

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

**MEETING PROCEEDINGS**

November 15, 2022

A public meeting of the Central Wyoming Regional Water System Joint Powers Board (Board) was held Tuesday, November 15, 2022 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 Bertoglio, Secretary Waters, Treasurer Cathey, and Board Members Knell, Sabrosky and Sutherland. Board Member Pollock was absent.

**City of Casper –** Cathey, Knell, Sutherland, Andrew Beamer, Bruce Martin, Tom Edwards, Mark Anderson, Janette Brown, Nicholas Gassman

**Natrona County –** Bertoglio

**Salt Creek Joint Powers Board –** King

**Wardwell Water & Sewer District –** Sabrosky

**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.; Roxy Skogen – Skogen, Cometto, & Associates, P.C.

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 October 18, 2022 Regular meeting. A motion was made by Vice-Chairman Bertoglio and seconded by Treasurer Cathey to approve the minutes from the October 18, 2022 Regular meeting. Motion put and carried.
3. Mr. Martin informed the Board that two additional vouchers were added to the voucher listing that was sent out in the agenda packet. Mr. Martin stated that vouchers 8525 and 8526 were added to the listing.

Mr. Martin stated that vouchers 8520 and 8526 for HDR Engineering, Inc. in the amounts of \$1,050.00 and \$3,571.25 respectively are for the WTP Disinfection System Upgrade Preliminary Design Report. Mr. Martin stated that the report was completed in April, but these were delayed bills for the project. Mr. Martin stated that there was not an increase to the project amount, and this amount is coming out of funds that were approved for the project.

Mr. Martin stated that voucher 8521 for DOI/BLM is for the Pioneer Tank right-of-way.

Mr. Martin stated that the vouchers are in good order and recommended approval.

Chairman King asked for a motion to approve the November 2022 vouchers. A motion was made by Board Member Knell and seconded by Board Member Sutherland to approve the November 2022 voucher listing to include voucher numbers 8519 through 8526 in the amount of \$1,154,890.48. Motion put and carried.

4. Mr. Martin asked the Board to reference the Water Production Charts in the agenda packet. Mr. Martin stated that there were 229 MG of water produced in October, which is 20 MG above the five year average of 209 MG.

Mr. Martin stated that year to date water production in October was 2.08 BG, which is 137 MG above the five year average of 1.94 BG. Mr. Martin stated that so far, every month for FY23 has been good water production months. Board Member Knell asked if this was attributed to an increase in population. Mr. Martin stated that he believes it is due to the hotter, dryer weather.

Mr. Martin stated that Interest Earned for FY23 is \$25,776.

Mr. Martin stated that Water Utility Charges for FY23 is \$4,633,134, which is approximately \$694,000 more than last year. Mr. Martin stated that the increase is due to the water restrictions in July and August last year, the rate increase, and the above average water sales.

Board Member Knell asked if the big difference on Interest Earned is due to investing in WyoStar. Mr. Martin stated that was correct. Board Member Knell stated that it is quite an increase in Interest Earned, and he thought it was a good move for investment of the Board's funds.

Mr. Martin stated that Reimbursable Contract Expense is \$1,637,549. Mr. Martin stated

that this is quite a change from the previous years. Mr. Martin stated that the current figure also includes the October Operations Reimbursement. Mr. Martin stated that this is a change in the way it is posted by Finance in order to be more accurate.

Mr. Martin stated that in Buildings, the \$18,000 is for work that has been done on the FY22 Roof Replacement Project. Mr. Martin stated that this project has been delayed as the contractor is waiting on materials to arrive.

Mr. Martin stated that line item Improvements Other Than Bldgs has only had small equipment expenses in the total amount of \$130,000 charged to it so far this fiscal year.

Mr. Martin stated that he wanted to point out to the Board the Insurance/Bonds line item with \$106,894 spent, which is much higher than a year ago. Mr. Martin stated that last year the expense accrued each month, and now it is hitting the budget when the expense is realized. Mr. Martin stated that this is to improve the accuracy of the financial reports.

Chairman King asked for a motion to approve the October 2022 Financial Report as presented. A motion was made by Secretary Waters and seconded by Board Member Knell to approve the October 2022 Financial Report as presented. Motion put and carried.

