

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

**MEETING PROCEEDINGS**

November 16, 2021

A public meeting of the Central Wyoming Regional Water System Joint Powers Board (Board) was held Tuesday, November 16, 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, Treasurer Bertoglio, and Board Members Cathey, and Knell. Vice-Chairman Keffer, Board Members Freel, and Powell were absent.

**City of Casper –** Cathey, Knell, Andrew Beamer, Bruce Martin, Tom Edwards, Clint Conner, Janette Brown

**Natrona County –** Bertoglio

**Salt Creek Joint Powers Board –** King

**Wardwell Water & Sewer District –**

**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 and Alia Scott – Williams, Porter, Day & Neville, P.C.

The Board meeting was called to order at 11:37 a.m.

1. There were no Announcements.
2. Chairman King asked for a motion to approve the minutes from the October 19, 2021

Regular meeting and Executive meeting. A motion was made by Treasurer Bertoglio and seconded by Secretary Waters to approve the minutes from the October 19, 2021 Regular meeting and Executive meeting. Motion put and carried with Board Member Knell abstaining from the vote.

3. Mr. Martin informed the Board that five additional vouchers were added to the voucher listing that was sent out in the agenda packet: Voucher 8361 for Russell Industries, Inc. in the amount of \$40,081.91 for the Airport Booster Pump and the Mountain View Booster Pump; Voucher 8362 for Harrington Industrial Plastics, LLC in the amount of \$10,560.94 for Replacement Chemical Piping for the Sodium Hypochlorite System; Voucher 8363 for Grainger in the amount of \$1,711.25 for Shop Tools; Voucher 8364 for HDR Engineering, Inc. in the amount of \$6,115.02 for the 2.6M Gallon Tank Roof Replacement Project No. 18-093; and Voucher 8365 for the Department of the Interior/Bureau of Land Management in the amount of \$500.00 for the Right of Way Rental - Emigrant Ridge Tank 1/1/2022 – 12/31/2022. 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 November 2021 vouchers. A motion was made by Board Member Knell and seconded by Treasurer Bertoglio to approve the November 2021 voucher listing to include voucher numbers 8346 through 8365 in the amount of \$873,707.23. 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 October 2021 was 205 MG, which is right at the five-year average of 209 MG. Mr. Martin stated that the year to date production total is 1.85 BG, which is 100 MG less than the five-year average. Mr. Martin stated that the decrease in water production is due to the chemical issues and the temporary watering restrictions/conservation that were put in place.

Mr. Martin asked the Board to reference page 2 of the Financial Report. Mr. Martin stated that Water Utility Charges is \$3,939,617, which is \$240,041 less than the same time last year.

Mr. Martin stated that Reimbursable Contract Expense is \$1,055,882, which is \$40,448 less than the previous year due to the timing of chemical purchases.

Mr. Martin stated that the FY2021 Audit will be presented at the December meeting.

Chairman King asked for a motion to approve the October 2021 Financial Report as presented. A motion was made by Secretary Waters and seconded by Board Member Knell to approve the October 2021 Financial Report as presented.

Board Member Knell asked what reason is attributed to the lower water usage this time of year. Mr. Martin stated that there is no irrigation demand in the winter months.

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 4.9 MGD, running only the wellfield. Mr. Edwards stated that there are currently ten wells and three Caissons in operation.

Mr. Edwards stated that the contract work has been completed on Casper 10. Mr. Edwards stated that there were punch list items – there was a door that was damaged, and a loose electrical connection, but all were repaired. Mr. Edwards stated that during flushing of the well, staff noticed that the level transducer was not functioning correctly, so they are in the process of replacing it.

Mr. Edwards stated that the roof repairs over the Filter Gallery have been completed. Mr. Edwards stated that the inside ceiling was patched satisfactorily. Mr. Edwards stated that the FiberTite representative was out and inspected it for warranty work, and they approved. Mr. Edwards stated that there is one punch list item, as they are still waiting on materials for one of the covers for the roof drains.

Mr. Edwards stated that Auma Actuators came out and adjusted several actuators on the filters and provided quotes for new actuators on the surface water high service pumps. Mr. Edwards stated that the actuators will be ordered, and WTP staff will install them.

Mr. Edwards stated that there is a meeting scheduled for tomorrow with HDR Engineering for the UV Disinfectant Project. Mr. Edwards stated that HDR will interview staff and do a WTP walk-through.

Mr. Edwards stated that staff installed the new decant pump, and the electrical is being connected today.

Mr. Edwards stated that actuators were installed on Raw Water pumps 3 and 6.

