

## 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, August 28, 2019 at the De Pere City Hall, Council Chambers, 335 South Broadway, De Pere, WI.

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**Present:** Allouez – Chris Sampson  
Bellevue – Shawn Geiger  
Howard – Geoff Farr  
Lawrence – Kurt Minten  
Ledgeview – Sarah Burdette

**Excused:** De Pere

**Also Present:** Nic Sparacio, Manager  
Gary Rosenbeck, McMahon Assoc.

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The meeting was called to order at 3:00 p.m. by President Sarah Burdette of Ledgeview.

### **Roll Call:**

Roll Call was taken as recorded above.

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

1. Approve agenda

**Motion made by Allouez, seconded by Lawrence to approve the agenda.**

**MOTION UNANIMOUSLY APPROVED**

### **Approval of Minutes:**

2. July 24, 2019 regular meeting

**Motion made by Allouez, seconded by Bellevue to approve the minutes of the regular meeting of July 24, 2019.**

**MOTION UNANIMOUSLY APPROVED**

### **Public Comment:**

3. None

### **Appearances:**

4. None

### **Administrative Actions & Reports:**

5. 2018 Audit Report

Manager Sparacio stated that the 2018 audit report was received in his office and forwarded to the Board just one day before the meeting. He asked whether the members had sufficient time to review the reports. There was a consensus that additional time is needed to review the documents toward meaningful discussion.

**Motion made by Lawrence, seconded by Bellevue to table the 2018 Audit Report until the September meeting.**

**MOTION UNANIMOUSLY APPROVED**

**6. Presentation and discussion on Preliminary 2020 Budget**

Sparacio presented the preliminary draft of the *2020 Annual Budget, Capital Improvement Program, and Member Cost Allocation*. He provided an overview of the 2020 budget goals and influences, water sales history and trends, and the proposed 2020 expenditures, revenues, rates, and resulting member charges. Some highlights of the preliminary budget include:

- A slight increase in projected water consumption. Member estimates for 2020 water use resulted in a total increase of 3 million gallons over 2019 water use for budgetary purposes.
- No change in the water purchase rate. There are shifts in breakdown of fixed and operation and maintenance elements of the rate, but the total rate can remain at \$4.99/1,000 gallons for 2020.
- No further rate stabilization funds. Even though the budgeted rate is unchanged, members will experience an increase in water purchase costs due to the depletion of the rate stabilization funds as discussed in the 2019 budget. The 2019 stabilized rate was \$4.76/1,000 gallons.
- A similar level of capital project spending. The 2020 CIP lays out \$450,000 in capital projects compared to \$480,000 in 2019.
- Limited use of cash reserves and restricted funds. In order to offset the impacts of the unexpected Brown County Highway R bridge project expenditure and continued capital project needs, \$500,000 in cash reserves and designated funds are slated for use in 2020.
- Maintenance of at least 30% of annual expenses as unrestricted cash. The unrestricted year-end cash projection in this budget meets and exceeds our goal of maintaining at least 25%.

Chris Sampson asked why the expenditure on the County Highway R bridges project is not a capital cost. Sparacio responded that he consulted with Baker Tilly for advice on this. The Water Authority will not gain any assets through this expenditure, so it is an operational expense related to preventing a utility conflict as a permitted user of the County highway right-of-way.

Geoff Farr asked for details on what the County Highway R bridge expenditure of \$300,000 will involve. Sparacio explained that the estimated cost of pre-boring the pilings is \$210,000. Pre-boring is expected to prevent vibrations from damaging the pipeline. It is hoped that not all 134 pilings will need to be pre-bored. If the more distant pilings can be driven without pre-boring, then the expense would be less than estimated. The remaining \$90,000 is for the additional concrete length of any pilings that were pre-bored. For those that are pre-bored, it is assumed that an additional depth of piling will be needed to reach the required soil bearing strength.

Sparacio continued by explaining the next steps in the budget process. The Board affirmed that there is a comfort level with scheduling the budget hearing and potential budget adoption for the September 28 Board meeting.

**7. Financial report**

Manager Sparacio presented the July financial statements and noted that budget and cash flow are tracking as expected. He reported on his meeting with Johnson Bank on the Water Authority's investment portfolio and noted that an annual update on the Investment Policy Statement has been requested. The Statement is attached in the agenda materials and reflects a continuation of the currently approved approach.

**Motion made by Howard, seconded by Lawrence to approve the financial report and to authorize execution of the annual Johnson Bank Investment Policy Statement.**

**MOTION UNANIMOUSLY APPROVED**

**8. Bill payment list**

Sparacio stated that the bill payment list remains as presented in the Board materials. There are no changes.

**Motion made by Allouez, seconded by Bellevue to approve the Bill Payment List.**

**MOTION UNANIMOUSLY APPROVED**

**Technical Committee Recommendations:**

- 9. Acceptance of the proposal from Vibra-Tech for a vibration monitoring and control plan**  
Sparacio reviewed the purpose of the proposal and provided an update on progress. Additional proposals have been sought both by McMahon and himself, but this is still the only proposal we have received. The legal review of the indemnification statement is still underway, but it does seem like a solvable issue once the attorneys are able to coordinate a conversation. He continued that there is an urgency with this as an essential input to the County Highway R bridge project, and the Technical Committee recommendation reflects that. Sparacio is recommending that the Board approve the proposal from Vibra-Tech contingent upon approval by the Water Authority attorney. This way, if the indemnification language can be agreed upon, he can go ahead and get Vibra-Tech started on the work.

