

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

MEETING PROCEEDINGS

April 17, 2018

A public meeting of the Central Wyoming Regional Water System Joint Powers Board (Board) was held Tuesday, April 17, 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, Treasurer Lawson, and Board Member Hopkins, and Waters. Secretary Powell and Board Members Johnson and Walsh were absent.

City of Casper – Hopkins, Andrew Beamer, Bruce Martin, Brian Schroeder, Clint Conner, Janette Brown, Scott Baxter, Terry Cottenoir

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 – Williams, Porter, Day & Neville, P.C.; Julie Gondzar – Wyoming Water Development Office; Peter Allee – Visionary Communications

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

1. There were no Announcements.
2. Chairman King asked for a motion to approve the minutes from the March 20, 2018

meeting. A motion was made by Treasurer Lawson and seconded by Board Member Hopkins to approve the minutes from the March 20, 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 four additional vouchers were added to the listing; voucher 7836 for HDR, Engineering Inc. in the amount of \$8,477.16 for the Source Water Protection Plan; voucher 7837 for HDR Engineering, Inc. in the amount of \$4,079.31 for the Wardwell Zone IIIB Tank; voucher 7838 for TREC, Inc. in the amount of \$5,756.25 for the Alternate Backwash Water Supply Project; and voucher 7839 for Arcadis U.S., Inc. in the amount of \$2,536.50 for the WTP Emergency Power 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 April 2018 vouchers. A motion was made by Board Member Waters and seconded by Vice-Chairman Keffer to approve the April 2018 voucher list to include voucher numbers 7822 through 7839 in the amount of \$778,720.61. 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 2018 was 153 MG. Mr. Martin stated that the five year average is 170 MG. Mr. Martin stated that year to date production is 2.64 BG and the five year average is 2.82 BG.

Mr. Martin asked the Board to reference page 2 of the March Financial Report. Mr. Martin stated that Water Sales for FY18 year to date is \$4,540,233, which is approximately \$11,748 higher than last year. Mr. Martin stated that even though less water was sold, revenues are higher due to the rate increase.

Mr. Martin stated that Operating Expense for FY2018 is \$2,276,005 which is approximately \$134,710 higher than last year. Mr. Martin stated that this is mainly due to timing of chemical purchases.

Mr. Martin stated that there is an increase in Net Assets of \$405,638.

Chairman King asked for a motion to approve the March 2018 Financial Report as presented. A motion was made by Board Member Hopkins and seconded by Vice-Chairman Keffer to approve the March 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 last three weeks have been challenging. Mr. Schroeder stated that the contractors for the Alternate Backwash Tank completed the 36-inch tie-in that comes from the new tank and goes around the 2.6 MG tank and tied in to the discharge of that tank. Mr. Schroeder stated that during that period the groundwater had to be off, and the 2.6 MG tank completely drained. Mr. Schroeder stated that it took

longer than they anticipated and that is where the challenge came in for operations as the surface water plant had to be run without backwash water. Mr. Schroeder stated that there were no issues running the plant and they were able to meet demand.

Chairman King asked if it was a difficult tie-in. Mr. Schroeder stated that the tie-in went well, it just took a bit longer than they thought it would.

Mr. Schroeder asked the Board to reference the photos on the screen of the tie-in in progress. Mr. Schroeder stated that the underground piping should be completed this week.

Mr. Schroeder stated that the well system was able to be flushed hard during the tie-in, which should increase production and improve groundwater quality.

Mr. Schroeder stated that this week there is a water conference in town so most of the staff is in attendance to get training hours for their licenses.

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

Mr. Conner stated that there was a leak in the 36-inch surface water line that leaves the plant out in the parking lot. Mr. Conner stated that the leak was able to be repaired before the groundwater had to be shut down for the tie-in. Mr. Conner stated that two or three patches had to be welded onto the waterline due to corrosion.

Mr. Conner showed the Board the video of the Airport Tank being pulled over. Mr. Conner stated that the tank was 125-feet tall.

Mr. Conner stated that the contractor is ready to install the cone section of the new Airport Elevated Water Storage Tank. Mr. Conner stated that there are two more sections to put on the cone and two to three more weeks of welding to be done. Mr. Conner stated that the steel tank will be raised sometime in June.

