



Benefits and Costs of Regionalization

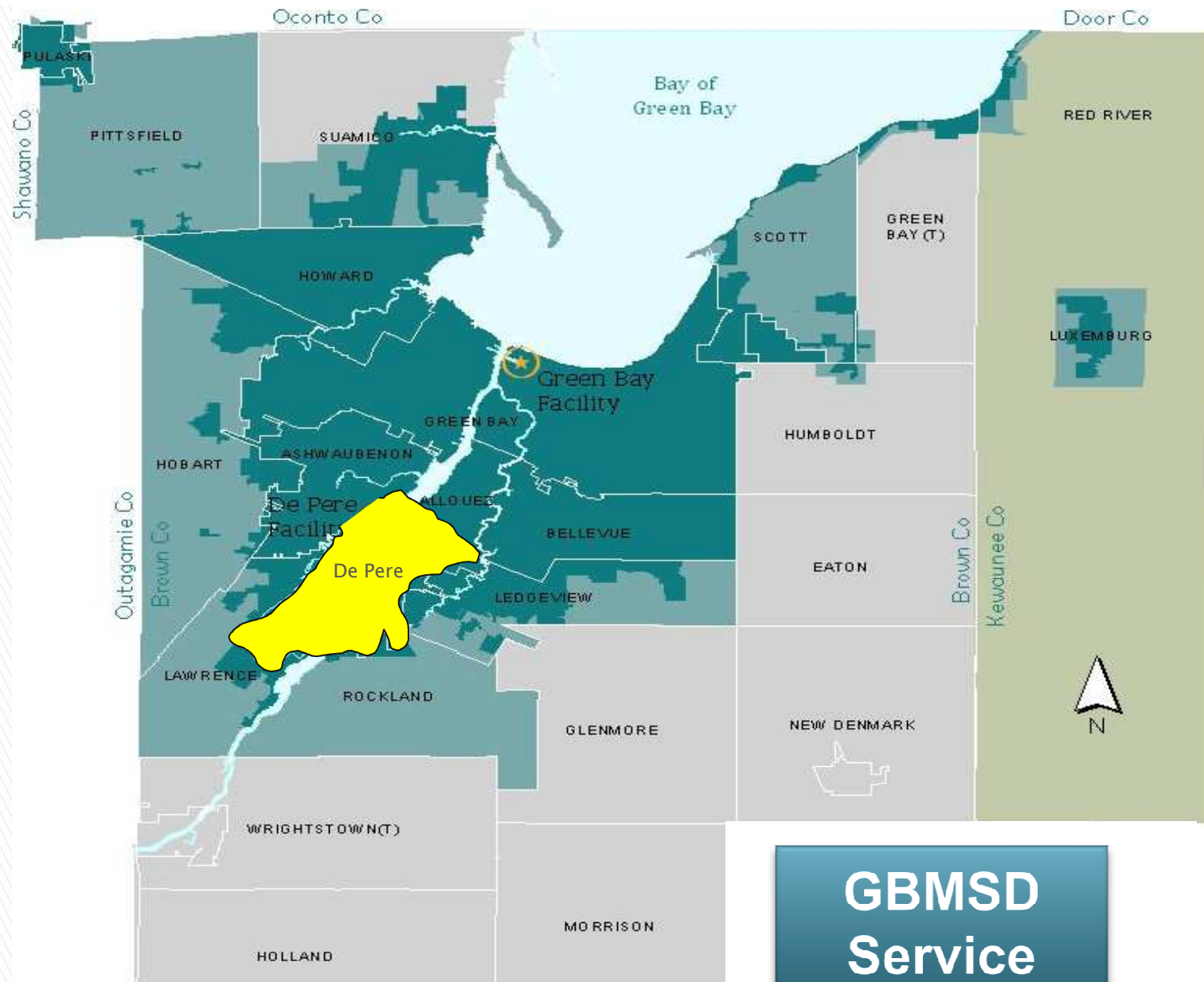
Green Bay Metropolitan Sewerage District's (GBMSD) Experience

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GBMSD Facts

- ▶ Wholesaler of Wastewater Conveyance and Treatment Services
- ▶ 17 Municipal Customers (219,000 People) and Two Direct Industrial Customers
- ▶ Service Area of 285 Square Miles
- ▶ WWTPs Seven Miles Apart, Discharging to Fox River
- ▶ Green Bay WWTP – 30 mgd, 45,300 lbs/day BOD, 48% of Capacity
- ▶ De Pere WWTP – 8 mgd, 29,900 lbs/day BOD, at Capacity



**GBMSD
Service
Area**

De Pere and Green Bay WWTPs



De Pere Facility

Green Bay Facility



GBMSD and De Pere

- ▶ User Charge Rates for Each Were Nationally in Lowest Third
- ▶ Significant Wet Industry Loading (Paper, Food)
- ▶ Joint Treatment Agreements with De Pere Since 1978
- ▶ Disputes/Periodic Litigation Since 1978
- ▶ De Pere Gave Notice to Terminate Agreement in 2006
- ▶ GBMSD Started Facility Planning in 2006
- ▶ Approved Annexation Agreement in August 2007

