VILLAGE OF ALLOUEZ

Allouez Village Hall • 1900 Libal Street • Green Bay, Wisconsin 54301-2453
Phone No.: (920) 448-2800 • Fax No.: (920) 448-2850

Department of Public Works

Mr. Thomas Sigmund, Executive Director
NEW Water
Green Bay Metropolitan Sewerage District
2231 North Quincy Street
Green Bay, WI 54302

September 20, 2016

RE: 2017 GBMSD Annual Budget Comments
Village of Allouez

Dear Mr. Sigmund;

The Village of Allouez submits the following observations on the proposed 2017 GBMSD Budget.

First, we appreciate the past opportunities provided by GBMSD to participate in the annual budget discussions. We believe that past budget involvement has resulted in enhancements that have benefited both GBMSD and the customers. For example, implementation of the rate stabilization fund was a positive enhancement.

Several of our observations of the proposed 2017 annual budget include the following:

GBMSD 2017 Priorities
GBMSD presented numerous 2017 priorities as part of the budget presentations. These covered a number of topics including developing the internal employee culture and various programs. We believe the priorities should be revised to #1 WPDES Permit Compliance, and #2 Customer Service and Reasonable Sewer Rates. We believe these are the priorities of the GBMSD customers, and therefore should be the highest GBMSD priorities.

GBMSD 2017 Budget Increase
We appreciate the efforts of GBMSD reducing the 2017 annual budget from the initial projected budget increase of 5.7% to the current 2.7% increase. This is a significant cost reduction and is appreciated.

We encourage GBMSD to continue to reduce the sewer rate increase to less than 2.7%. The annual rate of inflation is approximately 2% and this should be the target for the 2017 rate increase.

A further consideration is that WPS does not have a rate increase, so this would seem to drive to a lower GBMSD rate.

The 2.7% GBMSD rate increase is a significant increase for municipal customers.

Cost Savings in the 2017 Budget

There are two items in the 2017 budget where cost savings might be obtained. Can the criticality planning project be deferred for a year to reduce the 2017 rate increase? It seems that a one-year deferral would not negatively impact GBMSD and could lower the 2017 rate increase.

Several staff positions are proposed to be added, both permanent and limited term employees. These need to be scrutinized to confirm that these positions are necessary. These additions are driving what appears to be a significant labor cost increase. Please review these needs again.

From the customer standpoint, the possible addition of staff for any municipality is very restricted due to financial constraints. This should be the same for GBMSD.

Major Capital Projects

We are concerned about the number of major capital projects planned for 2017. Can all of these projects be completed in 2017? While these may be bond funded capital projects, these are numerous projects and completion in one year appears a challenge.

Previously we questioned whether the large number of budgeted annual capital projects could be completed and GBMSD reduced the number of capital projects in annual budgets. Should one or more projects of the major and/or annual budget projects be deferred a year, or spread over multiple years to reduce the rate impact? An example is the DePere emergency generator project which might be spread over a two-year design period to reduce the rate impact.

Salary and Benefits Cost

The cost of salary and benefits is a significant budget cost, and the 2017 increase is a significant budget cost increase. Given that GBMSD salaries are at or above the target salaries based on your salary surveys, we suggest that the planned salary and benefits increase for base salary plus merit be evaluated further. We understand it is important to retain your employees, but we believe that there is room for GBMSD to moderate salary increases and still retain staff and provide fair compensation.

We appreciate the efforts and successes that GBMSD has put forth on both projects and budgeting. We continue to believe that GBMSD can achieve some additional cost savings resulting in a smaller rate increase which is important to our residents.

Please feel free to discuss these items with us and we look forward to continuing the very good working relationship with the district.

Sincerely,

James Rafter
Village President

Craig Berndt, P.E.
Director, Public Works

Craig Berndt

From: Craig Berndt
Sent: Wednesday, September 21, 2016 10:11 AM
To: Sigmund, Tom (TSigmund@newwater.us)
Cc: Jim Rafter; Jim Genrich (jimgtrustee@villageofallouez.com); Penny Dart (pennydtrustee@villageofallouez.com); Rob Atwoord Trustee; Bob D. Trustee; Matthew H. Trustee; Brad Lange (brad@villageofallouez.com); Lynn Green (lynngtrustee@villageofallouez.com)
Subject: Allouez Comments on 2017 Budget
Attachments: 20160921091759389.pdf

Hi Tom-
Attached is the comment letter from the village regarding your 2017 GBMSD budget. I would appreciate this letter be provided to your commissioners as part of the public comments, and as soon as possible so that these observations can be considered before finalizing the 2017 budget.

There are a couple additional items that were brought up by the village board last evening.
1. GBMSD to provide an evening meeting for budget review so that elected officials and the general public can attend. We have discussed this in the past.
2. The cost increase for labor and fringe benefits over the past couple years appears to be approximately 8.6%, which is a very significant cost increase and well above the norm. We will discuss this further at the next budget meeting on the 29th.

I assume that the next budget meeting on Thursday September 29th is at 9 am at the treatment plant main conference room?

We are planning on your budget presentation to our village board on Tuesday October 4th at 6:30 pm. You will be on the docket as soon after 6:30 as we can. Thank you for your willingness to attend and present your budget.

Craig L. Berndt, P.E.
Director, Public Works
Village of Allouez
1900 Libal Street
Green Bay, WI 54301
(920) 448-2800
Craig@villageofallouez.com

2017
Draft Budget
August 24, 2016

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2017 Budget - First Budget Workshop - August 24, 2016

Municipal Rate Comparison

Parameter	2016 COS Rate (FRF Adjusted)	2017 COS Rate (FRF Adjusted)
Volume (1,000 GALS)	$0.79357	$0.72073
Biochemical Oxygen Demand (LBS)	$0.43068	$0.41746
Suspended Solids (LBS)	$0.41292	$0.36632
Phosphorus (LBS)	$0.60597	$0.58783
Total Kjeldahl Nitrogen (LBS)	$0.64043	$0.75750
Fixed Charge	$0.54580	$0.78838
Total Combined Rate (1,000 GALS)	$3.07421	$3.19115

Procter & Gamble Rate Comparison

Parameter	2016 COS Rate (FRF Adjusted)	2017 COS Rate (FRF Adjusted)
Volume (1,000 GALS)	$0.53420	$0.58395
Biochemical Oxygen Demand (LBS)	$0.25789	$0.26785
Suspended Solids (LBS)	$0.18371	$0.20387
Phosphorus (LBS)	$0.38906	$0.43597
Total Kjeldahl Nitrogen (LBS)	$0.49819	$0.63603

Fox River Fiber Rate Comparison - Excluding Fixed Charge

Parameter	2016 COS Rate (FRF Adjusted)	2017 COS Rate (FRF Adjusted)
Volume (1,000 GALS)	$0.63165	$0.51160
Biochemical Oxygen Demand (LBS)	$0.41777	$0.40557
Suspended Solids (LBS)	$0.40379	$0.35739
Phosphorus (LBS)	$0.58647	$0.56818
Total Kjeldahl Nitrogen (LBS)	$0.61550	$0.72898

Note: The Fixed Charge to be billed by City of De Pere.

