

**PROCEEDINGS OF THE CENTRAL BROWN COUNTY WATER AUTHORITY**  
**ADMINISTRATIVE COMMITTEE**

Pursuant to Section 19.84 Wis. Stats, a regular meeting of the **Central Brown County Water Authority –Administrative Committee** was held on Wednesday, February 18, 2009 at the DePere City Hall, 2n3 Floor – 335 South Broadway, DePere, Wisconsin

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**Present:** Allouez-Berndt, Bellevue-Oppenheimer, De Pere-Delo, Lawrence-Treml, Ledgeview-Burdette

**Also**

**Present:** Dave Vaclavik – Public Management Partners

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The meeting was called to order by Chairman Aaron Oppenheimer at 2:30 p.m.

**ROLL CALL:**

Call the roll for attendance.

Roll Call as noted above.

**APPROVAL OF AGENDA:**

Approve Agenda

**Motion made by De Pere and seconded by Ledgeview to approve the agenda.**

**MOTION APPROVED UNANIMOUSLY**

**APPROVAL OF MINUTES:**

Approve Minutes – January 13 & 14, 2009

A question was asked by Mr. Treml relative to item #3, page 2, Security Fund Update.

Mr. Vaclavik indicated that the statement made that bills will be sent to Lawrence and Ledgeview to bring their security funds to the average required is correct.

**Motion made by Lawrence and seconded by Allouez to approve the minutes of January 13<sup>th</sup> and 14<sup>th</sup>, 2009. MOTION APPROVED UNANIMOUSLY**

**COMMUNICATIONS:** None

**AGENDA:**

1. **Wells Fargo Banking Services:**

Mr. Vaclavik reported that the initial transfer of funds to Wells Fargo Bank has been completed, leaving \$350,000 in the Associated Bank sweep account to cover outstanding checks. He expects to close the Associated account by the end of March, transferring funds to a checking/sweep account, a security fund, and a debt reserve fund with Wells Fargo.

a. **Positive Payment and Fraud Filter:**

Action on the issue of positive payment and fraud filter was previously deferred until there was an opportunity to discuss the need with the insurance representatives and auditor. Although there has been no

response from the insurance carrier, Auditor Vicki Hellenbrand of Virchow Krause, has indicated that these services would be added protection given a small staff and the inability to adequately separate accounting and control functions. There is a cost of \$60.24 and \$27.20 per month, respectively. The pay process will require that someone other than the manager submit the approved voucher list to Wells Fargo upon approval by the Board. It was suggested that the voucher list be faxed to the bank by the Treasurer or President at the conclusion of each Board meeting.

**Motion made by De Pere and seconded by Lawrence to recommend approval of positive payment and fraud filter services with Wells Fargo. MOTION APPROVED UNANMOUSLY**

b. **Wire Transfer Authorizations:**

Mr. Vaclavik explained that both he and Mr. Trembl are authorized to make wire transfers from the Wells Fargo accounts. Wells Fargo offers an option requiring confirmation of transfers by a second party. He stated this is a good check and balance as it keeps any single person from having complete control over Water Authority funds.

Vaclavik further explained that most of the transfers are referred to as "template" transfers where a regular amount is transferred to the security or debt service fund monthly. Twice a year transfers will need to be made from the debt service fund to cover bond payments. Because of this requirement, Vaclavik suggested that one or two additional Board members be given the authority to confirm transfers. The Manager and Treasurer would both have the ability to transfer and confirm, however, in the event of an absence at the time of a bond payment, another authorized Board member could confirm the transfer. He suggested that the Board President and the Administrative Committee Chair be authorized by the Board to confirm fund transfers.

**Motion made by Ledgeview and seconded by Allouez to recommend approval of wire transfer authorization to the Board President and Administrative Committee Chair in the absence of the Manager or Treasurer. MOTION APPROVED UNANMOUSLY**

c. **Account Balances and Scheduled Transfers:**

Initial deposits to the Wells Fargo checking/sweep operations account, security fund, and debt service fund were discussed. Automatic monthly transfers from the checking account to the security fund will begin in March.

d. **Investment Recommendations (if ready):**

Mr. Vaclavik announced that a meeting will be scheduled shortly with Wells Fargo to discuss options regarding investments. It has been suggested by Board President, Larry Delo, to include the Auditor, Virchow Krause in these discussions.

2. **Employment Negotiations – Update:**

Legal counsel has prepared a draft employment agreement. This agreement is under review and it is expected that negotiations will conclude before the March meeting of the Board and that the contract will be effective April 1, 2009.

3. **True-Up Charge History – Discussion of Policy:**

A true-up charge history covering the years 2005-2008 was distributed as requested by this committee at their January meeting. It was pointed out that rebates have been granted in all years except for 2005, the first year of billing. (See discussion in #5 below for discussion regarding true-up charge rebates for 2008.)

4. **Water Purchase Agreement – Amendment #4:**

A language amendment to the Water Purchase Agreement has been drafted by Attorney Kobza and will be sent to members separately. Mr. Vaclavik indicated that the amendment would require that rebates be issued to members when the total collected by the Authority exceeds budget estimates for the year.

