

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

MEETING PROCEEDINGS

April 21, 2020

A public meeting of the Central Wyoming Regional Water System Joint Powers Board (Board) was held Tuesday, April 21, 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 and Freel. Board Members Huber and Powell were absent.

City of Casper – Cathey, Freel, Andrew Beamer, Bruce Martin, 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 — Charlie Chapin – Williams, Porter, Day & Neville, P.C.; Mark Pepper – Wyoming Association of Rural Water Systems

The Board meeting was called to order at 11:32 a.m.

1. In Announcements, as the meeting is being conducted by video conference, Ms. Brown

took roll call as follows:

Chairman King – By Phone/Video
Vice-Chairman Keffer – By Phone/Video
Secretary Waters – By Phone/Video
Treasurer Bertoglio – By Phone/Video
Board Member Cathey – By Phone/Video
Board Member Freel – By Phone/Video
Board Member Huber – Absent
Board Member Powell – Absent
Mr. Chapin – In Person
Mr. Beamer – By Phone/Video
Mr. Martin – In Person
Mr. Schroeder – In Person
Ms. Brown – In Person
Mr. Mark Pepper – By Phone/Video

Mr. Martin announced that Mr. Mark Pepper with Rural Water will be added to the agenda under Item 7 a.

Mr. Martin asked the Board Officers to stay on the line after the meeting to schedule times with Ms. Brown to sign various documents.

2. Chairman King asked for a motion to approve the minutes from the March 17, 2020 meeting. A motion was made by Secretary Waters and seconded by Vice-Chairman Keffer to approve the minutes from the March 17, 2020 meeting. Motion put and carried.
3. Mr. Martin informed the Board that one additional voucher was added to the voucher listing; voucher 8145 for Great Plains Structures in the amount of \$30,637.50 for the Wardwell Tank Repairs. 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 April 2020 vouchers. A motion was made by Board Member Cathey and seconded by Secretary Waters to approve the April 2020 voucher list to include voucher numbers 8134 through 8145 in the amount of \$620,237.22. 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 March 2020 was 164 MG, which is 2 MG more than the five-year average of 162 MG. Mr. Martin stated that year-to-date production is 2.81 BG, which is approximately 48 MG more than the five-year average of 2.76 BG.

Mr. Martin asked the Board to reference page 2 of the monthly compilation. Mr. Martin stated that Water Sales is \$5,421,147, which is \$605,976, or 12.6% more than last year due to the rate increase and slightly above average water sales.

Mr. Martin stated that Total Operating Expenses are 1% less than last fiscal year. Mr.

Martin stated that Total Operating Expenses are bouncing just above, to just below what expenses were last year.

Chairman King asked for a motion to approve the March 2020 Financial Report as presented. A motion was made by Secretary Waters and seconded by Vice-Chairman Keffer to approve the March 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 the SCADA contractor is on site and is pulling fiber optic cable from the Raw Water Building to the WTP, approximately 1,500 feet. Mr. Schroeder stated that there were some issues with the utility vaults they are working in flooding, but that has been taken care of and things are going well.

Mr. Schroeder stated that the rehabilitation of two wells, Casper 22 and Morad 5, by Watson Well Service, started this week and will go into next week. Mr. Schroeder stated that the rehabilitation of the wells will hopefully increase their groundwater production.

Mr. Schroeder stated that the Operators ran the Surface Water through to the high service pumps with the new SCADA system. Mr. Schroeder stated that there were still a few issues with the new SCADA, but it is going well. Mr. Schroeder stated that the issues with the SCADA not working quite right with the surface water plant were anticipated and the contractor is getting them worked out.

Mr. Schroeder stated that the Water Distribution staff has been working on replacing the Ozone Contactor drain valves, which are fifteen feet deep near the Ozone Tower. Mr. Schroeder stated that one drain valve has been replaced, and the other should be completed today. Mr. Schroeder stated that once the drain valve replacement is completed there will be some plumbing issues to take care of, and then the system will be flushed.

Mr. Schroeder stated that due to COVID-19, neither the public, nor other City staff is allowed in the WTP. Mr. Schroeder stated that this change is to try to keep the Operators healthy so they can run the WTP.

