

## **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, September 23, 2020 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 hear the meeting broadcast live at the location noted above or to contact the Water Authority to obtain telephone access to the meeting.

---

**Present:** Allouez – Chris Sampson  
Bellevue – Diane Wessel  
De Pere – Scott Thoresen  
Howard – Geoff Farr (in person)  
Lawrence – Patrick Wetzel  
Ledgeview – Sarah Burdette (in person)

**Also Present:** Nic Sparacio, General Manager (in person)  
Gary Rosenbeck, McMahon Assoc.  
Sean Gehin, Village of Allouez

---

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. (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 Bellevue, seconded by Allouez to approve the agenda.**  
**MOTION UNANIMOUSLY APPROVED**

### **Approval of Minutes:**

2. August 26, 2020 regular meeting  
**Motion made by Lawrence, seconded by Bellevue to approve the minutes of the regular meeting of August 26, 2020.**  
**MOTION UNANIMOUSLY APPROVED**
3. September 14, 2020 special meeting  
**Motion made by Lawrence, seconded by Bellevue to approve the minutes of the special meeting of September 14, 2020.**  
**MOTION UNANIMOUSLY APPROVED**

### **Public Comment:**

4. None

**Member Meeting on Proposed 2021 Budget and Water Rates:**

5. Nic Sparacio stated that the Members were provided notice of today's meeting along with the proposed budget document. He noted that there have been revisions to the budget document since that notice was provided, so the Members were also provided with the updated document – the same version currently being reviewed by the Board. Sparacio then presented an overview of the proposed 2021 budget pointing out the changes from the preliminary budget discussed by the Board last month. The changes are primarily driven by two factors. First, the Town of Ledgeview has increased its projected water usage for 2021 by 10 million gallons. Second, the cost of the shoreline stabilization project is now known and came in less than expected. Among other adjustments, this allowed for a budgeted contribution back to the Maintenance, Repair, and Replacement account rather than a further reduction of this fund.

President Burdette opened the budget hearing. Geoff Farr asked for clarification on the proposed water purchase rate. Sparacio responded that the proposed water purchase rate is \$4.97 per 1,000 gallons, or \$0.01 over the 2020 water purchase rate. There were no further questions or comments on the proposed 2021 budget and water rates. Burdette closed the budget hearing.

**Appearances:**

6. None

**Administrative Actions & Reports:**

7. Consideration of the proposed 2021 Budget and Water Rates  
Burdette thanked Sparacio for his work on the 2021 budget and for clearly presenting the material to the Board. Diane Wessel echoed Burdette's comments and also thanked Sparacio for presenting the proposed budget to the Bellevue Village Board.

Chris Sampson asked how the Water Authority's budget and financial conditions compare nationally, especially relative to COVID impacts. Sparacio responded that he has not seen 2021 budget data yet from other utilities, but the impacts of COVID have been minimal for the Water Authority. We saw decreased water use earlier in the year, but since then, all lost water consumption has been fully recovered.

There being no further questions or comments on the proposed budget, Burdette called for a motion.

**Motion made by De Pere, seconded by Bellevue to approve the 2021 Annual Budget, Capital Improvement Program, and Member Cost Allocation.**

**MOTION UNANIMOUSLY APPROVED**

8. Financial report  
Sparacio presented the August financial statements. Budget and financials are tracking as expected. He noted that he will provide an update on all outstanding capital projects at the October Board meeting, and the November 1 debt payments will also be made next month.  
**Motion made by Howard, seconded by Lawrence to approve the financial report.**  
**MOTION UNANIMOUSLY APPROVED**

**9. Bill payment list**

Sparacio confirmed that the Board members received the September bill payment list, as it was finalized on Tuesday and emailed to the Members. He presented the bill payment list and explained the various charges. Scott Thoresen asked what services from Leonard-Finco are included here. Sparacio responded that he did not have any particular public relations needs last month, so the September charges are primarily for regular maintenance and updates to the website.

**Motion made by Allouez, seconded by Bellevue to approve the bill payment list.**

**MOTION UNANIMOUSLY APPROVED**

**10. Authorization to un-restrict additional funds from the Maintenance, Repair, and Replacement fund**

Sparacio reported that based on the approved proposal for shoreline stabilization, we now know the specific gap in funding. The project costs will exceed budgeted resources by \$90,080. Sparacio is requesting to un-restrict up to \$100,000 from the Maintenance fund to cover that gap and provide a contingency.

Thoresen noted that these funds originally came from the legal settlement with CTE and asked for an update on the status of the outstanding funds. Burdette responded that the remainder of the settlement is due for payment in 2026.

