

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 17, 2011, at the DePere City Hall Board Chambers, 335 South Broadway, DePere, WI

Present: Allouez – Berndt, Bellevue - Oppenheimer, DePere-Delo, Howard-Bartelt,
Lawrence – Treml, Ledgeview-Burdette
Also Present: Dave Vaclavik – Manager

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

Roll Call:

Call the roll for attendance. Roll call was taken as noted above.

Approval of Agenda:

Approve Agenda

Motion made by Bellevue and seconded by Ledgeview to approve the agenda.

MOTION APPROVED UNANIMOUSLY

Approval of Minutes:

Approve Minutes: July 20, 2011

Motion made by DePere and seconded by Bellevue to approve the minutes.

MOTION APPROVED UNANIMOUSLY

Appearances:

1. **M&I Bank/BMO Financial – Dave Ness, Brad Charapata, Julie Hamby**
Representatives from M&I Bank/BMO Financial presented themselves to the Board and discussed their interest in managing a portion of the CBCWA investment portfolio. They discussed their investment capabilities, firm experience, recent merger and their knowledge of investment practices and opportunities in Wisconsin. They had met previously with Manager Vaclavik to walk through their capabilities in greater detail.

Administrative Actions & Reports:

1. **2012 Draft Budget and Rate Projection:**
The Manger reported that preliminary work on the 2012 budget is complete. Through proposed use of reserves, total member charges will decline by approximately \$380,000 and the rate per 1000 gallons will remain at the 2011 rate of \$4.16. The budget includes dollars for legal fees associated with litigation, and the CIP defers any significant system investment until 2016. The draft budget has been sent to Baker Tilly for their review. The preliminary budget will be sent to members by early September with a final hearing date of October 19th suggested.
2. **Investment of CBCWA Funds:**
Vaclavik presented paperwork for the investment between the Water Authority and Dana Investments for the appropriate signatures. He also presented information from Wells Fargo relative to short term investment opportunities with local institutions. Based on discussion with

M&I Bank/BMO Financial and their presentation to the Board, it was recommended that \$4,000,000 be invested with their firm.

Motion made by De Pere and seconded by Bellevue to authorize investment of \$4,000,000 with M&I Bank/BMO Financial
MOTION APPROVED UNANIMOUSLY

3. **Financial Reports:**

Financial reports for the last reporting period were presented for review. Vaclavik indicated that the Authority continues in solid financial condition.

Motion made by Bellevue and seconded by Lawrence to approve.
MOTION APPROVED UNANIMOUSLY

4. **Pay Authorizations/Vouchers:**

Motion made by DePere and seconded by Ledgeview to approve.
MOTION APPROVED UNANIMOUSLY

5. **Wisconsin Acts 10 and 32:**

The Manager explained that Acts 10 and 32 apply to the CBCWA in the areas of employee pension contribution and adoption of a grievance policy. He indicated the Authority has no option but to comply.

a. **Resolution regarding Pre-Tax Contributions:**

A resolution prepared by the Boardman Law Firm designating that employee pension contributions be pre-tax was reviewed. Although the State Act above refers to this, both Boardman and Baker Tilly have recommended independent adoption of a resolution.

Motion made by DePere and seconded by Ledgeview to approve.
MOTION APPROVED UNANIMOUSLY

b. **Grievance Policy:**

The Manager will be providing a formal grievance policy so that the CBCWA is in compliance with State Law at the September meeting. No Action

6. **Employment Agreement with CBCWA Manager:**

Vaclavik explained that the Employment Agreement he presently has with the CBCWA includes pension language contrary to provisions of Wisconsin Acts 10 and 22, in addition to other provisions related to his former business. He requested that the Board authorize the President to negotiate revisions to the agreement.

Motion made by Bellevue and seconded by Allouez to authorize the President to negotiate revisions to the existing Employment Agreement.
MOTION APPROVED UNANIMOUSLY

Technical Committee Recommendations

1. **Recommend that the Authority enter into a 3-year contract with Hach Co. for annual maintenance and warranty of the eight (8) Chlorine analyzers at an annual cost of \$7,056 (\$21,168 total):**

Vaclavik explained that discussion by the Technical Committee resulted in a recommendation that the Authority enter into a 3-year contract with Hach Company for annual maintenance and warranty of their eight chlorine analyzers at an annual cost of \$7,056 (Total - \$21,169). He explained that this represents a discount for all member participation and locks prices in for three years. The service plan includes a complete warranty on the equipment over the term of the contract.

Motion made by De Pere, seconded by Howard to accept the recommendation of the Technical Committee that the Authority enter into a 3-year contract with Hach Co. for annual maintenance and warranty of the eight (8) Chlorine analyzers at an annual cost of \$7,056 (\$21,168 total). MOTION APPROVED UNANIMOUSLY

2. **Recommend that the Authority issue a Purchase Order to Hach Co. for a 1-year supply of reagents for the chlorine analyzers at a cost of \$4,358.55:**

The Technical Committee has recommended that the Authority issue a purchase order to Hach Company for a 1-year supply of reagents for the chlorine analyzers at a cost of \$4,358.55. Vaclavik explained that the Authority made a similar purchase last year and receives a discount for bulk purchase.

