A public meeting of the Central Wyoming Regional Water System Joint Powers Board (Board) was held Tuesday, June 19, 2018 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 Powell, and Board Members Humphrey, Walsh, and Waters. Treasurer Lawson and Board Member Johnson were absent.

**City of Casper** – Powell, Humphrey, Walsh, Andrew Beamer, Bruce Martin, Brian Schroeder, Clint Conner, Janette Brown, Scott Baxter

**Natrona County** –

**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.;

The Board meeting was called to order at 11:34 a.m.

1. There were no Announcements.
2. Chairman King asked for a motion to approve the minutes from the May 15, 2018 meeting. A motion was made by Vice-Chairman Keffer and seconded by Board Member Walsh to approve the minutes from the May 15, 2018 meeting. Motion put and carried.

3. Mr. Martin asked the Board to reference the updated voucher listing dated today and shown on the screen. Mr. Martin stated that two additional vouchers were added to the listing; voucher 7872 for Long Building Technologies in the amount of $1,925.00 for replacing the Ozone Exhaust Fans and voucher 7873 for 609 Consulting in the amount of $7,338.95 for the Airport Elevated Water Storage Tank Project. 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 June 2018 vouchers. A motion was made by Board Member Humphrey and seconded by Secretary Powell to approve the June 2018 voucher list to include voucher numbers 7854 through 7873 in the amount of $960,380.50. 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 May 2018 was 285.4 MG. Mr. Martin stated that the five year average is 241.8 MG. Mr. Martin stated that year to date production is 3.1 BG and the five year average is 3.23 BG.

Mr. Martin asked the Board to reference the Water Rates Billed spreadsheet. Mr. Martin stated that billed water for May was $490,841.97. Mr. Martin stated that year to date, $5,329,384.66 has been billed. Mr. Martin stated that at the end of last fiscal year $5,912,210 was billed and he expects Water Sales to be approximately $6 M at the end of the current fiscal year.

Mr. Martin asked the Board to reference page 1 of the May Financial Report. Mr. Martin stated that Reservations for FY18 year to date is $6,500,831 compared to $7,127,957 last year. Mr. Martin stated that this is due to the large projects this year, namely the Backwash Tank and the Airport Tank. Mr. Martin stated that this reduction in Reserves was expected.

Mr. Martin asked the Board to reference page 2 of the May Financial Report. Mr. Martin stated that total Water Sales for the year are $5,329,389 compared to $5,171,046 last year.

Mr. Martin stated that Operating Expense for FY2018 is $2,767,348 which is approximately $211,478 higher than last year. Mr. Martin stated that this is mainly due to timing of chemical purchases and the surface water plant was in operation earlier due to the tie-in for the Backwash Tank.

Mr. Martin stated that year to date there is a decrease of $175,857 in Net Assets.

Chairman King asked for a motion to approve the May 2018 Financial Report as presented. A motion was made by Board Member Walsh and seconded by Vice-
Chairman Keffer to approve the May 2018 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 contractor has completed the replacement of the Actiflo settling tubes; both trains are operational and seem to work really well. Chairman King asked when the Actiflo settling tubes are used. Mr. Schroeder stated that the Actiflo settling tubes are used in the summer when the surface water plant is in production.

Mr. Schroeder stated that the surface water plant is off right now due to the rain. Mr. Schroeder stated that water demand is currently 12 MGD which can be satisfied with the groundwater wells.

Mr. Schroeder stated that the Surface Water High Service Variable Frequency Drive (VFD) replacement has been completed by Modern Electric. Mr. Schroeder stated that this project went really well and the VFD is being used to run the surface water plant.

Mr. Schroeder stated that the concrete drain troughs for the Backwash Tank are being poured today. Chairman King asked when the water in the parking lot will go away. Mr. Schroeder stated that when the drain troughs are completed it will go away. Mr. Schroeder stated that this is the parking lot drain that is being completed and no water could get into where they are working so the parking lot drain had to be plugged, which created the pond. Mr. Schroeder stated that hopefully it should be completed next week.

