

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

MEETING PROCEEDINGS

May 18, 2021

A public meeting of the Central Wyoming Regional Water System Joint Powers Board (Board) was held Tuesday, May 18, 2021 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, Secretary Waters, and Board Members Bogart, Freel, and Knell. Treasurer Bertoglio, and Board Members Cathey, and Powell were absent.

City of Casper – Freel, Knell, Andrew Beamer, Jill Johnson, Bruce Martin, Seth Van Wyck, Clint Conner, Janette Brown

Natrona County –

Salt Creek Joint Powers Board – King

Wardwell Water & Sewer District – Bogart

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.

The Board meeting was called to order at 11:33 a.m.

1. In Announcements, Mr. Martin stated that Mr. James Bogart is in attendance today for Vice-Chairman Keffer and has his proxy.

2. Chairman King asked for a motion to approve the minutes from the April 20, 2021 Regular and Executive meetings. A motion was made by Board Member Knell and seconded by Secretary Waters to approve the minutes from the April 20, 2021 Regular and Executive meetings. Motion put and carried.
3. Mr. Martin informed the Board that three additional vouchers were added to the voucher listing that was sent out in the agenda packet: Voucher 8293 for ARS Flood & Fire Cleanup in the amount of \$14,048.71 for WTP Flood Cleanup; Voucher 8294 for Casper Winnelson Co. in the amount of \$4,277.00 for the WTP Main Floor Boiler Expansion Tank; Voucher 8295 for Casper Star-Tribune in the amount of \$265.78 for Advertisement for Notice of Final Payment to Contractor – WTP Raw Water Building MCC and Switchgear Replacements, Project No. 18-078. 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 May 2021 vouchers. A motion was made by Secretary Waters and seconded by Board Member Bogart to approve the May 2021 voucher listing to include voucher numbers 8283 through 8295 in the amount of \$726,976.49. 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 April 2021 was 170 MG, which is right at the five-year average. Mr. Martin stated that year to date production is 3.045 BG, which is 123 MG more than the five-year average of 2.92 BG.

Mr. Martin asked the Board to reference the Income Statement in the monthly compilation. Mr. Martin stated that Water Utility Charges for FY2021 is \$6,181,562, which is an increase of approximately \$452,845 more than FY2020 due to the water rate increase and higher than average water sales this year.

Mr. Martin stated that Reimbursable Contract Expense is \$2,799,291, which is approximately \$165,000 more than last year. Mr. Martin stated that this due to the increase in chemical purchases, and is right about where staff expected it to be.

Chairman King asked for a motion to approve the April 2021 Financial Report as presented. A motion was made by Board Member Freel and seconded by Board Member Bogart to approve the April 2021 Financial Report as presented. Motion put and carried.

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

Mr. Van Wyck stated that the two WTP Maintenance staff are retiring. Mr. Van Wyck stated that Matt Mosteller's retirement is effective today after 22 years, and Rick Constantino will be retiring next week after 14 years. Mr. Van Wyck stated that two Plant Mechanic positions are being advertised, and 25 applications have been received so far. Mr. Van Wyck stated that he hoped to do interviews soon and have the positions filled in June.

Mr. Van Wyck stated that Matt Burgardt with Water Distribution is training as an Operator to help fill in when needed. Mr. Van Wyck stated that the new Operator starts June 7th.

Mr. Van Wyck stated that the Surface Water Plant had been started. Mr. Van Wyck stated that a few issues arose with the starting of the Surface Water Plant. Mr. Van Wyck stated that some of the Raw Water actuators need to be replaced.

Mr. Van Wyck stated that one of the Ground Water High Service pumps failed; Water Distribution staff dismantled the pump and found that it needs a new impeller.

Mr. Van Wyck stated that expansion tank for the boiler arrived, and will be replaced soon.

