

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, October 24, 2018 at the DePere City Hall, Council Chambers, 335 South Broadway, DePere, WI

Present: Allouez – Christopher Sampson
Bellevue – David Betts
De Pere – Scott Thoresen
Howard – Geoff Farr
Ledgeview – Dave Strelcheck
Lawrence – Patrick Wetzel

Also Present: Nic Sparacio, Manager
Gary Rosenbeck – McMahon, Inc.
Christine Demaster, Erik Granum – Trilogy Consulting
David Yeghiaian – Unique Solutions

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

Roll Call:

Roll Call was taken as recorded above.

Approval of the Agenda:

Motion made by Lawrence, seconded by Ledgeview to approve the agenda.

MOTION UNANIMOUSLY APPROVED

Approval of Minutes:

Motion made by Bellevue, seconded by Howard to approve the minutes of the regular meeting of September 26, 2018. MOTION UNANIMOUSLY APPROVED

Public Comment: None

CBCWA Member Meeting on Proposed 2019 Budget and Water Rates

1. **Presentation and member comments on proposed 2019 Budget and Water Rates:**
Manager Sparacio stated that the process for adopting the budget includes a formal hearing for which notice has been provided to each member’s municipal clerk. Since the budget proposal was last presented at the September Board meeting, Sparacio has responded to member questions and presented the budget proposal to the Village of Allouez Board of Trustees. There have been no changes to the budget document since the September Board meeting.

Vice President Farr requested that Manager Sparacio review the budget presentation for the Board. Sparacio reviewed the 2019 budget goals, influences, expenses, member charges, and rates. He also provided a history of member water use projections back to 2014, as this is a foundational component for understanding how member charges have changed over the years.

Chris Sampson asked for clarification on the breakdown of the final year of rate stabilization under the 2015 plan and funds. How was the stabilization weighted from 2019 to 2020? Sparacio responded that the intent is to split the difference so that the rate change would be in equal amounts over 2019 and 2020. He further explained that his goal will be to achieve a lesser rate change than projected for 2020 so that the rate increase in 2020 is actually lower than we are experiencing for 2019.

Scott Thoresen asked whether declining water use trends are expected to continue in future years. Sparacio reviewed the two projections that he had provided – one that indicates a continuing modest decline on a linear trend, and one that indicates a leveling off based on this year's increase in water consumption. Weather plays a large factor in water use, so these projections are not very reliable. Thoresen stated that communities became very aggressive with leak detection over the last 10 years, but this is largely complete. On that basis, there was a consensus that water consumption should be stabilizing and even starting to increase.

Patrick Wetzel asked when the last rate increase occurred. Sparacio responded that he believes the rate has increased every year. Dave Betts asked when the debt will be repaid. Sparacio stated the final payment year is 2034, so there are 16 years remaining.

**Motion made by Lawrence, seconded by Bellevue to open the member hearing.
MOTION UNANIMOUSLY APPROVED**

Farr asked for any member comments on the Proposed 2019 Budget and Water Rates. Hearing none, he requested that the hearing be closed.

**Motion made by Lawrence, seconded by Bellevue to close the member hearing.
MOTION UNANIMOUSLY APPROVED**

Appearances

1. David Yeghiaian for quarterly update on Strategic Plan:

Sparacio introduced David Yeghiaian and the five goals of the 2017 strategic plan. Yeghiaian reviewed the plan with the Board, noted progress, and updated timeframes for several items. Progress is being made relative to the relationship with Manitowoc Public Utilities, collaboration with the Green Bay Water Utility, the utility cooperation study, and the emergency interconnect study. Additional time is needed in the areas of expanding to reach new members, developing a public relations plan, and the onboarding process for Board members. A new task was identified of updating the long term financial plan for the Water Authority in time for the 2020 budgeting process.

Discussion ensued regarding the process to add new members to the Water Authority and how that relates to amendments to the Member Water Purchase Agreement. There was a consensus that the desired process should be defined first, and then the necessary revisions to the agreement should be developed to implement that process.

2. **Christine Demaster and Erik Granum of Trilogy Consulting for presentation on water purchase scenarios and long term financial projections:**

Farr 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 Lawrence, seconded by Allouez to go into closed session.