Mr. Edwards stated that staff replaced the heater in Morad 2.

Mr. Edwards stated that Sludge Lagoon No. 2 has been cleaned out by staff.

Mr. Edwards stated that a safety shower was installed in the South Chem building.

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

Mr. Conner stated that the new pump for Mt. View Booster was received and will be installed in the next week or so. Mr. Conner stated that the rotation of the pump was wrong, but was fixed, and now some modifications need to be made on the suction and discharge for installation.

Mr. Conner stated that the new pump for Airport Booster was received and installed, but staff is still waiting on a coupling to put between the pump and the motor.

Mr. Conner stated that staff continues to test and flush hydrants, and do dead end flushing due to low residuals.

Mr. Conner stated that WD staff has been assisting WTP staff with cleaning the lagoons and hauling of sludge.

Mr. Conner stated that staff has also been cleaning boosters and exercising valves.

Mr. Conner stated that Meter Services has completed testing and calibrating all the wholesale water meters for the RWS.

6. There was no Public Comment.

7. In Old Business:

- a. Mr. Martin stated that the Board discussed the Wardwell bond request at the meeting last month, and Ms. Alia Scott is in attendance today to answer any questions the Board may have on this request. Mr. Martin stated that he discussed the request with Ms. Jill Johnson, City Finance Director, and she thought it should be a standard pass-through. Mr. Martin stated that Ms. Johnson did have one question as to why the RWS would need to set up a separate account since this is a standard pass-through, and Wardwell should be able to pay USDA directly.

Mr. Martin stated that there are a few items that staff would like to Board to consider as this request is discussed. Mr. Martin stated that the Board should consider the fact that if they do this for one of their wholesale entities, it opens the door for the rest of the wholesale entities to request the same. Mr. Martin stated that he is not sure that the Board wants to get mixed up in the politics if the dissolution of Wardwell is pushed forward. Mr. Martin stated that if the Board goes this way with the bonds, the Wardwell constituents will not be able to vote on the improvements.

Ms. Scott stated that the reason that Wardwell cannot just have an account with USDARD and by-pass the issuance of the bonds, is that because the structure of Wardwell is a Water and Sewer Improvement District, they cannot have revenue bonds issued from their own district without an election. Ms. Scott stated that Wardwell originally planned that they would seek bond counsel to assist with the issuance of revenue bonds because there is not a State Statute exempting Water and Sewer Districts from that revenue bond issue like cities, municipalities, and joint powers boards have an exemption. Ms. Scott stated that this is being discussed by the Legislature to remedy this.

Ms. Scott stated that she cannot really comment on the dissolution aspects as she does not have any information on the potential of that or what it would look like. Ms. Scott stated that the feasibility standpoint from a financial aspect is astronomically confusing and complicated.

Ms. Scott stated that with the election, it is not her intention to have an election, as that would be the last priority, just because it could be really messy, and closes the timeline of being able to complete this project by the end of next summer because an election could not be done until May, and then they would have to re-

bid the project and get materials. Ms. Scott stated that she is worried that if they have to do an election, the project would not get done until 2023. Ms. Scott stated that there have been five breaks in that waterline in the past two years, so the necessity to get the work done now is very high in her opinion.

Chairman King stated that even if there is an election, you can't count on getting the votes.

Ms. Scott stated that she worries because it is a large number to make the repairs on Blair Lane, and for people that don't live on that street, they could see that number and think about how it is going to affect them. Ms. Scott stated that this is not an assessed project, but just seeing the cost of \$1 M could cause some issues and a negative vote. Ms. Scott stated that if that happens, Wardwell can't not replace the waterline.

Board Member Knell stated that he sees a couple of reasons for the Board to go through with the bonds; 1) the Board could retain some control, and 2) if Wardwell does dissolve, there won't be a question of where the bonds go, or how they are getting taken care of.

Mr. Chapin stated that the issue would be the reimbursement on the bonds. Mr. Chapin stated that whomever would take over for Wardwell would honor the obligation forward, but the Board is not taking on any security or anything else.

Board Member Knell stated that when you start putting strings on someone else taking over, you don't want things like that hanging out where it could disrupt the ability to facilitate it.

Mr. Chapin stated that is true, and that is one of the debates that staff has with this is that if the bonding goes through, that may put a wrinkle in Wardwell being dissolved. Mr. Chapin stated that as he recalls, even though that is a potential, and is most assuredly a benefit for Wardwell, does the Board want to get in the middle of that political fight and do something that makes it difficult, if not impossible, for the dissolution to occur by virtue of Federal law.

