

***CENTRAL WYOMING REGIONAL WATER SYSTEM
JOINT POWERS BOARD***

MEETING PROCEEDINGS

December 15, 2020

A public meeting of the Central Wyoming Regional Water System Joint Powers Board (Board) was held Tuesday, December 15, 2020 at 11:30 a.m., in the Joint Powers Board Conference Room, Regional Water Treatment Plant, 1500 SW Wyoming Boulevard, Casper, WY.

Board Members Present - Chairman King, Vice-Chairman Keffer, Secretary Waters, Treasurer Bertoglio, and Board Members Cathey, Huber and Powell. Board Member Freel was absent.

City of Casper – Cathey, Huber, Powell (by phone), Andrew Beamer, Bruce Martin, Tom Pitlick, Evan Condellario, Brian Schroeder, Janette Brown

Natrona County – Bertoglio

Salt Creek Joint Powers Board – King

Wardwell Water & Sewer District – Keffer

Pioneer Water & Sewer District – Waters

Poison Spider Improvement & Service District –

Wyoming Water Development Office -

Sandy Lakes Estates -

Lakeview Improvement & Service District -

33 Mile Road Improvement & Service District –

Mile-Hi Improvement and Service District –

Central Wyoming Groundwater Guardian Team (CWGG) –

Others — Cynthia Olson – Skogen, Cometto, & Associates, P.C.

The Board meeting was called to order at 11:30 a.m.

1. In Announcements., Mr. Martin stated that Board Member Powell is participating in the

meeting by telephone.

Board Member Huber and Treasurer Bertoglio arrived at 11:31 a.m.

2. Chairman King asked for a motion to approve the minutes from the November 17, 2020 meeting. A motion was made by Board Member Cathey and seconded by Vice-Chairman Keffer to approve the minutes from the November 17, 2020 meeting. Motion put and carried.
3. Mr. Martin informed the Board no additional vouchers were added to the voucher listing that was sent out in the agenda packet. Mr. Martin stated that voucher 8230 for BLM is for five years lease for Pioneer Tank right-of-way; voucher 8235 for Wyoming Machinery is for retainage release for the WTP Emergency Power Project that is now completed. Mr. Martin recommended approval of the vouchers and offered to answer any questions the Board may have on the voucher listing.

Chairman King asked for a motion to approve the December 2020 vouchers. A motion was made by Secretary Waters and seconded by Vice-Chairman Keffer to approve the November 2020 voucher list to include voucher numbers 8230 through 8237 in the amount of \$551,517.69. Motion put and carried.

4. Mr. Martin asked the Board to reference the Gallons Produced table in the agenda packet. Mr. Martin stated that production for November 2020 was 164 MG, which is 4 MG more than the five-year average of 160 MG. Mr. Martin stated that year to date production is 2.22 BG, which is 105 MG more than the five-year average.

Mr. Martin asked the Board to reference the Income Statement in the monthly compilation. Mr. Martin stated that last month the Board was informed that the Interest Earned in FY2021 was less than expected.

Mr. Martin stated that Water Utility Charges for FY2021 is approximately \$333,000 more than FY2020 due to the water rate increase and higher than average water sales this year.

Mr. Martin stated the System Development Charges for FY2021 is \$51,000 less than FY2020. Mr. Martin stated that there were several large building projects that took place in FY2020 and paid System Development Charges, but FY2021 is on target for what was projected.

Mr. Martin stated that Reimbursable Contract Expense is \$1,691,874 which is approximately \$29,000 more than last year due to the timing of chemical purchases.

Mr. Martin stated that the Balance Sheet is not included in the Financial Report as Mr. Pitlick is waiting on the audited figures. Mr. Martin stated that the audit will be presented to the Board today, so the Balance Sheet should be available at the next meeting.

Chairman King asked for a motion to approve the November 2020 Financial Report as presented. A motion was made by Treasurer Bertoglio and seconded by Secretary Waters to approve the November 2020 Financial Report as presented. Motion put and carried.

5. Chairman King turned the time over to Mr. Schroeder for the Operations Update.

Mr. Schroeder stated that after 37 years the Lead Operator, Mike McDaniels, put in his retirement notice and December 31st will be his last day. Mr. Schroeder stated that Mr. McDaniels will be missed. Mr. Schroeder stated that the Lead Operator job listing is open, and will be open for a month. Mr. Schroeder stated that they have received some good applications so far. Chairman King asked if any applications were from within. Mr. Schroeder stated that there is one application from within so far.

Mr. Schroeder stated that the WTP is back to full staff after several members of staff tested positive for COVID.

Mr. Schroeder stated that staff is still working on the WTP cleanup from the summer season, and are working on putting together figures for the upcoming budget season.

Mr. Schroeder stated that he would also be giving the Transmission System Update for Mr. Conner.

Mr. Schroeder stated that Water Distribution crews have been continuing the fire hydrant checks.

Mr. Schroeder stated that Water Distribution staff will begin hauling the Actiflo sludge next month.

