

PROCEEDINGS OF THE CENTRAL BROWN COUNTY WATER AUTHORITY

Pursuant to Section 19.84 Wis. Stats., regular meeting of the **Central Brown County Water Authority** was held on Wednesday, February 17, 2010, at the DePere City Hall, 2nd Floor – 335 South Broadway, DePere, WI

Present: Allouez – Kopish, Bellevue - Oppenheimer, DePere-Delo, Howard-Bartelt,
Lawrence –Little, Ledgeview-Burdette

Also

Present: Dave Vaclavik – Manager, CBCWA
Scott Thoresen – Chairman, Technical Committee
Craig Berndt – Village of Allouez
Shawn McMurty/Charlene Johnson-Wells Fargo

The meeting was called to order by President Delo at 3:02 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: January 20, 2010

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

MOTION APPROVED UNANIMOUSLY

Appearances:

1. **Wells Fargo regarding CBCWA Investments:**

Shawn McMurtry, Vice President, Institutional Brokerage & Sales, Twin Cities, and Charlene Johnson of the local office of Wells Fargo addressed the committee regarding investments.

Mr. McMurtry presented information relative to helping investors maximize their investment income. He explained there are a comprehensive range of investment products to help institutions achieve their financial objectives, those being money market securities, U.S. Government securities, Government sponsored enterprises, mortgage-backed securities, corporate bonds, and municipal securities. He defined the various investment strategies for institutional investors and addressed specialized resources. Wells Fargo offers "Commercial Electronic Office" (CEO), an online business portal which allows online access to account positions and statements 24 hours a day, seven days a week.

Questions by the Board relative to getting higher returns resulted in Mr. McMurdy explaining that because of the present economy, it is not anticipated that interest rates will rise anytime soon. In order to have the interest rates rise, job numbers need to increase, as well as the housing market. He stated that most economists predict the federal fund rate may be at 50 basis points by year end, with a long term forecast (one year) to have interest rates in the 2.5% to 3% range. McMurdy stated that the suggested investment ladder is at this time the best solution for maximizing returns, while keeping a pool of liquid cash available.

When asked the forecast with the ladder approach or other options that might be available by President Delo, McMurdy noted that corporate bonds may provide higher yield, however, additional time would be required to analyze individual corporations.

Delo also asked about the option of CD's and Mr. McMurdy stated that is not a bad option for the short term. The option of a fund manager was brought forward and Mr. McMurdy pointed out there are limitations set by State statutes, however, indicated that Wells Fargo would be available as a resource in that regard.

Administrative Committee Recommendations:

Aaron Oppenheimer highlighted discussion from the committee meeting held this date:

1. **CBCWA Administrative Committee Meetings:**

Discussion by the Admin committee resulted in a suggestion that it be dissolved as five of the six Board members sit on that committee. In order not to be redundant, agenda items would be included on the Board agenda and the Admin Committee would not meet unless a special project is assigned to them. Discussion of the time of future Board meetings resulted in the consensus to continue to hold them at 3 p.m., the 3rd Wednesday of the month (except for the month of March which will be the 4th Wednesday).

Motion made by DePere and seconded by Howard to accept the recommendation of the Administrative Committee to terminate the Administrative Committee and establish an Administrative Task Force which will meet when directed by the Board to address specific issues. MOTION APPROVED UNANIMOUSLY

2. **Office Space Rental from Village of Bellevue:**

A preliminary agreement has been received from the Village to lease office space to the Manager of the Authority. His present lease expires at the end of March.

3. **QuickBooks Renewal:**

A request was made by the Manager to purchase QuickBooks On-line as the one he uses presently (2007) will not be supported in the near future. The new program will allow log-in access not only to him and the bookkeeper, but also to the auditor, and Secretary/Treasurer.

Motion made by Bellevue and seconded by Ledgeview to accept the recommendation of the Administrative Committee to approve an online subscription to QuickBooks. MOTION APPROVED UNANIMOUSLY

4. **CBCWA Credit Card Authorization:**

The Manager has requested authorization to obtain a credit card from Wells Fargo and a charge account with Office Depot. The committee suggested a \$1,000 limit.

Motion made by Bellevue and seconded by Allouez to accept the recommendation of the Administrative Committee and approve a credit card through Wells Fargo with a \$1,000 limit. MOTION APPROVED UNANIMOUSLY

5. Update on Regional Planning:

A meeting will be held on March 3, 2010 to discuss regional planning with Mayor Nickels of the City of Manitowoc, Nilaksh Kothari of MPU, along with Board members Kopish, Berndt, and Manager Vaclavik. Bay Lake Regional Commission will not be included at the initial meeting.