Mr. Schroeder stated that Mr. Conner is not in attendance today and asked him to give the Transmission System Update.

Mr. Schroeder stated that the rebuilt motor for Pioneer Booster Station has been installed and aligned.

Mr. Schroeder stated that Great Plains will be doing a leak test on the roof of the Wardwell Zone IIIB water storage tank today.

Mr. Schroeder stated that Distribution staff cleaned out one each of the Actiflo and backwash lagoons.

Mr. Schroeder stated that Distribution staff is doing spring cleanup at the boosters, and they also built ramps for the well rehabilitation contractor.

Vice-Chairman Keffer asked how the test on the Emergency Power Generator turned out. Mr. Schroeder stated that the test failed. Mr. Schroeder stated that the contractor wanted to redo the test a few weeks ago, but the people from Florida couldn't travel back to Casper because of the COVID-19 restrictions.

6. There was no Public Comment. Mr. Martin stated that a conference line was set up for the public to be able to call in and listen to the meeting, but there were no requests from the Public to listen the meeting.

7. In Old Business:

- a. The time was turned over to Mr. Mark Pepper, Executive Director for the Wyoming Association of Rural Water Systems. Mr. Pepper stated that calls may be received from a company that has a robot they want to put in the wastewater facilities to test and see if there is COVID-19 in the wastewater. Mr. Pepper stated that Pinedale, Cody, and a few other communities have been contacted. Mr. Pepper stated that Jackson has agreed to the test. Mr. Pepper stated that the company has not been very forthcoming with how they are going to utilize the information, so he cautioned the Board about using this service.

Mr. Pepper stated that Wyoming Rural Water Association, in concert with the National group and the Senate Environment Public Works Committee is working on the fourth stimulus. Mr. Pepper stated that a survey was sent out to the Rural Water members about a week or so ago looking at the economic injury aspect of water systems. Mr. Pepper stated that he was pleased to see the production increase for the Board as a lot of places in the country are not seeing an uptick in water usage, they are seeing usage go down due to the closures of restaurants and other businesses. Mr. Pepper stated that it is anticipated that water systems will have a revenue loss due to customers not being able to pay their bill. Mr. Pepper stated that a stimulus is being created that local governments and special districts will have access to in order to fill revenue gaps. Mr. Pepper stated that some states have passed legislation to place a moratorium on shut-offs, waiving late fees, etc. Mr. Pepper stated that in those states, people just quit paying their bill and the utilities are having cash flow issues. Mr. Pepper stated that this is part of what is being worked out with Congress for the economic injury stimulus for government's revenue losses.

Mr. Pepper stated that it has been approximately a couple of years since the Board had the cryptosporidium hit on a river sample, with no hits before, or after. Mr. Pepper stated that the aspects of the EPA requiring or suggesting being very expensive. Mr. Pepper stated that he works very closely with EPA Region 8 as well as with DEQ and others, and two other places in the State have similar types of issues going on. Mr. Pepper stated that as of late last week, the EPA accepted a watershed management plan, which is basically additional monitoring. Mr.

Pepper stated that the watershed management plan was accepted as a remedy by the EPA instead of Options 1 and 2, which were millions of dollars.

Mr. Pepper stated that the Star Valley area is fed by natural springs, but EPA has made springs their new target and want the towns to get rid of the springs and go to wells. Mr. Pepper stated that a meeting was held with the mayors, Governor, and DEQ engineers and they were able to stop EPA from going forth with this in Afton.

Mr. Pepper stated that work is being done with Congress on the Safe Drinking Water Act and the Clean Water Act on anomaly testing. Mr. Pepper stated that under EPA guidance, additional filtration and other remedies are required for anomalous tests under the current rules. Mr. Pepper stated that it is felt that additional testing should be the requirement until a testing trend is established. Mr. Pepper encouraged the Board to push back on EPA to just do additional testing since nothing has been found in the wellfield or the distribution system. Mr. Pepper stated that the Board could work with Todd Parfitt, Kevin Fredrick, Rich Cripe, and DEQ and ask for their assistance in addressing EPA and utilizing some of their expertise.

