

PROCEEDINGS OF THE CENTRAL BROWN COUNTY WATER AUTHORITY

Pursuant to Section 19.84 Wis. Stats, a regular meeting of the **Central Brown County Water Authority** was held on Wednesday, February 27, 2019 at the De Pere City Hall, Council Chambers, 335 South Broadway, De Pere, WI.

Present: Allouez – Christopher Sampson
Bellevue – David Betts
De Pere – Scott Thoresen
Howard – Geoff Farr
Lawrence – Kurt Minten
Ledgeview – Sarah Burdette

Also Present: Nic Sparacio, Manager
Don Voogt – McMahon, Assoc.
Gary Rosenbeck – McMahon, Assoc. (via telephone)

The meeting was called to order by President Burdette at 3:00 p.m.

Roll Call:

Roll Call was taken as recorded above.

Approval of the Agenda:

1. Approve agenda
Motion made by Howard, seconded by Bellevue to approve the agenda.
MOTION UNANIMOUSLY APPROVED

Approval of Minutes:

2. January 23, 2019 regular meeting
Motion made by Allouez, seconded by Lawrence to approve the minutes of the regular meeting of January 23, 2019.
MOTION UNANIMOUSLY APPROVED

Public Comment:

3. None

Appearances:

4. None

Administrative Actions & Reports:

5. SPLASH Study update and presentation
Burdette stated that the communities involved in the SPLASH Study have been sharing the project details with their boards and commissions over the month of February. Manager Sparacio explained the various steps and tools involved in the public rollout of the SPLASH Study. The media release will be happening soon, and Sparacio will keep everyone

informed of that timing. Sparacio then shared the SPLASH Study presentation that has been made available to all the stakeholders.

Chris Sampson asked for clarification on how the USEPA is encouraging collaborative projects like this. Sparacio responded that there are EPA programs aimed at helping small and mid-sized utilities in particular to share resources and expertise in order to improve compliance, efficiency, and resiliency. Utilities of all sizes are looking for ways to do more with limited resources, but this poses the biggest challenge for smaller utilities.

6. Green Bay emergency interconnect update

Sparacio explained that significant progress was made on this topic over the last month. The Green Bay Water Utility (GBWU), working with its engineering consultant, has completed a draft feasibility analysis and cost estimate for the potential emergency interconnection. Sparacio explained the two options that were considered by the analysis: a single interconnection approach, and a multiple interconnections approach. He stated that the big questions for the Water Authority to consider are:

1. Is an interconnection feasible in engineering terms?
2. Is the cost acceptable in comparison to alternatives?
3. If we interconnect, what additional future costs might we be committing to?
4. If we do not interconnect, what additional future costs might we be committing to?

Sparacio continued that while there are a few areas that he is still working to clarify with GBWU, there are some key findings of the draft analysis that are helpful:

1. From GBWU and Water Authority perspectives, an emergency interconnection is feasible in engineering terms.
2. A single interconnection is the least costly interconnection alternative. This approach reduces the project construction costs and the potential future costs of other water system improvements that could become necessary if water consumption grows in the future. The disadvantage of the single interconnection approach is that it does not improve vulnerability of the transmission main further downstream. The major advantage, in addition to lower cost, is that this approach creates an opportunity for a two-way interconnection that could also serve GBWU in an emergency.
3. Only average day demand volume would be available, so both the Water Authority and GBWU must enforce water conservation measures in an emergency.
4. At some point beyond 2035, it is anticipated that additional hydraulic capacity will be needed in the GBWU transmission mains. This means that the Water Authority may need to contribute to the costs of these improvements in the future in order to maintain its emergency water supply.
5. At some point further beyond 2035, additional raw water pumping capacity is also anticipated as a need in the GBWU water system.
6. The interconnection could flow both ways and also serve as a GBWU emergency supply, meaning that GBWU may be willing to share in the cost of constructing the interconnection.

Sparacio further explained the various alternatives for emergency water supply, including maintain the existing wells, constructing one or more interconnections with GBWU, and adding treatment to the existing wells. He compared the estimated costs of these alternatives and discussed the various other values that should be factored into our analysis of the economics behind the potential interconnection. These values include: project costs, operational costs, annual fees (readiness to serve), service rates (water consumption), cost-sharing with GBWU, potential future costs, water quality (customer impacts and distribution system impacts), and safety/resiliency. If we only consider the cost of maintaining the network of wells versus the cost of constructing the interconnection, then this does not make financial sense. We would need to consider all of these potential values if the Water Authority will be able to justify the costs of building and operating an interconnection.

Farr asked how a readiness to serve charge would be formulated and asked whether the volume of water the Water Authority could provide would enable GBWU to retire all of its wells. Sparacio responded that a readiness to serve charge has not been discussed in detail, but it would have to be prorated based on our proportionate abilities to serve each other's emergency supply. GBWU has more available capacity to serve the Authority than the Authority has available to serve GBWU. Sparacio has not seen data on whether GBWU could retire all of its wells. Burdette state that GBWU does have the same kinds of concerns with their well water quality as the Authority members. Farr stated that he sees the network of wells as an asset. In his view, they should not be abandoned even though we want to avoid using them due to the poor water quality. They could still serve an important purpose.