Mr. Conner stated that the pump for Mt. View booster has been recoated.

Mr. Conner stated that next month staff will be de-winterizing the booster stations.

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

Mr. Conner stated that staff is entering RWS valve locations into GIS, which will be very useful in the future.

Chairman King asked if the work has been completed at the Salt Creek Booster. Mr. Conner stated that all the utility work on the WYDOT Westwinds Interchange has been completed.

6. There was no Public Comment.

7. In Old Business:

- a. Project Updates were covered in the Operations Update.
- b. Mr. Martin stated that last month it was brought up that there was an inquiry to see if the Board was interested in leasing part of the Wardwell Zone IIIB water storage tank site for the installation of broadband equipment. Mr. Martin stated that Mr. Peter Allee with Visionary Communications is in attendance to answer any questions the Board may have.

Chairman King asked how tall the tower would be. Mr. Allee stated that the tower is 20 to 30-feet tall and is on a skid. Mr. Allee stated that the set-up is a 5-foot by 8-foot hut with a pole.

Board Member Hopkins asked if the antennae tower would comply with City of Casper requirements for multi users. Mr. Martin stated that since the antennae will not be placed on the water storage tank, and will be on a pole, there will not be multi users. Mr. Martin stated that there are some issues with being granted an access easement that Visionary Communications will have to work out before an agreement will be brought to the Board for consideration.

Chairman King asked who owned the property where the water storage tank is located. Mr. Martin stated that the water storage tank property is owned by the Board.

Mr. Allee stated that if there were no other questions, he had another meeting to attend, but would be sending a draft agreement to Mr. Martin.

- c. Mr. Martin stated that last month a letter from the Wyoming Water Development Office (WWDO) regarding participation in snowpack augmentation was brought to the Board. Mr. Martin stated that the Board requested a presentation on the subject. Mr. Martin turned the time over to Ms. Julie Gondzar, Program Manager with the WWDO.

Ms. Gondzar stated that weather modification has been used since the 1950's to increase mountain snowpack (snowpack augmentation), increase rainfall, and for fog and hail suppression. Ms. Gondzar stated that this technology has been used mostly in the west to increase snowpack.

Ms. Gondzar gave a brief timeline of Wyoming weather modification. Ms. Gondzar stated that from 2005 to 2014 the Wyoming Weather Modification Pilot Research was conducted on the Wind River Range and Medicine Bow/Sierra Madre Mountain Ranges. Ms. Gondzar stated that the Wind River Range weather modification began in Winter 2014-2015 and has continued through the present day.

Ms. Gondzar stated that in 2015, site design studies were done on the Medicine

Bow/Sierra Madres, Laramie Range, and Big Horn Mountains. Ms. Gondzar stated that in 2016, an assessment was completed on the Wyoming and Salt River Mountain Ranges. Ms. Gondzar stated that in 2018, approval was given for an airborne cloud seeding program for Sierra Madre and Medicine Bow Mountains.

Ms. Gondzar stated that clouds over the mountains are seeded to increase precipitation. Ms. Gondzar stated that conditions must be right in order for the cloud seeding to work. Ms. Gondzar stated that there must be mountain snow clouds, cold temperatures (-6°C), and super-cooled liquid water. Ms. Gondzar stated that silver iodide particles are released by aircraft into, or upwind of, the clouds. Ms. Gondzar stated that the silver iodide aids in the formation of ice crystals, which grow larger and collide, forming snow. Ms. Gondzar stated this process is much easier to get better results using an airplane to disperse the silver iodide than using a ground based system.

Ms. Gondzar stated that a few important facts about cloud seeding are 1) Silver iodide initiates the freezing of water that already exists in the cloud; 2) Cloud seeding is not a large-scale process, but rather microscale and does not significantly impact precipitation downwind; 3) Silver iodide is not soluble and has negligible environmental impact; 4) Cloud seeding is an inexpensive way to improve water supply; 5) Operational programs include a strict suspension criteria. Ms. Gondzar stated that Iodide is salt, so it dissolves, but the silver doesn't. Ms. Gondzar stated that studies show that in areas where clouds are seeded the level of silver is 0-4 ppb; the EPA limit is 100 ppb.