Treasurer Bertoglio asked if there is legislation that Senator Barrasso is trying to get out to address anomalous test results. Mr. Pepper stated that legislation is being worked on. Mr. Pepper stated that there is legislation being worked that aims to add a remedy for additional testing before going forth with other remedies under the Clean Water Act and Safe Drinking Water Act. Mr. Pepper stated that he is in the process of reviewing 462 pages of a bill for a hearing today and tomorrow.

Chairman King thanked Mr. Pepper for sharing this information.

- b. There was no Other Old Business.

8. In New Business:

- a. Mr. Martin stated that it is the time of year for the Choice Gas selection. Mr. Martin asked the Board to reference the Choice Gas information spreadsheet that was compiled by Ms. Brown. Mr. Martin stated that the spreadsheet shows that most of the fixed rates are higher than the Pass-On Rate. Mr. Martin stated that the Board has gone with the Pass-On Rate for many years. Mr. Martin turned the decision for the Choice Gas Selection over to the Board.

Treasurer Bertoglio stated that he recommends the Pass-On Rate as the Index Rates use an add-on for their profit margin. Treasurer Bertoglio stated that the Choice Gas Program has been going for a long time, and since that time, the Pass-On Rate has had a savings range of 14% - 71% over the fixed rates, except for during the 2013 – 2014 year when the Pass-on Rate was 5% more. Treasurer

Bertoglio stated that the Index Rates are priced per month, and fluctuate with the CIG. Treasurer Bertoglio stated that the Pass-On Rate has worked very well.

Chairman King stated that he would abstain from voting on the Choice Gas Selection as he is the Chair of Wyoming Community Gas.

A motion was made by Vice-Chairman Keffer and seconded by Board Member Freel to continue with the Pass-On Rate for the 2020 Choice Gas Selection. Motion put and carried.

- b. Mr. Martin stated that at the meeting last month, capital projects for the FY21 budget were discussed. Mr. Martin stated that today the preliminary budget will be discussed, next month the Wholesale Water Rate model will be discussed, and then in June the Board will consider and approve the final budgets and wholesale water rate.

Mr. Martin informed the Board they could ask questions any time during the discussion of the WTP Operations and Agency budgets.

Mr. Martin stated that only critical and higher dollar line items will be discussed. Mr. Martin stated that many Operations Budget line items will be status quo, or close to the FY20 budget.

Mr. Martin stated that the new and replacement capital expenditures in the Agency Budget generally follow the WTP Capital Improvement Plan (CIP). Mr. Martin stated that there have been many projects added to the CIP following the WTP Facilities Plan and from staff recommended projects.

Mr. Martin reviewed the following preliminary budgets:

WTP Operations Budget

Personnel Services

- a) Personnel Costs - \$1,061,622 – This represents a decrease of \$24,524 over the FY20 budget. The decrease is mainly due to no COLA or one time bonuses budgeted for FY21.

Treasurer Bertoglio asked if the City is expecting an increase to the Health Insurance. Mr. Martin stated that the City is expecting a little bit of an increase to the Health Insurance.

Materials and Supplies

- a) General Supplies and Materials - \$125,500 – This represents an increase of \$19,715 over the FY20 budget. The General Supplies and Materials line

includes office supplies, safety equipment, machinery supplies, booster station supplies, well field supplies, and laboratory supplies. The majority of the increases in this line include \$17,000 for booster station supplies (pump rebuild at Wardwell Booster) and \$2,500 for safety supplies (OSHA compliance).

- b) Chemicals - \$750,000 – This amount is unchanged from the FY20 budget. This line item was increased by \$120,000 in FY17. Current projections show that, even with a slight increase in chemical costs, \$750,000 is sufficient.
- c) Postage and Printing - \$1,950 – This is a \$250 increase over the FY20 budget.
- d) Electricity - \$855,500 – This represents a \$740 increase over the FY20 budget. Electric usage is greatly dependent upon summertime water sales.
- e) Natural Gas - \$50,000 – This amount is unchanged from the FY20 budget.
- f) Bulk Fuel - \$10,000 – This amount is unchanged from the FY20 budget. This fuel is for the Emergency Generator.
- g) Maintenance/Repair (non-contract) - \$50,000 – This amount is unchanged from the FY20 budget.
- h) Employee Uniforms - \$1,000 – This amount is unchanged from the FY20 budget.