5. Chairman King turned the time over to Mr. Edwards for the WTP Operations Update.

Mr. Edwards stated that production is currently 5.5 MGD and is being met using eight Casper wells and nine Morad wells.

Mr. Edwards stated that Maintenance staff installed a new meter at the Decant Pump Station and worked with Water Distribution staff to repair the drain line for the 2.6 MG Backwash Tank.

Mr. Edwards stated that Maintenance staff cleaned out the Ozone Heat Rejection System to increase the flow.

Mr. Edwards stated that Maintenance staff repaired Surface Water Ozone Injection Pump No. 2 and replaced the check valve.

Mr. Edwards stated that all the Surface Water components have been winterized, including polymer pumps, Settled Water, and Actiflo. Mr. Edwards stated that these systems are being prepped for cleaning next week.

Mr. Edwards stated that conduit was repaired in the Decant Building and for an Ozone injector pump.

Mr. Edwards stated that float switches on Actiflo Train No. 2 were replaced.

Mr. Edwards stated that HOA was out last month to integrate the Actiflo controls into the SCADA PLC. Mr. Edwards stated that this was to improve redundancy and replace some obsolete stand-alone PLCs that were no longer being supported.

Mr. Edwards stated that while HOA was on site they did some work on the North Park Booster as well as the Valley Hills Booster.

Mr. Edwards stated that there was a power failure on Caisson No. 1. Mr. Edwards stated that there was arcing in the electrical panel. Mr. Edwards stated that Modern Electric will be on site Thursday to replace the electrical panel and some wiring.

Mr. Edwards stated that Dave Loden Construction delivered materials for the roofing project over North Chem. Mr. Edwards stated that they should be on site to work on the project later this week depending on the weather.

Board Member Knell asked what caused the arcing in the electrical panel. Mr. Edwards stated that when Modern Electric comes out he is going to have them do a more thorough inspection, but it seems like it was a loose connection, but he is not really sure. Board Member Knell asked if replacing the electrical panel will fix the issue. Mr. Edwards stated that replacing the electrical panel should fix the issue. Mr. Edwards stated that there was significant arcing coming out of the electrical box, and there is not a certified electrician on staff so a contractor has to be called out to investigate it. Board Member Knell asked that the Board be informed what caused the issue.

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

Mr. Anderson stated that staff has been servicing the non-draining fire hydrants. Mr. Anderson stated that during the cold months, the non-draining fire hydrants are serviced monthly.

Mr. Anderson stated that all boosters and vaults have been winterized, and heaters checked. Mr. Anderson stated that everything is working well.

Mr. Anderson stated that staff is getting quotes for Pioneer Booster Station pump replacements. Mr. Anderson stated that the quotes should arrive in the next couple of days.

Mr. Anderson stated that he found out today that Wardwell Water's Blair Lane Waterline Replacement Project is ready for the tie-in on the Salt Creek waterline. Mr. Anderson stated that the tie-in should be taking place on Thursday.

Secretary Waters asked if a pump is being replaced at Pioneer Booster. Mr. Anderson stated that capital funds were included in the FY23 budget to replace both pumps at Pioneer Booster. Mr. Anderson stated that one of the pumps had been rebuilt a year or so ago, but both pumps are at an age where they need to be replaced.

6. There was no Public Comment.

7. In Old Business:

a. Mr. Martin stated that three applications were submitted for the ARPA Grant

Program. Mr. Martin stated that \$50 M was allocated by the Legislature for this program. Mr. Martin stated that a special meeting of the State Loan and Investment Board was held on October 27, 2022 where the projects were considered for funding. Mr. Martin asked the Board to reference the Water & Sewer ARPA Grant Program project list on the screen. Mr. Martin stated that there were a total of 113 grant applications received, with a total of \$225 M requested. Mr. Martin stated there was not near enough money to go around.

Mr. Martin stated that the Office of State Lands and Investments (OSLI) applied a scoring mechanism to the applications that were submitted. Mr. Martin stated that the scoring was based on population, amount of match funding, and other criteria. Mr. Martin stated that OSLI then went down the list of projects as far as the funding would go.

Mr. Martin stated that with the \$50 M that was available, OSLI was able to fund 19 projects. Mr. Martin stated that 18 projects were recommended to receive full funding, and one was recommended for partial funding.