ROLL CALL VOTE WAS TAKEN: All ayes.

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

ROLL CALL VOTE WAS TAKEN: All ayes.

Administrative Actions & Reports:

1. **Consideration of 2019 Budget and Water Rates:**

Farr noted that the budget hearing has been completed and requested action on the proposed budget. Sparacio read from Resolution 2014-001 regarding the procedure (majority vote of the Board) for un-restricting a portion of the Maintenance, Repair, and Replacement fund.

Motion made by De Pere, seconded by Lawrence to adopt the 2019 Budget and Water Rates, to un-restrict up to \$300,000 from the Maintenance, Repair, and Replacement designated account for funding projects approved in the Capital Improvement Plan, and to direct the Manager to develop an unrestricted cash balance policy for consideration at a future Board meeting.

MOTION UNANIMOUSLY APPROVED

2. **Quotes for Property Insurance Coverage:**

Sparacio provided an overview of the quotes for property insurance coverage. He is recommending that the Water Authority accept Proposal 1 from EMC.

Motion made by Lawrence, seconded by Howard to authorize Manager Sparacio to bind coverage for EMC Proposal #1.

MOTION UNANIMOUSLY APPROVED

3. **Financial Report:**

Sparacio stated there will be another staffing change with the accounting firm, but they will provide better communication this time. The Authority continues to perform well against 2018 budget.

Motion made by Howard, seconded by De Pere to approve the Financial Report.

MOTION UNANIMOUSLY APPROVED

4. **Pay Authorizations:**

Sparacio stated that the October bills are as presented in the agenda packet.

Motion made by Lawrence, seconded by Ledgview to approve the Voucher List.

MOTION UNANIMOUSLY APPROVED

At this time Wetzel needed to be excused from the meeting for another commitment.

Technical Committee Recommendations:

1. **Authorization for McMahon to bid the Automatic Chlorine System Shutoff project:**

Sparacio stated that this is now approved in the 2019 budget, and the Technical Committee is recommending that the project be bid.

Motion made by Bellevue, seconded by De Pere to authorize McMahon to bid the Automatic Chlorine System Shutoff project.

MOTION UNANIMOUSLY APPROVED

2. **Authorization for McMahon to bid the 48" Valve Materials Acquisition project:**

Sparacio stated that this is now approved in the 2019 budget, and the Technical Committee is recommending that the project be bid.

Motion made by Bellevue, seconded by De Pere to authorize McMahon to bid the 48" Valve Materials Acquisition project.

MOTION UNANIMOUSLY APPROVED

3. **Rejection of bids for the Howard Booster Station By-Pass project and authorization for McMahon to rebid the project:**

Sparacio stated that the bid received was well above budget, and the Technical Committee is recommending that the bid be rejected.

Motion made by Bellevue, seconded by De Pere to reject the bid for the Howard Booster Station By-Pass project and to authorize McMahon to rebid the project.

MOTION UNANIMOUSLY APPROVED

Project Update and Status Reports:

1. **Engineer's Report:**

Gary Rosenbeck provided updates on the Green Bay Water Utility Emergency Interconnect project and the additional work by NIS on the corrosion monitoring system. The report from NIS is expected in the near future. Rosenbeck also noted that he will be available by phone or video conference for meetings through the winter months and will be available to Manager Sparacio whenever needed.

2. **Manager's Report:**

Sparacio provided a summary of items he worked on for the past month and his plans for the month ahead. He outlined his plans for a meeting with MPU next week. He informed the Board that Rae Knipple has retired from providing meeting minutes to the Water Authority, and the Board thanked her for her many years of service.

Old Business

1. **Utility Cooperation/Collaboration Study Sub-Agreement with Green Bay Water Utility:**
Sparacio stated that the sub-agreement for this project is being revised by GBWU, but the document was not ready in time for this Board meeting. He will bring it back to for the November meeting.

New Business: None

Next Meeting:

November 28, 2018

Suggested Agenda Items for next meeting on November 28, 2018: None noted at this time.

Adjourn:

Motion made to adjourn at 4:55 p.m.

MOTION UNANIMOUSLY APPROVED

Respectfully submitted,

Nicolas Sparacio