

**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, July 25, 2018 at the DePere City Hall, Council Chambers, 335 South Broadway, DePere, WI

---

**Present:** Allouez-Chris Sampson, Bellevue-Diane Wessel, DePere-Scott Thoresen, Lawrence-Kurt Minton, Ledgeview-Sarah Burdette  
**Absent:** Geoff Farr-Howard  
**Also Present:** Manager Nic Sparacio  
Gary Rosenbeck-McMahon, Inc.

---

The meeting was called to order by President Burdette at 3:30 p.m.

**Roll Call:**

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

**Appointments and Election:**

1. Acceptance of Member and Alternate Member Appointments to the Board
  - a. Town of Lawrence (alternate) – Kurt Minton, Superintendent of Public Works
  - b. Village of Bellevue (member) – Diane Wessel, Village Administrator
  - c. Village of Howard (alternate) – Paul Evert, Village Administrator

Manager Sparacio brought forward discussion regarding protocol on acceptance versus adoption of member appointments to the Board. The by-laws do not require Board approval, but it has been the practice of the Board to bring the appointments forward for review.

**Motion made by DePere, seconded by Ledgeview to accept all appointments as presented. MOTION APPROVED UNANIMOUSLY**

**Approval of the Agenda:**

Approve Agenda

**Motion made by Lawrence, seconded by DePere to approve the agenda. MOTION UNANIMOUSLY APPROVED**

**Approval of Minutes:**

Approve Minutes: June 27, 2018 Regular Meeting Minutes and July 10, 2018 Special Meeting Minutes

**Motion made by Ledgeview, seconded by Allouez to approve minutes of the regular meeting of June 27, 2018 and the special meeting of July 10, 2018. MOTION UNANIMOUSLY APPROVED**

**Public Comment:** None

**Appearances:** None

**Administrative Actions & Reports:**

1. **Update on 2017 Audit:**  
Sparacio reported that he has had an initial phone conference with Baker Tilly to review audit findings. There will be a presentation of their audit at the August 29, 2018 Board meeting.

2. **Update on Records Retention Ordinance:**  
The adopted ordinance was published and is now in effect. Sparacio stated that a more detailed records retention policy is needed and he will be working on it in the months ahead.

3. **Report on Special Meeting of July 10, 2018 regarding Amendments to the CBCWA Formation Agreement:**  
Sparacio reported that former Manager, Dave Vaclavik, had been working with Boardman & Clark to prepare significant amendments to the Water Purchase and Sale Agreement with members. As part of that effort, Sparacio is attempting to ensure that all governing documents are consistent beginning with the Formation Agreement (Agreement Establishing the Central Brown County Water Authority). Modifications to the Formation agreement are an initial step in that overall process and have been presented and discussed at previous Board meetings.

Sparacio explained that the special meeting of the Board on July 10 was held to fulfill the advance notice requirements for amending the Formation Agreement. Each Board member and Alternate and each Municipal Clerk was provided with written notice of the meeting. At the July 10 meeting, there was one question for clarification and no other questions or comments on the proposed amendments. The proposed amendments and adopting resolution are now ready for action if the Board wishes to proceed. If approved, the amendments must then be forwarded to the Secretary of State and then become effective.

4. **Financial Report:**  
Sparacio reported that he is still working out some issues with Alberts & Heling but significant progress has been made. The report for June was distributed for review and approval.

**Motion made by DePere, seconded by Lawrence to approve the Financial Report. MOTION UNANIMOUSLY APPROVED**

5. **Report on 2019 Budget Process:**  
Manager Sparacio reported that work on the 2019 budget is underway and was an area of focus during the manager transition. Members have provided their annual flow projections and the audited 2017 finances should be ready in the near future. He anticipates that he will present a draft budget at the August Board meeting in advance of the September 1 annual deadline.

At the request of Scott Thoresen, Manager Sparacio agreed that a draft will be available to Board members for their review prior to the August meeting presentation.

President Burdette explained the rate stabilization program at the request of a new member.

6. **MPU Take or Pay Invoice:**

The Authority has been holding an invoice from Manitowoc Public Utilities for disputed 2017 take-or-pay charges. Manager Sparacio explained that this invoice was discussed among various topics at a meeting with MPU on June 29<sup>th</sup>. At that meeting, an agreement could not be reached regarding the validity of the charges, but the CBCWA agreed to take two actions: 1) to place the invoice on a future Board agenda for discussion and potential approval, and 2) to send a letter to the Public Service Commission attorney seeking guidance on the issue (copy distributed to Board members along with the latest copy of the MPU invoice).

