

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, July 21 2010, at the DePere City Hall, 2nd Floor – 335 South Broadway, DePere, WI

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

Excused: Howard

Also

Present: Dave Vaclavik – Manager, CBCWA
Don Voogt, McMahan Inc
Vicki Hellenbrand – via telephone
Scott Thoresen

The meeting was called to order by President DeLo at 2:38 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 Allouez to approve the agenda.

MOTION APPROVED UNANIMOUSLY

Approval of Minutes:

Approve Minutes: June 16, 2010

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

MOTION APPROVED UNANIMOUSLY

Appearances:

1. **Vicki Hellenbrand presenting Audit Report on MPU Water Plant Construction:**
Ms. Hellenbrand was contracted via telephone. She informed the Board that Baker Tilly was unable to fully complete the audit of the MPU construction program because of issues related to the lack of a final invoice and the calculation of that invoice. She suggested that the Manager send a letter to MPU requesting a final invoice by Wednesday, July 28, 2010. Ms. Hellenbrand will address the Board with a formal presentation when the audit is complete.

Motion by DePere, seconded by Bellevue to direct the Manager to draft a letter to MPU requesting a final invoice by Wednesday, 7-28-10. MOTION APPROVED UNANIMOUSLY

Administrative Actions & Reports:

1. **Acceptance of MPU Audit:**
See above

2. **Proposal from Village of Bellevue to provide Accounting Services:**

Manager Vaclavik reported that he has met with Karen Simons to discuss the Village of Bellevue taking on bookkeeping/accounting services for the Authority. They have proposed to provide this service for \$325 a month, plus a 1 ½% increase annually over the next three years. It is his opinion that the CBCWA would benefit from this service.

Motion made by DePere, seconded by Allouez to approve the proposal from the Village Bellevue to provide accounting services effective 9/1/2010 at a cost of \$325 per month. MOTION APPROVED UNANIMOUSLY

3. **Financial Investments:**

a. **Purchase of Short Term CD's:**

The Manager reported that he met with Wells Fargo to discuss investments as the Authority is accumulating cash in low yield savings accounts. He explained that the Authority is currently earning 0.25% interests on the Market Rate accounts. As of July 14th, Wells Fargo is offering 0.55% on both 6-month and 12-month CD's. His recommendation is to transfer a portion of the market rate funds to CD's.

b. **Consideration of investment policy authorizing Manager to make short term investments with approval of President or Treasurer:**

As interest rates have seen significant fluctuation recently and Wells Fargo CD rates were briefly at 0.75%, the Manager is recommending that the Board consider a policy which would authorize him, with the support of the President and Treasurer to invest up to \$3 million in collateralized CD's of 12 month duration or less. In addition, he recommends that a maximum of \$1 million be invested in increments of \$250,000 in CD's at local insured, lending institutions again for durations of 12 months or less.

Motion made by DePere, seconded by Ledgerview to authorize the Manager to 1) invest up to \$3M in collateralized CD's of 12 month duration or less, and 2) to invest a maximum of \$1M in increments of \$250,000 in CD's at local, insured, lending institutions for 12 months or less with the support of the President or Treasurer. MOTION APPROVED UNANIMOUSLY

4. **Policy on Application of Connection Fees:**

At the suggestion of Vicki Hellenbrand of Baker Tilly, the Manager is working on the development of a resolution that will dedicate connection fee revenues to bond repayment.

Motion made by Bellevue, seconded by Ledgerview to authorize the Manager to establish a connection fee policy and develop a resolution dedicating connection fee revenues to bond repayment. MOTION APPROVED UNANIMOUSLY

5. **Financial Reports:**

Mr. Vaclavik reported that operation costs are down because the Authority is not buying water. The possibility of increases in the 2011 budget was brought forward by President Delo. He suggested that it may be prudent to forecast water sales over the next 3 to 5 year period in order to get a better handle on rates.

Vaclavik referred to leakage problems that have occurred in most communities, stating that most have been taken care of successfully except for the Village of Howard. The Technical Committee is working on reviewing a three year history, along with projections. Allouez has

reported that they expect a 30 million gallon reduction in 2011 in terms of total volume, mostly related to conservation.