Board Member Knell stated that he didn't look at the aspect that with the Board taking on the bonds that it would create a situation where Wardwell couldn't dissolve.

Ms. Scott stated that with the USDARD loan, it comes with what is called a 1926 Payment Protection, and that effectively prevents the dissolution of Wardwell for the duration of the loan commitment. Ms. Scott stated that there have been other instances where other Water and Sewer Districts have gotten these loans and there was a recent case in Texas where there was alleged misuse of this provision because they can have bargaining potential, but the Supreme Court found that it wasn't an improper misuse, it was just a byproduct of using very low interest Federal loans, which are a benefit to the public.

Treasurer Bertoglio asked that with these bond parameters, if there can't be someone come in and say that they will assume the responsibility of the bond repayment.

Ms. Scott stated that she thinks someone would be able to assume the obligation, as long as there was appropriate documentation indicating that was agreed upon, but the forced dissolution, or annexation of a territory that has assumed their funds and has this 1926 stipulation is prevented during the duration of the loan solely so that USDARD can ensure repayment.

Board Member Knell stated that in essence this would ensure Wardwell another 30 years of existence.

Mr. Chapin stated that was correct as that is the payout on the bond.

Secretary Waters stated that it could be dissolved as long as whatever entity wanted to assume that risk.

Ms. Scott stated that she was unsure, but she thought that was true as long as there were contracts that were approved by the Federal Government. Ms. Scott stated that if the dissolution process was approved by County, State, whatever entities needed to be involved, and there was a process by which it was all worked out clean, she didn't see why not, but did not know for sure.

Board Member Knell stated that would be a strain to walk in ready to take over and have that hanging over you.

Ms. Scott stated that there is a lot of other associated debt that would need to be figured out as well.

Board Member Knell stated that was where his comment came from; if the Board did the bond, then they would maintain control and their ability to dissolve without a hiccup would be easier. Board Member Knell stated that would be better instead of having someone new coming in and having to take on those contracts and debts.

Ms. Scott stated that Wardwell would still be paying the full amount of debt, it would just be paid through the Board as an organization instead of being paid directly to USDARD. Ms. Scott stated that should the dissolution occur, that entity would still be liable to pay the debt.

Board Member Knell stated that it seems to him that dissolution or non-dissolution should be decided on long before any bonds are taken out.

Treasurer Bertoglio asked if this project qualifies for SRF funding. Mr. Martin stated that it should, but he is not sure if Wardwell applied for SRF funding. Ms. Scott stated that she would have to check on that.

Board Member Knell asked if it doesn't make sense, that if the plan is to dissolve, not to take out loans.

Ms. Scott stated that Wardwell has been trying to replace this waterline for two years.

Treasurer Bertoglio stated that Wardwell was close to getting the funding for the waterline, but then this whole dissolution issue came up and poisoned the water.

Ms. Scott stated that from Wardwell's perspective, dissolution is not in the best interest of the District or its' customers and residents. Ms. Scott stated that she is of the mind that she is going to move forward and fix what needs to be fixed, and wait for the entity to potentially be dissolved. Ms. Scott stated that in certain places on this waterline there is only three feet of cover.

Board Member Cathey stated that Wardwell is going to fight dissolution, and in the bigger scheme of things, if Wardwell is dissolved, someone has to pick up the portion of the debt and buy in to the Water Treatment Plant because you have to have the split of the equity that Wardwell has. Board Member Cathey stated that Wardwell has an equity in the Water Treatment Plant as well as all the infrastructure that is in their district.

Board Member Knell stated that he understands and that is why his thought was that the Board should sponsor the bond in the event that happens, then it's a much smoother, easier transition and if it doesn't happen, then Wardwell just pays the sponsoring entity, which would be the Board. Board Member Knell stated that is what he meant by the Board having control.

Chairman King stated that he feels there are other entities paying close attention to see what the Board does with this.

Board Member Knell stated that the City has had to be very careful about these types of things as the City just let some bonds that they sponsored and are subbing, and they had to be very particular about who was chosen, because once you do it for one, everyone wants it, but you don't have to do it. Board Member Knell stated that the City was very clear about how they were going to do it up front.

Treasurer Bertoglio asked what the rate is for the bond.

Ms. Scott stated that the rate is 1.4%.

Board Member Knell asked what the rate is for the State.

Mr. Martin stated that the rate for the State is 2.5%.

Treasurer Bertoglio stated that the State loan rate never changes.

