

**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, May 23, 2018 at the DePere City Hall, 2<sup>nd</sup> Floor Riverview Conference Room, 335 South Broadway, DePere, WI

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**Present:** Allouez, Sampson, Bellevue-Betts, DePere-Thoresen, Howard-Farr,  
Lawrence-Wetzel, Ledgeview-Burdette

**Also Present:** Dave Vaclavik-Manager  
Gary Rosenbeck-McMahon, Inc.  
David Yeghiaian – Unique business Solutions

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

**Roll Call:**

Call the Roll for Attendance. Roll Call was taken as recorded above.

**Appointments and Election:**

1) **Confirmation of Member Appointments to the new Board:**

- a. Village of Allouez – Christopher Sampson
- b. Town of Lawrence – Patrick Wetzel
- c. Town of Ledgeview Alternate – Dave Strelcheck

**Motion made by DePere, seconded by Betts to approve member appointments to the new Board as follows:**

- a. Village of Allouez – Christopher Sampson
- b. Town of Lawrence – Patrick Wetzel
- c. Town of Ledgeview Alternate – Dave Strelcheck

**MOTION UNANIMOUSLY APPROVED**

2) **Confirmation of Member Appointment to the Technical Committee**

- a. Village of Allouez – Sean Gehin
- b. Town of Ledgeview – Dave Strelcheck

**Motion made by Allouez, seconded by Howard to approve Member Appointments to the Technical Committee as follows:**

- a. Village of Allouez – Sean Gehin
- b. Town of Ledgeview – Dave Strelcheck

**MOTION UNANIMOUSLY APPROVED**

3) **Election of Secretary/Treasurer to complete the 2018 Term:**

The Manager explained the duties and responsibilities of this position.

- Authorized co-signer on checks
- Reviews bills to be paid and checks written before approval at Board meetings.
- Has conversations with Auditor regarding finances of the organization

- Reviews/cross checks bank reconciliations. Responsible to go on line and approve check issues.

**Motion made by DePere, seconded by Howard to approve Patrick Wetzel as Secretary/Treasurer to complete the 2018 Term of Randy Tremi.**

**MOTION UNANIMOUSLY APPROVED**

**Approval of the Agenda:**

Approve Agenda

**Motion made by Delo, seconded by Wetzel to approve the agenda.**

**MOTION UNANIMOUSLY APPROVED**

**Approval of Minutes:**

Approve Minutes: February 28, March 28, April 18, and May 14, 2018

Error noted and corrected that some of the minutes had Randy Tremi in attendance

**Motion made by Farr, seconded by Wetzel to approve minutes of February 28, March 28, April 18, and May 14, 2018 as corrected.**

**MOTION UNANIMOUSLY APPROVED**

**Public Comment:** None

**Appearances:**

1) **David Yeghiaian regarding Strategic Plan:**

Mr. Yeghiaian indicated that he is present to discuss and update core items as follows:

1. **Update and Revise the MPU Agreement** – The Manager reported that MPU has expressed a willingness to discuss the contract and have set a revised meeting date for June 29<sup>th</sup> in Madison. The primary focus of the meeting will be to clarify contract language and establish a sustainable rate structure and agreement. Secondary issues to be brought forward include: (see below for details)

- 1) Replacement of CMF Plant Capacity at MPU
- 2) Finished Water Master Meter
- 3) MPU HVAC and Pump Optimization
- 4) Take or Pay Agreement

2. **Continue Discussions with Green Bay Water Utility for all collaborative agreements, including mutual back-up/emergency service agreement and any/all other items which make sense for joint collaboration** –

Although some information has been received, Manager Vaclavik reported that progress has been slow. The interconnection study has been completed and a report received from the consultant. It appears that interconnection is technically feasible if both entities reach 20 year estimated projections. The question is whether it is economically feasible. There are no financial projections for the study at this time. Vaclavik stated that Green Bay has raised questions regarding their potential benefit from sharing services, what is really being done, what will happen in the future with a new manager, what will it look like, etc.

3. **Green Bay Master Plan** – The Manager reported that he recently received a portion of the Master Plan for review. Further information is needed to conduct an analysis and develop a direction for the benefit of both the Authority and Green Bay. He explained this information includes an economic analysis, cost of starting up and maintaining wells, Green Bay's capacity to serve the Authority in an emergency or vice versa, what each would need to invest (benefit versus cost). Vaclavik indicated that if an interconnect plan doesn't make sense each can focus on their own resources.

Mr. Yeghiaian asked regarding the goal to create an RFQ to hire a consultant to work with the CBCWA to evaluate and prioritize items for collaboration with Green Bay based on savings, need/want and other factors. The Manager responded that two firms were contacted to provide qualification statements and a scope of work. An evaluation was done and the Authority and Green Bay have been discussing their respective evaluations.

**Administrative Actions & Reports:**

**1) Donation to Randy Trembl Memorial Fund**

Manager Vaclavik announced that the family of Randy Trembl has established a memorial fund in his name. The Authority did send flowers but has traditionally also made a donation in accordance with the wishes of family members of deceased former Board members.