NEW Water
Green Bay Metropolitan Sewerage District
2017 Budget - First Budget Workshop - August 24, 2016
Summary of Revenues and Expenses

	2015 Budget	2015 Actual	2015 Budget Favorable /(Unfavorable) Variance	2016 Budget	% of Overall Expenses	Projected 2016 Year-End	2017 Budget Preliminary	% of Overall Expenses	2017 Budget Favorable/ (Unfavorable) Variance	% Variance
Revenues										
Municipal User Fees	$ 29,636,171	$33,255,295	$3,619,124	$32,499,871	85.4%	$ 33,421,278	$ 33,530,907	85.8%	$ 1,031,036	3.2%
Mill User Fees	1,275,465	1,149,432	(126,033)	1,268,082	3.3%	1,234,694	1,359,382	3.5%	91,301	7.2%
Mill Direct Charges	110,782	91,660	(19,122)	110,809	0.3%	152,267	234,159	0.6%	123,350	111.3%
Mill Capital Charges	945,617	945,617	-	1,232,508	3.2%	1,232,508	1,107,243	2.8%	(125,265)	-10.2%
General Reserve Interest	4,303	3,091	(1,212)	4,447	0.0%	8,832	4,680	0.0%	232	5.2%
Other Revenues	353,737	479,165	125,428	844,152	2.2%	629,054	769,457	2.0%	(74,695)	-8.8%
	$ 32,326,076	$ 35,924,260	$ 3,598,185	$35,959,870	94.5%	$ 36,678,633	$ 37,005,829	94.6%	$ 1,045,959	2.9%
PERF Reserve Transfers	-	-		-	-		-	-	-	0.0%
DEBT and ICR Reserve Transfers	3,000,710	3,000,710	-	2,107,863	5.5%	2,107,863	2,095,257	5.4%	(12,606.22)	-0.6%
Transfer From Rate Stabilization Fund	-	-		-	-		-	-	-	0.0%
General Fund Transfers	-	(4,281,907)	(4,281,907)	-	-	(1,063,450)	-	-	-	0.0%
	$ 3,000,710	$ (1,281,197)	$ (4,281,907)	$ 2,107,862	5.5%	$ 1,044,413	$ 2,095,257	5.36%	$ (12,606)	-0.6%
Total Revenues	$ 35,326,785	$ 34,643,063	$ (683,722)	$ 38,067,732	100.0%	$ 37,723,047	$ 39,101,086	100.0%	$ 1,033,353	2.7%
Expenses										
Salaries & Benefits	$ 9,630,415	$ 9,565,426	$ 64,989	$ 9,739,319	25.6%	$ 9,767,821	$ 10,379,874	26.5%	(640,556)	-6.6%
Power	2,310,982	2,342,773	(31,791)	2,396,434	6.3%	2,369,306	2,414,867	6.2%	(18,433)	-0.8%
Contracted Services	1,783,677	1,583,811	199,866	2,372,322	6.2%	2,156,151	2,623,793	6.7%	(251,471)	-10.6%
Maintenance & Repairs	1,542,043	1,721,302	(179,259)	1,580,896	4.2%	1,572,680	1,582,915	4.0%	(2,019)	-0.1%
Chemicals	587,696	472,627	115,069	564,123	1.5%	480,613	556,250	1.4%	7,873	1.4%
Natural Gas & Fuel Oil	1,229,821	1,064,849	164,972	1,079,183	2.8%	955,394	994,979	2.5%	84,204	7.8%
Solid Waste Disposal	273,702	169,058	104,644	256,315	0.7%	204,795	219,471	0.6%	36,844	14.4%
Interceptor System (1)	578,512	514,338	64,174	514,560	1.4%	506,151	652,855	1.7%	(138,295)	-26.9%
Office & Administrative	358,743	418,120	(59,377)	476,555	1.3%	529,811	529,641	1.4%	(53,086)	-11.1%
Insurance	208,271	200,410	7,861	202,995	0.5%	225,666	237,593	0.6%	(34,598)	-17.0%
Supplies	160,128	159,787	341	130,626	0.3%	135,696	134,838	0.3%	(4,212)	-3.2%
Employee Training & Development	123,913	108,644	15,269	123,078	0.3%	107,234	126,088	0.3%	(3,010)	-2.4%
Travel and Meetings	71,635	60,753	10,882	71,343	0.2%	60,095	80,868	0.2%	(9,525)	-13.4%
DNR Environmental Fees	155,000	142,737	12,263	145,000	0.4%	143,118	146,000	0.4%	(1,000)	-0.7%
Total O & M Expenses	$ 19,014,538	$ 18,524,635	$ 489,903	19,652,749	51.6%	$ 19,214,532	$ 20,680,032	52.9%	$(1,027,283)	-5.2%
Debt Service (2)	$ 12,751,248	12,751,248	-	$ 10,993,983	28.9%	$ 10,993,983	$ 16,457,706	42.1%	(5,463,723)	-49.7%
Annual Capital	2,132,851	1,939,032	193,819	1,971,000	5.2%	2,064,532	1,963,348	5.0%	7,652	0.4%
R2E2 Construction (Rate Stabilization)	1,428,148	1,428,148	-	5,450,000	14.3%	5,450,000	-	0.0%	5,450,000	100.0%
Total Debt Service, Annual Capital & Rate Stabilization	$ 16,312,247	16,118,428	193,819	$ 18,414,983	48.4%	$ 18,508,515	$ 18,421,054	47.1%	($6,071)	0.0%
Total Expenses	$ 35,326,785	$ 34,643,063	$ 683,722	$ 38,067,732	100.0%	$ 37,723,047	$ 39,101,086	100.0%	($1,033,353)	-2.7%

Notes:
(1) Interceptor System includes all expenses related to Interceptors, Meter and Lift Stations, including chemicals, power, phones, pretreatment program, and water.
(2) Debt Service for 2017 reflects collection and payments for 2018 Debt Payments.

NEW Water
Green Bay Metropolitan Sewerage District
2017 Budget - First Budget Workshop - August 24, 2016
Flow and Load Projections - with FRF Adjustment

	1,000 gal	VOLUME		BOD		TSS		PHOS		TKN		45.0% Fixed Charge		
	Gallons	Total	Amount	Pounds	Amount	Pounds	Amount	Pounds	Amount	Pounds	Amount	Allocation	Amount	Total Amount
City ı Bay	4,900,000	4,900,000	$3,532,439	7,365,053	$3,074,834	6,337,741	$2,321,678	179,512	$105,538	1,412,324	$1,070,002	41.75%	$3,460,540	$13,565,031
City ɔre	1,268,000	1,268,000	$914,109	4,325,064	$1,805,670	2,429,880	$890,128	31,812	$18,703	304,704	$230,849	13.18%	$1,092,260	$4,951,718
Fox ber	340,000	340,000	$173,946	1,134,240	$460,012	809,916	$289,457	31,192	$17,723	221,118	$161,190	5.71%	$473,079	$1,575,406
Villalouez	738,000	738,000	$532,029	812,272	$339,115	1,104,089	$404,456	22,644	$13,313	159,378	$120,748	5.58%	$462,346	$1,872,006
Villahwaubenon	1,437,000	1,437,000	$1,035,942	2,104,796	$878,731	2,493,266	$913,347	50,268	$29,553	276,255	$209,296	11.89%	$985,983	$4,052,852
Villallevue	642,500	642,500	$463,182	850,864	$355,227	929,512	$340,504	22,222	$13,065	164,956	$124,974	5.27%	$436,607	$1,733,559
Villabart	150,000	150,000	$108,136	232,997	$97,274	289,497	$106,050	6,194	$3,642	45,977	$34,833	1.45%	$119,947	$469,882
Villaward	875,000	875,000	$630,793	749,956	$313,099	1,724,088	$631,578	23,066	$13,561	248,468	$188,244	7.06%	$585,034	$2,362,308
Villaxemburg	165,000	165,000	$118,949	41,295	$17,240	42,592	$15,603	2,612	$1,536	13,188	$9,991	0.60%	$49,555	$212,875
Villalaski	192,500	192,500	$138,774	56,007	$23,382	84,280	$30,874	8,407	$4,943	39,018	$29,561	1.16%	$96,367	$323,901
Villaamico	195,000	195,000	$140,577	416,204	$173,761	475,134	$174,054	10,593	$6,228	62,972	$47,709	2.26%	$187,406	$729,734
Towgeview Sanitary District #2	182,500	182,500	$131,565	226,508	$94,565	262,100	$96,014	6,186	$3,637	43,770	$33,161	1.45%	$120,314	$479,256
Towrence - Utility District	95,000	95,000	$68,486	173,058	$72,250	247,637	$90,716	5,168	$3,038	39,317	$29,787	1.14%	$94,868	$359,145
Pittslitary District	12,390	12,390	$8,932	15,204	$6,348	25,212	$9,236	480	$282	3,852	$2,918	0.12%	$9,572	$37,288
Towtt Sanitary District #1	56,600	56,600	$40,803	69,480	$29,007	115,200	$42,201	2,208	$1,298	17,604	$13,337	0.53%	$43,797	$170,444
Dyc Sanitary District	29,000	29,000	$20,906	34,320	$14,328	56,904	$20,845	1,092	$642	8,700	$6,591	0.26%	$21,794	$85,107
New Sanitary District	14,369	14,369	$10,359	17,640	$7,365	29,244	$10,713	564	$332	4,464	$3,382	0.13%	$11,130	$43,280
Roy Sanitary District	28,500	28,500	$20,546	32,424	$13,537	53,748	$19,689	1,032	$607	8,220	$6,228	0.25%	$20,752	$81,358
Baysitary District	23,250	23,250	$16,761	28,824	$12,034	47,796	$17,509	912	$536	7,308	$5,537	0.22%	$18,123	$70,499
Haule	28,100	28,100	$37,747	270,162	$136,271	370,169	$141,916	6,112	$4,002	43,112	$35,322	0.00%	$0	$355,258
Totaipal	**11,372,709**	**11,372,709**	**$8,144,981**	**18,956,368**	**$7,924,050**	**17,928,005**	**$6,566,566**	**412,276**	**$242,178**	**3,124,705**	**$2,363,659**	**100%**	**$8,289,474**	**$33,530,907**
Procumble	1,500,000	1,500,000	$875,928	450,000	$120,533	1,650,000	$336,391	2,500	$1,090	40,000	$25,441	0.00%	$0	$1,359,382
Tota	**1,500,000**	**1,500,000**	**$875,928**	**450,000**	**$120,533**	**1,650,000**	**$336,391**	**2,500**	**$1,090**	**40,000**	**$25,441**	**0%**	**$0**	**$1,359,382**
Grai														
ı	12,872,709	12,872,709		19,406,368		19,578,005		414,776		3,164,705				
(			$9,020,909		$8,044,583		$6,902,957		$243,268		$2,389,100	0%	$8,289,474	$34,890,290