Mr. Schroeder stated that the fencing and gate for the Emergency Generator project is being installed today and the project should be completed within the next few weeks. Chairman King asked if a security gate will be installed. Mr. Schroeder stated that there will be a security gate by the generator, and the other security gate will be re-installed so when visitors come to the WTP they will only be able to access the front parking lot.

Secretary Powell asked about the results for the aerobic spore testing. Mr. Schroeder stated that the aerobic spore testing results have been low for the wells, but the river has been very high due to the spring runoff. Secretary Powell asked if there is a way to appeal the BIN classification from EPA. Mr. Schroeder stated that the system was placed in the BIN 2 classification for the surface water since there was cryptosporidium found in the river. Mr. Schroeder stated that because of this classification, there must be additional treatment added to the surface water system. Mr. Schroeder stated that when the classification letter was received, staff requested seven years to implement the additional treatment, which would be the Ultra Violet System.

Secretary Powell asked if wells farther from the river could be used for the aerobic spore testing and increase production from them. Mr. Schroeder stated that EPA is concerned about the collector wells closer to the river. Secretary Powell asked if these collector wells have to be used. Mr. Schroeder stated that these collector wells are very good water producers. Mr. Schroeder stated that production was slowed down on the test well
to a third of what it normally produces to get better filtration.

Mr. Martin stated that during the Facilities Plan Update HDR had discussions with EPA proposing different testing than aerobic spores on the wells that could be done to demonstrate that it wasn’t an issue and EPA said that different testing would not change the decision. Board Member Waters stated that it’s no wonder EPA won’t change their mind with the problems that have been happening all over the U.S. Mr. Martin stated that a formal response was received from EPA and was handed out before the meeting. Mr. Martin stated that EPA did not say no to the request for seven years, but they do want a timeline of benchmark goals.

Mr. Conner asked if UV is installed, would the Gallery be put back in service. Mr. Schroeder stated that the Gallery cannot be put back in service until a microfiltration system is used for the groundwater.

The time was turned over to Mr. Conner for the Transmission System Update.

Mr. Conner stated that staff will be doing some work in the wellfield on the recharge culverts this week. Mr. Conner stated that one has to be replaced.

Mr. Conner stated that staff had planned on cleaning out the Actiflo basins this week, but the rain over the weekend got everything too wet and it will have to dry out again.

Mr. Conner stated that mowing was completed at the RWS booster stations and maintenance was completed on some hydrants.

Mr. Conner stated that the Metro Road booster pump was recoated and installed, but a seal is leaking so staff is looking into solving that issue.

Mr. Conner stated that the communication at the Salt Creek surge tank was repaired.

Mr. Conner stated that RWS cathodic protection anode stations have been tested.

6. There was no Public Comment.

7. In Old Business:

a. Project Updates:

   i. Mr. Martin turned the time over to Mr. Scott Baxter with the City of Casper Engineering Department for an update on the Alternate Backwash Water Supply Tank Project.

      Mr. Baxter stated that the concrete channels for the Alternate Backwash Water Supply Tank Project for the drains and overflow are being installed. Mr. Baxter stated that the new tank should be filled and tested in a week or so.
ii. Mr. Baxter stated that the Airport Elevated Water Storage Tank Project is going really well. Mr. Baxter stated that the exterior coating on the tank is completed as of this morning.

Mr. Baxter stated that the hoisting crew should be on site tomorrow morning. Mr. Baxter stated that there will be a progress meeting tomorrow afternoon to start preparations to hoist the tank to the top of the pedestal. Mr. Baxter stated that if the weather cooperates, the tank will be hoisted Friday morning and should take approximately four hours.

Mr. Baxter stated that once the tank is hoisted and put in place, the roof will be installed and the interior of the tank will be painted.

Chairman King asked what the highest wind speed is that they will still feel safe hoisting the tank. Mr. Baxter stated that he believes 18 mph wind speed is the highest wind speed that they will still feel comfortable hoisting the tank. Mr. Baxter stated that the tank will be hoisted early in the morning. Mr. Baxter stated that if the wind is too high they won’t even start hoisting the tank.

Chairman King asked how much clearance there is between the tank and the pillar. Mr. Baxter stated that there is only a few inches of clearance between the tank and the concrete pillar.

b. There was no Other Old Business.