Ms. Gondzar stated that in 2015, \$1.4475 M was appropriated for this program and there is ~\$438,000 remaining, which should be enough funds for a four month program. Ms. Gondzar stated that the approved program includes operational airborne cloud seeding over the Medicine Bow/Sierra Madre Mountain Ranges for Winter 2018-19. Ms. Gondzar stated that possible add-on's for the program include the Laramie Range when aircraft is available, and flying over Colorado's Upper North Platte Basin providing a contract exists.

Ms. Gondzar stated that the WWDO is looking for cost share partners for this program. Ms. Gondzar stated that the Cheyenne Board of Public Utilities will be participating in this program.

Board Member Hopkins asked where the airplane would be based. Ms. Gondzar stated that she thinks it will be based in Cheyenne as a heated hangar is needed.

Vice-Chairman Keffer asked how it is determined when to seed the clouds. Ms. Gondzar stated that meteorologists can tell when conditions are favorable for cloud seeding.

Chairman King asked how much it costs for one flight. Ms. Gondzar stated that it costs approximately \$10,000 per flight line; if it is done consistently there is more

of a benefit.

Chairman King asked how much it costs to cost share the program. Ms. Gondzar stated that there is no set limit; entities can contribute however much they wish. Ms. Gondzar stated that Cheyenne is thinking of contributing approximately \$40,000 depending on approval.

The Board thanked Ms. Gondzar for her presentation and stated that it was very informative.

- d. There was no Other Old Business.

8. In New Business:

- a. Mr. Martin stated that at the October meeting the Board approved the purchase of new settling tubes for the Actiflo system, which are now on site. Mr. Martin stated that the contract before the Board today is for the installation of the settling tubes. Mr. Martin turned the time over to Mr. Scott Baxter with the City of Casper Engineering Department.

Mr. Baxter stated that two bids were received for construction of the WTP Actiflo Settling System Upgrades Project. Mr. Baxter stated that Lillard & Clark Wyoming was the low bidder with a price of \$84,000. Mr. Baxter stated that staff recommends a contingency account in the amount of \$6,000 for a total project amount of \$90,000. Mr. Baxter stated that the engineer estimate for this project was \$130,000.

Mr. Martin stated that there is \$135,000 left in the budget after the purchase of the settling tubes. Mr. Martin stated that one Actiflo train will be taken out of service at a time, just in case water demand increases during construction.

A motion was made by Board Member Hopkins and seconded by Treasurer Lawson to approve the contract for the installation of the Actiflo settling tubes with Lillard & Clark Wyoming in the amount of \$84,000 with an additional \$6,000 for contingency for a total amount of \$90,000. Motion put and carried.

- b. Mr. Martin stated that the Board budgeted \$86,000 in the FY18 Capital Budget for a bulk sand crane. Mr. Martin stated that currently staff is using a forklift to lift the bulk sand 20-feet in the air from the main floor to the sand loading area. Mr. Martin turned the time over to Mr. Terry Cottenoir with the City of Casper Engineering Department. Mr. Martin stated that the contract before the Board today is for the design and construction administration of a Bulk Sand Crane System.

Mr. Cottenoir stated that Lower & Co., P.C. has proposed designing a monorail lift system which will support a crane with lifting capabilities up to 2 tons, or

4,000 pounds, and will be electronically controlled. Mr. Cottenoir stated that this system will allow for more efficient and safe means of transporting the bulk sand containers to the work area.

Mr. Cottenoir stated that Lower & Co. will provide all design and construction administration services to produce a complete set of bidding plans and specifications, lead the advertising and bidding of the project, and provide construction administration services through the completion and close-out of the project. Mr. Cottenoir stated that it is anticipated to have construction completed by August 1, 2018.

Mr. Cottenoir stated that the estimated construction cost for the WTP Bulk Sand Crane System Project is approximately \$80,000.

A motion was made by Vice-Chairman Keffer and seconded by Board Member Waters to approve the Contract for Professional Services with Lower & Co., P.C. in the amount of \$2,100 for the design and construction administration of the WTP Bulk Sand Crane System Project. Motion put and carried.

- c. Mr. Martin asked the Board to reference Change Order No. 6 for the Alternate Backwash Water Supply Tank, Project No. 15-37. Mr. Martin stated that this change order is related to underground conduit removal and turned the time over to Mr. Scott Baxter with the City of Casper Engineering Department.