Contractual Services

- a) Professional Services - \$8,000 – This amount is unchanged from the FY20 budget. This line is used for instrumentation and controls maintenance and repairs.
- b) Maintenance Agreements - \$28,400 – This represents a decrease of \$2,650 from the FY20 budget. This line item covers agreements with outside service providers for such items as HVAC, instrumentation, elevator, chiller, chloramine analyzers, fire sprinkler system, and work order system that are beyond the expertise and/or certification of the WTP staff. The fire sprinkler system testing was over budgeted last year.
- c) Lab Testing - \$46,500 – This amount is unchanged from the FY20 budget.
- d) Laundry and Towel Service - \$2,000 – This represents a decrease of \$500 from the FY20 budget as there are less floor mats.
- e) Interdepartmental Services - \$399,938 – This is an increase of \$129,437 from the FY20 budget. This line item covers the salary and benefits for two Utility Workers assigned to Water Distribution but paid by the WTP Operations Budget. Also covered in this line are costs associated with Information

Technology, Finance, Human Resources, City Council, City Manager, and City Attorney services. Mr. Martin stated that this amount is paid to the City General Fund.

Treasurer Bertoglio asked why there is such a large increase in this line item. Mr. Martin stated that Mr. Pitlick and Mr. Condelario with the City Finance Department said there is a large increase in the General Fund, and this is the WTP share. Treasurer Bertoglio asked Mr. Martin to request a breakdown so it can be reviewed by the Board. Mr. Martin stated that he has requested a breakdown but has not received it yet. Mr. Martin stated that as soon as he receives the breakdown, he will share it with the Board.

Other Costs

- a) Travel/Training - \$4,000 – This amount is unchanged from the FY20 budget.
- b) Insurance & Bonds - \$27,359 – This is a \$5,260 decrease from the FY20 budget. This line item covers liability insurance, etc. for the eleven WTP employees who are City of Casper employees. Mr. Martin stated that this figure came from City Finance.
- c) Advertising - \$900 – This amount is unchanged from the FY20 budget.
- d) Dues and Subscriptions - \$1,200 – This amount is unchanged from the FY20 budget.

Utility Costs

- a) Communication - \$2,200 – This amount is unchanged from the FY20 budget. This is for telephone, internet access, and email services.
- b) Refuse Collection - \$40,000 – No change from the FY20 budget. This line item is mainly for sludge disposal. The two backwash water ponds and the two Actiflo sludge ponds are cleaned yearly.
- c) Sewer - \$400 – This represents an increase of \$100 over the FY20 budget.

Summary

This budget is a break-even budget in that it covers reimbursement to the City from the Regional Water System for operation, maintenance, and management of the Regional Water System.

The FY21 Operations Budget is 3.5% greater than the FY20 Operations Budget. In large part, the increase is a result of increased booster station supplies (Wardwell Booster), interdepartmental costs, and a slight increase in electricity costs.

CWRWS Agency Budget

Revenue

- a) Water Rate Revenue - \$7,319,864 – This reflects an increase of \$213,353 over the FY20 budget. These revenues are proportioned to each wholesale entity based on the July 2018 – June 2019 percentage of RWS production based on a five-year average of total RWS production. Mr. Martin stated that this includes a 5% rate increase to be discussed at the May Board meeting.
- b) Interest on Investments - \$80,000 – This is an increase of \$10,000 from FY20 based on data from previous years. Mr. Martin stated that he expects this line item amount to change due to the current state of the economy because of the COVID-19 pandemic.
- c) System Development Charges - \$245,000 – This amount is unchanged from the FY20 budget.

Personnel Services

None – The RWSJPB contracts with the City for all management, operation, and maintenance of the Regional Water System. Personnel costs are included in the WTP Operations Budget.

