

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

MEETING PROCEEDINGS

December 21, 2021

A public meeting of the Central Wyoming Regional Water System Joint Powers Board (Board) was held Tuesday, December 21, 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, Vice-Chairman Keffer, Secretary Waters (by phone), Treasurer Bertoglio, and Board Members Cathey, and Knell. Board Members Freel, and Powell were absent.

City of Casper – Cathey, Knell, Andrew Beamer, Bruce Martin, Seth Van Wyck, Clint Conner, Janette Brown, Jill Johnson, Evan Condelario, Nicholas Gassman

Natrona County – Bertoglio

Salt Creek Joint Powers Board – King

Wardwell Water & Sewer District – Keffer

Pioneer Water & Sewer District – Waters (by phone)

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.; Cynthia Olson – Skogen, Cometto & Associates, P.C.

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

1. In Announcements, Mr. Martin stated that Secretary Waters is attending the meeting by phone.

2. Chairman King asked for a motion to approve the minutes from the November 16, 2021 Regular meeting and Executive meeting. A motion was made by Treasurer Bertoglio and seconded by Board Member Knell to approve the minutes from the November 16, 2021 Regular meeting and Executive meeting. Motion put and carried.
3. Mr. Martin informed the Board that seven additional vouchers were added to the voucher listing that was sent out in the agenda packet: Voucher 8382 for Riley Industrial Services, Inc. in the amount of \$63,596.70 for the 2.6MG Tank Recoating Project No. 18-093; Voucher 8383 for Casper Star-Tribune c/o Lee Advertising in the amount of \$261.04 for the Notice of Final Payment 2021 RWS Roof Replacements Project No. 20-051; Voucher 8384 for Riley Industrial Services, Inc. in the amount of \$22,478.90 for the 2.6 MG Tank Recoating Project No. 18-093; Voucher 8385 for ITC Electrical Technologies in the amount of \$11,250.00 for the WTP Pipe Gallery Lighting; Voucher 8386 for Harrington Industrial Plastics in the amount of \$383.69 for parts for the Sodium Hypochlorite Line Replacement; Voucher 8387 for AUMA Actuators, Inc. in the amount of \$6,131.91 for adjusting the High Service Pump Valves; and Voucher 8388 for Haid's Plumbing and Heating in the amount of \$5,160.00 for a Hot Water Recycle Pump. Mr. Martin stated that most of the vouchers on the listing are for FY22 capital projects. Mr. Martin recommended approval of the vouchers and offered to answer any questions the Board may have on the voucher listing.

Board Member Knell asked what firm Mr. Chapin is with. Mr. Chapin stated he is with Williams, Porter, Day & Neville.

Treasurer Bertoglio asked about the fees for Ms. Scott that are listed. Mr. Chapin stated that the fees for Ms. Scott are split between Wardwell and the RWS for work done on the City of Mills issue.

Chairman King asked for a motion to approve the December 2021 vouchers. A motion was made by Board Member Knell and seconded by Board Member Cathey to approve the December 2021 voucher listing to include voucher numbers 8366 through 8388 in the amount of \$717,472.59. 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 November 2021 was 163 MG, which is right at the five-year average. Mr. Martin stated that the year to date production total is 2.01 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 measures 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 \$4,286,406, which is \$226,861 less than the same time last year.

Mr. Martin stated that Reimbursable Contract Expense is \$1,342,737, which is \$80,075 less than the previous year due to the timing of chemical purchases.

Chairman King asked for a motion to approve the November 2021 Financial Report as

presented. A motion was made by Vice-Chairman Keffer and seconded by Board Member Cathey to approve the November 2021 Financial Report as presented.

Board Member Knell asked how big an impact was made on the budget for the additional chemical costs. Mr. Martin stated that the chemical budget may be short approximately \$100,000 - \$200,000, but it is too early to tell yet.

Motion put and carried.

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

Mr. Van Wyck stated that the Casper 10 Well rehabilitation work has been completed and is back in service. Mr. Van Wyck stated that the well is producing 325 - 350 gpm, which is an improvement.