Sparacio explained the next steps in the discussion with GBWU and in creating a preliminary economic analysis. He asked for the Board's direction based on what they have seen so far. Betts asked how the route for the single interconnection option was derived. Rosenbeck responded that it is purely a conceptual route and would need to be studied further as part of a design process.

Burdette stated that, from her perspective, it makes sense to continue the discussion, get the clarifications we have requested from GBWU, and move forward with the economic analysis. Sampson asked for clarification on how this fits in with the SPLASH Study discussion. Sparacio responded that we have agreed with GBWU to keep the emergency interconnection as a separate discussion from the SPLASH Study. SPLASH has a broader scope and the interconnection discussions were already underway when the SPLASH Study started.

7. Proposals for Accounting Services

Sparacio updated the group on the results of the proposal review process. He has conducted interviews with the top two firms based on scoring of the written proposals, and Kerber-Rose performed best in the interview. He will continue vetting the finalists by contacting references, but assuming all goes well with that process, he is requesting authorization to proceed with contract development with Kerber-Rose. He will return to the next meeting with a draft contract for Board review.

Betts asked for an update on a concern listed in the proposal review regarding Kerber-Rose not having utility experience. Sparacio responded that this was clarified in the interview, and they have a depth of experience with municipalities and utilities.

Motion made by Howard, seconded by Bellevue to authorize the Manager to begin contract development with Kerber-Rose.

MOTION UNANIMOUSLY APPROVED

8. Report on water purchase expenses

Sparacio provided a six-year analysis of the Water Authority's water purchase expenses from 2013 through 2018. The analysis looks at total expenses paid to Manitowoc Public Utilities (MPU), volumetric charges (for water purchase and operations and maintenance), pass-through costs, take-or-pay charges, non-contract and miscellaneous service charges, the contract rate, and the effective rate.

9. Potential projects at Finished Water Pump Station update

Burdette stated that we have the opportunity with this agenda item to utilize a closed session. She also noted that the discussion on this topic at the last Technical Committee meeting was limited because of its close ties with our overall negotiations with MPU on various outstanding issues. Burdette read the closed session notice: The Board may go into closed session to discuss pending contract negotiations with Manitowoc Public Utilities pursuant to Wisconsin State Statute 19.85(1)(e), deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. The Board will then reconvene back into open session.

Motion made by De Pere, seconded by Allouez to go into closed session.

ROLL CALL VOTE WAS TAKEN: All ayes.

Motion made by De Pere, seconded by Bellevue to return to open session.

ROLL CALL VOTE WAS TAKEN: All ayes.

10. Financial report

Sparacio presented the February financial report and noted the changes to designated funds (Capital Projects and Renewal and Replacement Fund) per the 2019 budget.

Motion made by Howard, seconded by Allouez to approve the financial report.

MOTION UNANIMOUSLY APPROVED

11. Pay authorizations: vouchers

Sparacio presented the bill payment list. There are no changes to the list. Burdette noted that the monthly credit card bill was added to the report.

Motion made by Lawrence, seconded by De Pere to approve the Bill Payment List.

MOTION UNANIMOUSLY APPROVED

Technical Committee Recommendations:

- 12. Award Water System Improvement Contract A (Howard Booster Control Valves) to Reeke-Marold**

13. Award Water System Improvement Contract B (Automated Chlorine Shutoff System Improvements) to Reeke-Marold
14. Award Water System Improvement Contract C (Pipeline Repair Material Procurement) to August Winter and Sons

Items 12, 13, and 14 were discussed together. Sparacio provided an overview of the bids received for these projects and the discussion and recommendations by the Technical Committee. Thoresen recapped some of the discussion from the Technical Committee relative to how the adopted Capital Improvement Program (CIP) can still support these projects despite them coming in over the budgeted amounts. The Technical Committee bid award recommendations are reflected in each agenda item. Sparacio detailed the trade-offs in CIP line items that would allow for these projects to proceed as bid.

Motion made by De Pere, seconded by Bellevue to Award Water System Improvement Contract A (Howard Booster Control Valves) to Reeke-Marold, Water System Improvement Contract B (Automated Chlorine Shutoff System Improvements) to Reeke-Marold, and Water System Improvement Contract C (Pipeline Repair Material Procurement) to August Winter and Sons.

MOTION UNANIMOUSLY APPROVED

Project Update and Status Reports:

15. Engineer's Report:

Voogt stated that he had nothing to add beyond the bid opening report.

16. Manager's Report:

Sparacio provided a summary of items he worked on for the past month and his plans for the month ahead. He gave an update on how the SPLASH Study request for information is going. Thank you to all who have already responded, and please keep working on it for those who have not. This current data request is necessary for the Business Case Evaluation process, so detail and accuracy are very important. The consultants are finding that some areas are going to be difficult to make apples-to-apples comparisons, but it is possible with some clarification. They will be making some follow up calls to dig into this.

Old Business

17. None

New Business:

18. None

Next Meeting:

Suggested Agenda Items for next meeting on February 27, 2019:

There were no suggested agenda items, but it was noted that both the Board President and Vice President will not be available on March 27. An alternate date may need to be scheduled.

Adjourn:

Motion made to adjourn at 4:40 p.m.

MOTION UNANIMOUSLY APPROVED

Central Brown County Water Authority
February 27, 2019

Respectfully submitted,
Nicolas Sparacio