, the meeting adjourned at 10:09 a.m.

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Secretary