Mr. Wetzel clarified that in discussions with Mr. Trembl's family, he understands dollars collected will be distributed between a number of local organizations and causes that Randy supported.

**Motion made by Ledgeview, Seconded by DePere to donate \$200 to the Randy Trembl Memorial Fund.**

**MOTION UNANIMOUSLY APPROVED**

**2) Donation to University of Wisconsin Green Bay**

NWTC has assisted the Authority on several projects in the past. Most recently, they created a stand for the 10<sup>th</sup> anniversary commemorative collage installed in a segment of the last piece of pipe installed on the Authority project. (Present for viewing at this meeting.) Leonard & Finco arranged for the stand creation as a student project and has suggested a contribution of \$300 to the College's Study Abroad Program.

**Motion made by Allouez, seconded by Lawrence to approve a \$300 donation to the NWTC Study Abroad Program for their creation of a stand for the 10<sup>th</sup> anniversary commemorative collage installed in a segment of the last piece of pipe installed on the CBCWA project.**

**MOTION UNANIMOUSLY APPROVED**

**3) Extension of Office Rental Agreement with the Village of Bellevue**

Vaclavik explained that the rental agreement with the Village of Bellevue has expired. At the recommendation of Board President Burdette, the Manager requested an extension through the end of 2018 to allow the Board and new manager to evaluate alternative options for office locations.

**Motion made by Howard, seconded by Allouez to approve an Extension of the Office Rental Agreement with the Village of Bellevue through the end of 2018. MOTION UNANIMOUSLY APPROVED**

**4) Selection of Consultant for Cooperation and Collaboration Evaluation**

The Manager explained that two groups have been interviewed who are interested in working with the Authority and Green Bay Water on the selection of a Consultant for Cooperation and Collaboration Evaluation; Raftelis with Leonard & Finco, and Jacobs (CH2M Hill) with Galardi Rothstein.  
(Also addressed above under Green Bay Master Plan.) No Action

**5) Amendment to CBCWA Formation Document**

The Manager reported that he has been working with Boardman Clark in the preparation of a significant amendment to the Water Purchase & Sale Agreement with members. As part of this effort, he is attempting to insure all of the governing documents are consistent beginning with the founding agreement. Modifications to the agreement are suggested as per the redlined document and instruction sheet provided. Vaclavik stated there is a required notification procedure to be followed before action can be taken. He suggests that the noticing process begin and set the June meeting for presentation of the amendment.

Briefly, the proposed modifications create two new member categories:  
**Equity Members** – Defined as the six existing members and any additional members who have satisfied membership requirements set by the Board; and  
**Customer Members** – Defined as Additional Members who have not yet fulfilled Board established membership requirements. It also makes changes to the supermajority voting requirements and creates Executive and Membership Committees with specific responsibilities and limits officer positions to Equity Members. There are other changes of less significance including deletion of registered agent language deemed no longer useful. No Action.

**6) CBCWA – Member Agreement Status Report**

A draft of the revised Water Purchase & Sale Agreement has been received from Boardman Clark. The Manager plans to have it ready for review and discussion at the June Board meeting. With Board concurrence, notice and draft resolutions could be sent to member communities for action at a subsequent Board meeting. No Action.

**7) Fitch Bond Rating Report:**

The Manager stated that he and Joe Murray had a phone conference with Fitch Rating Service. He was pleased to report that the rating has remained at AA-. A formal announcement was provided to Board members. No Action.

**8) Video Graphic Rights Agreement with the City of DePere:**

The City of DePere has provided significant assistance in the development of a video celebrating the 10<sup>th</sup> Anniversary of the Water Authority. DePere has requested that the Authority sign an agreement governing use of the material within the video. The Manager indicated he discussed this with Cole Buergi at Leonard & Finco who indicated it is a relatively standard agreement, guarding against improper editing or out of context use of the materials.

**Motion made by Lawrence, seconded by Allouez to approve the Video Graphic Rights Agreement with the City of DePere.**  
**MOTION UNANIMOUSLY APPROVED**

**9) Insurance Renewal – EMC:**

The renewal quote from Gallagher has been received for the annual liability insurance package. The Manager stated they have quoted a price of \$20,435, an increase of \$35 over last year's price. They have also offered to double the aggregate \$10 million umbrella coverage for an additional \$763. Vaclavik stated he doesn't know if this is a good choice or not and defers to the Board, although is asking to move forward with EMC one way or the other.

**Motion made by Delo, seconded by Wetzel to approve Insurance Renewal with EMC without the extra coverage. MOTION UNANIMOUSLY APPROVED**

**10) Financial Report**

The Manager reported that the representative at Alberts & Heling left abruptly late last week and financial reports are not currently available. He has discussed transition with Kurt Heling who expects to back on track shortly. Financial statements will be distributed as soon as they are available.

**11) Pay Authorizations: Vouchers**

President Burdette asked whether the invoice from the Novak Consulting Group is the final payment. The Manager agreed to confirm.

**Motion made by Howard, seconded by Bellevue to approve the Pay Authorizations: Vouchers. MOTION UNANIMOUSLY APPROVED**

**Technical Committee Recommendations:**

- 1) This committee did not meet in April.