Ms. Scott stated that part of the USDARD loan is a grant.

Ms. Scott stated that she knows this is a lot to think about and discuss, but if the Board has a gut feeling that is more inclined to say no, it won't hurt her feelings as Wardwell will just look into other funding options.

Board Member Knell stated that he is not opposed to this as the project needs to be done.

Chairman King asked Mr. Chapin if this would hurt the Board in any way if Wardwell dissolves.

Mr. Chapin stated that there is Federal Law that you can't forcibly dissolve the District, but they can choose to do it themselves.

Board Member Knell stated that they would have to have someone lined up to take over the debt.

Ms. Scott stated that the debt discussion goes way beyond just this bond. Ms. Scott stated that in order to remove yourself from the JPB, you have to pay your proportional share of the debt, which she is unable to calculate.

Board Member Knell asked if staff has an opinion on this issue.

Mr. Beamer stated that he is not in favor of the Board issuing the bond for Wardwell. Mr. Beamer stated that he doesn't think the Board should get in the political fray of being a conduit for bond issuance to Wardwell and not allowing the dissolution issue to go through.

Board Member Knell stated that on the other hand, that was his train of thought for running the bonds through the Board to prevent it. Board Member Knell stated that if the bond goes through the Board they could still dissolve.

Ms. Scott stated that was incorrect, Wardwell could voluntarily dissolve, but could not be forcibly dissolved.

Board Member Knell stated that he misunderstood and is not in favor of the Board issuing the bond for Wardwell. Board Member Knell stated that would put the Board in the middle of the political hub that they should not be in. Board Member Knell stated that the Board is in the business of supplying water.

Chairman King asked if Bar Nunn is involved in the dissolution. Ms. Scott stated that they are as Bar Nunn started the petition for dissolution, and then Mills joined in for the one small portion of annexation.

Board Member Cathey stated that the key to dissolving, if elected by Wardwell or forced by Bar Nunn and Mills, is that someone has to pick up the debt.



Mr. Chapin stated that Wardwell can't be forced to dissolve if they have Federal funding.

Treasurer Bertoglio stated that he is inclined to say no as he can see other districts served by the Board come ask the Board for assistance.

Secretary Waters stated he was not in favor.

Board Member Knell stated he was not in favor.

Board Member Cathey stated that he is not in favor and if Wardwell has other options for funding, they should look into them, but he also feels that the waterline should be fixed.

Board Member Knell stated that the Board produces water and is not a bank.

Board Member Knell asked Chairman King how he felt about the issue.

Chairman King stated that he is not fond of the idea.

Ms. Scott stated that she appreciated the Board considering the Wardwell bond issue.

- b. There was no Other Old Business.

8. In New Business:

- a. Mr. Martin stated that the HVAC Chiller Replacement Project was re-budgeted from last fiscal year. Mr. Martin stated that the design has been completed by West Plains Engineering, and the project was put out for bid. Mr. Martin stated that two bids were received – one of the bids was only for the electrical and the bid was withdrawn. Mr. Martin stated that the bid from Sheet Metal Specialties was \$422,000. Mr. Martin stated that there was only \$180,000 budgeted for the project. Mr. Martin stated that with only one bid received, and it being quite a bit over the budgeted amount, the best option is to reject all bids and re-budget the project and review a few things before putting the project back out to bid.

Board Member Knell stated that is a huge shortfall and asked if that is on us or if the company was ambitious.

Mr. Martin stated that he thinks they are a bit ambitious, but Sheet Metal is saying that \$180,000 is the cost of the equipment and does not include installation. Mr. Martin stated that a closer look at it needs to be taken.

A motion was made by Board Member Knell and seconded by Secretary Waters to reject all bids for the WTP HVAC Chiller Replacement, Project No. 20-030. Motion put and carried.

- b. There was no Other New Business.
9. Chairman King asked for a motion to move into Executive Session to discuss litigation and property acquisition. A motion was made by Secretary Waters and seconded by Board Member Knell to adjourn into Executive Session at 12:20 p.m. to discuss litigation and property acquisition. Motion put and carried.

A motion was made by Board Member Knell and seconded by Board Member Cathey to adjourn from Executive Session at 12:45 p.m. Motion put and carried.

Chairman King called the Regular Session to order at 12:45 p.m.

10. In the Chairman's Report, Chairman King stated that the next regular meeting would be held on December 21, 2021.

A motion was made by Board Member Knell and seconded by Secretary Waters to adjourn the meeting at 12:45 p.m. Motion put and carried.

  
Chairman

  
Vice-Chairman