NEW Water
Green Bay Metropolitan Sewerage District
2017 Budget - First Budget Workshop - August 24, 2016
Salaries and Benefits before Distribution

Description	Commission	Business Services	Laboratory Services	Treatment	Maintenance	Engineering	Information Technology	Field Services	Environmental Programs	Total
Gross Salaries	$2,500	$1,010,968	$537,845	$1,834,312	$1,786,572	$629,942	$479,596	$745,574	$474,629	$7,501,938
Long Term Disability	0	5,526	3,305	12,219	10,810	3,950	3,288	4,356	2,795	46,249
Dental Insurance	0	9,077	5,391	19,814	22,256	6,405	6,082	6,405	2,996	78,426
Health Insurance	0	175,443	96,648	334,237	397,063	104,030	89,266	150,207	57,853	1,404,747
Life Insurance	0	3,467	1,222	5,577	6,635	2,553	2,618	1,886	1,224	25,182
Wisconsin Retirement	0	64,489	35,064	133,210	117,902	42,234	35,177	49,104	29,743	506,923
FICA & Medicare	191	71,766	41,145	155,948	136,673	48,191	40,227	57,036	36,185	587,362
Worker's Compensation	5	3,348	13,607	51,663	45,200	10,358	973	18,863	4,638	148,655
Uniforms	0	0	888	12,480	13,548	0	0	2,950	0	29,866
Employee Assistance	0	3,158	0	0	0	0	0	0	0	3,158
Wellness Program	0	0	0	47,370	0	0	0	0	0	47,370
Totals	**$2,696**	**$1,347,242**	**$735,115**	**$2,606,830**	**$2,536,659**	**$847,663**	**$657,227**	**$1,036,381**	**$610,063**	**$10,379,874**

Note: Engineering, Treatment and Information Technology Salaries were decreased by $267K for re-allocation of salaries to Solids Management Capital Loan Amount.

NEW Water
Green Bay Metropolitan Sewerage District
2017 Budget - First Budget Workshop - August 24, 2016
Salaries and Benefits after Distribution to Interceptors & Meter Stations

Description	Commission	Business Services	Laboratory Services	Treatment	Maintenance	Engineering	Information Technology	Field Services	Environmental Programs	Total
Gross Salaries	$2,500	$1,010,968	$537,845	$1,834,312	$1,727,436	$629,942	$479,596	$320,194	$474,629	$7,017,422
Long Term Disability	0	5,526	3,305	12,219	10,445	3,950	3,288	1,733	2,795	43,261
Dental Insurance	0	9,077	5,391	19,814	21,638	6,405	6,082	1,958	2,996	73,361
Health Insurance	0	175,443	96,648	334,237	385,990	104,030	89,266	70,554	57,853	1,314,021
Life Insurance	0	3,467	1,222	5,577	6,436	2,553	2,618	458	1,224	23,555
Wisconsin Retirement	0	64,489	35,064	133,210	113,906	42,234	35,177	5,037	29,743	458,860
FICA & Medicare	191	71,766	41,145	155,948	132,149	48,191	40,227	36,664	36,185	562,466
Worker's Compensation	5	3,348	13,607	51,663	44,028	10,358	973	13,586	4,638	142,206
Uniforms	0	0	888	12,480	13,548	0	0	2,950	0	29,866
Employee Assistance	0	3,158	0	0	0	0	0	0	0	3,158
Wellness Program	0	0	0	47,370	0	0	0	0	0	47,370
Totals	**$2,696**	**$1,347,242**	**$735,115**	**$2,606,830**	**$2,455,576**	**$847,663**	**$657,227**	**$453,134**	**$610,063**	**$9,715,546**

Note: Engineering, Treatment and Information Technology Salaries were decreased by $267K for re-allocation of salaries to Solids Management Capital Loan Amount.

NEW Water
Green Bay Metropolitan Sewerage District
2017 Budget - First Budget Workshop - August 24, 2016
Employees Headcount Report

Divisions and Department	ADOPTED 2016 BUDGET HEADCOUNT	PROPOSED 2017 BUDGET HEADCOUNT
Business Services including Non-Departmental *	12	13
Laboratory Services	7	8
Treatment including Health and Safety	26	26
Maintenance	24	24
Engineering	7	8
Information Technology	6	6
Field Services	9	9
Watershed Management	3	4
Regulatory Compliance	1	1
Total Headcount without Commissioners **	95	99
Commissioners	5	5

New Positions

Division	Department	2016 BUDGET	2017 BUDGET
Business Services	Support Services		Support Services Assistant (Approved April 2016)
Environmental Programs	Laboratory		Lab Analyst II
Technical Services	Engineering		Process Engineer
Environmental Programs	Watershed Management		Watershed Specialist
Operations	Treatment	Asset Reliability Coordinator	

Notes:
* Non-Departmental Division includes Executive Director & Human Resources
** Total Full-Time and Part-Time positions

Divisions and Departments classification for referencing

BUSINESS SERVICES	TECHNICAL SERVICES	OPERATIONS	ENVIRONMENTAL PROGRAMS	NON-DEPARTMENTAL
Accounting	Engineering	Maintenance	Watershed Management	Commission
Communication & Education	Field Services	Treatment	Regulatory Compliance	District Wide
Information Technology		Health and Safety	Laboratory	Executive Director & Human Resources
Support Services			Sustainability	

NEW Water
Green Bay Metropolitan Sewerage District
2017 Budget - First Budget Workshop - August 24, 2016
OUT-OF-AREA TRAVEL - Outside EPA Region 5 (Wisconsin, Minnesota, Illinois, Ohio, Indiana, Michigan)

Title	Division	Event
Director of Business Services	Business Services	NACWA Legal Seminar, TBD
Accounting Manager	Business Services	IMA Conference, TBD
Communication & Education Coordinator	Business Services	PRSA, New York, NY
Information Technology Manager	Business Services	Microsoft Convergence, New Orleans, LA
System Technician - GIS	Business Services	ESRI GIS User Conference, Palm Springs, CA
Director of Technical Services	Technical Services	WEFTEC, New Orleans, LA
Project Manager	Technical Services	Thermal Oxidation Meeting, TBD
To be Determined	Operations	WEFTEC, New Orleans, LA
Maintenance Manager	Operations	SMRP Annual Conference, Jacksonville, FL
Director of Operations	Operations	WEFTEC, New Orleans, LA
Executive Director	Non-Departmental	NACWA Winter, San Diego, CA
Executive Director	Non-Departmental	NACWA Summer, Denver, CO
Executive Director	Non-Departmental	WEFTEC, New Orleans, LA
Commissioner	Non-Departmental	NACWA Summer, Denver, CO
Commissioner	Non-Departmental	NACWA Winter, San Diego, CA
Director of Environmental Programs	Environmental Programs	Wastewater Conference, TBD
Watershed Programs Manager	Environmental Programs	IAGLR, Canada
Water Resources Specialist	Environmental Programs	IAGLR, Canada
Analytical Chemist	Environmental Programs	PITTCON, Atlanta, GA

