

December 22, 2016

Nancy Quirk, PE
General Manager
Green Bay Water Utility
PO Box 1210
631 S Adams St
Green Bay, WI 54305-1210

Dear Nancy:

The Central Brown County Water Authority Board met yesterday and discussed our interest in establishing a positive working relationship with the Green Bay Water Utility and the City of Green Bay. It is our hope that we will be able to find common ground and work together to our mutual benefit.

Since becoming operational, the Authority and our members have shifted their priorities to system reliability, operational and asset management issues. We have commissioned numerous studies and implemented significant capital projects to this end. Our members have increased their efforts to collaborate and have realized that cooperation can lead to both service improvements and cost savings. We have begun an effort to further expand these efforts.

We believe that collaborative opportunities exist for us with the Green Bay Water Utility as well. Last year, you were invited to take part in the Strategic Planning session the Board undertook. This effort resulted in a unanimously adopted plan that includes the following goals, all of which involve your utility.

1. Begin discussions with Green Bay Water Utility for mutual back-up/emergency service agreement. They could serve as CBCWA back-up and back-up for all communities so all communities could shut down their back-up wells. CBCWA may be able to partially serve as GBWU back-up; although doesn't have full capacity to do so.
2. Participate in GBWU's Master Plan and Strategic Plan processes as they occur. Important to work together to avoid duplicate infrastructure.
3. Research and prioritize other models to establish/create a CBCWA best-practice model. This may include consulting services – consulting with member communities and expanding outside of external communities – similar to MPU – for guidance and expertise
4. Begin discussions regarding prioritization and ROI of items to collaborate with each other. Discussions within CBCWA member communities first; and then expand to MPU and GBWU. Goal is to achieve efficiency and be cost-effective.

5. Begin discussions with regional entities (i.e. MPU, GBWU, others) on items to collaborate related to joint purchasing and shared services. This should be an evaluation of feasibility and ROI. Goal is to achieve efficiency and keep costs low.
6. In parallel with collaboration discussions regarding shared services/joint purchasing with member communities and other regional entities; consider pros/cons and determine a conceptual plan of becoming a Regional Water Authority.
 - Board and member communities need to determine if they really want to become a Regional Water Authority.
 - Considerations include: Begin plan/timeline with CBCWA handling all (or a majority) of items for all communities – creating 1 utility vs. 6 separate entities. What role to MPU and/or GBWU play (collaboration on other items may determine this)? Do we want to be more than just water?
 - Will include collaboration with external partners as this would be a regional effort, seeking other funding sources, and retaining an external facilitator to conduct feasibility study.

Our members have had some recent measure of success working with Green Bay Water Utility. The City of De Pere currently contracts with you for water billing services and has encouraged other members to investigate similar arrangements. We very much appreciated the opportunity to meet last week and learn more about your application of Citiworks. We hope to arrange a broader scale presentation early in 2017. We believe that the key to our future relationship will be based on mutually beneficial economics. Long term, the possibilities are endless.

The current issue before us involves our respective system master planning efforts. Much like you, we rely on wells for emergency supply. Water quality from these wells is less than optimal and the opportunity to strengthen our system and reduce risk is appealing. If we can economically strengthen our system (or those of our members) through interconnection with Green Bay Water it is something we very much would like to pursue. We fully recognize that this arrangement would need to be mutually beneficial. We also recognize that the physical construction may take years to accomplish as part of logically developed capital improvement plans. Regardless, we would be remiss if we didn't at least evaluate the opportunities and financial viability as part of our planning processes.

Both of our systems have some measure of excess capacity and have responded to requests from other area communities in their requests for service. Our internal agreements have previously made the Authority essentially noncompetitive in pursuing these opportunities. These agreements are in the process of being modified and will no longer pose a barrier. Having said that, a regional planning effort offers the chance to potentially avoid duplication of expensive capital assets. Further it opens the possibility of joint future projects of mutual benefit that may reduce costs, provide system looping or enhance service.

Beyond capital planning and system issues, there are other areas of mutually potential benefit that could include any or all of the following:

- Purchasing
- Software licensing
- Contract services or project bidding
- Project planning and scheduling

- Development of specialty service teams/work crews
- Equipment sharing
- Grant applications
- Staff training and development
- Technology transfer
- Centralized services such as (cross connection inspection, purchasing, accounting, billing, GIS, water modeling, etc...)

With a little thought we can probably find other areas that make sense from both a financial and customer service basis. None of us expect this process to be particularly quick or easy. On the other hand, we feel strongly that we shouldn't pass on economically viable opportunities to improve our efficiency, strengthen our system and reduce costs.

We operate in a business that needs to plan for both the present and our long term futures. Our hope is that this letter addresses the issues you posed and gives you a good sense of our willingness and commitment to improving our relationship and finding mutually beneficial opportunities. We would be happy to meet with you and your subcommittee or Board if you think that would be beneficial.

Sincerely,

David J. Vaclavik, Manager
Central Brown County Water Authority

Sarah K. Burdette, President
Central Brown County Water Authority