

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

MEETING PROCEEDINGS

June 20, 2017

A public meeting of the Central Wyoming Regional Water System Joint Powers Board (Board) was held Tuesday, June 20, 2017 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, Treasurer Lawson, and Board Members Hopkins, Johnson, and Waters. Secretary Powell and Board Member Walsh were absent.

City of Casper – Johnson, Hopkins, Andrew Beamer, Bruce Martin, Brian Schroeder, Clint Conner, Janette Brown

Natrona County – Lawson

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 –

Central Wyoming Groundwater Guardian Team (CWGG) –

Others — Charlie Chapin, Kyle Ridgeway – Williams, Porter, Day & Neville, P.C.; Nick VanWyhe – HDR, Inc.; Stacey Hellekson, Jeb Bell – Woodard & Curran

The Board meeting was called to order at 11:36 a.m.

1. There were no Announcements.
2. Chairman King asked for a motion to approve the minutes from the May 16, 2017

meeting. A motion was made by Treasurer Lawson and seconded by Board Member Johnson to approve the minutes from the May 16, 2017 meeting. Motion put and carried.

3. Mr. Martin asked the Board to reference the voucher listing handed out on this date. Mr. Martin stated that one additional voucher was added to the listing; voucher 7686 for Sage Software Inc. in the amount of \$790.00 for the BusinessWorks software annual update. 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 2017 vouchers. A motion was made by Board Member Hopkins and seconded by Board Member Waters to approve the June 2017 voucher list to include voucher numbers 7664 through 7686 in the amount of \$582,949.78. Motion put and carried.

4. Mr. Martin asked the Board to reference the Gallons Produced table in their agenda packets. Mr. Martin stated that production for May 2017 was 247 MG which compares to 223 MG one year ago. Mr. Martin stated that the five year average is 251 MG. Mr. Martin stated that year to date production is 3.2 BG compared to 3.8 BG last year at this same time.

Mr. Martin asked the Board to reference page 2 of the May 2017 Financial Report. Mr. Martin stated that Water Sales is approximately \$3,000 less than one year ago. Mr. Martin stated that Operations Expense is approximately \$170,000 less than one year ago due to the timing of chemical purchases. Mr. Martin stated that Net Operating Income is approximately \$167,000 greater than last year.

Chairman King asked for a motion to approve the May 2017 Financial Report as presented. A motion was made by Board Member Johnson and seconded by Treasurer Lawson to approve the May 2017 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 Water Treatment Plant is in full operation. Mr. Schroeder stated that production is down due to the rainy weather. Mr. Schroeder stated that July is coming and he expects production to increase. Mr. Schroeder stated that production is currently 20 MGD.

Mr. Schroeder stated that the Emergency Power Project is moving along. Mr. Schroeder stated that the concrete has been poured and the generator should be on site in a couple of weeks.

Mr. Schroeder stated that the wellfields are producing as they should. Mr. Schroeder stated that a couple of well pumps have been replaced and staff has one additional well pump to replace. Mr. Schroeder stated that Rocky Mountain Power has to remove the electrical transmission line above the well so the pump can be removed.

Mr. Schroeder stated that there are a few projects scheduled for the maintenance staff for

this summer.

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

Mr. Conner stated that Water Distribution staff has been mowing and trimming grass and weeds around booster stations and water storage tanks for the past week.

Mr. Conner stated that a pre-construction meeting was held a couple of weeks ago with Landmark for the Airport Elevated Water Storage Tank Project. Mr. Conner stated that the sub-contractor should be on site soon for demolition. Mr. Conner stated that he was unsure if the sub-contractor was going to knock down the existing water storage tank and then dismantle, or if they were going to dismantle it while it is standing.

Mr. Conner stated that Water Distribution staff helped WTP staff with pump replacements for the wells and raw water.

Mr. Conner stated that the Lead and Copper testing has been completed and the results were all good.

Chairman King informed Mr. Schroeder that the Operator for Edgerton passed his certification test.