GREEN BAY METROPOLITAN SEWERAGE DISTRICT
2017 BUDGET: 5-YEAR CAPITAL INVESTMENT PLAN

2017 Budget - First Budget Workshop - August 24, 2016	2017	2018	2019	2020	2021
MAJOR CAPITAL: WASTEWATER TREATMENT FACILITIES					
GBF: Blower System Efficiency Upgrade	-	-	400,000	2,413,000	4,016,000
GBF: R2E2 Solids Management Project	50,282,000	19,964,000	3,135,000	-	-
GBF: Metro & Mill Pumping and Plant Drain Systems Upgrades	-	240,000	3,480,000	1,620,000	2,700,000
GBF: Primary Clarifier Odor Control	-	250,000	2,750,000	-	-
GBF: Gravity Belt Thickener Replacement	-	-	-	400,000	5,400,000
DPF: Service Water System Rehabilitation/Replacement	-	160,000	2,160,000	-	-
DPF: Primary Substation & Emergency Generator	240,000	2,700,000	540,000	-	-
GBF & DPF: Clarifier Rehabilitation	-	400,000	2,160,000	2,160,000	2,160,000
GBF & DPF: Headworks Upgrades	-	-	-	400,000	3,250,000
Interplant Wastewater Force Main - Phase 2	-	360,000	3,960,000	-	-
GBF Phosphorus Upgrade	-	-	750,000	7,628,000	7,628,000
DPF Phosphorus Upgrade	-	-	500,000	2,768,000	2,768,000
TOTAL WASTEWATER TREATMENT FACILITIES	**50,522,000**	**24,074,000**	**19,835,000**	**17,389,000**	**27,922,000**
MAJOR CAPITAL: INTERCEPTORS					
Dutchman Creek Interceptor Upgrade & Rehabilitation ** See Notes **	2,240,000	-	-	-	-
Scott Bayshore Interceptor Rehabilitation ** See Notes **	770,000	-	-	-	-
Tunnel Interceptor Rehabilitations (QSI, ERI, EFRI, WFRI)	-	-	280,000	4,060,000	4,060,000
Ninth Street Interceptor Extension - American Drive	-	-	1,250,000	-	-
East Tower Drive Interceptor Rehabilitation - Phase 1	-	-	179,000	2,562,000	-
Bayview Interceptor Upsizing	-	-	130,000	1,430,000	-
Bayview Interceptor Replacement ** See Notes **	3,790,000	-	-	-	-
Charles Street Interceptor Upsizing	168,000	1,512,000	-	-	-
East Bayshore Lift Stations - Replacement	-	-	-	-	35,000
TOTAL INTERCEPTORS, METER STATIONS & LIFT STATIONS	**6,968,000**	**1,512,000**	**1,839,000**	**8,052,000**	**4,095,000**
DEPARTMENT ANNUAL CAPITAL INVESTMENTS					
MAINTENANCE SECTION					
GBF: Replace MCC - Center Mechanical MCC-B2, -B2A, -B2B	616,000	-	-	-	-
GBF: Replace MCC - Administration Building ADP-1,-2; MCC-A1, -A2	308,000	-	-	-	-
DPF: Replace outdated MCCs	-	-	-	125,000	-
DPF: Replace diffuser socks in aeration system (10-year rotation)	-	-	-	-	57,000
GBF: Replace Air Handling Units	-	263,000	214,000	217,000	312,000
DPF: Replace roof - Sludge Control Tank Building	-	-	-	-	79,000
DPF: Replace roof - Service Building	-	107,000	-	-	-
DPF: Replace roof - Blower Building No. 2	-	150,000	-	-	-
Vehicle ID# 105 Replacement	-	35,000	-	-	-
Vehicle ID# 107 Replacement	-	-	-	-	70,000
Vehicle ID# 109 Replacement	-	-	-	-	45,000
Vehicle ID# 111 Replacement	-	-	-	40,000	-
Vehicle ID# 112 Replacement	-	-	-	-	45,000
DPF: Actuated Slide Gates & Basin Drains	-	-	-	-	200,000
GBF: Air Compressor Replacement	-	-	-	-	400,000
DPF: Air Handling Unit Replacement	-	-	250,000	-	-
GBF: Power Roof Vent Replacement	-	-	375,000	-	-
DPF: Power Roof Vent Replacement	-	-	-	125,000	-
GBF: Tunnel Unit Heater Replacement Phase 1	-	50,000	-	-	-
GBF: Tunnel Unit Heater Replacement Phase 2	-	-	50,000	-	-
GBF: Tunnel Unit Heater Replacement Phase 3	-	-	-	50,000	-
DPF: Tunnel Unit Heater Replacement	-	-	-	-	50,000

GREEN BAY METROPOLITAN SEWERAGE DISTRICT
2017 BUDGET: 5-YEAR CAPITAL INVESTMENT PLAN

2017 Budget - First Budget Workshop - August 24, 2016	2017	2018	2019	2020	2021
GBF: SW Pump Replacement	-	-	-	-	400,000
DPF: Process Air Blowers - HST Upgrades ** See Notes **	100,000	-	-	-	-
GBF: Aeration Basin Access Ladders	110,000	-	-	-	-
GBF: Tunnel Lighting Upgrades	-	248,000	-	-	-
GBF: Basin Complex Walkway Concrete Rehabilitation	-	-	224,000	200,000	-
Maintenance Section subtotal	**1,134,000**	**853,000**	**1,238,000**	**757,000**	**1,658,000**
INFORMATION TECHNOLOGY SECTION					
GBF: Fiber Optic Network Enhancement/Upgrade	-	-	-	-	80,000
GBF: Building Network Cabling Enhance/Upgrade	-	-	-	-	45,000
GBF: County Wide Radio Communications	-	-	-	-	-
GBF: County Wide Radio Communications Phase II	-	-	-	-	-
GBF: Replace PLC Input/Output Hardware	-	-	125,000	125,000	125,000
GBF & DPF: SCADA HMI Software Replacement	-	-	-	-	-
GBF & DPF: SCADA Historian Software Replacement	-	-	-	-	-
GBF: Laboratory Information Management System	-	-	-	-	-
GBF: HR/Payroll Software System	-	50,000	-	-	-
GBF: & DPF: Time and Attendance System	-	40,000	-	-	-
GBF: Financial Software Replacement/Upgrade	-	250,000	-	-	-
GBF & DPF: Telephone System	-	-	-	125,000	-
GBF: Campus Paging System	125,000	-	-	-	-
GBF: eDocs. Imaging/ Management/Collaboration	-	-	-	-	90,000
Information Technology Section subtotal	**125,000**	**340,000**	**125,000**	**250,000**	**340,000**
ENGINEERING SECTION					
Meter Station #1 Flow Tube and Flow Meter Replacement	-	-	90,000	-	-
DPF: Demolish Solids Building & MS11A	-	1,000,000	-	-	-
MS 6, 8, & 9 Rehabilitation	300,000	-	-	-	-
ERLS: HVAC Improvements	-	-	300,000	-	-
Annual Manhole Rehabilitation	50,000	50,000	50,000	50,000	50,000
Engineering Services Section subtotal	**350,000**	**1,050,000**	**440,000**	**50,000**	**50,000**
WATERSHED MANAGEMENT SECTION					
Environmental lands easement or title purchase - Pilot Demonstration Project	54,000	-	-	-	-
Watershed Management Section subtotal	**54,000**	**-**	**-**	**-**	**-**
FIELD SERVICES SECTION					
MS-05 Flow Tube Replacement	-	-	100,000	-	-
Lift Station alarm notification system	250,000	-	-	-	-
ERLS - Grinder system	-	-	-	250,000	-
ERLS - Ozone unit replacement	-	-	60,000	-	-
Field Services Section subtotal	**250,000**	**-**	**160,000**	**250,000**	**-**
LABORATORY SERVICES SECTION					
Laboratory Information System	-	-	-	-	350,000
Lachat Auto Analyzer 3 (Low level P)	42,000	-	-	-	-
Metals Lab: PE ICP	108,000	-	-	-	-
Laboratory Services Section subtotal	**150,000**	**-**	**-**	**-**	**350,000**
TOTAL ANNUAL CAPITAL INVESTMENTS	**2,063,000**	**2,243,000**	**1,963,000**	**1,307,000**	**2,398,000**
TOTAL CAPITAL INVESTMENTS	**59,553,000**	**27,829,000**	**23,637,000**	**26,748,000**	**34,415,000**

Notes:
Major Capital - Interceptors: Dutchman Creek and Scott-Bayshore Interceptor Projects anticipated to be combined into one loan.
Major Capital - Interceptors: Bayview Interceptor Replacement project anticipated to be funded from Interceptor Cost Recovery Reserve and no debt service collected.
Annual Capital - Maintenance: the DPF: Process Air Blowers - HST Upgrades will be funded through previous debt service that was collected in 2016 budget.