Motion made by Howard, seconded by Lawrence to accept the recommendation of the Technical Committee that the Authority issue a Purchase Order to Hach Co. for a 1-year supply of reagents for the chlorine analyzers at a cost of \$4,358.55. MOTION APPROVED UNANIMOUSLY

3. **Recommend that the 2012-2021 Capital Improvement Plan be approved:**
Vaclavik explained that the 2012-2-21 CIP Plan defers capital expenditures as long as possible to hold rates down and take advantage of potential refinancing in early 2016.

Motion made by Lawrence, seconded by DePere to accept the recommendation of the Technical Committee and adopt the proposed 2012-2021 Capital Improvement Plan. MOTION APPROVED UNANIMOUSLY

Project Update and Status Reports:

1. **Engineer's Report:**

The following engineering activities were highlighted over the last reporting period:

- GIS system – Excel Engineering has completed field locating of the 48 inch pipeline and is working on the remainder of the system. McMahon is integrating data and estimates completion within two months.
- Pressure/Leak Testing of 48-inch Pipeline in Contract H – Testing was completed in less than 6 hours with results finding no leakage at any of the 10 valves, nor any pressure loss.
- Corrosion Assessment – Corrosion Protection Management has provided a draft report for review. At this time they have recommended installation of an induced current cathodic protection system on the 48 inch steel pipeline. McMahon has submitted questions and comments and await a response.
- Air Release Valves – Engineering Services has been engaged for the design of the pressure relief valves at BE-1 and LW-1 per the agreement approved in July.

2. **Manager's Report:**

Vaclavik highlighted activities during the last reporting period:

- AE-COM – A meeting with Tony Bouchard of AE-COM to discuss differences resulted in the hope of possible mediation. Details to be discussed in Closed Session.
- Meter Systems – Members are investigating upgrading to automated meter reading systems that would eliminate the need for use of in-field personnel for this task. A meeting has been held with Sensus, and a second is scheduled for September with Badger Meters. Discussions are also being held with the Towns of Grand Chute and Greenville regarding possible collaboration.
- Conservation – Earlier this year, the Board approved matching funds for promotional/conservation efforts. To date, only Bellevue has applied for funds.
- 2012 Rate Case – Working with MPU and Ruekert-Mielke to develop a structure that meets contractual requirements and also satisfies the PSC.

Operations Update:

- Pressure Reduction at Ledgeview – The operating protocol for lower pressure in the 48” transmission main at Ledgeview has been approved by the DNR.
- Joint Chemical Purchase – Information related to the possibility of MPU joining with Green Bay and Oshkosh in making joint chemical purchases is being compiled.
- Valve Exercising – While the system was down for testing, MPU exercised the 48” valves on Contract I. The remaining valves will be exercised in August in conjunction with the work on Contracts C, G, & I.
- Claim for Sewer Lateral Repair on Grant Street – This claim involves a collapse potentially caused by material settlement within the water main trench. It has been turned over to the insurance company for processing.
- Drain Tile – Shoto Road – Tile has been repaired and determined to be caused by fiber optic cable installation. Responsibility will fall to the CBCWA as a result of construction project.

New Business:

1. **Request from MPU to begin 2-year cycle for testing of system meters:** Discussion was held regarding this request and no action was taken to change the annual requirement. The Manager was to advise MPU that the 2011 test cycle could be by-passed and that individual determination would be made in future years as requested..
2. **Authorize Purchase Order with Great Lakes TV Seal, Inc., for time and materials effort to pressure and monitor 48” pipeline on Contracts C, G, & I for leak detection effort:**

Motion made by De Pere, seconded by Allouez to authorize a Purchase Order with Great Lakes TV Seal, Inc., for time and materials effort to pressure and monitor 48” pipeline on Contracts C, G, & I for leak detection effort. MOTION APPROVED UNANIMOUSLY

Old Business:

1. None

Closed Session:

The Board may go into closed session to discuss pending litigation pursuant to Wisconsin State Statute 19.85 (1)(g) conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved. The Board will then reconvene back into open session.

Motion made by De Pere, seconded by Bellevue to enter into Closed Session.

Roll Call: All Present. MOTION APPROVED UNANIMOUSLY

**Motion made by Howard, seconded by DePere to return to regular order of business.
Roll Call: All Present. MOTION APPROVED UNANIMOUSLY**

Next Meeting:

1. **Suggested Agenda Items for Next Meeting September 21, 2011:**

**Motion made by Allouez, seconded by De Pere to adjourn at 4:40 p.m.
MOTION APPROVED UNANIMOUSLY**

Respectfully Submitted,

Rae G. Knippel
Recording Secretary