Mr. Martin stated that for any entity that submitted applications for more than one project, they only considered Priority 1 projects. Mr. Martin stated that projects with a lower priority, such as project 2 of 4, were not considered for funding. Mr. Martin stated that OSLI only considered Priority 1 projects in order to spread the funding out as much as possible.

Mr. Martin stated that the Regional Water Well Rehabilitation Project was approved for \$1.5 M in funding. Mr. Martin stated that the RWS Priority 2 and 3 Projects had a score of 10. Mr. Martin stated that with the funding that was available, OSLI was only able to get to projects with a scoring of 17.

Mr. Martin stated that when the projects went before the State Land and Investment Board (SLIB), they went away from the scoring a little bit and decided they wanted to spread the \$50 M out for more projects. Mr. Martin stated that SLIB reduced the recommended funding from some of the projects and were able to pick up eight more projects, down into the score of 16. Mr. Martin stated that two additional projects with a score of 14 and 12 also received funding. Mr. Martin stated that these projects were related to non-compliance issues.

Mr. Martin stated that it is unfortunate that not all the RWS projects were funded, but at the same time, when you look at all the entities that didn't get any funding, he is thankful for what they did get.

Mr. Martin stated that the Select Water Committee has recommended that legislation be drafted that increases the \$50 M to \$85 M. Mr. Martin stated that the hope is to get down to projects that have a score of 14 or higher. Mr. Martin stated that he assumes they will go the same way in the future and just do Priority 1 projects. Mr. Martin stated that the City of Casper has a couple of projects with the score of 15, but they are not Priority 1 projects.

Mr. Martin stated that with the other two RWS projects having a score of 10, he doubts they will get funded with the additional funding.

Board Member Knell asked if the Midwest Waterline Replacement Project was on the list. Chairman King stated that the Midwest Waterline project is on the list. Mr. Martin stated that it did not get funded in the first round, but it may get picked up in the second round, since it has a score of 15. Chairman King stated that Salt Creek is working on securing the matching funds for the project now.

Mr. Martin stated that it will take some time to get the legislation for the increase to the grant program amount all the way through and approved. Mr. Martin stated that it is unknown if any tweaks will be made to the funding program in the meantime.

Chairman King stated that \$50 M sounds like a lot of money until there are 113 different entities applying for it.

b. There was no Other Old Business.

8. In New Business:

a. Chairman King turned the time over to Ms. Roxy Skogen for the presentation of the FY22 Annual Audit.

Ms. Skogen stated that the FY22 audit was clean, and with the change in Financial Operations to the City, everything went really well, and there were no problems. Ms. Skogen stated that in the past there were problems with Capital Assets or loan payables, or how the grants were reported. Ms. Skogen stated there were no problems whatsoever this year.

Ms. Skogen stated that the only journal audit entry was a Construction In Progress (CIP) project that had been sitting for several years with no activity, and was not going to go forward, so was expensed.

Ms. Skogen stated that the audit has no material weaknesses, no significant deficiencies, and there is no Recommendation to Management letter.

Ms. Skogen stated that with what the Board deals with for finances on a monthly basis, there really isn't much to discuss.

Ms. Skogen asked the Board to reference page 11 of the FY22 Audit. Ms. Skogen stated that this is the Statement of Net Position, which shows on a cost basis where the Board sat for 2022 vs. 2021.

Ms. Skogen stated that the Board moved money to WyoStar, and so funds were moved from Cash and Cash Equivalents to Investments. Ms. Skogen stated that as the Board went through the monthly financial report, you can see that the Interest Income is up significantly. Ms. Skogen stated that for the FY2022 year

end, WyoStar reported that there was about \$100,000 loss in value. Ms. Skogen stated that even though there was an increase in Interest Income, there was actually a slight decline during the fiscal year. Ms. Skogen stated that we know based on the market, and because they are investing in bonds, and everyone thought that when interest rates went up the value of bonds would go up, but bonds went down just like stocks went down. Ms. Skogen stated that has rebounded during the first part of this fiscal year, and it is not expected to repeat, but it is something to watch.

Ms. Skogen stated that Total Current Assets is really close to what it was last year.

Ms. Skogen stated that Capital Assets had about \$1 M more in depreciation than there were increases. Ms. Skogen stated that a couple of projects that bid out came in over budget, so there wasn't a lot that went into Construction in Progress.

