

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, June 22, 2016 at the DePere City Hall, 2nd Floor, 335 South Broadway, DePere, WI

Present: Bellevue-Gorall, De Pere-Thoresen, Howard-Farr, Lawrence-Trembl; Ledgeview-Burdette
Excused: Allouez
Also Present: Dave Vaclavik-Manager
Gary Rosenbeck-McMahon Inc.

The meeting was called to order by President Sarah Burdette at 3:00 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 Bellevue, seconded by Lawrence to approve the agenda as presented. MOTION UNANIMOUSLY APPROVED

Approval of Minutes:

Approve Minutes: May 25, 2016

Motion made by Lawrence, seconded by Howard to approve the minutes as presented. MOTION UNANIMOUSLY APPROVED

Public Comment: None

Appearances: None

Administrative Actions and Reports:

1. **Strategic Plan Discussion and Update:**

The Manager addressed goals and tasks of the CBCWA Strategic Plan, highlighting the following:

Goal #1 – Expansion

Task #1 – MPU Agreement – The Manager met with Vicki Hellenbrand and Lawrie Kobza on April 13 to review progress on a rate model and to discuss options. Ms. Hellenbrand will be working on an alternative that will be acceptable to the PSC based on current PSC practices to determine variances from the current agreement. In addition, the Manager, reported that he met with Nilaksh Kothari on April 15 to discuss alternative concepts to make the agreement and annual rate process simpler.

Task #2 – Green Bay Water Emergency Corrections – A productive meeting with AECOM was held at the McMahon office on April 21. AECOM has drafted a brief

statement outlining expectations for the joint effort that has been edited by the Manager and distributed to the Board. McMahon is under contract and it is expected that the fall completion goal will be met.

Task #3 – Criteria and Process for New Members – The Manager reported that this process has been accelerated due to an opportunity with the Village of Suamico. Substantial work has been done outlining proposed changes to Chapter 12 of the Water Purchase and Sale Agreement and legal counsel has issued a memorandum detailing the possibility of creating a subsequent member class with more limited rights on the Board. As of yet, there has not been any work on the issue of what criteria to use in selecting new members, however, the Suamico analysis does include forecasts of the potential rate impact and financial benefits associated with their potential membership. Legal counsel has been asked to begin work on formal language changes to the agreement.

Task #4– Identify Potential Future Members

Task #5 – Marketing

This work will start after consideration of proposed Purchase Agreement modifications and completion of the interconnect study with Green Bay Water. The Manager indicated it will be necessary to have discussion to decide if Francis Creek is a viable candidate.

Goal #2 – Infrastructure & Maintenance

Task #1 – Participate in GBW Master Plan Process – This plan is moving forward.

Task #2 – CBCW Optimization Study – This project is under contract with an expected late summer completion date.

Task #3 – Asset Management Plan – The Manager indicated that he has signed up for an asset management certification program to be completed in 2016/2017.

Goal #3 – Collaboration & Cooperation

The Manager indicated that he is considering the best approach to meet this series of tasks and will be making a formal recommendation to the Board soon. It is possible that outside assistance will be required and may need to be a budgeted item to move forward.

Task #1 – Research Best Practice Models – The Manager has been in contact with CDM Smith to determine if they have someone who could help with this task. He will be bringing to the Board in the near future.

Task #2 – Implement Best Practices – No progress as of this date.

Task #3 – PR/Marketing Plan – There has been limited work on this item to date, primarily focused on updates to the web site. There is a need to coordinate with members to consider focus on water quality and how to balance this goal with public conservation efforts.

Task #4 – Collaboration Priorities – Limited progress to date, although Green Bay Water has expressed interested in participating.

Task #5 – Regional Collaboration – Limited progress, although as above, Green Bay Water is interested in participation.

Task #6 – Evaluate Creation of a Regional Water Authority – No progress to date although discussion with Green Bay Water has been encouraging.

Goal #4 – Training & Education

Task #1 – Non-Negotiable Operating Principles – Meetings will be scheduled to develop a mission statement. A draft statement was circulated at the March Board meeting.

Task #2 – Orientation and on-Boarding Processes – The partial completion of a reference manual is awaiting comment. The Manager has also circulated samples from other communities and an agenda used by MPU in meeting with new members.

Task #3 – Succession Planning – The Manager announced that he plans to work another three years with retirement in the spring/summer of 2019.

Goal #5 – Value

Task #1 – Financial Management and Refinancing – All banking and investments have been moved to Johnson Bank. The Board has approved use of funds for reserves and rebates to members to control rate impact.

