

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

MEETING PROCEEDINGS

February 15, 2022

A public meeting of the Central Wyoming Regional Water System Joint Powers Board (Board) was held Tuesday, February 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 Keffer, Secretary Waters, Treasurer Bertoglio, and Board Members Cathey, Freel, and Knell. Board Member Sutherland was absent.

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

Natrona County – Bertoglio

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 –

Mile-Hi Improvement and Service District – Ben Taucher

Central Wyoming Groundwater Guardian Team (CWGG) –

Others — Charlie Chapin – Williams, Porter, Day & Neville, P.C.

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

1. In Announcements, Mr. Martin stated that Council Member Sutherland will be the City of Casper's replacement on the Board for Mr. Powell. Mr. Martin stated that Ms. Sutherland will be officially appointed to the Board tonight at the Council meeting. Mr.

Martin stated that Board Member Knell will be officially reappointed to the Board tonight.

Mr. Martin stated that Ms. Jill Johnson is in attendance today to speak to the Board about WyoStar Investments, but has another meeting at noon. Mr. Martin requested that Ms. Johnson's presentation be moved up on the agenda to the next item of business.

2. Chairman King turned the time over to Ms. Johnson.

Ms. Johnson stated that approximately one year ago, Mr. Pitlick spoke to the Board before he retired about investing in WyoStar. Ms. Johnson stated that it is up to the Board to decide how their funds are invested, as the City of Casper has no authority over the RWS accounts, but does the reconciliation.

Ms. Johnson stated that the RWS funds that are invested now, are not making any money. Ms. Johnson stated that the Board has four investment accounts, one with Wyoming Governmental Investment Fund, and various investment accounts with Hilltop. Ms. Johnson stated that the total investment interest earned on \$7.7 M for the month of January was \$154.60.

Ms. Johnson stated that if we take those same dollars that made the \$154 and invest it differently in a WyoStar I account, the Board would have made approximately \$1,332 from just January. Ms. Johnson stated that annually, that would be approximately \$16,000. Ms. Johnson stated that if those same funds had been put in a WyoStar II account, which is a longer term account, it would have made \$7,754 in the month of January. Ms. Johnson stated that annually, that would be approximately \$93,000.

Ms. Johnson stated that if the \$154 is annualized, it would be approximately \$1,855. Ms. Johnson stated that the difference between what is currently being seen, and what could potentially be seen in investment earnings is over \$90,000 per year.

Ms. Johnson stated that there are differences between the WyoStar I and WyoStar II accounts. Ms. Johnson stated that WyoStar I is short term, extremely liquid – it usually takes overnight to get the money back in your account, no early withdrawal penalty, published yield is net of fees, pooled money – income distributed monthly based on average daily cash balance in the pool, and is managed by the State of Wyoming State Treasurers Office.

Ms. Johnson stated that WyoStar II is longer term, has a minimum deposit transaction size of \$1,500, funds must be invested for a minimum term of three months, early withdrawal penalty applies, published yield is net of fees, pooled money – income distributed monthly based on average daily cash balance in pool, and is managed by the State of Wyoming State Treasurers Office.

Secretary Waters asked if it is a percentage penalty. Ms. Johnson stated that she did not have the answer to that question, but will look into that.

Ms. Johnson showed the Board the Annualized Book Return for both WyoStar I and

WyoStar II. Ms. Johnson stated that the nice thing about these returns is when you get them on your statement, it is net of fees; the fees have already been taken out.

Ms. Johnson reviewed the recommendation of City staff. Ms. Johnson informed the Board this is just an idea of what they could do with investing their funds. Ms. Johnson stated that column one is current Board policy for Capital Improvement Reserve, Debt Service, Operating Reserve, and the WWDC Restriction. Ms. Johnson stated that the Board updated their policy last year. Ms. Johnson stated that she would consider this \$6,047,718 to be long term investments that could be put in WyoStar II.

Ms. Johnson stated that the Board has approximately \$534,000 in the Wyoming Government Investment Fund (WGIF). Ms. Johnson stated that the Board has funds in an investment structure account at Hilltop Bank, mostly money market that is not earning a lot of interest at this time. Ms. Johnson stated that the Board also has a checking/savings account structure at Hilltop Bank. Ms. Johnson stated that if the Board is to restructure these accounts, it is recommended to move everything that is restricted by policy and move it into WyoStar II. Ms. Johnson stated this would move everything that is in WGIF, a portion of the Hilltop Investment, leave the checking/savings account, and move the Rate Stabilization Fund.

Ms. Johnson stated that if the Board moved the \$6,047,718 to WyoStar II, and with the rate of return from December, the Board would have earned \$6,012 in interest.