Farr stated that he agrees with the concerns with the indemnification language. It is written very broadly and would require us to indemnify and defend Vibra-Tech on issues unrelated to our project. Gary Rosenbeck stated that we should expect some sort of indemnification language due to the sensitive nature of the work. There will be some limits to how we rely on the recommendations provided by Vibra-Tech based on the fact that the Water Authority is providing all of the background assumptions about the current condition of the pipe.

**Motion made by Howard, seconded by Lawrence to approve the proposal from Vibra-Tech for a vibration monitoring and control plan and to authorize the Manager to sign the agreement pending Water Authority attorney review and approval of the indemnification language.**

**MOTION UNANIMOUSLY APPROVED**

**10. Acceptance of the proposal from Nsight for fiber network mapping**

Sparacio reviewed the purpose of the proposal from Nsight. The Water Authority attorney has reviewed and approved the agreement, and the Technical Committee is recommending approval.

**Motion made by Lawrence, seconded by Bellevue to approve the proposal Nsight for fiber network mapping and to authorize the Manager to sign the agreement.**

**MOTION UNANIMOUSLY APPROVED**

**11. Approval of the payment request from Reeke-Marold Co. in the amount of \$90,000**

Burdette stated that this has been reviewed and recommended for approval by McMahan and by the Technical Committee. Sparacio affirmed that everything appears to be in order as adjusted by McMahan.

**Motion made by Bellevue, seconded by Allouez to approve payment to Reeke-Marold Co. in the amount of \$90,000.**

**MOTION UNANIMOUSLY APPROVED**

**12. Adoption of the 2020-2029 Capital Improvement Program**

Sparacio noted that this item is a point of communication to keep things transparent between the Technical Committee and the Board. The CIP included in this agenda item differs from the one in the 2020 budget proposal based on the continued evolution of the budget. The Technical Committee in its discussion understood the CIP to be a work in progress. There is adequate time to circle back to the Technical Committee prior to the budget hearing in September, so Sparacio will do that for everyone's awareness.

**Project Update and Status Reports:**

**13. Engineer's report**

Gary Rosenbeck provided an update on the Water System Improvement Projects. All three projects are underway and proceeding on schedule. He provided an update on the Finished Water Pump Station Optimization Study being done in cooperation with MPU. This study has confirmed that the Central Storage project resulted in about \$70,000 per year in electrical cost savings by shifting pumping to off-peak times. This study is also suggesting that the potential for pressure spikes or hydraulic surges should be further explored. With current methodologies, a more detailed surge analysis can be performed on the system today, but he is still exploring whether this is necessary. Discussion ensued regarding potential for hydraulic surge, the impact of constructing the Central Storage facilities, and the potential cost responsibilities of projects to address any related issues.

Kurt Minten asked whether we are expecting the Howard Booster Station By-Pass to be completed by the end of October. Rosenbeck responded that he will have to look into that. The biggest question is whether the related programming changes would be completed by that time.

**14. Manager's Report**

Sparacio provided a summary of items he worked on for the past month and his plans for the month ahead. There are no outstanding issues or concerns beyond those already discussed. Burdette noted that Sparacio (along with Nancy Quirk and Seth Garrison) will be

presenting on the SPLASH Study at the WI-AWWA annual conference on September 11. Sparacio added that he provided written testimony from the Water Authority for today's public hearing of the Speaker's Bi-Partisan Task Force on Water Quality. These statewide hearings are ongoing, and the Green Bay hearing was scheduled for earlier today. He will forward those comments to the Board members.

**Old Business**

15. None

**New Business:**

16. Letter of Commitment Regarding County Highway R Bridge Replacement Project  
Sparacio explained the background details on this potential Water Authority expenditure and provided the project cost summaries showing the County and State/Federal contributions toward the actual bridge construction projects. He reported on his conversations with Wisconsin DOT staff to validate the program requirements, with Baker Tilly to explore funding options and budget impacts, and with Attorney Kobza on the language of the draft letter of commitment. Sparacio then presented revisions to the draft letter as provided by Attorney Kobza. Sparacio is recommending approval of the letter with the recommended changes.

Farr noted that Brown County has agreed to pay \$35,000 toward the vibration monitoring activities. There was a consensus that this is appreciated by the Water Authority Board. Burdette thanked Rosenbeck for his input on the letter as well.

**Motion made by Howard, seconded by Lawrence to approve the Letter of Commitment Regarding County Highway R Bridge Replacement Project as revised by the Water Authority attorney.**

**MOTION UNANIMOUSLY APPROVED**

**Next Meeting:**

The next meeting is scheduled for September 25, 2019. Potential agenda items include:

- a. Member hearing on 2020 budget
- b. 2018 Audit Report (tabled at this meeting)

**Adjourn:**

**Motion made to adjourn at 4:15 p.m.**

**MOTION UNANIMOUSLY APPROVED**

Respectfully submitted,  
Nicolas Sparacio