Mr. Schroeder stated that Water Distribution staff has also been installing test ports on the wholesale water meters, and working on the plans for the Pioneer tank overflow.

6. There was no Public Comment.

7. In Old Business:

- a. Mr. Martin stated that the response letter to EPA regarding the updated schedule for the UV System lists several reasons for the delays. Mr. Martin stated that the letter includes the WWDC funding for the project falling through, new Board Members that had to be brought up to speed, and COVID. Mr. Martin stated that the updated schedule moves everything out by 19 months. Mr. Martin stated that the preliminary design report is listed as being completed by April 30, 2022. Mr. Martin stated that funding for the Preliminary Design Report will be included in the FY2022 capital budget, which begins July 1, 2021. Mr. Martin stated that he left out the questions on the Ozone System as they will be listed in the preliminary design report. Mr. Martin requested Board approval to submit the letter to EPA.

A motion was made by Treasurer Bertoglio and seconded by Board Member Cathey to approve the response letter being signed by the Chairman and submitted to EPA. Motion put and carried.

- b. There was no Other Old Business.

8. In New Business:

- a. Mr. Martin stated that Ms. Cynthia Olson, with Skogen, Cometto, & Associates, is in attendance today to present the FY2020 Audit. Mr. Martin stated that Mr. Tom Pitlik, and Mr. Evan Condelario, with City of Casper Finance Department are also in attendance to answer any questions the Board may have on the audit.

Ms. Olson stated that she brought copies of the draft audit report that has been reviewed by Ms. Skogen and is ready to go with the Board's approval. Ms. Olson stated that there were no adjusting entries required for this audit, but there are reclassification entries, which are always done for the financial statement presentation.

Ms. Olson asked the Board to reference page 11 of the audit book. Ms. Olson stated that Total Assets increased from \$51 M in FY2019 to \$52.2 M in FY2020. Ms. Olson stated that this is primarily due to the addition of \$2.75 M in Capital Assets.

Ms. Olson stated that Total Liabilities decreased \$734,268 due to payments on the debt.

Ms. Olson stated that Net investment in capital assets increased from \$28 M in FY2019 to \$29.6 M in FY2020 due to additions in Capital Assets.

Ms. Olson stated that the Total Net Position increased from \$34.3 M to \$36.3 M.

Ms. Olson asked the Board to reference page 12 of the audit book. Ms. Olson stated that Operating Revenues increased from \$6.3 M in FY2019 to \$7.9 M in FY2020 due to the increase in production and the water rate increase.

Ms. Olson stated that Total Operating Expenses increased from \$3.5 M in FY2019 to \$3.6 M in FY2020.

Ms. Olson stated that there was an increase in Net Position of \$747,272 over FY2019 due to the increase in Water Sales. Ms. Olson stated that this shows that the charges for services are more than covering operations as required by State Statutes.

Ms. Olson asked the Board to reference page 23 of the audit book. Ms. Olson stated that this is a schedule of the most significant capital assets. Ms. Olson

stated that this schedule reflects the changes during the year. Ms. Olson stated that Construction in Process increased \$2,585,262 due to a combination of projects. Ms. Olson stated that there was a transfer out of \$917,374 for projects that were completed during the year and have begun depreciating. Ms. Olson stated that with depreciation subtracted, there was a total of \$719,910 added to Total Capital Assets for FY2020.

Ms. Olson asked the Board to reference page 25 of the audit book, Long-Term Obligations. Ms. Olson stated that the Reductions column is what was paid on the debt during the year. Ms. Olson stated that in FY2019 that column also includes principal forgiveness. Ms. Olson stated that in FY2020 \$1,258,211 was added to the debt for the WTP SCADA Improvements Project loan, and \$2 M of debt was paid down.

Ms. Olson stated that presentation of the Capital Assets and the Long-Term Debt are some things that auditors like to present to the Board as it different from the monthly financial reports presented by the City of Casper.

Ms. Olson stated again that there were no adjusting journal entries this year. Ms. Olson stated that their audit opinion is unmodified, which means it is a clean audit. Ms. Olson stated that she will be able to provide the final bound audit books as soon as they receive the signed Management Representation Letter from the Board.

A motion was made by Board Member Huber and seconded by Vice-Chairman Keffer to approve the FY2020 Audit Report.

Mr. Martin stated that he wanted to thank Mr. Pitlick and Mr. Condelario for their hard work on the audit this year, and the financial reports throughout the year.

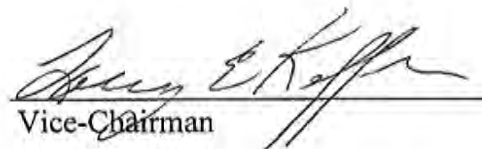
Motion put and carried.

b. There was no Other New Business.

9. In the Chairman's Report, Chairman King stated that the next regular meeting would be held on January 19, 2021.

A motion was made by Secretary Waters and seconded by Treasurer Bertoglio to adjourn the meeting at 11:47 a.m. Motion put and carried.


Chairman


Vice-Chairman