

**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, January 27, 2016 at the DePere City Hall, 2<sup>nd</sup> Floor, 335 South Broadway, DePere, WI

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**Present:** Allouez-Berndt, Bellevue-Gorall, De Pere-Delo, Lawrence-Treml,  
Ledgeview- Burdette  
**Excused:** Howard  
**Also Present:** Dave Vaclavik-Manager

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The meeting was called to order by President Sarah Burdette at 3:05 p.m.

**Roll Call:**

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

**Approval of the Agenda:**

Approve Agenda

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

**Approval of Minutes:**

Approve Minutes: December 16, 2015

**Motion made by DePere, seconded by Allouez to approve the minutes as presented. MOTION UNANIMOUSLY APPROVED**

**Public Comment:** None

**Appearances:** None

**Administrative Actions and Reports:**

1. **Safe Drinking Water Loan:**

As of this report, the Manager indicated that the Authority has accepted \$10,540,872.72 of the authorized loan of \$12,958,106.00. Contractor payment obligations have been met out of cash reserves since early fall, and the Authority continues to maintain substantial cash reserves. After processing current payment requests from contractors of \$623,830.44, the remaining project obligation is approximately \$308,000. In total, project cost will be about \$12,000.

After discussion with Vicki Hellenbrand at Baker Tilly Virchow Krause, the Manager is recommending that the Authority fund both current pay requests and remaining project obligations out of reserves. The Authority will retain more than adequate reserves to fund the designated fund requirements, planned rate stabilization rebates, and still have a healthy undesignated reserve.

**Motion made by Allouez, seconded by Lawrence to use existing reserves to finish construction and to finalize the Safe Drinking Water Loan at its current level. MOTION UNANIMOUSLY APPROVED**

2. **Allocation and Investment of Authority Reserve Funds:**

The Manager indicated that the CBCWA has a substantial amount of investable cash in various restricted and unrestricted fund accounts. At this time, the majority of holdings are in money market and checking accounts. Year-end balances in cash accounts are approximately \$14,380,226.21 between Johnson Bank Checking/MM/Investment, and BMO Harris Checking.

The Manager noted that the BMO Harris account will be closed and funds transferred to Johnson Bank once it is no longer needed to process Safe Drinking Water Loan disbursements. In addition, the Authority maintains a number of restricted funds, most of which have a balance as required by bond covenants or by Board directive. These funds total approximately \$8,680,973.16.

Technically this leaves an unrestricted fund balance of \$5,669.05, however if action #1 below is approved (Pay Authorization #17 to IEI in the amount of \$163,767.88), \$931,253 will be used to finalize payments on the Tank Construction Project, and \$2,289,080 will be reserved for rate stabilization. This leaves a practical unrestricted balance of \$2,478,920.05. Note is made that the debt service reserve is scheduled to receive monthly deposits of approximately \$680,000 to meet bond payment requirements during the year.

A checking account balance of approximately \$1.5 million generates enough funds to cover bank fees and will be maintained with transfers from the money market fund prior to monthly check issuance. After careful consideration, the Manager stated he would like to increase the invested funds portion of the reserves as these funds generate higher returns for the Authority.

He recommends that the Authority increase the investment fund to \$7,500,000, retaining \$5,266,127.36 in the money market to cover debt service obligations, O&M reserves, budgeted CIP, tank construction funds, and \$2,024,515.68 for cash flow and 2016 rate stabilization rebates. Vaclavik stated it is likely we will be able to increase the investment amount shown somewhat in the future, but sees this as a reasonable first step.

**Motion made by Howard, seconded by Allouez to increase funds in the Investment Account to \$7,500,000. MOTION UNANIMOUSLY APPROVED**

3. **True-Up and Rate Stabilization Compensation:**

A separate email regarding true-up and rate stabilization compensation was sent to members. At this time no changes are recommended. Please refer to e-mail or to packet material (Manager's Report) for details.

**Motion made by DePere, seconded by Allouez to approve True-Up and Rate Stabilization Charges and Rebates as recommended. MOTION UNANIMOUSLY APPROVED**

4. **Potential Broadcasting of CBCWA Board Meetings:**

Cost information, as requested previously from DePere, follows in regard to wages and fees per meeting to broadcast the Brown County Water Authority meetings:

- \$50 – To record the meeting.
- \$50 – For post-production and export.
- \$20 = To encode and upload to IQM2 servers
- \$20 – To encode and burn a DVD copy (additional DVD copies: \$3/each)
- \$20 – To encode and schedule on DePere TV
- \$65 – Share of IQM2 production software annual fee

Total \$225 per meeting

**Motion made by DePere to begin televising Board meetings. No Second.  
MOTION FAILED**

5. **Strategic Plan**

The Manager discussed with the Committee the draft Strategic Plan he will be asking the Board to adopt. Issues which he will be asking for direction from the Board include the following:

- To develop criteria and create a process to evaluate and handle new community requests while respecting rural sprawl concerns – To be completed by March 31, 2017.
- To create a draft plan by June 30, 2017 to determine which communities to consider for new membership structure. Which communities does the Board wish to consider?
- To begin discussions regarding prioritization and ROI of items to collaborate with each other. Discussions within CBCWA member communities first; and then expand to MPU and GBWU with a goal to achieve efficiency and be cost-effective.
- In parallel with collaboration discussions regarding shared services/joint purchasing with member communities and other regional entities; to consider pros/cons and determine a conceptual plan of becoming a Regional Water Authority by December 31, 2018.
- To create a set of “non-negotiables” (operating principles) for Board and Technical Committee by September 30, 2016 explaining how to act and collaborate. To also consider creation of a mission and operating principles.
- To create orientation and onboarding processes and materials by June 30, 2017.
- To create Succession Plans for Manager, Board, and Technical Committee.

