

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, March 18, 2009 at the DePere City Hall, 2nd Floor – 335 South Broadway, DePere, Wisconsin

Present: Allouez-Kopish, Bellevue-Oppenheimer, DePere-DeLo, Lawrence-Treml,
Ledgeview-Burdette

Also

Present: Dave Vaclavik – Public Management Partners

The meeting was called to order by Chairman Aaron Oppenheimer at 2:32 p.m.

ROLL CALL:

Call the roll for attendance.

Roll Call as noted above.

APPROVAL OF AGENDA:

Approve Agenda

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

MOTION APPROVED UNANIMOUSLY

APPROVAL OF MINUTES: February 18, 2009

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

MOTION APPROVED UNANIMOUSLY

COMMUNICATIONS: None

AGENDA:

1. **Resolution designating authorized individuals to initiate and approve Wells Fargo investment actions:**

Mr. Vaclavik explained that in order to start working with the Wells Fargo investment people, a Board resolution designating those individuals who are to have trading authority is required. At this time, the Manager and Secretary/Treasurer are authorized to make wire transfers with the President and Administrative Committee Chair having confirmation authority. The Manager, President, and Secretary/Treasurer are each authorized to sign checks, with two of three signatures required.

Discussion resulted in the consensus to recommend that the Manager, Secretary/Treasurer, and President be designated as the individuals to initiate and approve investment actions.

Motion made by Bellevue and seconded by Ledgeview to recommend that the Manger, Secretary/Treasurer, and President be designated as the individuals to initiate and approve investment actions.

MOTION APPROVED UNANIMOUSLY

2. Data Storage Agreement with Inacom:

Mr. Vaclavik reported that he has signed an agreement with Inacom for hosting an ftp site as well as capturing and storing all CBCWA related e-mails. This service will provide data management for litigation preparation, as well as open records information.

Fees are estimated at \$330 for start-up and approximately \$100 per month thereafter, with a one year term. Vaclavik stated that the ftp site is now operational and he will be going to Madison for training and assistance in starting the e-mail migration. A request was made that the Inacom agreement be retroactively approved, authorizing the Manager as signatory.

Motion made by Bellevue and seconded by DePere to recommend approval of the Data Storage Agreement with Inacom.

MOTION APPROVED UNANIMOUSLY

3. 2007 Rate Rebate for Town of Lawrence:

Vaclavik reported that he was contacted by the Town of Lawrence auditor relative to true-up charges for 2007. Lawrence has requested a credit of \$20,052 for their 2007 water use. This credit reflects three separate situations including:

1. Water purchased for use by customers served directly by the City of DePere. These customers used 1,869 thousand gallons with charges totaling \$6,157. DePere was charged by the Authority for this use and then compensated by the Town. A similar adjustment was made for Ledgeview and is in keeping with the intent of the Water Purchase Agreement.
2. Water purchased for use by customers served directly by the Village of Ashwaubenon. These customers used 2,466 thousand gallons with charges totaling \$8,162. This situation is not anticipated in the contract language, although it seems to be similar. The contract requires that members purchase all their water from the Authority, however, does not speak to cases where there are what amount to be retail customers served by a non-member. Attorney Kobza has agreed that this situation should be identified in the agreement.
3. There is an error in the 2007 PSC report that overstates Town water use by 2,004 thousand gallons with charges totaling \$6,633. Vaclavik stated there is no policy on this. CBCWA had true-up charges in excess of use in 2007 resulting in additional revenue. Vaclavik stated that the problem should disappear as PSC records become based on metered flow.

Although Vaclavik stated the Board should be cautious not to set a precedent, recommended that the rebate be given.

When asked regarding the reason for the PSC error in #3 by Mr. Trembl, Vaclavik explained that it was a math error related to wholesale water.

Motion made by DePere and seconded by Lawrence to approve rebates and to recommend that a policy be drafted to address #2 and #3 above.
MOTION APPROVED UNANIMOUSLY

(Ray Kopish arrived 2:42 p.m.)

4. **Water Rate Analysis:**

Mr. Vaclavik reported that he has done some work on a true-up policy and how it impacts the equivalent rates charged to members as requested by the Board. The existing rate methodology is based on the concept of a defined budget, which is established and rates calculated as a mechanism for allocating costs between members. This methodology provides a number of mechanisms to limit the amount of adjustment required by the true-up process that was developed to insure adequate rate revenues with the intent that all members pay the same water rate.

Vaclavik explained, however, there is a glitch in the current true-up process, stating that as long as the Authority underestimates flows, all customers pay the same rate. There are two ways to assure that all members pay the same rate, one being to set an adjustment factor using existing rate language that will always insure the Authority collects additional revenue, with an alternative being to change the true-up process so that all members pay the same water rate for the prior year.

Mr. Delo asked whether Virchow Krause had reviewed the options and Vaclavik indicated they had not. Chairman Oppenheimer suggested that VK be contacted either to make a presentation to the Board or to respond in writing. Vaclavik agreed to draft a letter to VK asking for an opinion.

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

An amendment to the Water Purchase Agreement has been drafted by Attorney Kobza. The amendment would require that rebates be issued to members when the total collected by the Authority exceeds budget estimates for the year. At this time, the item will be held.

6. **CBCWA 10Year CIP:**

Mr. Vaclavik reported that the Technical Committee continues to discuss the 10-year CIP and intend to continue work on the plan with a final version developed in time for the 2010 budget. Members were provided with a worksheet as of this time.

7. **Financial Reports:**

Reports were reviewed. Mr. Vaclavik indicated that he is working with Vicki Hellenbrand to resolve carryover issues from prior year budgets.

Motion made by DePere and seconded by Allouez to approve.

MOTION APPROVED UNANIMOUSLY

8. **Pay Authorizations: Vouchers:**

Unpaid bills were reviewed with questions related to FedEx Kinkos, Northern Environmental, and Quarles & Brady answered satisfactorily.

Motion made by Lawrence and seconded by Ledgeview to approve.

MOTION APPROVED UNANIMOUSLY

Closed Session:

The Committee may go into closed session to discuss employment negotiating strategy pursuant to Wisconsin Statute 19.85 (1) (e), deliberating or negotiating the purchase of properties, the investing of public funds, or conducting other specified business, whenever competitive or bargaining reasons require a Closed Session. The Committee will then reconvene back into open session.

1. **Employment Agreement:**

Motion made by Bellevue and seconded by DePere to enter into closed session at 3:00 p.m. Roll Call: All Present:

MOTION APPROVED UNANIMOUSLY

Motion made by DePere and seconded by Lawrence to return to regular order of business at 3:20 p.m. Roll Call: All Present:

MOTION APPROVED UNANIMOUSLY

FUTURE AGENDA ITEMS:

Next Meeting – Wednesday, April 15, 2008

ADJOURN:

Motion made by DePere and seconded by Allouez to adjourn at 3:21 p.m.

MOTION APPROVED UNANIMOUSLY

Respectfully submitted,

Rae G. Knippel
Recording Secretary