Mr. Van Wyck stated that two new actuators and a sump pump were installed in Raw Water.

Mr. Van Wyck stated that Actiflo and the Settled Water chambers have been cleaned.

Mr. Van Wyck stated that brackets were welded on piping in Ozone and Settled Water. Mr. Van Wyck stated that the pipes had a lot of movement to them so the brackets were added to make them more stable. Mr. Van Wyck stated that staff painted the piping after the welders were finished with the brackets.

Mr. Van Wyck stated that three of the new turbidimeters that were recently purchased have been installed; one in South Chem for the groundwater going into the tank, and one each in Casper 15 and 12 wells. Mr. Van Wyck stated that the turbidimeters seem to be working fine.

Mr. Van Wyck stated that the painting has been completed on the 2.6 MG Tank. Mr. Van Wyck stated that a new tank mixer was installed in the tank and the screen was reinstalled on the tank overflow pipe. Mr. Van Wyck stated that over the next month the tank will be disinfected and put back in service to make sure all the seals and hatches don't leak. Mr. Van Wyck stated that new fall protection that was received needs to be installed on the tank ladder.

Mr. Van Wyck stated that staff has been replacing the air relief valves on the Settled Water pumps for surface water.

Chairman King asked if the new Airport Tank is operating as expected. Mr. Van Wyck stated that the Airport Tank is operating as expected.

Board Member Knell asked how many more new turbidimeters are on hand. Mr. Van Wyck stated that six new turbidimeters were ordered from Hach, so there are three more that can be installed. Mr. Van Wyck stated that staff is waiting to see which of the old turbidimeters are failing and then install the new. Mr. Van Wyck stated that ultimately, all the turbidimeters will be replaced. Mr. Van Wyck stated that the new Hach

turbidimeters have a cleaning system which includes a squeegee that goes down and cleans the vial every so often; whereas the KROHNE turbidimeters use the same principle, where it has a vial, but has no way of cleaning it. Mr. Van Wyck stated that when the wells are brought on line, if there is a slug in the turbidimeter, it just sits there and floats, whereas the Hach turbidimeter will clean the slug out and the turbidity readings come in quicker.

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

Mr. Conner stated that staff has started cleaning the north backwash lagoon. Mr. Conner stated that they have to get more water out of the lagoon before they can get a loader down in it to finish hauling the material.

Mr. Conner stated that the new Airport Booster pump was flow tested as well as the old pump. Mr. Conner stated that both pumps are doing well.

Mr. Conner stated that staff soft dug the line that runs from the Degas Chamber to the new Backwash Tank. Mr. Conner stated that a section of the line and a vault will be replaced next year. Mr. Conner stated that staff was determining the diameter and external condition of the line.

Mr. Conner stated that all RWS hydrants were checked. Mr. Conner stated that this included the non-drainer hydrants.

Mr. Conner stated that staff has completed flushing the dead-end lines. Mr. Conner stated that the residuals in the system are increasing. Mr. Conner stated that it seems that the system is coming out of the nitrification cycle earlier than usual.

Chairman King stated that Salt Creek residual is .52 - .57. Mr. Conner stated that is really good. Mr. Conner stated that the only tank residual that is low is Sandy Lake, but it is holding in there.

Mr. Conner stated that staff is getting quotes for pump repairs to replace a couple of impellers for next budget year.

Mr. Conner stated that the new pump has been installed in Mountain View Booster. Mr. Conner stated that staff is completing some painting on the pump, and getting the motor wired up. Mr. Conner stated that hopefully by the end of the week it will be started up for testing.

Mr. Conner stated that all the ARV's on the Crosstown Pipeline were checked. Mr. Conner stated that staff will be starting on the ARV's out in the RWS system.

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 Ms. Cynthia Olson, with Skogen, Cometto & Associates, is in attendance today for the presentation of the FY2021 audit. Mr. Martin stated that Ms. Johnson, Mr. Condelario, and Mr. Gassman from the City Finance Department are also in attendance today.

The time was turned over to Ms. Olson for the presentation of the FY2021 audit.