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 last month the Board approved an agreement with HDR, Inc. for design and construction administration for the PLC/SCADA Equipment Project. Mr. Martin stated that this equipment is located at the Water Treatment Plant, water storage tanks, and booster stations. Mr. Martin stated that City water storage tanks and booster stations are tied in to the WTP SCADA and it makes sense to replace all the equipment at the same time. Mr. Martin stated that all this equipment, RWS and City of Casper, was included in the agreement between HDR and the RWS. Mr. Martin stated that the City's portion of the agreement is \$87,661. Mr. Martin stated that City Council approved a funding agreement between the City and RWS for this project at their meeting held on June 6, 2017. Mr. Martin stated that with this funding agreement in place, the City will pay the RWS for the City's portion of the PLC/SCADA project. Mr. Martin recommended approval of the funding agreement and offered to answer any questions the Board might have.

A motion was made by Board Member Johnson and seconded by Board Member Hopkins to approve the funding agreement between the City of Casper and the

RWS for the PLC/SCADA Project in the amount of \$87,661. Motion put and carried.

- b. Mr. Martin stated that COP Wyoming was removing a 20-inch abandoned pipe as part of the Alternate Backwash Water Supply Project and discovered a 6-inch stormwater line running under the footprint of the new backwash water storage tank. Mr. Martin stated that this stormwater line was not noted on the “As-Builts” or located during the winter surveying. Mr. Martin stated that this 6-inch stormwater line drains water from the Water Distribution Garage parking lot and will need to be realigned.

Mr. Martin stated that COP Wyoming was asked to provide a cost for the realignment of this 6-inch stormwater line; they submitted a cost of \$21,172. Mr. Martin stated that Woodard & Curran completed a cost analysis that estimated ~\$38,000 for this work. Mr. Martin recommended approval of Change Order No. 1 in the amount of \$21,172 with an additional 3 days added to the contract time moving Substantial Completion from November 30 to December 3, 2017.

A motion was made by Vice-Chairman Keffer and seconded by Treasurer Lawson to accept Change Order No. 1 for the Alternate Backwash Water Supply Project in the amount of \$21,172 with a 3 day time extension. Motion put and carried.

- c. Mr. Martin asked the Board to reference the FY17 Budget Reallocation Form that was handed out on this date. Mr. Martin stated that each year funds are reallocated to cover expenses. Mr. Martin stated that funds are being reallocated to Accounting & Audit to cover the BusinessWorks Software Annual Update; funds for the Airport Elevated Water Storage Tank and Alternate Backwash Water Supply Project are being moved to Grant and Loan line items; and funds are being reallocated for the System Investment Charge Study. Mr. Martin recommended approval of the FY17 Budget Reallocations.

A motion was made by Board Member Hopkins and seconded by Board Member Johnson to approve the FY17 Budget Reallocations. Motion put and carried.

- d. Mr. Martin stated that per Wyoming State Statutes the Board cannot exceed their approved fiscal year budget.
 - i. Mr. Martin asked the Board to reference the Operations Budget Amendment in their agenda packets. Mr. Martin stated that an amendment of \$65,000 to the FY17 Operations Budget is needed to cover the cost of electricity.

A motion was made by Vice-Chairman Keffer and seconded by Board Member Johnson to approve the FY17 Operations Budget Amendment in the amount of \$65,000 to cover the cost of electricity. Motion put and carried.

- ii. Mr. Martin asked the Board to reference the FY17 Agency Budget Amendment. Mr. Martin stated that this amendment includes the following: \$65,000 to cover the Operations Budget amendment; \$307,934 for the Alternate Backwash Water Supply Project; and \$20,000 for Legal fees due to potential litigation. Mr. Martin recommended the Board approve the FY17 Agency Budget Amendment in the amount of \$392,934.

A motion was made by Board Member Hopkins and seconded by Treasurer Lawson to approve the FY17 Agency Budget Amendment in the amount of \$392,934. Motion put and carried.