**Project Update and Status Reports:**

**1. Engineer's Report:**

Gary Rosenbeck stated that he recently discussed a list of approximately 12 pending projects with Manager Vaclavik and President Burdette which include support to the Technical Committee and Board, issues with MPU, and issues with the Green Bay cooperative effort. In summary, Rosenbeck stated that this list includes efficiencies and responsibilities at the storage water facility; various treatments and drives on 2 of the 4 pumps; dispute with control system relating to the Hobart system; interconnect study with Green Bay; Master Plan; annual inspection with regard to corrosion control and leak detection; testing agreement with contractor available to all 6 communities; settlement on 48" pipeline; volume concerns; coagulant into water supply before membranes which will result in

additional cost; installation by MPU of a 10 mgd plant for themselves to free capacity which will impact the Authority.

Rosenbeck added that when he is not available, Don Voogt attends Board meetings and at this time is working on two active projects, one being plans and specifications for procurement of a valve for emergency situations; and two, an automatic shutoff for the chlorination system.

2. **Manager's Report:**

The following items are highlighted from the Manager's Report dated 5-23-2018:

- **Audit** – The audit report is in review at Baker Tilly and a presentation will be made at the June meeting.
- **Water Consumption** – Water sales continue to fall below expectations.
- **MPU (Manitowoc Public Utilities) Refer to #1 under Strategic Plan above**
  - o **Negotiations** – A letter has been received from MPU expressing willingness to discuss the contract on June 29 in Madison.
  - o **Replacement of CMF Plant capacity at MPU** – MPU intends to replace their membrane filtration system by 2020. By contract, a meeting was scheduled with the Manager, Sarah Burdette, Gary Rosenbeck and MPU at which time a Power Point presentation was viewed explaining MUP's logic and plans. A letter response has been issued.
  - o **Finished Water Master Meter** – This meter remains inaccurate at low flow rates and varies when different pumps are operational. As of yet, no fix has been proposed. A letter has been sent to MPU requesting an update and resolution.
  - o **MPU HVAC and Pump Optimization** - MPU has received bids for review of the HVAC and pumping systems at the finished water reservoir and pumping stations. They have not moved forward as there are conflicting views of who is obligated to pay for the work.
  - o **Take or Pay** – An invoice was received from MPU in the amount of \$94,219.23 representing an amount owed under the terms of the contract. This amount is being held in reserve based on advice from legal counsel. Apparently, the take or pay was not included in the PSC approved rate tariff and, as such, may not be an authorized charge in spite of being in the contractual agreement.
  - o **Addition of ACH Chemical Feed Equipment** – A letter was received from MPU related to the addition of chemical feed equipment and the addition of aluminum chlorohydrate (ACH) to improve the performance of the submerged membrane system. This will be on the next Technical Committee meeting agenda for discussion.

**Green Bay Water**

- **Emergency Interconnect** - A revised report has been received from AECOM and is in the process of review. Green Bay Water has shared a portion of their Master Plan with the Authority. The next step in the process appears to be a working meeting with the engineers to try and define specific costs and to implement a schedule so that an economic analysis can be made.

**Leonard & Finco**

- **Video Presentation** – Videotaping has been completed and editing complete. It should be available for local use as well as inclusion on the CBCWA website as soon as an agreement is signed with the City of DePere.

**Boardman Law Firm**

- **MPU** – Attorney Kobza is assisting in the negotiations of MPU contract amendments and rate development.
- **CBCWA Agreements** – The Manager is working with legal counsel on amendments to the Water Purchase and Sale agreement, By-Laws and the original agreement formalizing the Authority.
- **Document Retention Policy** – A policy will soon be ready for Board consideration.

**Old Business:** None

**New Business:** None

**Closed Session:**

The Board may go into Closed Session pursuant to Wisconsin State Statute 19.85 (1) (c) considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility. The Board will then reconvene back into Open Session.

Motion made by DePere, seconded by Lawrence to move into closed Session.

Roll Call: Present: Allouez, Bellevue, DePere, Howard, Lawrence, Ledgeview

Excused: None

**MOTION APPROVED UNANIMOUSLY**

Motion made by Lawrence, seconded by DePere to return to regular order of business.

Roll Call: Present: Allouez, Bellevue, DePere, Howard, Lawrence, Ledgeview

Excused: None

**MOTION APPROVED UNANIMOUSLY**

1. Reportable Action from Closed Session, if any:

Motion made by Lawrence, seconded by Bellevue to authorize President

Central Brown County Water Authority  
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**Burdette to negotiate and approve an Employment Contract with Nicolas Sparacio within discussed parameters.  
MOTION UNANIMOUSLY APPROVED**

**Next Meeting:**

Suggested Agenda Items for next meeting on June 27, 2018.

**Adjourn:**

**Motion made by Ledgerview, seconded by Lawrence to adjourn at 4:30 p.m.  
MOTION UNANIMOUSLY APPROVED**

Respectfully submitted,

Rae G. Knippel  
Transcription