This 5-year report projects costs going forward. It does not capture actual expenditures from previous years and the totals do not accurately reflect the total capital costs of projects that are in progress.

Return to Agenda

NEW Water
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Memorandum

TO: Commission
Tom Sigmund

FROM: Trisha Brown

DATE: September 20, 2016

SUBJECT: Commission Approval of the 2017 Health Insurance Plan and Premium Sharing

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Staff is requesting Commission action on the 2017 Wisconsin Public Employers (WPE) Group Health Insurance program for local government employee's premium sharing and program option. The state has designated October 17 through November 11, 2016 as the open enrollment period.

Background

NEW Water has participated in the WPE Group Health Insurance HMO since 2004. Employees currently participate in three of the eight state qualified plans available in Brown County in 2016. The plans are Anthem Blue Northeast, Network Health Plan, and WEA Trust East with 97% of employees participating in Anthem.

In addition to health insurance, NEW Water has offered a group dental insurance benefit to employees for several years. In October 2014 the Commission approved contracting with Lincoln Financial for NEW Water's dental insurance, which included a two-year rate guarantee that covered 2015 and 2016. The 2017 dental renewal is not yet available. Anticipating that renewal information will be available mid-October, staff plans to submit recommendation for the 2017 dental insurance at the October Commission meeting.

In 2016, the Commission approved the development and implementation of a health insurance opt-out program that provides incentive payments of $1,000, $1,500, and $2,500 for employees opting out of the single plan, opting from the family to single plan, and opting out of the family plan, respectively. The opt-out program will continue to be offered in 2017.

New for 2017

Staff has reviewed the health insurance plans and WPE program options available to NEW Water in 2017. Anthem is the lowest cost health insurance plan of nine plans available in Brown County. Attachment 1 highlights the 2017 premiums for the Local Deductible $500/$1,000 plan, while Attachment 2 highlights premiums for the 2017 High Deductible Health Plan (HDHP). All cost comparisons and premium sharing calculations are based on the Anthem premiums.

Currently, the employee premium cost share is 14%. The recommendation for 2017 is to increase the employee cost share to 15%. The recommended change reflects similar employer plan funding referenced in the 2013 Benefits Survey. Calculations for 2017 costs in this memo are based on the assumption of the

employee 15% premium cost share of the lowest cost plan, Anthem, and result in a costs savings to NEW Water of $15,456.

High Deductible Health Plan Option

As in 2015 and 2016, the HDHP is the lowest cost program option offered through WPE for 2017. The HDHP option has a $1,500 single and $3,000 family deductible. The $500 single and $1,000 family local deductible plan, which is NEW Water's current HMO program option, is the next lowest cost option, but is approximately 14.9% higher than the HDHP plan. The HMO program was 15.0% higher in 2016 and 6.8% higher in 2015. The potential 2017 annual cost savings to NEW Water of the HDHP compared to the current HMO plan based on budgeted enrollment and proposed cost sharing is $175,322.

The HDHP option is the lowest cost plan to NEW Water; however, migration to this plan will result in a greater at-risk cost exposure to employees. The HDHP deductible is higher by $1,000 for the single plan and $2,000 for the family plan than the current plan offered to NEW Water employees. In addition, a single plan would incur an additional $1,000 at-risk cost exposure for 90/10 coinsurance after the deductible is met, while a family plan would incur an additional $2,000 at-risk cost exposure for 90/10 coinsurance. Though the annual employee premium cost savings would be $168 for the single plan and $384 for the family plan, the additional at-risk cost exposure is $2,000 for single and $4,000 for family. The difference between the total of the increased deductible, increased coinsurance, and the premium cost savings calculates to an annual at-risk employee cost exposure of $1,832 for a single plan and $3,616 for a family plan. The annual additional at-risk cost exposure for all employees is $291,592 based on budgeted enrollment prior to any NEW Water Health Savings Account (HSA) contribution.

Typically when an employer transitions to an HDHP plan, the premium savings due to the higher deductible provides the employer with the opportunity to contribute dollars to an HSA for each employee. The HSA contribution helps to minimize the additional at-risk cost exposure of the higher deductible and out of pocket costs to employees. The following table illustrates an example of employer contribution of $1,000 for a single plan and $2,000 for a family plan to an HSA and how it affects overall costs to NEW Water and the employees.

HDHP with HSA Contribution

Health Plan	2017 Annual Premium HMO $500/$1,000 (15% Employee Share)	2017 Annual Premium HDHP $1,500/$3,000 (15% Employee Share)	Annual Premium Savings	NEW Water HSA Contribution
NEW Water Single	$6,979	$6,097	$882	$1,000
NEW Water Family	$17,229	$14,989	$2,240	$2,000
Employee Single	$1,248	$1,080	$168	
Employee Family	$3,048	$2,664	$384	
HDHP Annual Cost Savings to NEW Water			$175,322	
HSA Annual Cost to NEW Water				$161,000
Final Cost Savings to NEW Water				$14,322

In this example, NEW Water would realize an overall annual cost savings of $14,322, while employees would assume additional annual at-risk cost exposure of $832 for a single plan and $1,616 for a family plan. Based on budgeted enrollment, the annual additional at-risk cost exposure for all employees is $130,592 after potential employer HSA contribution.

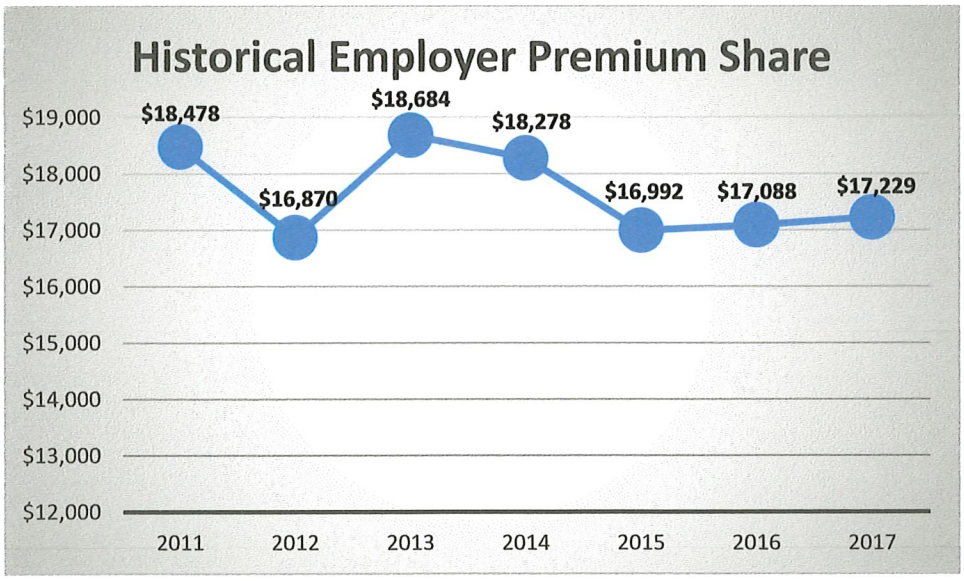
Staff Recommendation and Comparisons

For 2017, staff has concluded that the cost savings of transitioning to an HDHP plan and providing an employer contribution to an HSA is not great enough to warrant the additional at-risk cost exposure assumed by employees as a result of increased deductible and out of pocket limits.