- e. Mr. Martin stated that at the end of the budget year funds are encumbered for projects that have not been completed. Mr. Martin recommended approval of the following encumbrances:

RWS2017 -1 HDR Engineering \$10,300 Amendment No. 2 to the WTP Facilities Plan Project No. 15-085

RWS2017-2 COP Wyoming \$2,062,500 WTP Alternate Backwash Water Supply Tank Project

RWS2017-3 Landmark Structures \$3,100,000 Airport Elevated Water Storage Tank

RWS2017-4 HDR Engineering \$429,617.50 WTP SCADA Improvements Project No. 17-038

A motion was made by Vice-Chairman Keffer and seconded by Treasurer Lawson to approve FY17 Encumbrances RWS2017-1, RWS2017-2, RWS2017-3, and RWS2017-4 as presented. Motion put and carried.

- f. Mr. Martin stated that the FY18 Wholesale Water Rate was discussed at the meeting last month. Mr. Martin stated that the Wholesale Water Rate memo is included in the agenda packet. Mr. Martin stated that the major change to the memo is that the Wardwell Zone IIIB tank roof was re-budgeted. Mr. Martin stated that the rate model is driven more by capital projects than by Operations expenses. Mr. Martin recommended approval of the 7% wholesale water rate increase for FY18. Mr. Martin reminded the Board that the wholesale water rate model is a snapshot in time and there is a possibility that the 7% wholesale water rate increases projected for FY19 and FY20 could change.

A motion was made by Board Member Hopkins and seconded by Vice-Chairman Keffer to approve a 7% wholesale water rate increase to \$1.72 per thousand gallons for FY18. Motion put and carried.

- g. Mr. Martin stated that the preliminary FY18 Budgets were discussed by the Board

at their April meeting. Mr. Martin stated that a few changes have been made since that time.

- i. Mr. Martin stated that the Operations Budget had minor changes. Mr. Martin stated that a slight change was made to Personnel, and Electricity was increased. Mr. Martin stated that the overall increase to the budget from FY17 is 6%. Mr. Martin recommended approval of the FY18 Operations Budget.

A motion was made by Treasurer Lawson and seconded by Vice-Chairman Keffer to approve the FY18 Operations Budget as presented. Motion put and carried.

- ii. Mr. Martin stated that a few changes have also been made to the FY18 Agency Budget. Mr. Martin stated that Water Rate Revenue has been updated to include the wholesale water rate increase; State Loans and State Grants have been updated to reflect reimbursements due to project timing; Accounting and Audit has been updated to reflect the new agreement with Skogen & Cometto for the annual audit; Capital Replacements has been updated to reflect the re-budgeting of the Wardwell Zone IIIB Tank roof. Mr. Martin stated that the Capital Budget is very aggressive and the Cash Flow will have to be watched very carefully. Mr. Martin recommended approval of the FY18 Agency Budget.

A motion was made by Board Member Johnson and seconded by Vice-Chairman Keffer to approve the FY18 Agency Budget as presented. Motion put and carried.

- h. There was no Other New Business.

9. A motion was made by Treasurer Lawson and seconded by Board Member Hopkins to adjourn from Regular Session into Executive Session at 12:06 p.m. to discuss potential litigation. Motion put and carried.

Board Member Johnson left the meeting at 12:30 p.m.

A motion was made by Board Member Hopkins and seconded by Treasurer Lawson to adjourn from Executive Session back to the Regular Session at 1:04 p.m. Motion put and carried.

A motion was made by Board Member Hopkins and seconded by Vice-Chairman Keffer to proceed as recommended by Legal Counsel as outlined in the memo dated June 15, 2017. Motion put and carried.

10. In the Chairman's Report, Chairman King stated that the next regular meeting will be

held on July 18, 2017. Treasurer Lawson stated that he would be unable to attend the July meeting.

A motion was made by Board Member Waters and seconded by Treasurer Lawson to adjourn the meeting at 1:08 p.m. Motion put and carried.

A handwritten signature in blue ink, appearing to read "Charles L. ...", is written above a horizontal line. Below the line, the word "Secretary" is printed in a standard black font.

Secretary

A handwritten signature in blue ink, appearing to read "T. H. ...", is written above a horizontal line. Below the line, the word "Chairman" is printed in a standard black font.

Chairman