Mr. Baxter stated that during the installation of the new 36-inch discharge pipe for the new backwash tank, the contractor discovered an underground electrical conduit line that was not shown on the plans. Mr. Baxter stated that this electrical line was located in the center of the vertical pipe alignment and had to be cut out of the way by the contractor in order to proceed with the time-sensitive pipe construction. Mr. Baxter stated that shortly after the electrical line was cut out of the way, WTP staff realized it was the level sensor and associated electrical for the existing tank. Mr. Baxter stated that the conduit will need to be patched at the crossing location and new wire pulled between termination points. Mr. Baxter stated that a cost estimate was provided to bring the conduit and wiring above ground, but it was twice the amount of the change order.

Mr. Martin stated that Change Order No. 6 has been approved by the Wyoming Water Development Office.

Board Member Hopkins asked about the budget balance for the project. Mr. Baxter stated that funding of \$2.2 M is in place for the project, which included \$115,000 for contingency. Mr. Baxter stated that the project budget is in good shape. He stated that the underground work is completed, but there was a leak issue that ended up being on a portion of the waterline not touched by the contractor.

A motion was made by Treasurer Lawson and seconded by Vice-Chairman Keffer

to approve Change Order No. 6 with COP Wyoming, LLC in the amount of \$2,583.00 for underground change of conditions for the WTP Alternate Backwash Water Supply Tank, Project No. 15-37. Motion put and carried.

- d. Mr. Martin stated that it is time for the annual Choice Gas Selection for natural gas usage at the WTP. Mr. Martin stated that the Board has gone with the Pass-On Rate for a number of years and it seems to be working out.

Chairman King stated that he would be abstaining from the discussion as he is the Chairman of Wyoming Community Gas.

Board Member Hopkins stated that he believes the price of natural gas will be stable for a while.

A motion was made by Board Member Hopkins and seconded by Board Member Waters to stay with the Pass-On Rate for the Choice Gas Selection. Motion put and carried.

- e. Mr. Martin stated that it's the time of year for the preliminary budget review. Mr. Martin stated that no action needs to be taken today as this is strictly a review of the preliminary budgets. Mr. Martin stated that the preliminary rate model will be brought to the May meeting, the final budget and rate to be considered at the June meeting.

Mr. Martin stated that the Operations Budget is reviewed by both the Board and the Casper City Council. The Agency Budget is reviewed only by the Board.

Mr. Martin stated that the personnel budget includes the addition of one full-time Water Treatment Plant Operator position. Mr. Martin stated that currently the existing Maintenance Staff and the Lead Operator rotate covering the breakshift, vacations, etc., which pulls staff away from other duties. Mr. Martin stated that the WTP facility is growing and responsible succession planning is needed as half the WTP staff will retire in the next 5-10 years, which includes the WTP Manager and Lead Operator. Mr. Martin stated that the plan for this position is that when they are not operating the plant, they are learning from the Lead Operator and Manager the details of the plant and management of the plant.

Mr. Martin stated that this position would be a City employee and the additional position has been approved by the City Manager contingent on Board approval. Mr. Martin stated that this position would mean a \$60,000 increase, which includes salary and benefits, to the Personnel Budget. Mr. Martin stated that this position is included in the Preliminary Budget, but can be removed if the Board does not wish to add the position at this time.

Treasurer Lawson stated that if this position is approved, there would be six fulltime WTP Operators. Mr. Schroeder stated that is correct. Treasurer Lawson

stated that seems lean on Operators. Mr. Martin stated that the Maintenance Staff is used to cover vacations and for Operators that call in sick. It was the consensus of the Board to leave the additional WTP Operator position in the FY19 Budget.

Mr. Martin reviewed the following preliminary budget highlights:

WTP Operations Budget

Personnel Costs

- a) Personnel Costs - \$1,014,470 – This represents a \$52,241 increase over the FY18 budget. Personnel budget increases include the additional WTP Operator position and accrued leave payoff. Decreases include elimination of the disability buy-back option. There is no COLA proposed for FY19.

