

**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, August 24, 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  
Gary Rosenbeck-McMahon Inc.  
David Yeghiaian

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The meeting was called to order by President Sarah Burdette at 1:30 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: July 27, 2016

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

**Public Comment:** None

**Appearances:**

1. **David Yeghiaian (will participate in Strategic Plan discussion)**  
Mr. Yeghiaian and Manager Vaclavik highlighted details of the Strategic Plan as noted below.

**Administrative Actions and Reports:**

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

**Goal #1 – Expansion**

**Task #1** – MPU Agreement – Negotiations on the agreement have stalled, although discussion with Vicki Hellenbrand at Baker Tilly may lead to a possible approach to moving forward. A meeting is scheduled with Mr. Kothari from MPU on 8-26 at which time it is hoped an agreement can be made on a process to continue discussions. The Manager informed the Board that matters to be discussed are related to technology, identification of specific costs, legislation, PSC requirements, etc. Mr. Delo recommended that the Authority develop a list

or new format related to legislative requests and ideas were suggested. The Manager noted that MPU does not plan to file a rate case in 2017.

Task #2 – Green Bay Water Emergency Connections – A conference call with the Green Bay Water Department Engineer is scheduled for tomorrow, August 25. McMahon has been working with member communities and is making progress on the evaluation of internal interconnect opportunities between members.

Task #3 – Criteria and Process for New Members – The proposal to the Village of Suamico has been well received and is under review. A decision is anticipated before the end of the year. Substantial work has been done outlining proposed changes to Chapter 12 of the Water Purchase and Sale Agreement and legal counsel has provided a first draft of language revisions for review. The Suamico proposal should serve as the basis for developing written guidelines for developing proposals for new members. Selection criteria for new members still needs formal development. The Manager stated he is in the process conducting an analysis of the financial proposal given to Suamico as compared to others.

Task #4 – Identify Potential Future Members & Task 5 – Marketing Materials - This work task will begin consideration of proposed purchase agreement modifications and completion of the interconnect study with Green Bay Water. Regardless, both the Villages of Denmark and Francis Creek may well prove to be viable candidates under the terms provided to the Village of Suamico. The Manager stated he intends to make contact with the Village of Denmark before the September Board meeting.

**Goal #2 – Infrastructure & Maintenance**

Task #1 – Participate in GBWU Master Plan Process

Task #2 – CBCWA Optimization Study

Task #3 – Asset Management Plan

Mr. Yeghian addressed these items with the Manager reporting that all tasks are moving forward.

It was noted that tasks are interrelated and could possibly be best accomplished through a comprehensive analysis performed by a competent management consulting firm. Because so many of the members have integrated Public Works/Utility Staff, it is particularly difficult to evaluate collaboration and consolidation alternatives without considering the impact and consequences on non-water services. Manager Vaclavik stated he would like further direction on tasks related to this goal, noting that progress will require willing participation by the member communities. Several suggestions were made by Board members along with a lengthy discussion relative to this request for direction in the following areas:

- Research of Best Practice Models
- Implement Best Practices
- Collaboration Priorities
- Regional Collaboration
- Evaluation/Creation of a Regional Water Authority

Mr. Yeghiain summarized this conversation, prioritizing the various suggestions. Whether to include Green Bay, Ashwaubenon, or other outlying communities in this collaboration was discussed with the consensus that could be accomplished over a long-range period. Mr. Delo suggested a scope be developed before including outside areas, with Mr. Yeghiain and others pointing out concerns related to fire service, maintenance of systems, central billing, etc. The Manager agreed to develop a timeline for future use.

### **Goal #3 – Collaboration & Cooperation**

Task #3 – PR/Marketing Plan – The Manger indicated that work is underway on a complete revamping of the website. The year 2017 will mark ten years of continuous service for the Authority and may serve as a partial basis for increased PR efforts.

### **Goal #4 – Training & Education**

Task #1 – Non-Negotiable Operating Principles

**Mission Statement** - The second draft of the Mission Statement was presented as follows for further discussion and consideration.