Ms. Johnson stated that the Board should not put everything in WyoStar II, as they will need liquidity for projects. Ms. Johnson stated that this is where WyoStar I comes in, as it is short term, highly liquid, and able to be used for Operations.

Ms. Johnson stated that City staff recommends moving \$1 M from the Hilltop Operating Fund, and \$7,248 from the Hilltop Operating General Investment account to WyoStar I. Ms. Johnson stated that these funds can be moved back out of WyoStar within a day.

Ms. Johnson stated that this would leave \$750,000 in the Operating Reserve Investment account at Hilltop, which is used as a sweep account, and \$10,287 in the Hilltop Operating General Checking account, which is used to pay the Board's bills. Ms. Johnson stated that this is what staff thought would work best, but it is up to the Board to make any decision. Ms. Johnson offered to answer any questions the Board may have on WyoStar.

Vice-Chairman Keffer asked if the funds are left in WyoStar II for the three months, does that renew, or does that count for no penalty. Ms. Johnson stated that once the funds meet the three month mark, they do not renew for another three months, the funds are available at that time to withdraw. Ms. Johnson stated that it takes a day or two to get the funds out of WyoStar II, as things will need to be liquidated. Ms. Johnson stated that it is quicker to get funds out of WyoStar I.

Board Member Knell asked Mr. Martin if he thought this investment would work for Operations, with the funds being tied up for three months. Mr. Martin stated that he didn't think it would be a problem as Ms. Johnson pointed out there would be the \$1 M

available in WyoStar I if needed right away.

Board Member Knell stated that it seemed foolish to him to not move the funds to WyoStar investments considering the Board could potentially earn \$90,000 in a year and have access to the money in three months if needed. Board Member Knell stated that he imagines the \$90,000 could become more because the interest earned would be earning interest. Ms. Johnson stated that Board Member Knell is correct, the interest would compound.

Chairman King stated that the Town of Edgerton uses WyoStar and it has been good for them.

Board Member Cathey stated that Vice-Chairman Keffer asked if the three months renewed. Board Member Cathey stated that if additional funds were deposited to WyoStar II, those funds would not be available for three months, but the previously deposited funds would be available.

Board Member Knell thanked Ms. Johnson for the time she took to look into this for the Board.

Ms. Johnson stated that the City has no control over the Board's funds, it would be up to the Board to give direction. Mr. Martin stated that it would take Board approval to make the changes. Mr. Martin stated that the paperwork would need to be drawn up and presented to the Board next month for approval and signatures.

Board Member Knell asked if staff needs that direction to bring the paperwork to the Board next month. Mr. Martin stated that it would be appreciated.

A motion was made by Board Member Knell and seconded by Board Member Cathey to give staff direction to bring the necessary paperwork to move funds to WyoStar investments to the Board at the March meeting for review and approval.

Treasurer Bertoglio asked that to have sufficient funds set aside for capital projects, will there need to be a change made to the Cash Policy. Treasurer Bertoglio stated that he is a big fan of the WyoStar investment accounts. Mr. Martin stated that he thinks he understands what Treasurer Bertoglio is getting at. Mr. Martin stated that if a large project was coming up that needed funds, staff would have to pre-plan to have those funds available. Treasurer Bertoglio stated that Debt Service would have to be considered as well. Mr. Martin stated that he believes that Debt Service would come out of the remaining Hilltop account. Treasurer Bertoglio stated that the Hilltop checking account would still be the liquid account. Mr. Martin stated that the Hilltop account would have funds moving in and out of it.

Board Member Knell stated that he assumes that any large expenditures would not be up within 90 days.

Secretary Waters asked if Mr. Martin would put together a three month projection initially on what would be spent, and after that, the long term investment would be

available.

Board Member Knell asked who would be administering the WyoStar account. Mr. Martin stated that staff would get the paperwork filled out and the Board would have to sign off on setting up the WyoStar accounts, and would be the approvers.

Motion put and carried.

Treasurer Bertoglio stated that the Hospital Foundation is making about 6 – 7%. Treasurer Bertoglio stated that when you take the constraints of government off and put it in the hands of money managers, it's pretty easy to make a lot of money.

3. Chairman King asked for a motion to approve the minutes from the January 18, 2022 Regular meeting. A motion was made by Treasurer Bertoglio and seconded by Secretary Waters to approve the minutes from the January 18, 2022 Regular meeting. Motion put and carried.
4. Mr. Martin informed the Board that one additional voucher was added to the voucher listing that was sent out in the agenda packet: Voucher 8420 for Casper Star Tribune in the amount of \$154.96 for a Legal Ad for Proposals for a New One and a Half Ton Crew Cab 4x4 Pickup Truck with Utility Box. Mr. Martin stated that Voucher 8419 will be considered later in the meeting.