Ms. Skogen stated that in Long-term Debt, the Board paid down \$2 M in debt during the year and no new loans were entered into.

Ms. Skogen stated that Current Liabilities went down about \$600,000. Ms. Skogen stated that by not having many capital projects, there wasn't as much in Payables on June 30<sup>th</sup> as there were in the past.

Ms. Skogen stated that overall the Net Position increased \$1.5 M.

Ms. Skogen asked the Board to reference page 12, Statements of Revenues, Expenses, and Changes in Net Position. Ms. Skogen stated that this just shows the \$1.5 M. Ms. Skogen stated that it is known, based on water production being down, it was nearly impossible to get some of the chemicals, so expenses were down as well.

Ms. Skogen stated that in the middle of the page, it shows the Loss on Investments of \$146,293. Ms. Skogen stated that Interest Income was \$15,836, but the investment did go down.

Ms. Skogen asked the Board to reference page 13, Statements of Cash Flows. Ms. Skogen stated that it does look like the Board's Cash Position decreased by \$5.3 M, but that's the same amount that went into Investments. Ms. Skogen stated that overall, the Total Cash and Investment Position is the same.

Ms. Skogen offered to answer any questions the Board may have on the audit. Ms. Skogen stated that this audit does go to the City of Casper auditors and they incorporate it into the City's financial report as it is considered a component unit of the City of Casper. Ms. Skogen stated that a draft of the audit has been presented to the City auditors in case they have any questions, but she has not heard anything from them.

Board Member Knell asked Mr. Gassman if he has looked at the audit already.

Mr. Gassman stated that he had reviewed the audit report.

The Board thanked Ms. Skogen for the audit presentation.

Board Member Knell asked what Ms. Skogen credited the ease of the audit this year to. Ms. Skogen stated that she credits it to the change in staffing in City Finance. Ms. Skogen stated that they were truly professional, they had the journal entries posted, and everything was clean. Board Member Knell asked if that was Ms. Johnson and her staff. Ms. Skogen stated that it was Ms. Johnson, Mr. Gassman, and staff.

Mr. Martin stated that he wanted to thank Ms. Brown, as she puts a lot of effort into the audit as well. Ms. Skogen agreed. Mr. Martin stated that it was a big effort between Finance staff, Ms. Brown, and Ms. Skogen's team to get the audit taken care of. Mr. Martin stated that he appreciated everyone's assistance with the audit.

Chairman King asked for a motion to approve the FY22 Audit as presented. A motion was made by Board Member Knell and seconded by Board Member Sabrosky to approve the FY2022 Audit as presented. Motion put and carried.

b. In Other New Business:

- i) Mr. Chapin stated that he and Mr. Martin received a shock, as the attorney for the property owner of the land by the wellfield contacted him and the owners have decided not to sell the property at this time.

Board Member Knell asked where this leaves the Board for a buffer for the wellfield. Mr. Martin stated that he doesn't think it will hurt the wellfield, as there is quite a buffer right now.

Mr. Chapin stated that the property owner had issues with a couple of items in the contract, but the Board approved the changes. Mr. Chapin stated that the contract was pretty much in place before the owner changed legal counsel from Mr. Laird to Mr. Stubson. Mr. Chapin stated that he does not know what caused their change in mind.

- ii) Board Member Knell stated that Leah Juarez won the election for City of Mills Mayor race. Board Member Knell stated that Mayor Coleman was posting about the litigation publically on social media. Board Member Knell stated that he commented that he thought the waterline was there before Mills was even a town, and Mayor Coleman did not answer. Board Member Knell asked Mr. Chapin where the litigation sits.


Mr. Chapin stated that at this point, the Judge came back and asked for additional briefing on a couple of issues. Mr. Chapin stated that he responded to it, Mills has responded to it, and they are just waiting on the Judge to make a decision at this point.



9. In the Chairman's Report, Chairman King thanked the Board for their participation throughout the year and stated that the next regular meeting would be held on December 20, 2022 and wished everyone a Happy Thanksgiving.

A motion was made by Vice-Chairman Bertoglio and seconded by Secretary Waters to adjourn the meeting at 12:01 p.m. Motion put and carried.

  
Vice-Chairman

  
Secretary