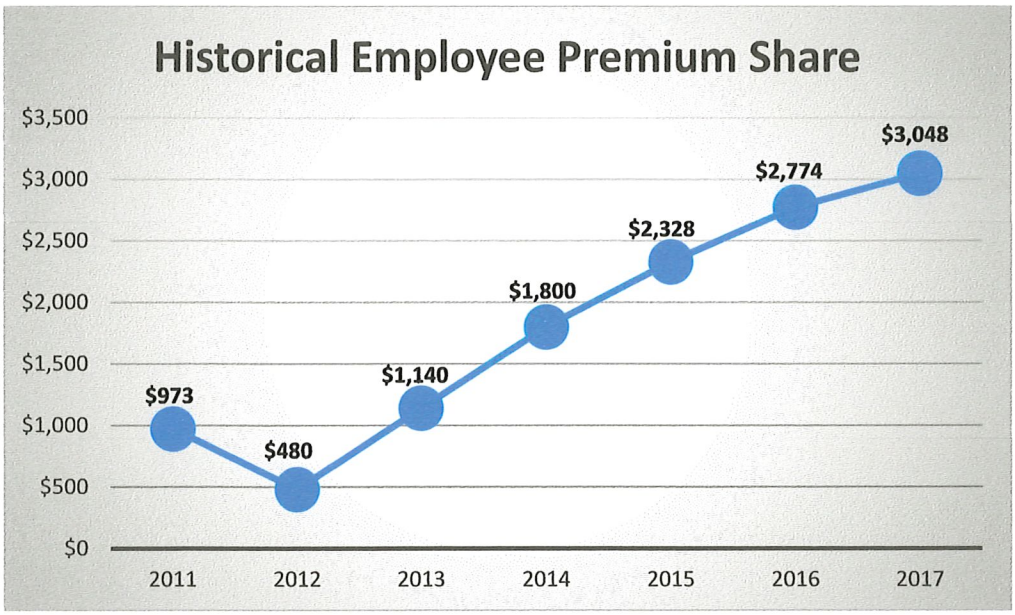
As staff reviewed and collected comparative data, various factors were taken into consideration when determining a final recommendation:

1. Historical Cost Savings Measures:
    a. In 2012, NEW Water transitioned from a $0 deductible plan to a $500 single/$1,000 family deductible plan.
    b. Employee premium cost share has increased from 5.83% in 2013 to the proposed 15.0% in 2017.
    c. NEW Water costs have been calculated based on the lowest cost insurer in Brown County.
    d. The employer share is below the state mandated maximum employer share, which is 88.0% of the average premiums of the Tier 1 Qualified Plans in Brown County. NEW Water's proposed 2017 employer share is 77.2% of the Brown County Tier 1 average.

2. Historical Cost Comparisons:
    a. Since 2011, the NEW Water employer share of the annual premium for family coverage has decreased from $18,478 per employee to the proposed $17,229 per employee in 2017, a 6.8% reduction.



    b. Over those same six years, the employee share of the annual premium for family coverage has increased from $973 per employee to $3,048 per employee, a 313% increase.



c. The above information supports the decisions that NEW Water has made to cost effectively benefit our customers while still providing quality health insurance coverage to employees and their families.

3. Outside Medical Carriers:
   a. Staff worked with the AON Employee Benefits Consulting Group to obtain quotes from three other medical carriers for a NEW Water health plan. The largest challenge with obtaining quotes from outside medical carriers is the fact that the Wisconsin Department of Employee Trust Funds (ETF) is unable to provide utilization data specific to NEW Water to those carriers. As a result, a firm quote is almost impossible without the carrier gathering NEW Water specific health experience.
      i. UnitedHealthcare was unable to provide a quote due to lack of detailed information to perform underwriting.
      ii. Anthem provided a quote based on what is referred to as "street rates". "Street rates" are a general quote provided to any employer without respect to individual medical information of the group. Employees and retirees enrolled in the plan would need to complete an application process divulging health history in order to perform the underwriting process. There can be a rate adjustment of anywhere between 0 – 85% of quoted "street rates" once the actual data is provided and analyzed. The "street rates" quote submitted by Anthem is competitive with current rates although an exact match to either the current $500/$1,000 deductible plan or HDHP could not be made.
      iii. Humana requested a risk assessment application. NEW Water staff submitted the required information which required the confidential disclosure of known medical conditions of employees and covered family members. The quote resulted in a 32.6% increase in family premium and provided a decreased level of benefits.
   b. In order to obtain firm quotes in the future, an employee and retiree application process will be required by outside carriers.
   c. Staff attempted numerous communications with representatives of Wisconsin Counties Association (WCA), to discuss quote attainment. WCA failed to forward materials as well as return numerous phone messages.

d. If NEW Water were to withdraw from the state Group Health Insurance program, reapplication would not be possible for three years. Reapplication requires an underwriting process, which includes the disclosure of health history by all eligible employees. Dependent upon the risk of our group, the underwriting process could determine a need for a premium surcharge for 18 – 36 months.

4. WPE Group Health Insurance Factors:
   a. 2016 participation in the HDHP is as follows:
      - State government – 2,501 of 81,900 employees (3.0%).
      - Local government – three of 361 municipalities (0.8%). This was previously reported erroneously as three of 104 municipalities (2.9%) to the Commission in an email dated July 26, 2016.
   b. The remainder participated in one of the three non-HDHP plans offered by WPE.
   c. The ETF Group Insurance Board is currently evaluating self-insurance for 2018. Bids are due this month with evaluation to be presented to the Group Insurance Board in November. Due to the uncertainty of the future state health plan, it may be prudent to wait another year to avoid making a plan change in 2017 and potentially another change in 2018.
   d. The ETF Group Insurance Board will be streamlining the state and local government health plans in the future. The intent is to offer two choices – one deductible/coinsurance plan and one HDHP. There is no time frame established for this initiative as further research needs to be conducted.

5. 2016 Health Insurance Survey of Customers and Wisconsin Wastewater Utilities:
   a. In addition to survey information provided by staff of the Village of Ashwaubenon, NEW Water staff gathered additional information from other municipalities regarding health insurance plans. The summary of all the data collected is as follows:
      i. Data obtained is for 2016
      ii. Twelve municipalities or wastewater utilities in Wisconsin responded to the survey
      iii. Seven NEW Water customers responded: Cities of Green Bay and De Pere, and Villages of Allouez, Ashwaubenon, Bellevue, Hobart, and Howard
      iv. Brown County and City of Appleton responded
      v. Madison MSD, Milwaukee MSD, and Racine Water/Wastewater Utility responded
      vi. Six of seven customers offer a HDHP
      vii. Three of seven customers offer a traditional health plan
      viii. Three of three wastewater utilities offer a traditional health plan
      ix. One of three wastewater utilities offer a HDHP in addition to a traditional health plan
      x. Four of 12 surveyed offer only a HDHP
      xi. Employee share of premiums (family plan) range from: HDHP – 0%-15%; traditional – 7.5%-20% (NEW Water – 14%)
      xii. Deductibles (family plan) range from: HDHP – $2,600-$4,000; traditional – $0-$4,500 (NEW Water – $1,000)
      xiii. Out of Pocket Limits (OOPL) (family plan) range from HDHP – $6,000-$13,100; traditional – $1,200-$9,200 (NEW Water – $1,000 for most services; additional OOPL for durable medical equipment – $500; prescriptions – $1,200-$13,700 based on prescription level)
      xiv. Employer share of annual premiums (family plan) range from: HDHP – $13,105-$24,092; traditional – $14,868-$21,408 (NEW Water – $17,088)

xv. Employee share of annual premiums (family plan) range from: HDHP – $0-$4,251; traditional – $1,332-$4,391 (NEW Water – $2,774)

Budget Impact

The following table compares the annualized total budget impact from 2013 through 2017. The 2017 budget reflects the continuation of the $500/$1,000 deductible HMO plan and the increase in employee premium share to 15%. This reflects a total increase in NEW Water's health insurance expense of 3.9% compared to the 2016 budget. Factors affecting this increase include the premium increase per employee and an increase in total family enrollments.

Annualized Budget Impact

Budget Year	Budgeted Participants		Amount Budgeted	% Budget Decrease (Increase) from Prior Year
	Single	Family		
2013	13	77	$1,520,797	
2014	15	78	$1,466,493	3.6%
2015	18	72	$1,344,926	8.3%
2016	21	68	$1,302,360	3.2%
2017	21	70	$1,352,601	(3.9%)

The tables and graphs below are a historical summary of employer and employee annual premium sharing since 2013, including the proposed 2017 employee premium sharing.