The Manger indicated that in addition he would like the Board to consider the use of a consultant to provide research assistance relative to the following:

- To research and prioritize other models to establish/create a CBCWA best-practice model. This may include consulting services – consulting with member communities and expanding outside of external communities – similar to MPU – for guidance and expertise, a backup water supply, etc. The Manger will follow-up with details.

**Motion made by Howard, seconded by Ledgeview to accept the Strategic Plan as presented and to schedule special meetings to follow.**

**MOTION UNANIMOUSLY APPROVED**

**6. Financial Reports:**

There has been difficulty connecting to QuickBooks so reports are incomplete and will be distributed at a future date. No Action

**7. Pay Authorizations: Vouchers:**

**Motion made by Howard, seconded by Lawrence to approve payment of Pay Authorizations/Vouchers. MOTION UNANIMOUSLY APPROVED**

**Technical Committee Recommendations:**

**1. Pay Authorization #17 to IEI in the amount of \$163,767.88:**

**Motion made by DePere, seconded by Ledgeview to accept the recommendation of the Technical Committee to approve Pay Authorization #17 to IEI for partial payment in the amount of \$163,767.88.**

**MOTION UNANIMOUSLY APPROVED**

**2. Pay Authorization #18 to IEI in the amount of \$83,046.53:**

**Motion made by DePere, seconded by Ledgeview to accept the recommendation of the Technical Committee to approve Pay Authorization #18 to IEI for partial payment in the amount of \$83,046.53.**

**MOTION UNANIMOUSLY APPROVED**

**3. Change Order #5 to IEI in the amount of \$32,192.35:**

**Motion made by Howard, seconded by Allouez to accept the recommendation of the Technical Committee to approve Pay Authorization #5 to IEI for partial payment in the amount of \$32,192.35.**

**MOTION UNANIMOUSLY APPROVED**

**4. Pay Authorization #14 to DN Tank in the amount of \$377,016.03:**

**Motion made by Allouez, seconded by Howard to accept the recommendation of the Technical Committee to approve Pay Authorization #14 to DN Tank for partial payment in the amount of \$377,016.03 with \$50,000 to be held until completion of final documentation by the contractor.**

**MOTION UNANIMOUSLY APPROVED**

**5. Pay Authorization to August Winter & Sons for Energy Conservation Project in the Amount of \$19,976.50:**

**Motion made by Howard, seconded by Lawrence to accept the recommendation of the Technical Committee to approve payment to August Winter & Sons for the Energy Conservation Project in the amount**

**of \$19,9786.50, holding \$5,000 in retainage until drainage issues brought up by DePere are investigated and repaired.**

**MOTION UNANIMOUSLY APPROVED**

6. **Contact with McMahon, Inc. in an amount not to exceed \$30,500 for development of an Operational Plan to minimize energy costs for CBCWA and members:**

**Motion made by DePere, seconded by Lawrence to accept the recommendation of the Technical Committee to approve the Proposal from McMahon, Inc. for Development of an Operational Optimization Plan not to exceed \$30,500. MOTION UNANIMOUSLY APPROVED**

**Project Update and Status Reports:**

1. **Engineer's Report:**

As DN Tanks has completed construction and IEI is working on the control system and site restoration, there was no formal report at this time. Mr. Voogt indicated that proposals are anticipated for several projects at the January Technical Committee meeting.

2. **Manager's Report:**

Other items addressed and which are included in the Manager's Report include highlights of the following:

**Filter Media** – MPU continues to work on warranty repair/replacement of the filter media. To date all work has been done under warranty.

**Billing** – Some of the billing codes are being changed so that there is more accuracy in identifying and allocating expenses. Direct services provided by MPU and not included in the unit rate or pass through charges will be identified and billed separately.

**Leonard & Finco** – Updates to the website to include the adopted 2016 CBCWA budget are being made. A general review of the website will be undertaken in the near future. The Manager asked that if Board members have any suggestions to let him know.

**Master Plan** – The Technical Committee has requested a proposal from McMahon Inc. to develop a master plan in conjunction with Green Bay Water to look at how best to develop mutual emergency water supply capabilities.

**Boardman Law Firm –**

- **Easements** – Boardman is working on language for the transfer of remaining easements associated with the fiber optic system.
- **MPU** – Attorney Kobza is assisting in the negotiations of MPU contract amendments and rate development.
- **CBCWA Agreements** – The Manager will be working with Attorney Kobza into 2016 on amendments to the Water Purchase & Sale Agreement, By-Laws, and the original agreement formalizing the Authority, noting there are inconsistencies between the documents that need to be resolved which would benefit the Authority.

Central Brown County Water Authority  
January 27, 2016

**Old Business:** None

**New Business:** None

**Next Meeting:**

Suggested Agenda Items for next regular meeting: February 24, 2016

**Adjourn:**

**Motion made by DePere, seconded by Allouez to adjourn at 4:15 p.m.**

**MOTION UNANIMOUSLY APPROVED**

Respectfully submitted,

Rae G. Knippel  
Transcription