GBMSD Wastewater Utility Challenges

- ▶ Fox River Nutrient TMDL, P:1.0 mg/L → 0.1 mg/L
- ▶ Changes in Wet Industry (Increase and Decrease)
- ▶ Attracting and Keeping Talented Staff
- ▶ Air Regulations (Incineration)
- ▶ Keeping User Charge Rates Competitive
- ▶ Aging Infrastructure, Asset Management

Benefits of Regionalization

- ▶ Improved Service
- ▶ Economies of Scale, Reduce Cost
- ▶ Enhanced Automation
- ▶ Reduced Staffing
- ▶ Improved Collaboration Among Political Units
- ▶ Watershed-Based Planning
- ▶ Comprehensive Approach to Sustainability

Drivers for GBMSD Regionalization

- ▶ Improve Level of Service and Efficiency
- ▶ Save \$60 Million over 20 Years vs. Status Quo
- ▶ Solve Short-Term Staffing Concerns
- ▶ Reduce Environmental Footprint
- ▶ Better Use of Assets
- ▶ Increased Sophistication Needed for Environmental Compliance

GBMSD's Regionalization Plan

- ▶ Shut Down Solids Handling at De Pere, Transfer all Waste Activated Sludge to Green Bay
- ▶ Transfer 1/3 of Incoming Wastewater from De Pere to Green Bay
- ▶ Automate Operation of De Pere Facility
- ▶ Eliminate 18 Positions

Cost of GBMSD's Regionalization

- ▶ Due Diligence - \$350,000
- ▶ Legal - \$600,000
- ▶ Payment/Debt Assumption - \$8 Million
- ▶ Planning, Design, Construction - \$33.6 Million
- ▶ Staffing (Severance) - \$500,000

Challenges Throughout the Process

- ▶ Staffing – Cross-Training, Maintaining Appropriate Levels
- ▶ Culture Changes
- ▶ Regulatory – Air Emissions, WPDES Compliance
- ▶ Communication with Staff and Customers
- ▶ Legal
- ▶ Funding (ARRA Grant) Delayed Construction Schedule
- ▶ Worked Staff Very Hard!

Regional Municipal Environmental Services

- ▶ A GBMSD 2009 Strategic Plan Initiative
- ▶ “Through Tailored Partnerships, Provide Environmental Services to Other Municipalities Not Currently Served by GBMSD”
 - Exchange of Technical Expertise
 - Training
 - Regulatory Compliance Assistance
 - Administrative Services
 - Operation and Maintenance of Facilities
 - Ownership of Assets

Increasingly Stringent Regulations

- ▶ Phosphorus, 1.0 mg/L → 0.1 mg/L
- ▶ Nitrogen ?
- ▶ Air Emissions (Incineration)
 - Greenhouse Gases
 - Carbon Monoxide, Sulfur Oxides
 - Particulate
- ▶ Personal Care Products and Pharmaceuticals

Watershed Based Approach

- ▶ Now Responsible for Two of Seven POTWs Discharging in the Watershed
- ▶ TMDL Participation
- ▶ Water Quality Trading
- ▶ Solids Management Planning
- ▶ Household Hazardous Waste

Regulatory Issues with Regionalization

- ▶ Transfer of Permits
- ▶ Transfer of Loans and Grants (EPA Grant Repayment?)
- ▶ Ongoing Litigation
- ▶ Ongoing Regulatory Enforcement
- ▶ Speed of Decision Making

Political Issues with Regionalization

- ▶ Loss of Direct Control (\$ and Staff)
- ▶ Source of Revenue to Supplement General Fund
- ▶ Loss of Jobs
- ▶ Short-Term vs. Long-Term View of Issues
- ▶ Fear of the Unknown, Lack of Trust

Impacts of Low Cost Funding on Regionalization – Good and Bad

- ▶ Good: Can Improve Cost Effectiveness of Regional Investments
- ▶ Bad: Can Encourage Communities to Stay Independent

Was It Worth It?

- ▶ YES!!
- ▶ 20-Year Savings: \$60 Million→ \$75 Million (ARRA Grant)
- ▶ Improved Relations with De Pere
- ▶ Improved Communication with Customers
- ▶ Improved Relations with Staff

Lessons Learned

- ▶ More Time for Due Diligence
- ▶ Don't Negotiate Through Media
- ▶ Importance of Good Relationships with Regulators
- ▶ Speed of Executing the Deal – Good/Bad
- ▶ Be Careful of Promises Made
- ▶ Speak Respectfully of the Other Side
- ▶ Don't Underestimate \$ and Staff Time Required