Randy Trembl requested that the Profit & Loss report include a column addressing "compared to budget".

Motion made by DePere, seconded by Allouez to approve financial reports.

MOTION APPROVED UNANIMOUSLY

6. Pay Authorizations/Vouchers:

Vouchers were reviewed and recommended for payment.

Motion made by DePere and seconded by Ledgeview to approve.

MOTION APPROVED UNANIMOUSLY

Technical Committee Recommendations:

1. Approval of Change Order #1 to SPD in the amount of \$355 for the installation of pressure gauges in the Town of Lawrence in conjunction with the installation of chlorination system equipment:

Technical committee Chairman, Scott Thoresen, reported that two additional pressure gauges are needed at the Lawrence facility that were not included in either the procurement request or the installation contract. A quote from SPD in the amount of \$355 was recommended for payment.

Motion made by Allouez, seconded by DePere to approve Change Order #1 to SPD in the amount of \$355 for the installation of pressure gauges in the Town of Lawrence in conjunction with the installation of chlorination system equipment.

MOTION APPROVED UNANIMOUSLY

PROJECT UPDATE AND STATUS REPORTS

1. Engineer's Report:

Don Voogt highlighted the following activities:

- Chlorination System Upgrades – The new Regal chlorination equipment has been received and is ready for installation by Reeke-Marold.
- Pipeline Corrosion Study – The Technical Committee has made a recommendation to authorize McMahon to provide a Task Order to their Base Services Contract to assemble RFQ's from select testing companies to conduct a detailed investigation of the current state of corrosion on the transmission pipe line and to design a corrosion protection system. Cost for the Task Order will be \$5,000, with the actual Corrosion Study in the range of \$25,000.
- Implementation of a GIS System – McMahon has been authorized per Task Order #3 to develop a new GIS system for purposes of assisting the CBCWA and MPU with the maintenance, operation, and record keeping related to the water transmission main system.
- CDM System Study - The study has been reviewed in depth by the Technical Committee and will be reviewed directly with CDM at a special meeting on July 23, 2010.

2. **Manager's Report:**

Manager Vaclavik distributed his written report highlighting the following:

- Nowack Agreement – This agreement has been signed and Mr. Nowack will be compensated upon presentation of appropriate documentation.
- Condo Agreements – Agreements which were drafted in 2004 by Attorney Kobza are being reviewed.
- Connection Fees – Letters have been sent to the Village of Hobart for the period of January 1 through June 30, 2010.
- MPU Water Rates – Information is expected from MPU concerning 2011 water rates. The Consumer Price Index was 0.482% for the 12 months ending in April. This is the basis for water rate calculations.
- McMahon has been asked to prepare a proposal to prepare a specific report on potential system interconnects between members built on the CDM study.
- 2011 Capital Improvement Budget – The development of the CIP for 2011 and beyond has begun and is being discussed by the Technical Committee targeting August completion. Projects being considered include cathodic protection, replacement/addition of air relief valves, and an operational maximization plan.
- A special meeting of the Technical Committee is scheduled for Friday, July 23rd to discuss the CDM study.

New Business:

1. None

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, seconded by Bellevue to enter into Closed Session.

Roll Call: Present: Allouez, Bellevue, DePere, Lawrence, Ledgeview

Excused: Howard MOTION APPROVED UNANIMOUSLY

(Recording Secretary excused 3:30p.m.).

Motion made by DePere, seconded by Allouez to return to regular order of business.

Roll Call: Present: Allouez, Bellevue, DePere, Lawrence, Ledgeview

Excused: Howard MOTION APPROVED UNANIMOUSLY

1. **Action, if any, resulting from Closed Session:**
N/A

Next Meeting:

1. **Suggested Agenda Items:**
2. **Next Regular Meeting scheduled for Wednesday, August 18, 2010 - 3 p.m.,
DePere City Hall**

Motion made by DePere and seconded by Bellevue to adjourn at 3:42 p.m.

MOTION APPROVED UNANIMOUSLY

Respectfully Submitted,

Rae G. Knippel
Recording Secretary