8. In New Business:

a. Mr. Martin turned the time back over to Mr. Baxter to discuss Change Order No. 7 for the Alternate Backwash Water Supply Tank Project.

Mr. Baxter stated that this change order is for additional concrete work related to surge protection issues earlier in the project. Mr. Baxter stated that the extent of the concrete work was unknown until now. Mr. Baxter stated that this change order includes 45 feet of curb and gutter, and 35 feet of valley gutter. Mr. Baxter stated that it was looked at doing this work with the generator project, but prices were very high. Mr. Baxter stated that the scope was reduced, but was still high. Mr. Baxter stated that with this being an SRF project, the contractors must pay Davis Bacon wage rates, which increases the cost. Mr. Baxter stated that the cost of the concrete replacement is $12,990, which leaves $31,208.58 in contingency. Mr. Baxter stated that he did not believe the project will exceed the contingency amount that was approved for the project with the remaining items for project close out. Mr. Baxter stated that the State DWSRF representative has given approval for this change order.

A motion was made by Board Member Walsh and seconded by Board Member
Waters to approve Change Order No. 7 for the Alternate Backwash Water Supply Tank Project No. 15-37 in the amount of $12,990. Motion put and carried.

b. Mr. Martin stated that at the end of the fiscal year funds for projects that are in progress, but not completed, need to be encumbered. Mr. Martin recommended approval of the following encumbrances:

- RWS2018-1 HDR Engineering Inc. $65,733.19 Design & Construction Administration for the Wardwell Zone IIIB Tank Repairs
- RWS2018-2 Long Building Technologies $12,580.00 Labor to install WTP exhaust fans
- RWS2018-3 DXP Enterprises $55,455.00 Raw Water Pump #5
- RWS2018-4 Arcadis U.S. $10,987.16 Amendment No. 2 – WTP Emergency Generator Project No. 10-09
- RWS2018-5 DXP Enterprises $9,550.00 Well Pump for Casper #5
- RWS2018-6 Lower & Co., P.C. $2,100.00 Design & Construct Monorail Crane System
- RWS2018-7 Lillard & Clark – Wyoming, Inc. $84,000.00 Replace Actiflo Settling Tubes
- RWS2018-8 Equivalent Controls Corporation $3,933.00 Mag Meter for Morad #6
- RWS2018-9 DXP Enterprises $9,550.00 Well Pump for Casper #7
- RWS2018-10 Western Power Wash $14,750.00 WTP Outside Pipe Painting
- RWS2018-11 HDR Engineering, Inc. $20,697.60 Source Water Protection Plan
- RWS2018-12 DXP Enterprises $9,033.00 Well Pump for Morad #12
- RWS2018-13 Xylem Water Solutions $16,321.00 Ozone Generator Digital Controller

A motion was made by Board Member Humphrey and seconded by Vice-Chairman Keffer to approve FY18 encumbrance numbers RWS2018-1 through RWS2018-13 as presented. Motion put and carried.

c. Mr. Martin stated that the Board reviewed the Preliminary FY19 Rate Model last
Mr. Martin stated that if no increase to the wholesale water rate is approved, the Reserve balance will be below minimum reserves in FY2020. Mr. Martin reminded the Board that the Ultra Violet System must be implemented in FY2023 and Reserves will need to be built up so the Board won’t have to borrow as much money for this project.

Mr. Martin recommended a 7% increase to the wholesale water rate for FY2019 which would raise the rate from $1.72/1,000 gallons to $1.84/1,000 gallons.

A motion was made by Board Member Walsh and seconded by Secretary Powell to approve a 7% wholesale water rate increase to $1.84 per thousand gallons for FY2019. Motion put and carried.

d. Mr. Martin stated that system investment charges (SIC’s) are a one-time fee charged for new or enlarged water and sewer system connections. Mr. Martin stated that SIC revenues are used to recover costs of existing and future water and wastewater system capital improvements.

Mr. Martin stated that the RWS SIC fee schedule has not been updated since 1998. Mr. Martin stated that in February 2017, the RWS collaborated with the City of Casper to retain Raftelis Financial Consultants, Inc. (Raftelis) to conduct a comprehensive System Investment Charge Study to determine future revenue requirements from SIC’s. Mr. Martin stated that Raftelis presented the findings and recommendations from that study to the Board at the November 2017 RWS meeting.