Mr. Delo stated that in conversations with MPU, it has been suggested that rebates be based on usage so that balance is maintained between communities. Further discussion by the committee resulted in a suggestion that a rate structure analysis be considered and put on the next agenda for discussion.

**Motion made by De Pere and seconded by Bellevue to recommend referral to staff with the intent there be discussion regarding a rate structure analysis on the next agenda of this committee.**

**MOTION APPROVED UNANIMOUSLY**

5. **Recommendations regarding True-Up Charge Rebate for 2008:**

A handout including the calculation of true-up charges and rebates based on the presumption that the CBCWA wishes to make rebate payments in 2008 was distributed. Mr. Vaclavik indicated that the numbers are not final as Lawrence has questioned the basis for the charges. Their auditor is in the process of compiling flow information and Vaclavik stated he should have final numbers by the end of next week.

Vaclavik indicated that in preparing the true-up charges issues have arisen that will need to be addressed contractually. Although the use of well water is addressed in the contract language, the purchase of water from other communities is not. As Lawrence receives an emergency supply from the Village of Ashwaubenon and other communities may also develop similar arrangements, the contract will need correction. In addition, Vaclavik pointed out that use of well water as an emergency supply when the Authority is unable to provide water will need to be addressed.

**Motion made by De Pere and seconded by Lawrence to recommend approval of the proposed true-up charges for 2008.**

**MOTION APPROVED UNANIMOUSLY**

6. **Water Purchase Agreement – Exhibit “F” – Development Charges:**  
Mr. Vaclavik explained that in addition to capacity charges billed to each community, the Water Purchase Agreement calls for a development charge to be applied to properties annexed to member communities since the signing of the agreement in December of 2003. This agreement is to be based on a contract attachment referred to as “Exhibit F”. As Exhibit F does not exist in a useful form, Vaclavik requested that members provide him with information regarding properties subject to development charges. Once he has the necessary information, he will report back to committee.
  
7. **CBCWA Member/Customer Service Policies:**  
Interest in having a “customer” class in addition to membership in the CBCWA has been previously discussed with the Board. Mr. Vaclavik reported he has discussed this with legal counsel who informed him that it is presently not allowable under enabling legislation. A document “Attachment B”, prepared for discussion purposes with the Village of Denmark was distributed. Based on current contract language, Vaclavik explained that new customers would be precluded, although, there is an ability to amend how new members would be charged. Depending on how rates are structured, the establishment of a customer class may be attractive to a number of potential customers and may be more viable for negotiations with the Village of Hobart, who is considering a customer arrangement with Green Bay. It was recommended that the CBCWA discuss amendments and potential consequences of pursuing legislative changes with legal counsel in order to acquire a customer class.  
  
Discussion resulted in the consensus by the committee to move forward with the process to change legislation.  
  
**Motion made by De Pere and seconded by Ledgeview to recommend the Manager be authorized to move forward with the creation of legislation to establish a “customer class” for the CBCWA.**  
**MOTION APPROVED UNANIMOUSLY**
  
8. **CBCWA 10 Year CIP:**  
Mr. Vaclavik reported that discussion of a 10-year CIP, as requested by the CBCWA Board, has begun at the Technical Committee level and will continue at their March committee meeting.
  
9. **Direct Purchase of Automatic Transfer Switch for the Hobart Pump Station:**  
Mr. Vaclavik reported that Gary Rosenbeck of McMahon has discussed this issue with the Technical Committee and has made a recommendation to install an 800 amp switch at the Hobart Pump Station. Based on engineering studies, this should be adequate for any foreseeable use. The switch will be placed inside the existing building as originally intended and will be less costly than replacement of the existing 1600 amp switch. A recommendation for approval will be on the agenda of the CBCWA Board meeting this date.

10. **Financial Reports:**

Financial reports were sent via e-mail transmission. Mr. Vaclavik explained that 2009 budget information was not entered into the QuickBooks system, however, monthly expenditures are correct to the best of his knowledge.

**Motion made by De Pere and seconded by Allouez to bring a current financial report to the March meeting.**  
**MOTION APPROVED UNANIMOUSLY**

11. **Pay Authorizations: Vouchers:**

Voucher list was also sent via e-mail transmission. Mr. Vaclavik pointed out that McMahon is contracted with the Boardman Law Firm to assist with litigation efforts. Boardman has sent invoices to the Water Authority to pay them directly and they are coded as litigation expenses.

**Motion made by De Pere and seconded by Allouez to recommend approval of pay authorizations/vouchers. MOTION APPROVED UNANIMOUSLY**

**AGENDA ITEMS:**

Next Meeting – Wednesday, March 18, 2009:  
Rate Structure Analysis

**ADJOURN:**

**Motion made by De Pere and seconded by Ledgeview to adjourn at 3:20 p.m.**  
**MOTION APPROVED UNANIMOUSLY**

Respectfully submitted,

Rae G. Knippel  
Recording Secretary