Contractual Services

- a) Consulting Fees - \$15,000 – This amount for outside consulting work is unchanged from the FY20 budget.
- b) Legal Fees - \$30,000 – This amount is unchanged from the FY20 budget.
- c) Accounting & Auditing - \$32,000 – This amount is unchanged from the FY20 budget and is based on the Audit Engagement Agreement with Skogen, Cometto & Associates P.C. for Auditing Services for FY2019 and FY2020.
- d) Insurance & Bonds - \$100,000 – This is an increase of \$2,456 from the FY20 budget.
- e) Travel & Training - \$2,000 – This amount is unchanged from the FY20 budget.

Debt Service

- a) Principal Payments - \$2,144,286 – This reflects the Principal for the City Loan to the RWS which occurred in FY12, two WWDC loans, and four DWSRF loans per the amortization schedules:

• City Loan	\$1,429,176
• WWDC (New Construction)	\$ 348,434
• WWDC (Rehabilitation)	\$ 111,281
• DWSRF Loan #115 (Emergency Power)	\$ 98,583
• DWSRF Loan #129 (Zone IIB Imp.)	\$ 23,624
• DWSRF Loan #153 (Backwash Tank)	\$ 68,367
• DWSRF Loan #213 (PLC/SCADA)	\$ 64,822

- b) Interest Expense - \$441,361 – This reflects the interest expense for the City Loan to the RWS, two WWDC loans, and four DWSRF loans per the amortization schedules:

• City Loan	\$106,349
• WWDC (New Construction)	\$147,496
• WWDC (Rehabilitation)	\$ 47,106
• DWSRF Loan #115 (Emergency Power)	\$ 53,942
• DWSRF Loan #129 (Zone IIB Imp.)	\$ 11,247
• DWSRF Loan #153 (Backwash Tank)	\$ 37,408
• DWSRF Loan #213 (PLC/SCADA)	\$ 37,813

Capital – New

- a) Buildings - \$150,000 – Filter Monorail Hoist Safety System – This project will install a hoist safety system for confined space entry into the filters for maintenance. This is an OSHA requirement.

- b) Improvements Other Than Buildings - \$302,000:

- Plant Landscaping - \$20,000 – This project will install an irrigation system and landscaping at the WTP.
- Groundwater Well Variable Frequency Drives - \$32,000 – This project will be to install VFD's on five ground water wells to allow for optimized flow control directly from the WTP control room.
- North Platte River Restoration - \$250,000 – Treasurer Bertoglio stated that he spoke to Ms. Martinez a few days ago and she stated that the River Project doesn't need these funds this upcoming fiscal year. Treasurer Bertoglio stated that he explained to Ms. Martinez the capital needs at the WTP and how this will affect the wholesale water rate.

- c) Light Equipment - \$10,000 – Shop Tools and equipment needed for in-house WTP maintenance and repair.

Capital – Replacement

- a) Buildings - \$260,000 – This includes the following;

- Security - \$15,000 – This is an on-going project that includes the installation of security equipment including entrance gate upgrades, door-card access system, and several fixed, PTZ, and long-range cameras, external light replacements, and fire alarm installations. This line item will be used for additional security upgrades and door replacements at the Raw Water and Ozone buildings.
- Roof Replacement - \$225,000 – This is to replace the roofing systems over the filter gallery that are currently leaking.
- Coating System Rehabilitation - \$20,000 – This will be for building and external pipe recoating.

b) Improvements Other Than Buildings - \$1,402,000 – This includes:

