

## **PROCEEDINGS OF THE CENTRAL BROWN COUNTY WATER AUTHORITY**

Pursuant to §19.84 Wis. Stats, a regular meeting of the Central Brown County Water Authority **Board of Directors** was held on Wednesday, February 24, 2021 at the Town of Ledgeview Community Center, 3700 Dickenson Road, De Pere, WI, and via video conference. Note that in light of ongoing public health concerns regarding COVID-19, Board members had the option of joining the meeting via telephone/video conference. Members of the public were offered the opportunity to either attend the meeting at the location noted above or to contact the Water Authority to obtain telephone or internet access to the meeting.

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**Present:** Allouez – Chris Sampson  
De Pere – Larry Delo  
Howard – Geoff Farr  
Lawrence – Patrick Wetzel  
Ledgeview – Sarah Burdette (in person)

**Excused:** Bellevue

**Also Present:** Nic Sparacio, CBCWA General Manager (in person)

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The meeting was called to order at 3:05 p.m. by President Sarah Burdette of Ledgeview.

### **Roll Call:**

Roll Call was taken as recorded above. (Note that all attendees listed were present via video conference or teleconference unless otherwise noted as “in person.”)

### **Approval of the Agenda:**

1. Approve agenda

**Motion made by De Pere, seconded by Howard to approve the agenda.**

**MOTION UNANIMOUSLY APPROVED**

### **Approval of Minutes:**

2. January 27, 2021 regular meeting

There were no revisions to the draft minutes.

**Motion made by De Pere, seconded by Howard to approve the minutes of the regular meeting of January 27, 2021.**

**MOTION UNANIMOUSLY APPROVED**

### **Public Comment:**

3. None

### **Appearances:**

4. None scheduled

**Administrative Actions & Reports:**

**5. Report on 2020 MPU water purchase expenses**

Nic Sparacio presented a report on water purchase expenses incurred through Manitowoc Public Utilities for last year. Most areas showed little change over the two previous years with the exception of non-contract and miscellaneous services. Charges in this area increased over the prior years primarily due to equipment replacements and repairs made within the transmission system. These expenses are ultimately covered under other budget categories, but also show up here as they are billed through MPU. Non-contract and miscellaneous services are a relatively small portion of the total water purchase expense.

The Board discussed anticipated trends related to water purchase expenses and costs to operate and maintain the transmission main. It was noted that MPU is expected to file a rate case in 2021 and that operation and maintenance costs will increase as the system ages. The Board discussed various funding sources that will be available to help defray future maintenance and replacements.

**6. Water rates national comparison**

Sparacio reported that the Board reviewed Wisconsin state-level water rates data last month, and it has been challenging to find comparable and current data at the national level. Such data seem to only be available at a cost. Sparacio presented some data points from national studies that are available on the web. The Board considered these data and noted that these studies only include water rates from the largest cities in the US. There was a consensus that these particular studies are not likely to be a reasonable comparison for the Water Authority Member communities. Sparacio will continue to search for a better data source.

**7. Update from the Growth Management Task Force**

Sparacio presented a possible timeline for consideration of the 9<sup>th</sup> Amendment to the Member Water Purchase Agreement. The Task Force meets on Thursday, and if they are prepared to make a recommendation to the Board on the 9<sup>th</sup> Amendment, the Board could review that action at the March 24<sup>th</sup> meeting. A joint meeting of the governing bodies would then be planned for April with adopting resolutions being considered over the May and June timeframe.

Sparacio then noted that the meeting materials include a primer on the key content of the proposed 9<sup>th</sup> Amendment. This overview explains in a few pages the proposed modifications to member charges, anticipated changes to budgeting and use of funds, and the increased flexibility for new Customer Member contracts.

Larry Delo asked for clarification on how monthly billing would change for Charter Members. Sparacio responded that the total amounts charged for the year would essentially be the same, but those portions that are volume-based would vary from month to month. As long as the current bonds are outstanding, most of the monthly charges to Charter Members will remain as a flat monthly fee based on estimated annual water use and the year-end true-up. Discussion continued on options for making this information available to the Members in convenient formats.