Historical Summary of Annual **EMPLOYER** Premium Sharing – Lowest Cost Plan Offered					
Year	Cost Share (Employer/ Employee)	Single	% **DECREASE** (Increase) from Prior Year	Family	% **DECREASE** (Increase) from Prior Year
2013	94.2/5.8	$7,472		$18,684	
2014	91/9	$7,343	1.7%	$18,278	2.2%
2015	88/12	$6,828	7.0%	$16,992	7.0%
2016	86/14	$6,888	(0.9%)	$17,088	(0.6%)
2017	85/15	$6,979	(1.3%)	$17,229	(0.8%)

Historical Summary of Annual **EMPLOYEE** Premium Sharing – Lowest Cost Plan Offered					
Year	Cost Share (Employer/ Employee)	Single	% **INCREASE** (Decrease) from Prior Year	Family	% **INCREASE** (Decrease) from Prior Year
2013	94.2/5.8	$ 480		$1,140	
2014	91/9	$ 720	50.0%	$1,800	57.9%
2015	88/12	$ 936	30.0%	$2,328	29.3%
2016	86/14	$1,099	17.4%	$2,774	19.2%
2017	85/15	$1,248	13.6%	$3,048	9.9%

Return to Agenda

Recommendation

Staff recommends Commission approval to continue with the $500/$1,000 deductible HMO option offered through WPE and to contribute $581.60 per month for the single health insurance premium and $1,435.76 per month for the family health insurance premium with the remainder of the premium paid by the participating employee.

Commission Action

Request Commission approval to continue with the $500/$1,000 deductible HMO program option offered through WPE and to set the NEW Water health insurance premium sharing in 2017 for full-time employees at $581.60 per month for single plan coverage and $1,435.76 per month for family plan coverage.

Attachments

Return to Agenda

NEW Water
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Memorandum

TO: Commission
Tom Sigmund

FROM: Trisha Brown

DATE: September 16, 2016

SUBJECT: 2017 Salary Market Adjustment

Background

Annually, NEW Water requests a review of relevant market data and pay plan projections from its compensation consultant, Carlson Dettmann Consulting LLC. Approximately every four years, a comprehensive study to benchmark most NEW Water positions is conducted while in interim years, mini-surveys are administered to maintain competitive market position from year to year. Last year a comprehensive study was completed which resulted in market adjustments of various percentages for pay grades 10 through 17.

A review of relevant market data and pay projections was conducted this past summer. Attached are the following documents supporting this information for 2017 as prepared by Scott Dettmann from Carlson Dettmann Consulting:

- Memo from Scott Dettmann summarizing the research and recommendation dated September 13, 2016. Based on his research and analysis, a 1.0% adjustment for pay grade 9 and a 1.9% adjustment for pay grades 10 through 17 is recommended for 2017. No pay structure increase is recommended for pay grades 5 through 8.
- WorldatWork 2016-17 Salary Budget Survey
- Carlson Dettmann Consulting 2016/2017 Public Sector Annual Wage Increase Survey (Upper Midwest)
- Carlson Dettmann Consulting 2016 Sewerage District Pay Policy Report

Recommendation

Based on the results of the survey data, staff recommends acceptance of the consultant's recommendation to hold the 2016 ranges for pay grades 5 through 8 and to adjust pay grade 9 by 1.0% and pay grades 10 through 17 by 1.9%.

Commission Action

Request Commission approval to hold 2016 ranges for pay grades 5 through 8, adjust pay range 9 by 1.0%, and to adjust pay grades 10 through 17 by 1.9% effective January 2017 to maintain NEW Water's market position for the coming year.

Attachments

NEW Water
The brand of the Green Bay Metropolitan Sewerage District

Memorandum

TO: Commission
Tom Sigmund

FROM: Mike Urbancic

DATE: September 21, 2016

SUBJECT: Laboratory Analyst II

Background

NEW Water staff is requesting a change to the organizational chart within the Laboratory Services Department to add a Laboratory Analyst II position. This proposed new full-time position will be salaried at a Pay Grade 8 and will report directly to the Laboratory Manager. The Laboratory Analyst II will increase the Laboratory Services Department staff from seven to eight positions. Attached is an organizational chart showing the addition of the Laboratory Analyst II position.

There are two primary drivers to add staff to the Laboratory Services Department: an increased workload in nutrients testing due to additional samples collected and analyzed due to growth of the Adaptive Management (AM) Program and implementation of the R2E2 Project, as well as the need to separate the laboratory quality control (QC) function from the responsibilities of the Laboratory Manager.

The Silver Creek AM Pilot Project has been very successful in demonstrating that an AM Program is feasible for NEW Water as an alternative means of compliance with low levels of phosphorus and suspended solids permit requirements. The pilot project has required low level phosphorus laboratory analysis of large numbers of water quality samples to demonstrate the effectiveness of best management practices on agricultural land. Increased activity in the watershed is expected to increase the number of samples analyzed by the Nutrients Lab by 25%.

A focus for the Environmental Protection Agency (EPA) and the Wisconsin Department of Natural Resources (WDNR) for the past 10 years and for the foreseeable future is lower and lower levels of nutrient discharges to waterways. Anaerobic digestion and nutrient recovery as part of the R2E2 Project will involve additional analysis by the Laboratory of samples for nutrients. In addition, the Operational Evaluation Report has recommended additional analysis of samples for dividing total phosphorus results into the various species for further evaluation.

In addition to increased laboratory analysis work, the Laboratory Services Department has a Quality Control responsibility to ensure the accuracy and reliability of the data reported, since the data is used for regulatory compliance in addition to billing, water quality understanding, and process operation support. In 2004 with promotion of staff to the Laboratory Services Manager position, NEW Water combined the previously separate functions of Laboratory Services Management and Quality Control into one position. Separation of the two positions is considered best practice in laboratories, and as a result of a WDNR

Laboratory Audit in 2014, the auditor recommended reestablishment of a Quality Control function separate from the Laboratory Services Management function. NEW Water staff recommends transferring this function to an existing Analytical Chemist position that is currently spending 50% of his time on nutrient analysis and 50% on administering the Laboratory Information Management System (LIMS). The nutrient analysis work would be transferred to the new Laboratory Analyst II position.

Responsibilities of the Laboratory Analyst II position include:

- Primary role performs analysis on wastewater and sludges for compounds of nitrogen and phosphorus
- Secondary role performs analyses on wastewater and sludges. Tests include, but are not limited to: BOD, COD, pH, solids, chloride, conductivity, chlorophyll, turbidity, and fecal coliforms
- Performs analysis on samples in support of the Aquatic Monitoring Program (AMP)
- Performs other wet chemistry parameters as necessary
- Performs all aspects of sample analysis to include scheduling, sample and chemical preparation, quality assurance procedures, data interpretation, and records retention
- Performs preventative maintenance and troubleshoots problems with equipment
- Evaluates and recommends future equipment purchases
- Provides training as needed
- Performs glassware cleaning and other general lab duties
- Provides quality control information as required by the Wisconsin Laboratory Certification Program and the NEW Water Quality Assurance Program
- Maintains appropriate records for quality assurance samples and procedures for the nutrient area
- Acts as sample custodian, logging in samples, prepping containers and labels as needed
- Handles chemicals safely according to chemical hygiene plan

NEW Water's Laboratory was recognized as Laboratory of Excellence for achieving 100% acceptable data in the most recent proficiency testing conducted on May 16, 2016. Laboratory testing is essential for checking and maintaining compliance with NEW Water's WPDES permit. The proposed position will help maintain appropriate Laboratory staffing levels as workload increases.

Recommendation

Staff recommends the addition of a full-time Laboratory Analyst II to adapt to the evolving requirements of the Laboratory Services Department.

Commission Action

Request Commission approval for the addition of a Laboratory Analyst II position to the Laboratory Services Department and the associated revision to the organizational chart pending approval of the 2017 Budget.