Contractual Services

- a) Lab Testing - \$56,500 – This represents a decrease of \$10,000 from the FY18 budget. The WTP is not required to participate in any UCMR testing this year.
- b) Refuse Collection - \$40,000 – This represents a decrease of \$20,000 from the FY18 budget. This line item is mainly for sludge disposal. The two backwash water ponds and the two Actiflo sludge ponds are cleaned yearly. Staff has stabilized the operation of these ponds and data from the past couple of years indicates that a budget of \$40,000 is sufficient for refuse disposal.
- c) Equipment Repairs - \$45,000 – This represents a \$10,000 increase over the FY18 budget. The primary reason for this increase is aging equipment and increased cost of repairs.
- d) Maintenance Agreements - \$30,314 – This represents a \$21,000 decrease from the FY18 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. It was anticipated that new maintenance agreements would be added for the LOX and air compressor systems. It was determined that a maintenance agreement would not be cost effective for these systems.
- e) Interdepartmental Services - \$256,001 – This represents an increase of \$92,276 over the FY18 budget. This line item covers the salary and benefits for two Utility Workers assigned to Water Distribution but paid by the WTP Operations Budget. Additionally, 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.

- f) Insurance & Bonds - \$22,187 – This represents a \$1,999 increase over the FY18 budget. This line item covers liability insurance, etc. for the eleven WTP employees who are City of Casper employees.
- g) Energy – Electricity - \$854,760 – This represents an increase of \$16,760 from the FY18 budget.
- h) Energy – Natural Gas - \$50,000 – This represents a \$15,000 decrease from the FY18 budget. This cost is heavily dependent upon the winter weather. Prior year’s data indicates that a budget of \$50,000 should be sufficient for natural gas.

Materials and Supplies

- a) Chemicals - \$750,000 – This amount is unchanged from the FY18 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 should be sufficient.
- b) Other Materials and Supplies - \$43,000 – This represents an increase of \$13,000 over the FY18 budget. This line item covers office supplies, safety equipment, machinery supplies, and laboratory supplies.
- c) Booster Station Supplies - \$15,000 – This represents an increase of \$7,000 over the FY18 budget. These are costs associated with repairs at the Regional booster stations.
- d) Bulk Fuel - \$10,000 – This is a new line item. This is the line item that will be used for purchasing bulk fuel for the new emergency generator.

This budget is a break-even budget (reimbursement to the City from the Regional Water System for operation, maintenance, and management of the Regional Water system.) An amount of 30% of the WTP Instrumentation Technician salary and benefits will be reimbursed to the Regional Water System from the City Water Fund. This position spends approximately 30% of their time working on the Casper Water Distribution system boosters and tanks.

The FY19 Operations Budget is 4.0% greater than the projected FY18 Operations Budget. In large part, the increase is a result of the additional WTP Operator position, additional Interdepartmental Charges, increased electrical costs, increased machinery repair costs, and the addition of the bulk fuel line.

Treasurer Lawson asked if the amount budgeted would be the initial cost for the bulk fuel. Mr. Martin stated that this will cover the initial cost. Mr. Martin stated that it will take a couple of years to get a good feeling for the cost of running the emergency generator.

Board Member Waters asked about the large increase to Interdepartmental Charges. Mr. Martin stated that the City has changed how they figure Interdepartmental Charges. Mr. Martin stated that in the past, the City did not charge the Board fees for IT, Human Resources, Finance, etc. and are doing so now.

Agency Budget

Revenue

- a) 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 the January 2017 – December 2017 percentage of RWS production based on a five-year average of total RWS production.
- b) Interest on Investments –\$17,000 – This amount is unchanged based on FY18 estimates.
- c) System Development Charges - \$98,500 - The budgeted System Development Charges for FY19 increased from the FY18 budget by \$33,500 based on FY18 estimates. Recommendations from the System Development Charge Study may cause this number to change.
- d) State Loans – \$1,812,710 - 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 as follows:
 - Water Treatment Plant Backwash Water Supply Project - \$212,710 – This project will construct a parallel 1.1 M gallon water storage tank next to the existing 2.6 M gallon tank on the WTP grounds. This \$2.2 M loan was obtained in FY16 and includes 25% principal forgiveness. The engineering and construction administration contract was awarded in FY16. The construction contract was awarded in FY17. The project will be complete in early FY19.
 - PLC/SCADA Replacement Project - \$1,600,000 – This project will include upgrading the existing PLC/SCADA system at the WTP and the Regional Water storage tanks and booster stations. This loan has yet to be obtained. Design for the project is underway with construction to be awarded in FY19.

e) State Grant - \$437,872 – This includes the remaining amount on one grant as follows:

- Airport Elevated Water Storage Tank Project - \$437,872 – This project will replace the Airport Water Storage Tank with a new 40 feet higher elevated tank with a capacity of 1 MG. A \$1,504,150 grant was obtained from the WWDC for this project. The engineering design was awarded in FY15. Construction for this project was awarded in FY17 with completion anticipated in FY19.