Ms. Olson stated that the FY2021 audit was not a Single Audit this year as Federal funds received were under the threshold. Ms. Olson stated that there were a couple of small non-material journal entries made by the auditors as well as the normal reclassifying journal entries which are better for financial statement presentation.

Ms. Olson asked the Board to reference page 11, Statement of Net Position, in the audit report. Ms. Olson stated that Current Assets this year were up by approximately \$1.4 M due to an increase in accounts receivable and a little bit more in inventory. Ms. Olson stated that the Total Net Position has also increased this year approximately \$2.4 M. Ms. Olson stated that the Investment in Capital Assets increased approximately \$6.4 M this year.

Ms. Olson asked the Board to reference page 12, Statements of Revenues, Expenses, and Changes in Net Position. Ms. Olson stated that Operating Revenues increased approximately \$3.5 M. Ms. Olson stated that there was also an increase in Operating Expenses. Ms. Olson stated that they did note in the Board minutes there were some increases in expenses mostly due to the chemical issue last year. Ms. Olson stated that the change in Operating Revenues was mostly due to the change in the rate, and the dry summer that was experienced. Ms. Olson stated that Nonoperating Revenue (Expenses) includes Forgiveness of Debt on the loans. Ms. Olson stated that the last loan went into repayment this year.

Ms. Olson asked the Board to reference page 26, Long-Term Obligations. Ms. Olson stated that the Reductions column shows the payments on the debt this year, which includes the Forgiveness of Debt. Ms. Olson stated that there were only \$168,057 in Additions to the debt this year.

Treasurer Bertoglio asked if the debt is just the principal amounts on the loans. Ms. Olson stated that was correct.

Ms. Olson asked the Board to reference page 24, Capital Assets. Ms. Olson stated that this year there were approximately \$1.8 M in additions. Ms. Olson stated there were \$4.725 M transferred out of Construction in Process due to the completion of the WTP Emergency Power and SCADA projects. Ms. Olson stated that Depreciation was approximately \$2 M this year, which is about the same as last year. Ms. Olson stated that there was a net decrease in Assets of approximately \$850,000.

Ms. Olson offered to answer any questions on the audit that the Board might have.

Board Member Knell asked if the audit report is favorable considering the financial hardships and issues the Board had over the year. Ms. Olson stated that the report is favorable as there was an increase in revenue, and an increase in expenses, but overall it came out favorable.

Chairman King asked for a motion to accept the FY2021 Audit Report. A motion was made by Treasurer Bertoglio and seconded by Board Member Knell to accept the FY2021 Audit Report. Motion put and carried.

Board Member Knell asked that it be noted that Mr. Martin and staff did a fine job with all the challenges they faced this year, and still got a favorable audit report.

Treasurer Bertoglio asked that when the two WWDC loans are paid off, is the Board still required to have the \$1 M separate reserve. Mr. Martin stated that the Board will not be required to have the separate \$1 M reserve after the WWDC loans are paid off. Mr. Martin stated that before Mr. Pitlick retired, he was working with WWDC and someone there told him that requirement has gone away, but it is still in the Board's loan documents and staff was not willing to get rid of it unless something in writing was received from WWDC.

- b. Mr. Martin stated that this change order is for the roof replacement that was done over the Filter Gallery. Mr. Martin stated that the reason for the price reduction is that during work on the roof the contractor drilled through the concrete deck of the roof, which broke out some of the concrete, and debris fell into the filters. Mr. Martin stated that the contractor filled the holes with a concrete compound, but it was not satisfactory as it was already cracking. Mr. Martin stated that the Board hired Lower Company to do a structural analysis on the roof deck and recommend a repair that would be sufficient and stay in place and not fall into the filters. Mr. Martin stated that the cost for the report was \$600.00. Mr. Martin stated that staff time was used to research the concrete falling into the filter to make sure that there would not be any issues with the operation of the filter. Mr. Martin stated that the cost of these two items is \$1,079.26. Mr. Martin stated that this amount is being deducted from what is being paid to the contractor and reduces the contract price to \$72,220.74. Mr. Martin stated that he would be happy to answer any questions the Board might have on this change order.