- Major Equipment Replacements - \$100,000 – This is for unanticipated equipment and valve replacements during the year. WTP and/or wellfield equipment will fail unexpectedly needing immediate replacement or renovation. Mr. Martin stated that the increase is due to critical valve replacements.
- Groundwater Well Turbidimeter Replacement - \$30,000 – The RWS has 29 wells. Turbidimeters on each well were a requirement of EPA for their approval of Riverbank Filtration as a GWUDI alternative filtration technology in 2005. The existing turbidimeters are no longer supported by the vendor and replacement parts are difficult to obtain.
- Well Pumps - \$45,000 – This will purchase three spare well pumps for the wellfield.
- Mag Meter Replacements - \$50,000 – There are multiple mag meters throughout the RWS that are failing and/or are no longer supported.
- Well Rehabilitation - \$350,000 – The RWS has 29 wells in the Ft. Caspar and Dempsey Acres wellfields. Every two to three years monies are allocated to rehabilitate two wells to achieve higher yields and clean the well screens of incrustation.
- Pipe Restraint - \$16,000 – This project is to install pipe restraints on plant piping where movement has been identified.
- Actiflo Hydrocyclone Improvements - \$56,000 – This project is to refurbish the Actiflo Hydrocyclone system.
- Ozone Heat Rejection and Cooling Water Pump Replacements - \$33,000 – There are three heat rejection, and three cooling water pumps on the ozone system. This will be a three year project to replace one of each pump per year.
- Raw Water Switch Gear and VFD Replacements - \$200,000 – This will replace the electrical switchgear in the raw water pump station as well as add VFD's for pump control. This project has been re-budgeted from FY20.
- Ground Water High Service Pump VFD Replacement - \$100,000 – This will replace the existing 20 year old VFD. This project has been re-budgeted from FY20.

- HVAC System Chiller Replacement - \$180,000 – This project is to replace the chiller unit and failing pumps and valves on the WTP building HVAC system. This project has been re-budgeted from FY20.
- Gravity Filter Particle Counter Replacements - \$30,000 – This project is to replace the six existing particle counters that have failed.
- Gravity Filter Level Indicators - \$15,000 – This projects is to replace the six existing level indicators that have failed. This upgrade will aid in optimizing filter performance.
- GW System Hydrogen Peroxide Pumps and VFD's - \$10,000 – This project is to upgrade the hydrogen peroxide system with new pumps and VFD's.
- Wardwell Tank Lining - \$175,000 – This project is to spray line the floor and walls of the Wardwell Tank to seal existing leaks and prevent future leaks.
- West Hypo Tank Repairs - \$6,000 – This project is to make repairs to the fiberglass sodium hypochlorite tank that is leaking.
- Actiflo Poly Line Replacement - \$6,000 – This project is to replace the Actiflo PVC polymer lines with stainless steel lines and supports.

c) Light Equipment - \$100,000 – This project is to replace the F-450 Service Truck to include a crane and snowplow.

d) Technologies - \$6,000 – Computer replacements at the WTP.

Mr. Martin stated that the capital projects list has \$800,000 to \$1 M of projects that will either necessitate a rate increase, or projects will have to be put off to future years, or funds will have to be used from Reserves. Mr. Martin stated that this list will most likely be revised; projects have already been identified that could be moved out to future years, including the River Restoration Project and the Wardwell Tank Lining Project. Mr. Martin stated that staff will do their best to trim down the capital project list.

Mr. Martin stated that the FY21 capital budget is aggressive and close attention will have to be paid to the cash flow as the fiscal year progresses as there may be difficulties with revenue as mentioned by Mr. Pepper.

Mr. Martin stated that he will have a couple of different options for the rate model at the Board meeting next month.

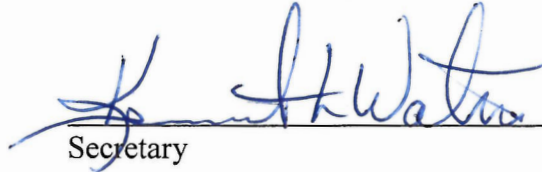
Chairman King thanked Mr. Martin for his hard work on the preliminary budget and for keeping the Board informed of what is going on.

- c. In Other New Business, Mr. Martin thanked the Board for meeting by video/phone in order to protect the WTP staff from the COVID-19 virus.

9. In the Chairman's Report, Chairman King stated that the next regular meeting will be held on May 19, 2020. Chairman King stated that the Board would be informed if the May meeting will be held in this same manner with the video/phone.

A motion was made by Board Member Cathey and seconded by Treasurer Bertoglio to adjourn the meeting at 12:34 p.m. Motion put and carried.


Chairman


Secretary