*“Provide member communities a high quality, plentiful, sustainable, cost-effective water supply. The Central Brown County Water Authority supports local, inter-municipal, and regional water strategic planning efforts and capital projects that benefit the short and long term needs of the member communities. The Central Brown County Water Authority supports community knowledge about their water supply and transparency in decision making processes ensuring the confidence of our members and their citizens, businesses, and visitors.”*

**Operating Principles** – (See provided handout listing all operating principles.)

The Manager and Mr. Yeghiain pointed out items in the list that have been changed or added, among them in addition to others include the following:

*#4 – Modification to the Water Purchase and Sale agreement requires approval of 75% of member communities (Currently 5 of 6) thereby protecting minority rights.*

*#5 – Membership in the Authority is permanent.*

*#12 - The Authority prepares and adopts an annual (calendar year) budget. Costs are spread to members based on their current percentage of water consumption. Future benefits or capacity demands are not factored into cost allocation.*

*#16 – The Authority may consider the local and regional economic impact as part of its review process for service requests.*

*#19 – The Authority will promote public water supplies and work to enhance public awareness of related issues.*

Debt service was addressed and emergency funding, pointing out there are no major capital improvements planned in the near future. Also under this category are Task #2 – Orientation and On-Boarding Processes, and Task #3 – Succession Planning.

**2. Logo Design Proposal:**

Manager Vaclavik indicated that one of the major goals associated with the strategic plan is the development of a “cool” logo. Leonard & Finco has suggested a design firm and obtained a proposal from Schinken Design in the amount of \$700 to \$750. When Mr. Delo asked the necessity for the website, the Manager explained there are a surprising number of hits on the site and he did feel it important to have it.

**Motion made by Allouez, seconded by DePere to approve the Logo Design Proposal. MOTION UNANIMOUSLY APPROVED**

**3. Discuss Draft 2017 Budget and CIP and schedule date and time for Joint Meeting with Members.** A joint meeting will be held with members to discuss budget.

The draft 2017 Budget and CIP was distributed. The Manger indicated that MPU has requested additions to the CIP for replacement items at the treatment plant. The obligation of the Water Authority is unclear in the agreement and will need to be further discussed.

The Authority is required to deliver a draft of the budget to member communities by September 1<sup>st</sup> , in addition to scheduling a date and time for a joint meeting with members no sooner than 30 days from the date of delivery. The Manager has suggested that this meeting be held at the regularly scheduled October 19<sup>th</sup> Board meeting of the Water Authority.

The Manager reported that due to a decrease in water sales, a rate increase of 10% is expected over last year’s 6%. Rebates have increased over what was originally planned. The capital budget for 2017 will be \$400,000, \$200,000 of which will be in the reserve fund. A secondary issue addressed by the Manager involved utility expenses for the City of DePere. At this time, there is not an agreement.

**4. Financial Reports:**

Financial reports through the end of July 2016 were distributed for review.

The last meeting resulted in a question regarding an increase in electrical costs. The Manager noted that “back billing” in the amount of approximately \$26,000 was the result of MPU electrical utilities being under-billed for a period of two years.

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

**5. Pay Authorizations: Vouchers:**

A voucher list for the month of July was presented for review and consideration. Those of note were from Iron Mountain Property Management and McMahon.

**Motion made by Lawrence, seconded by DePere to approve Pay Authorizations: Vouchers. MOTION UNANIMOUSLY APPROVED**

**Technical Committee Recommendations:**

**1. Release of Retainage in the amount of \$10,000 to IEI for completion of their work on the Storage Tank project.**

The Manager recommended payment of the \$10,000 retainage to IEI for completion of the storage tank project. Although work has been completed, the Manager stated it is likely there may be some additional adjustment.

**Motion made by DePere, seconded by Allouez to accept the recommendation of the Technical Committee and approve the release of Retainage in the amount of \$10,000 to IEI for completion of their work on the Storage Tank project. MOTION UNANIMOUSLY APPROVED**

**2. Change Order in the amount of \$5,600 to Holschbach Excavation for Site Restoration on Sobush property:**

A Change Order in the amount of \$5,600 to Holschbach Excavation for site restoration on the Sobush property was presented for payment. The amount of \$3,600 had been anticipated related to storm damage, however, additional repairs were followed almost immediately due to another major storm which required additional work. As there has been minor damage since, McMahon is looking for quotes from professional landscapers for final repairs.