Mr. Van Wyck stated that Watson Well has been working on the well rehabilitation. Mr. Van Wyck stated that the rehabilitation of Casper 20 went well, waiting on bacti results so it can be put back in service. Mr. Van Wyck stated that it was found that Casper 10 has a cracked well casing. Mr. Van Wyck stated that Watson Well will submit a quote for repairing the casing. Mr. Van Wyck stated that they are thinking that they will essentially install a casing with a smaller diameter sleeve inside the existing casing, then backfill with pea gravel between the two casings. Mr. Van Wyck stated that they expect to get similar to the same yield from the well.

Mr. Van Wyck stated that according to the contractor, the roof for the 2.6 MG Tank should be set by the end of the week. Mr. Van Wyck stated that once the roof has been set, the painters will be able to begin work.

Chairman King turned the time over to Mr. Conner for the Transmission System Update.

Mr. Conner stated that the shaft for pump number 2 at the Mt. View Booster broke and the pump is obsolete and will be discontinued next year. Mr. Conner stated that the repair costs for the pump are almost equal to the cost of a new pump. Mr. Conner stated that a new pump has been ordered from a different manufacturer. Mr. Conner stated that some adjustments will need to be made to the piping in order for the new pump to work. Mr. Conner stated that it will take 10 - 12 weeks for the pump to arrive.

Mr. Conner stated that with the Wardwell tank being out of service so much, it put a lot of strain on the booster and the swing check valve was replaced about a year and a half ago. Mr. Conner stated that a couple of weeks ago it was discovered that the swing check valve is worn out again from the turbulent water rushing by. Mr. Conner stated that parts are on order.

Mr. Conner stated that the Sandy Lake tank mixer had a control cabinet issue that was repaired.

Mr. Conner stated that the drain for the Pioneer tank has been completed and the Bureau

of Land Management has been contacted for an inspection.

Mr. Conner stated that the Crosstown Pipeline ARV's are being exercised and tested.

Mr. Conner stated that the RWS booster stations have been de-winterized.

Mr. Conner stated that Water Distribution staff has been spraying the weeds and mowing at the RWS boosters and tanks.

Mr. Conner stated that residuals are good out in the system.

Mr. Conner stated that Water Distribution staff assisted at the WTP to replace an eyewash station.

Mr. Conner stated that Water Distribution staff is also dewatering the east Actiflo lagoon in order to clean it out.

6. There was no Public Comment.

7. There was no Old Business.

a. There was no Other Old Business.

8. In New Business:

a. Mr. Martin stated that this is the month where the Board reviews the preliminary wholesale water rate model in anticipation of setting and approving a new rate at the June meeting.

Mr. Martin stated that the preliminary rate model is the same format as has been used for the last several years. Mr. Martin stated that Revenues and Expenses are built in along with Debt Service, and Debt Requirements. Mr. Martin stated that the goal is to stay 10% above the requirement.

Mr. Martin stated that the Board has discussed the Ultra Violet (UV) Project at past meetings, but it is not included in the rate model. Mr. Martin stated that if no rate increase is approved, the reserves will be below the minimum requirement.

Mr. Martin stated that the City of Casper loan will be paid off in 2023, and the UV Project is due in 2026 at a cost of \$12 - \$15 M. Mr. Martin stated that the Board discussed building up reserves to cover the cost of the project or to look for funding. Mr. Martin stated that if the Board gets a loan for the project, it will increase the Debt Service requirement.

Chairman King asked where the Board would be able to get a loan for the project. Mr. Martin stated that it is possible to apply for a State Revolving Fund loan.

Board Member Knell asked if there are any grants that could be applied for. Mr. Martin stated that staff has already checked with the Wyoming Water Development Commission, and because it would be for a treatment project, it is not eligible for grant funding.

Mr. Martin stated that in order to save \$500,000 a year for this project, it would require a 14% rate increase. Mr. Martin stated that he spoke to Ms. Johnson, City Finance Director, about saving funds for the project. Mr. Martin stated that with interest rates so low, it just doesn't make sense.

Board Member Knell stated that he couldn't believe there isn't Federal funds available since the UV Project is being mandated by EPA.