6. Investment Fund Status Report:

Discussions with Wells Fargo to optimize accounts has resulted in an agreement to drop the sweep account, keeping a \$750,000 minimum balance in checking, and moving the balance into a money market type investment. (See discussion above)

7. Financial Reports:

A new format is being used which will allow 2010 budget data to show annual costs spread evenly by month. Reports were found to be in order.

Motion made by Bellevue and seconded by DePere to accept the recommendation of the Administrative Committee and approve of financial reports. MOTION APPROVED UNANIMOUSLY

8. Pay Authorizations/Vouchers:

Vouchers were recommended for payment. True-up charge rebates for Bellevue, DePere, Howard, and Ledgeview were included.

Motion made by Bellevue and seconded by Allouez to accept recommendation of Administrative Committee and approve payment for pay authorizations/vouchers. MOTION APPROVED UNANIMOUSLY

Technical Committee Recommendations:

Scott Thoresen highlighted discussion at the meeting held on January 18, 2010:

1. Approval of Contracts with McMahon, Inc.:

- a. **Recommend approval of Task Order #1 for 2010 General Support Services to CBCWA in an amount not to exceed \$30,000:**

Mr. Thoresen explained that the Technical Committee reviewed Task Order #1, an agreement for engineering services between the CBCWA and McMahon Inc and has recommended it for approval. The CBCWA shall pay McMahon for services in an amount equal to the cumulative hours charged per the standard hourly rate, plus reimbursable expenses, not to exceed \$30,000.

Questions by Mr. Kopish resulted in President Delo explaining general services will relate to non-specific projects that have been approved, attending meetings, dealing with operational issues, providing technical support, etc.

Motion made by DePere and seconded by Bellevue to accept the recommendation of the Technical Committee and approve Task Order #2 for 2010 General Support Services to the CBCWA by McMahon Inc in an amount not to exceed \$30,000. Ayes: Bellevue, DePere, Howard, Lawrence, Ledgeview

Nays: Allouez
MOTION APPROVED 5-1

- b. **Recommend approval of Engineering Services associated with correcting connection station chlorination systems to comply with DNR requirements for operating conditions (including removal of tablet chlorinator at LE-2) in the lump sum amount of \$10,200:**

Thoresen reported that McMahon Inc has prepared a report which evaluates the chlorination system at the metered connection stations as required by the Wisconsin DNR. The report outlines modifications required at seven sites and new gas chlorine systems at two sites to comply with DNR code requirements.

The Technical Committee has recommended that the Authority take the necessary action to satisfy WDNR requirements, specifically to approve chlorination system upgrades and resolve operating concerns, including replacement of residual chlorinators, appropriate salvage and sale of existing equipment, and future work at LE-2 necessary to bring that station on-line. McMahon has prepared a proposal outlining design phase services and options to consider at a cost of \$10,200. The Technical Committee recommends approval.

Discussion by the Board resulted in questions as to whether grants may be available for such a project. President Delo suggested that action wait until it is determined if the DNR will allow modifications to be held as long as there are no imminent health issues. Mr. Berndt stated he is aware there were grants available going into 2010, however, the application time may have expired. He suggested Mr. Rosenbeck be directed to follow-up on possible funding.

Motion made by DePere and seconded by Allouez to accept the recommendation of the Technical Committee to approve Engineering Services associated with correcting connection station chlorination systems to comply with DNR requirements for operating conditions in the lump sum amount of \$10,200, with the caveat to apply for a grant if there is DNR compliance and that it does not delay construction work. MOTION APPROVED UNANIMOUSLY

2. **Approve chlorination system upgrades to meet DNR requirements and resolve operating concerns, including replacement of residual chlorinators, appropriate salvage and sale of existing equipment, and future work at LE-2 necessary to bring that station on-line with associated costs to be borne by the Authority:**

The process for approval of chlorination system upgrades has been ongoing with the DNR for some time relative to operations and issues with the system as originally constructed. The Technical Committee recommends that the Authority take the necessary action to satisfy DNR requirements and to correct decisions made during the original design process. The LE-2 station is not currently operating and is, therefore, referenced in the motion to clarify the intent of the committee to make the necessary improvements to this station prior to its placement into operation.