**Motion made by Allouez, seconded by Bellevue to accept the recommendation of the Technical Committee and approve the Change Order in the amount of \$5,600 to Holschbach Excavation for Site Restoration on Sobush property. MOTION UNANIMOUSLY APPROVED**

**3. Pavement Repair Request from Manitowoc County Highway:**

Manager Vaclavik explained that this request relates to road deterioration in the vicinity of the CBCWA water main on CTH R in Cooperstown and on Goodwin Road in the Town of Manitowoc. The Manitowoc County Highway Department has contacted him regarding this damage, asking for assistance in making repairs. The Manager, along with Gary Rosenbeck, met with the Highway Department and inspected the area. The Water Authority does have water main under the pavement in each location. For the most part, Vaclavik stated, that these roads would have been paved in 2005. Estimated cost of repair by County crews is \$22,000 with a good probability it could be considerably less. Noting the age of the pavement and the limited time period of the warranty, Vaclavik has recommended that the CBCWA contribute the cost of asphalt and the rental of the milling machine that would be used for the project and that the County/Town of Manitowoc contribute the labor and County equipment costs.

A response from the Manitowoc County Highway Department states the following: *“These problem areas are only where the water line was dug in the roadway. Manitowoc County will not be responsible for the cost of maintaining these problem areas. All towns and villages with utilities in the county roadway take care of any settling from construction and lowering and raising of manholes. Right now, this section of CTH R is a safety concern because the area that settled holds water and it cannot get off the roadway. The price to fix these areas are just estimates. I would think we would be lower on these projects. The price of the mill should be a lot cheaper if I can schedule that with another project that we have mid-September. Let me know what you come up with on your end. We need to get this work done soon, as these areas are safety concerns. Thank you!”*

The Manager informed the Board that he has a call into legal counsel, however, stated he does not believe the Authority is under any legal obligation to make the repairs. On the other hand, the Manager indicated he would like to maintain good relations with the County, opining that the offer is reasonable ten years post construction.

The Manager was directed to determine liability/obligation with legal counsel and act accordingly.

#### **Project Update and Status Reports:**

##### **1. Engineer’s Report:**

Gary Rosenbeck of McMahan, Inc. updated the Board on recent engineering activities stating that all contractors have been paid. Another project related to collaboration with the Green Bay Water Utility is underway with a progress conference call scheduled for August 25.

Mr. Rosenbeck also gave highlights of the Optimization Study related to water quality and pumping from the reservoirs of the member communities which he would like to address further in the future.

##### **2. Manager’s Report:**

The Manager explained that AquaHawk is a third party software package that makes use of the data from the Sensus water meters to monitor consumption and generate alarms for unusual flow patterns. Residents can sign up to access their own meter records and monitor their consumption activity. Alarms set up by the Village identify unusual flow patterns than can be investigated and have resulted in identifying problems that can be addressed and corrected by residents well in advance of receiving their utility bill. The system will allow users to be able to use data to spot system leaks by coordinating meter data with master flow data for a given zone. The system has some impressive capabilities. The Manager stated that he spoke with the vendor and arranged a web based demonstration, not only for the CBCWA, but also the City of Appleton, and the Town of Grand Chute. This demonstration was held on August 19. He explained that annual maintenance pricing is based on the number of accounts with discounts at various levels until reaching 25,000 meters at which point the cost drops to

\$1.25 per account per year. Because meters can be purchased together, AquaHawk is willing to base the fee on the collective total number of accounts. Howard has already purchased the system and is paying \$2.00 per account for approximately 7,000 accounts so would benefit from an increased account total. The Manager will be following-up to determine level of interest and future steps.

Other items addressed in the Manager's written report include the following:  
**Village of Suamico** – A follow-up meeting was held with Suamico's engineer to review the proposal offered by the CBCWA. At this time the proposal is being evaluated and will then be sent to the Village's financial advisor before coming back to the Village for consideration. Vaclavik stated he expects a decision by October/November.

**Accounting Services** – The Manager indicated that he has been researching accounting firms that may be interested in providing services to the Authority. He has also met with the Green Bay Water Utility to discuss their level of interest and they have declined. He is working on a scope of services document that can be used to provide a common basis for service quotes.

**Emergency Generator Installation at Connection Stations** – Vaclavik stated that the Technical Committee has discussed the addition of standby emergency generators at the various connection stations and where this responsibility would fall. It was determined that the Board had established a 50% cost sharing as a policy as the standard in response to a request from Howard some years back. He stated it is likely that this issue will come up in the next fiscal year in the form of a similar request from DePere.

**Old Business:**

1. None

**Next Meeting:**

Suggested Agenda Items for next meeting on September 28, 2016

**Adjourn:**

**Motion made by Lawrence, seconded by DePere to adjourn at 3:40 p.m.**

**MOTION UNANIMOUSLY APPROVED**

Respectfully submitted,

Rae G. Knippel  
Transcription