Board Member Knell asked if staff is expecting any push back on the deduction from the contractor. Mr. Martin stated that the contractor has already signed the change order.

A motion was made by Treasurer Bertoglio and seconded by Vice-Chairman Keffer to approve Change Order No. 1 with Contract West Roofing, Inc., for a price reduction in the amount of \$1,079.26 for the 2021 RWS Roof Replacements Project No. 20-015. Motion put and carried.

- c. Mr. Martin stated that the Board is in a unique position where all the employees at the WTP are City of Casper employees, and the Board pays for all personnel expenses through the monthly Operations Reimbursement. Mr. Martin stated that the City Manager looks for memos for requests for additional positions in late December, early January. Mr. Martin stated that staff would like to request a couple of positions for the WTP, but before the memo is submitted, he wanted to see how the Board felt about adding two positions. Mr. Martin stated that nothing will be decided on today, it will be discussed more at budget time in May and June.

Mr. Martin stated that over the last summer, five full-time employees and one part-time employee retired in a matter of six months. Mr. Martin stated that the WTP team did great, and Water Distribution helped keep things going. Mr. Martin stated that since there is new staff in place now, operations of the WTP are being reviewed. Mr. Martin stated that Mr. Edwards has brought forward a proposal to add a couple of positions. Mr. Martin stated that the proposed positions are a Maintenance Supervisor and another Operator. Mr. Martin referenced the WTP organizational chart shown on the screen. Mr. Martin stated that currently there is a single line of supervision, with Mr. Edwards at the top as Plant Manager. Mr. Martin stated that there are five Operators, including Mr. Wood, who spends most of his time in Maintenance, but covers Operations when needed. Mr. Martin stated that there are two Plant Mechanics on staff.

Mr. Martin stated that the issue is when the Operators call in sick, or are on vacation, it falls on the Maintenance staff to fill in and cover for the Operators. Mr. Martin stated that just in 2021 alone, Mr. Wood spent close to 500 hours covering for Operators. Mr. Martin stated that the other Maintenance staff spent over 300 hours covering for Operators in 2021. Mr. Martin stated that this greatly reduced the ability to get maintenance done.

Mr. Martin stated that what is proposed is to go with a dual line of supervision and breaking out Operations from Maintenance with Mr. Van Wyck as the Lead Operator supervising the Operators and Custodian, and a Plant Maintenance Supervisor supervising the Plant Mechanics and Instrumentation Tech.

Mr. Martin stated that an additional Operator would cover vacations and sick leave. Mr. Martin stated that would make it so there would be three Plant Mechanics plus a Maintenance Supervisor. Mr. Martin stated that as the WTP gets older, there is more maintenance to take care of and when Operations is using one of the Maintenance staff, it reduces time spent on maintenance.

Mr. Martin stated that two positions will mean a rate increase anywhere from 1.5% to 2% on top of what the Board is already looking at for a rate increase. Mr. Martin stated that with inflation being what it is, the rate increase for the Board is looking to be approximately 6%. Mr. Martin stated that there will be more information on rate setting in upcoming meetings as the Board sets the rate in June to go into effect in July.

Chairman King stated that it seems like it's a necessity to have a couple more people on staff. Mr. Martin stated that as he looks at the Wastewater Treatment Plant (WWTP) staff, which is different but of similar size operations, there are five Operators and three dedicated Plant Mechanics, they also have a Maintenance Supervisor as well. Mr. Martin stated that the proposed positions request would mirror the WWTP staff. Mr. Martin stated that right now at the WTP, Operations is being covered by Maintenance staff and cuts down on the amount of maintenance that gets done.

Board Member Knell stated that the City just raised rates and Council has been hammered for it by citizens. Board Member Knell stated that City Water and Sewer rates are being subsidized by One Cent funds for line replacement. Board Member Knell stated that to add two people during a time when inflation is so high, and with the increase in chemicals is really poor timing. Board Member Knell stated that he is not opposed to the additional positions, but the Board should consider all aspects of this as the rates roll downhill, so whatever the Board decides, the City will need to make an adjustment on their rates.