Motion made by Ledgeview and seconded by Bellevue to accept the recommendation of the Technical Committee and approve chlorination system upgrades to meet DNR requirements and resolve operating concerns, including replacement of residual

chlorinators, appropriate salvage and sale of existing equipment, and future work at LE-2 necessary to bring that station on-line with associated costs to be borne by the Authority. MOTION APPROVED UNANIMOUSLY

3. **Recommend that the Manager work with the Attorney to draft agreements covering the ownership and maintenance of the connection stations:**

The Manager explained that the connection stations were designed to separate Authority and member functions and equipment. At one time there was discussion about condo agreements or other solutions to divide operating expenses and responsibility for the facilities. Discussion with Attorney Kobza has determined there was never any formal agreement drafted and that the mutual responsibilities of the members and the Authority are unclear. While most of the stations were provided by the Authority, they have been placed on member land without easement. The Technical Committee recommends that this issue be resolved and that an agreement be prepared. One possibility is that the Authority turn over the stations to the members and then have an access and maintenance agreement drafted. The committee will continue to discuss options.

PROJECT UPDATE AND STATUS REPORTS

1. **Engineer's Report:**

The Engineer was not present. A written report highlighting projects was distributed to members prior to the meeting.

2. **Manager's Report:**

Manager Vaclavik distributed his written report of activities during the last reporting period, highlighting the following:

- CDM presented interim findings to the Technical Committee at a special meeting on January 22nd. They were asked to revisit their assumptions and to adjust the report in light of comments made by the WDNR who was present at the meeting.
- McMahan has been asked to prepare a supplemental proposal and report on potential system interconnects between members building on the results of the CDM study.
- MPU will be managing updates to the PRV station in regard to pressure reducing station modifications.
- Projects that have been delayed due to litigation preparation include the yearly audit, MPU audit, and web site update.
- Litigation Update – A closed session will follow to discuss a tentative settlement with SJ Louis.
- Enabling Legislation – At the Board's request, the Manager discussed with Attorney Kobza the process of having enabling legislation amended to allow wholesale water sales to non-members. She has indicated that the Authority could begin searching for sponsors, although the earliest it could be considered would be at the end of 2010. She has agreed to follow-up with President Delo.

- Village of Denmark – As of this date, there has been no comment from the Village of Denmark’s engineer, Strand, who is preparing a cost benefit analysis evaluating continuation of their well system compared to purchasing water through MPU and the CBCWA.

In addition:

- Certified copies of local resolutions concerning the amendment to the Water Purchase Agreement should be forwarded to the Manager.
- True-up charge invoices have been sent to Allouez and Lawrence and rebate checks will appear on the final voucher list for approval.
- The Technical Committee has approved a revised meeting scheduling allowing for more time between their meetings and the subsequent Board meeting. A revised master meeting schedule was distributed.

New Business:

1. **Pursuant to Section 10.18.2 (c) of the CBCWA/MPU Agreement, authorize MPU to subcontract locating services to Excel Underground by MPU. Acceptance of this subcontract does not relieve MPU of its obligations to CBCWA under the Agreement.** MPU has requested Board approval to subcontract locating services to Excel Underground. They already provide service to a number of member communities and significant cost savings and better response times should result.

Motion made by Bellevue and seconded by DePere to approve the request from MPU to subcontract locating services pursuant to Section 10.18.2 (c) of the CBCWA/MPU Agreement, authorize MPU to subcontract locating services to Excel Underground by MPU. Acceptance of this subcontract does not relieve MPU of its obligations to CBCWA under the Agreement. MPU to be advised that CBCWA reserves the right to have the agreement terminated. MOTION APPROVED UNANIMOUSLY

2. **Authorize Payment to WRS:**
Mr. Vaclavik asked for approval up to \$3000 for payment to WRS. President Delo asked that termination language be included.

Motion made by DePere and seconded by Bellevue to approve an approximate \$3,000 payment to WRS. 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 DePere and seconded by Bellevue to enter into Closed Session.

Roll Call: All Present. MOTION APPROVED UNANIMOUSLY

Recording Secretary excused 4:00 p.m.

**Motion made by Allouez and seconded by Ledgeview to return to regular order of business.
Roll Call: All Present. MOTION APPROVED UNANIMOUSLY**

1. **Recommendations resulting from closed session, if any: None**

Next Meeting:

1. **Suggested Agenda Items:**
2. **Regular Meeting scheduled for Wednesday, March 24, 2010, 3 p.m., DePere City Hall**

**Motion made by DePere and seconded by Howard to adjourn at 4:23 p.m.
MOTION APPROVED UNANIMOUSLY**

Respectfully Submitted,

Rae G. Knippel
Recording Secretary