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 Water Treatment Plant Operations Budget.

Contractual Service

- a) Consulting Fees - \$15,000 – This amount for outside consulting work is unchanged from the FY18 budget.
- b) Legal Fees - \$15,000 – This amount for legal fees is unchanged from the FY18 budget.
- c) Accounting & Auditing - \$31,000 – This amount for accounting and auditing fees is unchanged from the FY18 budget.
- d) Insurance & Bonds - \$92,023 – This is an increase of \$5,209 from the FY18 budget and includes an anticipated increase of 6%.
- e) Travel & Training - \$2,000 – This amount is unchanged from FY18.

Debt Service

- a) Principal Payments - \$1,807,051
- b) Interest Expense - \$417,660

Capital – New

- a) Buildings – None this year.
- b) Improvement Other Than Buildings - \$45,000 – This covers the following:
 - Plant Landscaping - \$20,000 – This project will install an irrigation system and landscaping at the WTP.
 - Caisson Well Variable Frequency Drives - \$25,000 – This project will be

to install VFD's on the Caisson wells to allow for optimized flow control directly from the WTP control room.

- c) Light Equipment - \$10,000 – This is for the purchase of a riding lawn mower to be used at the WTP.
- d) Technologies - \$8,000 – This is Regional Water's share to purchase Teldig Software for improving the efficiency of utility locating services. This cost is split between RWS, City Water Distribution and City Wastewater Collection.

Capital – Replacement

- a) Buildings - \$75,000 – This includes the following:
 - Security - \$15,000 – This is an on-going project that included the installation of security equipment. This line item will be used for additional security upgrades.
 - Roof Replacement - \$40,000 – The roof of the cargo elevator area of the WTP needs replaced.
 - Coating System Rehabilitation - \$20,000 – This will be for building and external pipe recoating.
- b) Improvements Other Than Buildings - \$1,777,000 – The higher dollar items included in this amount are as follows:
 - Major Equipment Replacements - \$75,000
 - Mag Meter Replacements - \$50,000
 - Well Rehabilitation - \$90,000
 - 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.
- c) Intangibles – None this year.
- d) Light Equipment - \$32,000 – This is to replace the 2004 Ford Ranger with a new ½ ton pickup.
- e) Technologies - \$29,130 – This includes:
 - Computers - \$6,000 – Replacement computers at the WTP
 - Phones - \$1,300 – Replace unsupported IP phones
 - IT Switches - \$9,830 – Replace unsupported IT switches
 - ERP Software (GEMS Replacement) - \$12,000 – This is RWS's share of the GEMS software upgrade.

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 stated that the participation for the Cloud Seeding Program is not included in the Agency Capital Budget. Board Member Hopkins asked if this program can be added to the budget approved in June. Mr. Martin stated that it could be added to the final budget that will be brought to the Board for approval in June. Treasurer Lawson stated that the State has been doing the Cloud Seeding Program for ten years, but doesn't have a long term plan. Treasurer Lawson stated that the Legislature cut the funding for this program. Treasurer Lawson stated that if the Board participates, it will just be showing support for the program and then the Board will have to decide if they want to fund the program every year. Chairman King stated that he would consider backing away from funding the program as the Board has large capital projects that need funded. Treasurer Lawson stated he is leaning the same way. Board Member Hopkins stated that he will discuss funding this program with the City Council.

- 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. Mr. Chapin informed the Board that an Executive Session would not be needed today. Mr. Chapin stated that a letter has been prepared and he will get it to the Board for review.
10. In the Chairman's Report, Chairman King stated that the next regular meeting will be held on May 15, 2018.

A motion was made by Board Member Hopkins and seconded by Board Member Waters to adjourn the meeting at 1:12 p.m. Motion put and carried.


Chairman


Secretary