Treasurer Bertoglio stated that he can appreciate hiring another Operator, and putting Mr. Wood over in Maintenance, but he is not sure to what degree a Maintenance Supervisor is needed if there is a Plant Manager.

Chairman King stated that he agrees with Treasurer Bertoglio that he doesn't see the necessity of a Maintenance Supervisor.

Board Member Cathey stated that he would assume that the Maintenance Supervisor would also be a working mechanic so he doesn't see why one of the three Mechanics couldn't be moved into the Supervisory position. Board Member Cathey stated that then the Board would only be looking at adding an Operator.

Board Member Knell asked what the cost of two employees with benefits would be. Mr. Martin stated that it would depend on where they would start in the range but would add approximately \$150,000 to \$170,000 to the budget for both positions.

Board Member Cathey asked how much money the Board has to have in Reserves. Mr. Martin stated that the Board needs approximately \$5 M in Reserves according to the policy. Board Member Cathey asked if the audit shows that the Board has \$38 M in the bank. Mr. Martin answered no. Board Member Cathey asked how much the Board has in the bank. Treasurer Bertoglio stated that the Board has approximately \$6.9 M in the bank. Board Member Cathey stated he was looking at the wrong page in the audit.

Treasurer Bertoglio asked if there has been any discussion with HDR about costs for the UV project. Mr. Martin stated that HDR is still working on the preliminary design report. Mr. Martin stated that a letter was sent to EPA asking for information about lowering the ozone level when the UV is implemented. Mr. Martin stated that a response was finally received from EPA and they said the

ozone level can be lowered slightly if the UV dose is increased, and the testing will have to continue. Mr. Martin stated that a cost for the project hasn't been estimated yet. Mr. Martin stated that it looks like another building will not be needed. Treasurer Bertoglio stated that the rate is based on future projections and if the cost of the UV project comes in lower the Board will be in a better financial position.

Board Member Cathey stated that if just another Operator is hired it will mean a 0.75% increase on the rate.

Treasurer Bertoglio stated that maybe it would be better to increase the positions in two years instead of one.

Chairman King stated that staff is qualified and can do all the maintenance. Mr. Martin stated that staff is qualified but there are specialty items that still have to be sent out for a contractor to do.

Board Member Cathey asked if there has been much overtime. Mr. Martin stated that there has been quite a bit of overtime. Mr. Martin stated that they try to cover shifts with a floater guy as much as they can, but sometimes the schedule just doesn't work. Board Member Cathey stated that he was thinking that if another Operator is hired, it would reduce the overtime and free the three Maintenance staff. Mr. Martin stated that would make a reduction in the overtime.

Board Member Cathey stated that he would be willing to go along with filling the Operator position and making one of the Maintenance staff a lead or supervisor. Board Member Cathey stated that he thinks hiring an additional Operator will still be absorbed in the City rate increase that was just implemented. Mr. Martin stated that as we get into budget discussions, more solid information and numbers will be available for the Board's review. Board Member Knell stated that would be more helpful for the Board.

Mr. Martin thanked the Board for their input on this discussion.

- d. There was no Other New Business.
- 9. In the Chairman's Report, Chairman King thanked the Board for their cooperation and help this past year and stated that the next regular meeting would be held on January 18, 2022.

Board Member Knell asked Mr. Chapin the status of the two items he is working on.

Board Member Cathey asked if any of this should be discussed in Executive Session. Mr. Chapin stated that it does not need to be in Executive Session.

Mr. Chapin stated that he hasn't heard anything back on the property.

Mr. Chapin stated that for the litigation, disclosures have been filed. Mr. Chapin stated

that he thought this would be a simple oral argument based on the briefs filed by both sides, but discovery has to be done before it goes to a hearing. Board Member Knell asked if it would now be late spring or early summer before there is any news. Mr. Chapin stated that was correct.

Chairman King wished everyone a Merry Christmas and Happy New Year.

A motion was made by Board Member Knell and seconded by Board Member Cathey to adjourn the meeting at 12:25 p.m. Motion put and carried.


Chairman


Secretary