Attachment: Environmental Programs Division Organizational Chart

Return to Agenda

NEW Water
The brand of the Green Bay Metropolitan Sewerage District

Memorandum

TO: Commission
Tom Sigmund

FROM: Jeff Smudde

DATE: September 19, 2016

SUBJECT: Watershed Specialist

Background

NEW Water staff is requesting a change to the organizational chart within the Watershed Management Department to create a Watershed Specialist position. This proposed new full-time position will be salaried at a Pay Grade 11 and will report directly to the Watershed Programs Manager. The Watershed Specialist will increase the Watershed Management Department staff from two to three positions. Attached is an organizational chart showing the addition of the Watershed Specialist position.

The Silver Creek Pilot Project has been successful in its objectives over the past three years, and staff is planning to pursue Adaptive Management (AM) as a future compliance alternative for NEW Water. Staff is continuing to meet with WDNR and EPA staff to help provide clarity and determine a suitable strategy for NEW Water utilizing AM.

The Watershed Specialist would take over primary responsibility for the AM work now currently done by the Water Resources Specialist, as well as some of the program management work associated with both the AM pilot and full scale planning being done currently by both the Water Resources Specialist and the Watershed Programs Manager. The Watershed Specialist would develop and fulfill similar program and position requirements as the Water Resources Specialist currently does with the exception that this position will be dedicated to the work done in the watershed. The designation of one individual to maintain and develop additional knowledge of AM and agriculture/water interactions is necessary and will be beneficial to this evolving department. As NEW Water moves forward with AM and more is asked of the Watershed Management Department, this additional position will be required to maintain accurate program development and execution.

Responsibilities of the Watershed Specialist include:

- Collect watershed samples during the open water season
- Perform analyses on samples collected
- Manage watershed water quality database
- Perform QA/QC on watershed data
- Produce informational summaries of key data for Commission, staff, and other interested parties
- Prepare comprehensive watershed annual reports
- Maintain watershed sampling program gear and software
- Participate in local work groups associated with watershed water quality issues

- Present on local water quality issues at meetings and conferences
- Work on associated projects and grants related to watershed efforts
- Assist in grant writing and reporting
- Assist in developing watershed budget
- Aid in WPDES permit requirements through the AM compliance option
- Provide back-up to Water Resource Specialist
- Assist Watershed Programs Manager with programmatic needs of AM program duties and coordination

Justification for both a Water Resources Specialist and Watershed Specialist

The NEW Water River and Bay program, which began in 1986, is one of the largest and most comprehensive datasets in the Great Lakes, in one of the top three largest Area of Concern (AOCs) in the Great Lakes. The program has proven to be valuable, especially with the developments of AM, Trading, Lower Fox River (LFR) Total Maximum Daily Load (TMDL), AOC, Beneficial Use Impairment (BUI) delisting, etc.

NEW Water's vision statement is "Protecting our most valuable resource, water." We need to understand these regional water quality issues. If we do not, we are unable to work towards improving them. River and Bay data are important to document improvements in water quality from LFR TMDL implementation basin wide.

NEW Water collects high frequency water quality data for the LFR and Green Bay (GB) in reference to understanding water quality improvements made within the larger Fox/Wolf watershed outside the AM project. These continue to be used by counties, nonprofit agencies, and universities, as we all work together to improve water quality. River and Bay data are used in several other water quality databases around the Great Lakes.

This region is getting to the point of action and delisting impaired streams, and NEW Water's dataset is very important for this. There is too much at stake from DNR and EPA from a regulatory standpoint. Duck Creek Delta restoration, Cat Island Chain reconstruction, and reopening of Bay Beach are just a few of the projects that are working toward this delisting effort, which involve NEW Water River and Bay data.

WPDES Permit Relationship

River and Bay monitoring provides actual past and present values that directly determine water quality standards in LFR TMDL. The River and Bay dataset was used in the development of the LFR TMDL. If the LFR TMDL is recalculated after the Upper Fox/Wolf TMDL, NEW Water's data will be used again to calculate the water quality standards.

NEW Water's River and Bay dataset, combined with DNR's dataset, is more robust than just DNR data alone. The DNR does not monitor near the NEW Water outfall, and the DNR's nearest monitoring point is near Wrightstown. The River and Bay dataset helps protect NEW Water from future arbitrary permit requirements. The DNR has used NEW Water's water quality database to determine parameter limits for NEW Water WPDES permits in the past. NEW Water's longstanding, robust water quality database will aid in future WPDES permit requirements.

NEW Water needs baseline River and Bay data to show progress with AM. To verify reductions and enhancements in the watershed, the River and Bay monitoring needs to continue so NEW Water can show

water quality improvements downstream of watershed implementation projects. The ultimate goal of AM is to improve LFR and GB water quality; NEW Water is the only entity capable of demonstrating these improvements through the River and Bay database.

Funding

NEW Water is currently tied to research projects for the River and Bay program, which is bringing funding into NEW Water. Funding has been coming in for River and Bay work and will likely continue. Having two dedicated staff for watershed and River and Bay work, funding will likely increase as staff is able to commit more time and efforts towards research, participating in joint projects, and applying for more grants.

Great Lakes Advisory Board (GLAB) is looking to fund projects that have substantial local data. The Great Lakes Restoration Initiative (GLRI) grant was awarded to NEW Water for $1.68M due to this. The River and Bay program identified the hypoxic zone, which resulted in significant funding coming to the LFR basin and GLAB focusing GLRI money in Fox/Wolf watershed.

There is funding for the AM pilot. As NEW Water continues to make new contacts and develop relationships with partners, this will develop into continued project support and more funding, especially if there is a dedicated person focused on writing and collaborating in these grant proposals and projects. One example of a grant for AM is the Fund for Lake Michigan is supplying $10,000 for NEW Water to analyze samples from Wetlands in Silver Creek – AM.

Recommendation

Staff recommends the addition of a full-time Watershed Specialist to adapt to the evolving requirements of the Watershed Management Department.

NEW Water will benefit from the addition of the Watershed Specialist position by allowing one person to be devoted full-time to planning, execution, management, outreach, and data management of all current AM pilot and full scale AM project requirements. This position's focus and expertise should remain water based, with understanding of soil and water interactions. The addition of this position will provide much needed efficiencies in AM work being done now and in the future. This designated person will make educated decisions, planning can be done appropriately, and quality information will be collected, utilized, and reported.

NEW Water permit compliance will be only more involved as NEW Water moves forward with AM and this position is well suited to help carry some of this responsibility. The Watershed Specialist will work directly with the Watershed Programs Manager as well as provide valuable back-up to the Water Resources Specialist.

Commission Action

Request Commission approval for the addition of the Watershed Specialist position to the Watershed Management Department and the associated revision to the organizational chart pending approval of the 2017 Budget.

Attachment: Environmental Programs Division Organizational Chart

NEW Water
The brand of the Green Bay Metropolitan Sewerage District

Memorandum

TO: Commission

FROM: Tom Sigmund

DATE: September 22, 2016

SUBJECT: Draft 2017 NEW Water Budget

There have been few changes to the proposed 2017 NEW Water Budget that was presented at the August 24, 2016 Commission meeting. Total revision to the budget from the version presented in August is an increase in the O&M budget of $53,702 and a decrease in the Capital budget of $2,000. The draft 2017 NEW Water Budget and a PowerPoint presentation are included in the packet.

The proposed changes are:

- $5,759 reduction in Salaries due to the final recommended market adjustment of 1.9%
- $1,033 reduction in Benefits as a result of the salary reduction
- $52,146 reduction in Benefits due to the actual health insurance premium
- $7,360 reduction in Chemicals due to revised polymer unit prices from suppliers
- $2,000 reduction in Annual Capital due to changes in projects proposed for 2017
- $5,000 increase in Contracted Services to add cost allocation analysis for struvite removal facilities
- $40,000 increase in Contracted Services to fund the condition and criticality assessment work in 2017 at the recommended level
- $75,000 increase in Contracted Services to fund development of a DNR required Preliminary Compliance Alternatives Plan at the recommended level

Staff does not expect any significant revisions in the budget following this version, but will incorporate any revisions and report them to the Commission at the October 20, 2016 Commission meeting.

I have received and responded to two inquiries on how the fixed charge is calculated and how the decision to move to 45% of capital costs was made. I also received written comments from the Village of Allouez and have attached them to this memorandum. I will respond to the comments after the September 29 Commission meeting. I have also been invited by the Village of Allouez to update the Village Board at a meeting on October 4, 2016.

Attachments