

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, March 27, 2024 at the Town of Ledgeview Community Center, 3700 Dickenson Road, De Pere, WI, and via video conference.

Members Present: Allouez – Chris Sampson
De Pere – Larry Delo
Denmark – Susan Selner
Howard – Geoff Farr
Lawrence – Kurt Minten
Ledgeview – Sarah Burdette

Members Excused: Bellevue

Also Present: Gary Rosenbeck, McMahon (video)
Nic Sparacio, CBCWA General Manager

The meeting was called to order at 3:00 p.m. by President Geoff Farr of Howard.

Roll Call:

Roll Call was taken as recorded above. (Attendees present via video conference are noted above with “video.”)

Approval of Agenda:

1. Approve agenda

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

MOTION UNANIMOUSLY APPROVED

Approval of Minutes:

2. February 28, 2024 regular meeting

Chris Sampson noted a needed correction under the call to order, which should state that Sampson is the representative from the Village of Allouez.

Motion made by Ledgeview, seconded by Lawrence to approve the minutes of the regular Board meeting of February 28, 2024, as revised.

MOTION UNANIMOUSLY APPROVED

Public Comment and Appearances:

3. None.

Administrative Actions & Reports:

4. Communication planning

Sparacio reported on communication efforts over the last month. The Denmark water service commemoration event went very well with great support from all the Members.

Sampson stated that the comments from the President of Salm Partners addressing business growth and job creation were especially appreciated. Sparacio then reported on social media results and upcoming plans. He also shared an outreach brochure that was created with assistance from Leonard & Finco. The Board discussed the potential uses for the brochure. Sparacio noted that the local officials' presentations are going well, and he continues to be available for those as needed.

5. Strategic Plan progress report

Sparacio presented a progress report on the Water Authority's current Strategic Plan. He pointed out strategic initiatives that are making steady progress but will require some additional time, those that had been lower priority but now need to be elevated in priority, and those that remain outstanding items for the future. Sparacio recommends, since so much of the plan is on track for implementation, that we continue with this plan through 2024. The Board should then look at a process to refresh or rewrite the plan in 2025.

6. Potential amendments to MPU Water Purchase and Sale Agreement

Sparacio explained that this item remains as a placeholder on the agenda in case a draft was ready for discussion. He reported that the next meeting with MPU is set for Tuesday, April 2.

7. Report on refunding of 2014 bonds

Sparacio reviewed the draft refunding timeline for the optional call date of November 1 on the Water Authority's existing bonds. A new underwriter will need to be selected, so this is a key part of the process. Larry Delo asked whether the anticipated interest rate environment for the year makes this the best time to refund, or should we hold off for lower rates? Sparacio responded that this timeline allows us to take advantage of the earliest opportunity for refunding, but there is nothing forcing us to go forward. Our financial advisors will be watching the rate environment on our behalf, and the RFP asks for underwriters to provide their recommendations as well.

The Board discussed its expectations for the refunding process. Since we will not know where interest rates are headed until later in the year, the Board would like to have flexibility as to when to proceed with the transaction. Sparacio then asked what level of involvement the Board would like to have in the process. Farr stated that he would like to hear from our financial advisor and the underwriters as to the best timing for refunding and to understand the risks and rewards at the point where we would lock into a transaction.

Discussion continued on the volatility of the interest rate environment. Sarah Burdette described the underwriter interview process from 2014 and its importance in establishing a solid relationship with the Authority's underwriting team members. There was a consensus that the Board would like to hear from underwriters as to their opinions on the timing of the transaction to maximize savings and to get an understanding of their experiences/capabilities. There may also be an opportunity to involve finance personnel from the Member communities in the process. If Baker Tilly

can complete the initial review of proposals, the Board is interested in hearing presentations from the top two or three finalists before making a selection decision.

Sampson asked how certain the potential savings are at this time. Sparacio explained that there is good certainty based on the interest rate on the current obligation and the projections received so far. The Board then discussed potential uses of the savings generated through the refunding. This will be discussed further at a future Board meeting.

Motion made by De Pere, seconded by Lawrence to authorize Baker Tilly and the General Manager to proceed with the underwriting RFP under the condition that flexibility is built into the process that allows the Authority to delay or cancel the transaction if the rates or projected savings do not meet the Board's expectations, and with the request that the schedule include presentations by the top two or three potential underwriters if available and willing to do this as part of the process.

MOTION UNANIMOUSLY APPROVED

8. Financial report

Sparacio presented the February financial statements. He noted that several items await normal audit adjustments and that we are on track to receive the audit report by the May meeting. There will also be some audit entries based on GASB 96 requirements for subscription-based IT agreements. The Sensus meter contract falls under these requirements.

Susan Selner asked for details on some of the transmission and distribution expenses to date. Sparacio responded that these expenses covered the annual fiber lease with Nsight and a replacement of the natural gas supply line at Central Storage. Discussion continued on whether this was large enough to be a capital expense. While this was a replacement of an existing gas line, it would be appropriate to shift it to capital if needed for budgetary purposes. No changes are requested at this time.

Motion made by Allouez, seconded by Lawrence to approve the financial report.

MOTION UNANIMOUSLY APPROVED

9. Bill payment list

Sparacio confirmed that each of the Board Members received the updated bill payment list via email. He then presented the revised bill payment list noting the additional bills from Engeneecs and McMahan and the revised total.

Motion made by De Pere, seconded by Denmark to approve the updated bill payment list as presented.

MOTION UNANIMOUSLY APPROVED

Technical Committee Recommendations:

- 10. None**

Project Update and Status Reports:

- 11. Engineer's report**

Gary Rosenbeck stated that he is awaiting a report from Corrosion Integrity on the continuity survey, and he anticipates a full agenda for next month's Technical Committee meeting.

12. Manager's report

Sparacio reported on items he has worked on over the last month and areas he plans to work on in the month ahead. There are no new issues or concerns to report. He then noted the upcoming treatment plant tour at MPU on April 23rd. Please let him know if anyone is interested in a transmission main tour before or after the treatment plant tour. These tours are not only for Board and Technical Committee Members, but also for any other local staff or elected officials.

Old Business

13. None.

New Business

14. None.

Next Meeting:

The next meeting is scheduled for April 24, 2024. Anticipated agenda items include:

- Contract for asset management planning services
- Various McMahon task orders
- Bond refunding underwriter proposals

Adjourn:

The meeting was adjourned at 4:10 p.m.

Respectfully submitted,
Nicolas Sparacio