Board Member Knell stated that interest rates have to increase, and asked if the Board would qualify for Build Wyoming funding. Mr. Martin stated that the Build Wyoming funding would be through the State Revolving Fund with 2.5% interest and 25% Principal Forgiveness.

Secretary Waters stated that right now the economy is stuck and people can't afford an increase on their water bills.

Board Member Freel asked what staff recommends. Mr. Martin stated that he recommends a 5% rate increase. Mr. Beamer stated that a 5% rate increase is reasonable, and that he thinks a loan for the UV Project is the way to go.

Board Member Knell stated that he likes the thought of a 5% rate increase better than a 14% rate increase.

Mr. Martin stated that capital projects will continue in the future. Ms. Johnson stated that an assessment for the project could be built into the rate model, and then the rate could be decreased when the project is completed. Mr. Beamer stated that he is not in favor of reducing rates.

Board Member Knell stated that he thinks the 5% rate increase is the way to go. Mr. Martin stated that if the Board would like, he could plug in a 5% rate increase to the rate model and bring it back to the Board for consideration next month.

Chairman King stated that at the Salt Creek Joint Powers Board meeting last month he told them not to expect any rate increase below 5%.

Secretary Waters stated that if you look at the economy, it is at a standstill and a lot of people are still out of work. Board Member Knell stated that he agreed, but the Board doesn't really have a choice. Secretary Waters stated that he agrees that the rate needs to increase in order to meet requirements and that 5% is better than 14%.

A motion was made by Board Member Freel and seconded by Board Member Knell for staff to bring back the wholesale water rate model with a 5% rate increase for consideration at the June meeting. Motion put and carried.

- b. Mr. Martin asked the Board to reference the WTP Operations Budget Amendment. Mr. Martin stated that this amendment is to increase expenses for Personnel and chemicals. Mr. Martin stated that due to the higher production last summer, and filling chemical tanks to start the season this year, it has used practically the entire chemical budget.

Mr. Martin stated that the City of Casper approved a budget amendment to accept and use CARES Act funding for personnel, and this budget amendment approves it as well.

Mr. Martin stated that the total amount for the WTP Operations Budget Amendment is \$125,668.

Mr. Martin asked the Board to reference the Agency Budget Amendment No. 2. Mr. Martin stated that this amendment increases the Operations Reimbursement line item the same amount as the WTP Operations Budget Amendment.

Board Member Knell asked what the total budget amount will be with the amendments. Mr. Martin stated that with the budget amendments, the WTP Operations Budget total will be \$3,497,813, and the Agency Budget total will be \$7,467,052.

A motion was made by Board Member Freel and seconded by Secretary Waters to approve Budget Amendment No. 1 for the FY2021 WTP Operations Budget and Budget Amendment No. 2 for the FY2021 Agency Budget in the amount of \$125,668 each. Motion put and carried.

- c. There was no Other New Business.

- 9. Chairman King asked for a motion to move into Executive Session to discuss potential property acquisition and potential litigation. A motion was made by Secretary Waters and seconded by Board Member Bogart to adjourn into Executive Session at 12:09 p.m. to discuss potential property acquisition and potential litigation. Motion put and carried.

A motion was made by Secretary Waters and seconded by Board Member Bogart to adjourn from Executive Session at 12:25 p.m. Motion put and carried.

A motion was made by Secretary Waters and seconded by Board Member Bogart to open the Regular Session at 12:25 p.m. Motion put and carried.

Chairman King asked for a motion to go forth with the property acquisition. A motion was made by Secretary Waters and seconded by Board Member Knell to move forward

with the property acquisition as discussed in Executive Session. Motion put and carried.

Chairman King asked Mr. Martin to contact the property owner.

10. In the Chairman's Report, Chairman King stated that the next regular meeting would be held on June 15, 2021.

A motion was made by Secretary Waters and seconded by Board Member Bogart to adjourn the meeting at 12:26 p.m. Motion put and carried.

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Chairman

Secretary