**8. Financial report**

Sparacio presented the January financial statements. He noted some updates to the 2021 budget figures in the categories of capital improvements and security fund deposits. The capital improvements budget was increased by \$148,000 to reflect prior year construction work in progress as a carry-forward. The security fund deposits expense was reduced to \$27,225 to reflect the 2021 PSC interest rate for customer held funds, which was finally published at 0.1%. The Board discussed the potential impact of COVID-19 relief funds at the local level. The Water Authority is not expected to receive such funds, as its revenues were not impacted by COVID-19.

**Motion made by Lawrence, seconded by De Pere to approve the financial report.**

**MOTION UNANIMOUSLY APPROVED**

**9. Bill payment list**

Sparacio confirmed that the Members received the updated February bill payment list via email and pointed out the three new bills that were added to the list. He noted that there are capital project payments that will come up later on the agenda. The total amount for the February checks (less the annual true-up refunds that were approved last month) is \$183,491.59. He is requesting approval of the bill payment list as modified.

**Motion made by Allouez, seconded by Ledgeview to approve the bill payment list as modified.**

**MOTION UNANIMOUSLY APPROVED**

**Technical Committee Recommendations:**

**10. Approval of payment requests #4 and #5 (final) from August-Winter and Sons, Inc. in the amounts of \$3,000 and \$2,975, respectively**

Sparacio reported that the correct hardware has been delivered, and McMahon confirmed compliance with the specifications. This project is now complete. The Technical Committee has reviewed these payment requests and has recommended approval. Sparacio is also recommending approval of payment requests #4 and #5, which is the final payment.

**Motion made by Howard, seconded by Lawrence to approve payments #4 and #5 (final) to August-Winter and Sons, Inc. in the amounts of \$3,000 and \$2,975, respectively.**

**MOTION UNANIMOUSLY APPROVED**

**Project Update and Status Reports:**

**11. Engineer's Report**

Gary Rosenbeck was unable to attend today's meeting but is available by phone if there are any questions for him. Sparacio provided updates on the emergency back-up study and the water service proposal to Suamico. A data request has been provided to each water utility which needs to be completed before we proceed with the emergency back-up alternatives analysis. Rosenbeck met with the Village of Suamico Public Works and Utility Commission this week.

**12. Manager's Report**

Sparacio provided a summary of items he worked on for the past month and his plans for the month ahead. In particular, the Water Authority has three planning efforts underway

that he will be focusing on. These include the emergency back-up supply study, the asset management process plan, and updates to the Emergency Response Plan. There are no problems or issues to report.

### **Old Business**

**13. Funding request letter to U.S. Army Corps of Engineers for Section 14 of the of the Flood Control Act**

Sparacio reported that the Army Corps needs an updated request letter if the Water Authority would like to be considered in the 2021 grant cycle. He noted that he made a few edits to the letter to update the narrative, and that the Technical Committee has confirmed in previous meetings the desire to extend the length of the shoreline revetment and to potentially strengthen what was constructed last year. The Board discussed the funds already spent on the shoreline project and the limited remaining funds available as potential grant match. Burdette asked for the status of the funding request with the City of Manitowoc. Sparacio responded that Manitowoc staff indicated that they would not likely send the letter back through the Common Council but would sign on to the updated letter. He will communicate the funding limitations with the City if the grant request advances in the process.

**Motion made by Allouez, seconded by Lawrence to approve the updated funding request to U.S. Army Corps of Engineers for Section 14 of the of the Flood Control Act.**

**MOTION UNANIMOUSLY APPROVED**

### **New Business**

**14. Town of Lawrence request to sell wholesale water to a portion of Village of Hobart**

Delo stated that he has to leave the meeting soon due to another commitment, and he has no objections to the request. Patrick Wetzel presented an overview of the request. The Hemlock Creek subdivision has been constructed in five phases over the years, and this final phase crosses the municipal boundary between the Town of Lawrence and the Village of Hobart. There are 26 lots in the Town and 27 in the Village. The Village has no way to serve with water or sanitary sewer those portions of the development within its boundary, and adjusting the boundary has not been an option. The Town has reached an agreement to provide water to the Village on a wholesale basis, which requires the approval of the Water Authority. Delo left the meeting at this time.