**Motion made by De Pere, seconded by Howard to authorize the use of up to \$100,000 from the Maintenance, Repair, and Replacement account to fund a portion of the Lake Michigan shoreline stabilization project when budgeted funds become depleted.**

**MOTION UNANIMOUSLY APPROVED**

**Technical Committee Recommendations:**

**11. Authorization of up to \$56,500 to fund variable frequency drive design work as proposed by MPU and Jacobs, and request that MPU staff do as much of the related scope of work as they are able and available**

Sparacio reported on the status of this potential project at the Finished Water Pump Station. This project would provide the necessary engineering design for installation of a variable frequency drive on one of the existing constant speed pumps. The work will be completed with a combination of labor from MPU and from Jacobs. This is the reason for the wording of the Technical Committee recommendation and for the range in potential fees. The adjustment to the 2020 capital program was approved by the Board back in June. With the specifics of the proposal now reviewed by the Technical Committee, the project is ready to proceed if the Board approves.

Burdette asked whether the timeline is known for this project. Sparacio responded that the timeline is still a variable at this point. If we want to see MPU involved at a cost savings to the Water Authority, then we will need to be a little flexible on the timeline. He thinks that the end of 2020 into first quarter of 2021 is a realistic range of possibilities.

**Motion made by Allouez, seconded by Ledgeview to authorize up to \$56,500 to fund variable frequency drive design work as proposed by MPU and Jacobs, and to request that MPU staff do as much of the related scope of work as they are able and available.**

**MOTION UNANIMOUSLY APPROVED**

**Project Update and Status Reports:**

**12. Engineer's report**

Rosenbeck provided an update on the shoreline stabilization project. The executed contract documents are expected to be received this week, and the project work will start possibly next week, but no later than October 1<sup>st</sup>. He continued to describe the permitting requirements that will be applied to the project. There are requirements from the Wisconsin Department of Natural Resources, the US Army Corp of Engineers, and the US Environmental Protection Agency. There have been some unexpected issues with permit requirements, but none of them look like they will delay the project start.

**13. Manager's Report**

Sparacio reminded the Board members that the strategic planning sessions are coming up on October 5<sup>th</sup> and 9<sup>th</sup>. He then presented to the Board information recently received regarding advanced refunding of the Water Authority's bonds. This information was provided by Citigroup, the underwriter for our 2014 refunding. Due to the very low interest rate environment, the Water Authority could experience significant savings by refunding the majority of our outstanding bonds as taxable issues. Discussion continued on the potential savings and the impacts to the terms and covenants on the existing debt. The potential savings are substantial, and there is no foreseeable downside. However, there is some urgency relative to how long these market conditions might last.

Sparacio continued by explaining that Citigroup is advising that the refunding be completed by the end of October in order to take advantage of the historic low interest rates. As such, he asked whether the Board would support proceeding with Citigroup without requesting proposals from other underwriters. Burdette responded that she would have no hesitancy in working with Citigroup again. Patrick Wetzel stated that the Town of Lawrence is also refunding debt for these same reasons. Other members are also issuing new debt for this same reason. There was a consensus that Citigroup performed very well in the 2014 refunding, has deep understanding of our bond covenants, and is clearly the best positioned underwriter. However, we should also require them to submit a written proposal outlining the scope of work and proposed costs.

Sparacio then presented to the Board an executive leadership development opportunity being offered by Duke University called Water Innovation Leadership Development. He described the time commitment and cost requirements and asked whether the Board would support him in pursuing that. He plans to apply for a scholarship that would cover the full cost of the program. There was a consensus that the Board supports Sparacio pursuing this.

**Old Business**

**14. None**

**New Business:**

- 15. Resolution 2020-01 Approving the 8<sup>th</sup> Amendment to the Central Brown County Water Authority Water Purchase and Sale Contract**  
Burdette asked whether there were any further questions or discussion on the proposed amendments to the Agreement. There being no further discussion, she called for a motion on the resolution.

**Motion made by Howard, seconded by Allouez to adopt Resolution 2020-01.**

Burdette thanked the Growth Management Task Force for their continued work on all the details behind these important contract amendments. She then called for a vote on the motion.

**MOTION UNANIMOUSLY APPROVED**

**Next Meeting:**

The next meeting is scheduled for October 28, 2020. Burdette reminded the Board members to respond to Sparacio's email regarding their intended form of attendance (in-person versus video conferencing) for the strategic planning sessions.

**Adjourn:**

**Motion made and seconded to adjourn at 3:55 p.m.**

**MOTION UNANIMOUSLY APPROVED**

Respectfully submitted,  
Nicolas Sparacio