Sparacio explained that he has not heard back yet from the inquiry submitted to the PSC attorney, but that Attorney Kobza's advice has changed on this. She is now advising that the bill be paid regardless of the PSC advice. If the PSC is willing to take up this question, and they find in the Authority's favor, MPU would then be obligated to refund the Authority.

There will be an update on this item at the next Board meeting, and the bill will be listed as a separate agenda item for further consideration at that time.

7. **Pay Authorizations: Vouchers:**

Vouchers were reviewed for payment.

**Motion made by DePere, seconded by Allouez to approve the Voucher List.  
MOTION UNANIMOUSLY APPROVED**

**Technical Committee Recommendations:**

1. **Engineering (Master Services) Agreement with McMahon Associates, Inc.**  
Mr. Rosenbeck asked that for accounting purposes the Engineering Agreement, between McMahon Inc. and the CBCWA be changed to McMahon Associates and the CBCWA. Those contracts presently under McMahon Inc will continue until they expire. The Technical Committee has reviewed this agreement and is recommending approval.

**Motion made by Lawrence, seconded by DePere to accept the recommendation of the Technical Committee and approve the Engineering Agreement with McMahon Associates, Inc.  
MOTION UNANIMOUSLY APPROVED**

2. **Task Order #1 on Agreement with McMahon Associates, Inc.**

This Task Order is in need of the same change as the Master Services Agreement. The Technical Committee has reviewed this agreement and is recommending approval with the start date amended to August 1<sup>st</sup>.

**Motion made by DePere, seconded by Bellevue to approve Task Order #1 – Agreement with McMahon Associates, Inc. with a start date of August 1, 2018.**

**MOTION UNANIMOUSLY APPROVED**

**Project Update and Status Reports:**

1. **Engineer's Report:**

Gary Rosenbeck reported on the two projects McMahon is currently pursuing DNR approval, those being 1) Pipe repair parts for the 48" pipe line; and 2). Automatic shutoff for the chlorination system. We are still awaiting DNR approval. Rosenbeck further reported on the emergency interconnect study with Green Bay Water Utility. A letter has been drafted asking for cost options for either one major interconnection, or multiple interconnections. Benefit to both entities needs to be clarified for better understanding.

2. **Manager's Report:**

Manager Sparacio reported that he has been focused on organizing basic office functions, reviewing insurance, reviewing various projects and policies, and planning a tour of the treatment plant. He has been ramping up efforts with Green Bay Water Utility on both the interconnect study and the utility cooperation study. The kick-off meetings went well. His major focus in the month ahead will be the 2019 budget proposal.

There are a couple outstanding issues at this time, but overall, things are going very well. The time spent in transition with Dave Vaclavik was incredibly helpful. The current issues include some concerns that came up with the annual survey of the corrosion monitoring system, and the continuing delay with the 2017 audit. There will need to be some additional testing on the corrosion monitoring system, and this will go through the Technical Committee before the Board meets again. The delayed audit is a challenge in the budget process but will hopefully be overcome in the weeks ahead.

**Old Business:** None

**New Business:**

1. **Discussion and Action on Resolution 2018-01 Adopting Amendment to CBCWA Formation Agreement:**

Provided to the Board for review were files containing the Resolution specifying the proposed changes to the agreement as well as a restated copy that incorporates all changes into the original agreement. Manager Sparacio explained there have been no changes to the proposed amendments since the last meeting. Sparacio noted that approval requires at least a two-thirds majority, and he is recommending approval of the resolution.

**Motion made by Allouez, seconded by Bellevue to approve Resolution 2018-01 Adopting Amendment to CBCWA Formation Agreement.**

**MOTION UNANIMOUSLY APPROVED**

**Next Meeting:**

August 29, 2018

Central Brown County Water Authority  
July 25, 2018

Suggested Agenda Items for next meeting on August 29, 2018:

- 1) Presentation of 2017 Audit
- 2) Presentation of Draft Amendments to Water Purchase & Sale Agreement
- 3) Presentation of Draft 2019 Budget

**Adjourn:**

**Motion made to adjourn at 4:15 p.m.**  
**MOTION UNANIMOUSLY APPROVED**

Respectfully submitted,

Rae G. Knippel  
Transcription