Mr. Martin stated that of the different methods to figure SIC’s presented by Raftelis, the Equity Buy-In Approach best represents the RWS system.

Mr. Martin stated that staff has confidence that the data and methods used by Raftelis are accurate and defensible and recommended adopting the CWRWS System Investment Charge Fee Schedule maximum defensible amount based on the results of the 2017 Raftelis System Investment Charge Study.

Mr. Martin asked the Board to reference the SIC comparison graph of different entities around the State which shows that the combined City of Casper and RWS SIC’s is still in the middle range of charges.

Mr. Martin stated that Resolution No. 18-01 has been prepared for the Board’s consideration. Mr. Martin stated that the increase to the SIC’s would not take place until January 1, 2019.

A motion was made by Secretary Powell and seconded by Board Member Waters to approve Resolution No. 18-01 which increases the RWS System Investment Charges. Motion put and carried.
Mr. Martin stated that the preliminary FY2019 Operations and Agency Budgets were discussed in detail last month, but there were a few revisions that will be reviewed today.

**Water Treatment Plant Operations Budget**

**Personnel Services**

Personnel Costs - $1,050,765 – This represents a $106,008 increase over the FY18 budget. Personnel budget increases include the additional WTP Operator position, accrued leave, 2% COLA, and one-time bonus approved by Casper City Council.

**Contractual Services**

Interdepartmental Services - $256,001 – This represents an increase of $92,276 over the FY18 budget. Beginning in FY18, City Administration revised the methods used to calculate Interdepartmental Charges. As this was done after approval of the FY18 budgets, no increase was attributed to the WTP budget in FY18. These costs are proposed to begin in FY19. The revised method includes Interdepartmental Costs to the WTP for Information Technology, Finance, Human Resources, City Council, City Manager, and City Attorney services.

**Materials and Supplies**

Bulk Fuel - $10,000 – This is the line item that will be used for purchasing fuel for the new emergency generator.

The FY19 Operations Budget is 3% greater than the projected FY18 Operations Budget.

**Agency Budget**

**Revenue**

Water Rate Revenue - $6,929,444 – This reflects an increase of $139,617 over the FY18 budget. These revenues are proportioned to each wholesale entity based on a five-year average of total RWS production.

Interest on Investments - $17,000

System Development Charges - $98,500
State Loans - $1,512,710 – This includes remaining amounts on one existing loan and one anticipated loan from the Drinking Water State Revolving Fund (DWSRF) at 2.5% interest for 20 years.

Contractual Services

This includes a 5% increase due to the Operations Reimbursement.

Debt Service

This includes a 9% increase due to the beginning of the loan repayment for the Emergency Power loan.

Replacement Capital

The PLC/SCADA Replacement Project - $1,300,000 has been re-budgeted from the FY18 budget.

Wardwell zone IIIB Tank Replacement - $500,000 has been re-budgeted from the FY18 budget.

Water Storage Tank Renovations - $1,100,000 – This project includes renovation and recoating of the existing 2.6 MG water storage tank at the WTP.

The FY19 Capital Budget is aggressive. Close attention will have to be paid to the cash flow as the fiscal year progresses. A few of the capital projects may not be able to be completed in FY19 depending on cash flow.

Mr. Martin recommended approval of the FY19 Operations and Agency budgets and offered to answer any questions the Board might have.

A motion was made by Secretary Powell and seconded by Vice-Chairman Keffer to approve the FY2019 WTP Operations Budget and the Agency Budget as presented. Motion put and carried.

f. Board Member Johnson was not in attendance at the meeting and was unable to sign his annual banking letter.

g. There was no Other New Business.

9. In the Chairman’s Report, Chairman King stated that the next regular meeting will be held on July 17, 2018. Chairman King informed the Board he would be out of town that week and Vice-Chairman Keffer will chair the meeting.
A motion was made by Board Member Waters and seconded by Board Member Walsh to adjourn the meeting at 12:31 p.m. Motion put and carried.

Vice-Chairman

Secretary