Wetzel continued with the details of the proposed agreement for wholesale water service. He reported that the Wisconsin Department of Natural Resources has approved the water and sewer plans for the subdivision, and the Wisconsin Public Service Commission approved the wholesale water arrangement earlier today.

Farr asked whether this arrangement was for a limited area or could the Village decide to further extend the water mains in the future. Wetzel responded that there could be a future possibility of extending water service further into this portion of the Village of Hobart, but not without further agreement from the Town and the Water Authority. However, there would also be complications with sewer interceptor capacity if the Town service area was extended any further into the Village. NEW Water would require the Village to purchase additional capacity first, which has been cost prohibitive to this point.

Farr asked whether the agreement allows the Town to recover any costs for maintaining capacity in its water system for this area. Wetzel responded that the agreement requires the payment of Excess Capacity Charges per the Water Authority Member contract along with an approved upcharge. The Village will collect these charges with its permit fees and pass them along to the Town.

Sparacio asked for the status of the subdivision variance with Brown County for the split lots. Wetzel responded that the developer has applied for the appropriate variance, and he believes it will become approvable with the approvals of the PSC and the Water Authority.

Chris Sampson asked for clarification on whether the issue with sewer interceptor capacity would likely affect other Water Authority Member communities in a similar situation. Wetzel responded that this sewer capacity problem is unique to Hobart due to Tribal lands that are not likely to develop. The cost for purchasing additional sewer capacity is hard for the Village to justify when they have limited development opportunities. This would not have the same effect for other communities that have more developable land.

Burdette asked whether Sparacio has a recommendation for the Board. Sparacio responded that if the Board is ready to proceed with action on this item, he is prepared with a recommendation. He stated that the Water Authority's legal review was completed by Attorney Kobza, and he confirmed that the Board received her recent memo via email. He then presented his review of the Town's request including the following findings and conclusions:

- a. The area to be served outside the Town boundary is limited to a specific area that logically should be served with utilities,
- b. The development to be served will have negligible impact on the Water Authority's capacity to provide water,
- c. The applicable requirements of the CBCWA Water Purchase and Sale Agreement (Section 9.1.4) have been adequately addressed,
- d. The intergovernmental agreement between Lawrence and Hobart addresses Water Supply Development Charges and Water Supply Capacity Charges (pg. 7).
  - Development Charges were eliminated in the 8<sup>th</sup> Amendment
  - Capacity Charges would still be applicable

On this basis, Sparacio is recommending approval of the request subject to the following conditions:

1. This approval is based on the specific facts and circumstances of this request and limited to the specific area designated in the request.
2. Excess Capacity Charges shall be paid to the Water Authority by the Town of Lawrence for the properties provided with service outside its municipal boundary.
3. This approval does not establish any precedent for the Water Authority's consideration of future requests.

Burdette confirmed with the Board that there were no outstanding questions or concerns. Wetzell confirmed that he has reviewed these proposed conditions, and the Town would have no objection to them.

**Motion made by Ledgeview, seconded by Howard to approve the Town of Lawrence request to sell wholesale water to a portion of Village of Hobart subject to the following conditions:**

- 1. This approval is based on the specific facts and circumstances of this request and limited to the specific area designated in the request.**
- 2. Excess Capacity Charges shall be paid to the Water Authority by the Town of Lawrence for the properties provided with service outside its municipal boundary.**
- 3. This approval does not establish any precedent for the Water Authority's consideration of future requests.**

**MOTION UNANIMOUSLY APPROVED**

**Next Meeting:**

The next meeting is scheduled for March 24, 2021.

**Adjourn:**

**Motion made and seconded to adjourn at 4:10 p.m.**

**MOTION UNANIMOUSLY APPROVED**

Respectfully submitted,  
Nicolas Sparacio