Task #2 – Debt Free in 2034 –Barring any unforeseen debt issuance the goal to be debt free in 2034 will occur as existing bonds are retired. The Safe Drinking Water Loan Debt was lowered by use of cash reserves to reduce borrowing by approximately \$2.5 million. The Board will need to evaluate calling existing bonds in 2024 and decide based on interest rates in place at that time.

Task #3 – Evaluate Grant Opportunities – At this time, the Manager reported that the CBCWA is eligible for Safe Drinking Water Loan financing. He will continue to observe “Flint, Michigan” related legislation for opportunities that will benefit the membership.

At this time, the Manager suggested that an RFP be prepared which would address the goals and tasks as defined. He indicated this would be a 2017 project, estimating the cost at \$100,000 to \$150,000.

The Manager addressed Goal #4 which relates to the drafting of a mission statement and reference manual. He asked Board members to review and send their comments to him so that they can be compiled for further review.

2. **Financial Reports:**

The Manager noted that a private conference call will be held with Springsted and Fitch tomorrow, June 23, to discuss bond evaluation and status.

Motion made by Lawrence, seconded by Howard to approve the Financial Reports for May 2016. MOTION UNANIMOUSLY APPROVED

3. **Pay Authorizations: Vouchers:**

A revised voucher list was distributed which included invoices from McMahon and from Digger's Hotline. Vaclavik pointed out that the second invoice from the Manitowoc Public Utility in the amount of \$26,000 is the result of errors found when preparing their rate case for electricity.

Motion made by Lawrence, seconded by Bellevue to approve the Pay Authorizations: Vouchers as presented. MOTION UNANIMOUSLY APPROVED

Technical Committee Recommendations:

Meeting Was Cancelled – No Action Items

Project Update and Status Reports:

1. **Engineer's Report:**

Gary Rosenbeck reported that the project at the Sobush property on County Trunk R is nearing completion with all parties happy with results.

In regard to the Optimization Study, Mr. Rosenbeck reported that McMahon has started the interview process with member communities and will also be working with MPU. He will be developing a strategy and an organizational plan which will look at optimizing energy and cost savings for communities and the Authority.

In addition, McMahon has started the Master Plan Project and is scheduled to finish that this fall in conjunction with the Green Bay Water Master Plan. A preliminary Memo of Understanding between the CBCWA and Green Bay was distributed related to expectations in a joint effort.

2. **Manager's Report:**

The Manager highlighted the following activities during the last reporting period:

Accounting Services – He has been researching accounting firms that may be interested in providing services to the Authority and will also be meeting with Green Bay Water to discuss their system. He is working on a scope of services to be used to provide a common basis for service quotes.

Francis Creek – The Manager reported that he was contacted by the Village of Francis Creek. The Village is planning to reconstruct a number of roads and has asked about the feasibility of installing water main at the same time in anticipation of receiving future water service from the Authority. He will be meeting with their engineer shortly.

CDM Smith Valve Replacement Protocol – As this project has lagged and is behind schedule, the Manager has contacted CDM Smith and has received a commitment to have completed documents by the end of this month.

Water Consumption – The Manager indicated that sales were up slightly for the month, although still down significantly for the year as compared to the same period in 2015.

He continues work on strategic plan issues, and with legal counsel on Water Purchase and Sale Agreement changes.

Old Business:

1. None

New Business:

1. **Pay Request #22 from IEI in the amount of \$38,383.25:**
Mr. Rosenbeck reported that all work has been completed by IEI, although \$10,000 has been held for punch list items. At the July meeting, he will present a complete project summary. McMahon continues to work with MPU on operational activities.

Motion made by DePere, seconded by Howard to approve Pay Request #22 from IEI in the amount of \$38,383.25. MOTION UNANIMOUSLY APPROVED

Next Meeting:

Suggested Agenda Items for next regular meeting: July 27, 2016

- Strategic Plan Status and Proposed RFP

Mr. Farr updated the Board on the Village of Suamico stating he was told that Suamico has had a request from Cedar Corp for information on the Authority system. Suamico has indicated that Cedar Corp will complete their analysis soon, after which time Schenck will review for capital costs, etc. Farr also confirmed with Suamico that they have received a proposal from the City of Green Bay. The third option Suamico is investigating relates to their well capacity and quality.

Adjourn:

**Motion made by DePere, seconded by Lawrence to adjourn at 3:28 p.m.
MOTION UNANIMOUSLY APPROVED**

Respectfully submitted,

Rae G. Knippel
Transcription