Mr. Martin stated that the voucher listing includes three vouchers for loan payments to the Wyoming Office of State Lands and Investments. Mr. Martin stated that the voucher listing also includes retainage releases for the 2021 Roof Replacements Project, and the 2.6M Gallon Tank Recoating Project. Mr. Martin stated that the voucher listing includes funds for various projects and equipment repair purchases. Mr. Martin stated that voucher 8414 has been voided until clarification from the vendor is received.

Mr. Martin stated that voucher 8417 is for the WTP Disinfection System Upgrade Project. Mr. Martin stated that the preliminary design report is moving forward and is on track to be presented to the Board in April.

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 February 2022 vouchers. A motion was made by Secretary Waters and seconded by Vice-Chairman Keffer to approve the February 2022 voucher listing to include voucher numbers 8403 through 8420 in the amount of \$673,207.05, with voucher 8414 voided and voucher 8419 to be considered later in the meeting. Motion put and carried.

5. Mr. Martin asked the Board to reference the Gallons Produced table in the agenda packet. Mr. Martin stated that production for January 2022 was 174 MG, which is 8 MG more than the five-year average of 166 MG. Mr. Martin stated that the year to date production total is 2.34 BG, which is 100 MG less than the five-year average of 2.44 BG.

Board Member Knell asked what caused the 8 MG jump in production. Mr. Martin stated that it is hard to say, it could be watering trees, washing cars, etc.

Mr. Martin asked the Board to reference page 2 of the Financial Report. Mr. Martin stated that Water Utility Charges is \$4,992,183, which is \$173,034 less than the same time last year. Mr. Martin stated that this is due to decreased water sales.

Mr. Martin stated that Reimbursable Contract Expense is \$1,719,967, which is \$284,629 less than the previous year. Mr. Martin stated that this is due to timing of chemical purchases, less electricity usage, and a small difference in the way Interdepartmental Services is applied.

Board Member Cathey asked if the \$13,000 listed on the Operations Reimbursement was for just one truck of ferric. Mr. Martin stated that was correct.

Chairman King asked for a motion to approve the January 2022 Financial Report as presented. A motion was made by Treasurer Bertoglio and seconded by Vice-Chairman Keffer to approve the January 2022 Financial Report as presented. Motion put and carried.

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

Mr. Edwards stated that production is averaging 5.4 MGD. Mr. Edwards stated that this is being accomplished by running ten Casper wells, four Morad wells, and two Caisson wells.

Mr. Edwards stated that the Maintenance crew is in the process of replacing the aging sodium hypochlorite line with new polyethylene pipe and this should be completed this week.

Mr. Edwards stated that the level transmitter was replaced on the 2.6 MG tank. Mr. Edwards stated that it was discovered that the door latch on the top hatch of the 2.6 MG tank wasn't working, so it has been replaced.

Mr. Edwards stated that staff has started replacing the check valves in the wellfield. Mr. Edwards stated that two have been replaced, with two more to be replaced.

Mr. Edwards stated that the link seal kits are being replaced on the clearwell.

Mr. Edwards stated that the Maintenance Staff have been covering shifts for Operators that are out sick, or took time off.

Mr. Edwards stated that the VFD Project is underway. Mr. Edwards stated that ITC is doing the work on High Service Surface Water No. 2 pump and should be done this week so a test can be done on it.

Mr. Edwards stated that the draft specs and bid documents for the Caisson No. 2 project should be available for staff review this week.

Mr. Edwards stated that the Tier 2 Reporting has been submitted to the State. Mr. Edwards stated that there are new requirements that all chemicals deemed extremely hazardous have a worst case scenario submitted. Mr. Edwards stated that he worked with Emergency Management to get that on GIS mapping.

Mr. Edwards stated that the new WTP Admin started and seems to be working out well.

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

Mr. Conner stated that staff cleaned out the north backwash lagoon.

Mr. Conner stated that the crews have finished servicing ARV's on the Crosstown pipeline and in the distribution system.

Mr. Conner stated that staff completed pump alignments at the booster stations.

Mr. Conner stated that there was an electrical issue at Metro Booster last week. Mr. Conner stated that there must be electrical issues in the area as there was another booster that blew some fuses and burned up the transformer for the heater. Mr. Conner stated that staff was able to get the booster back online.

Mr. Conner stated that there have been some communication issues between Sandy Lake Tank and the WTP. Mr. Conner stated that HOA is currently working on the issue.

Mr. Conner stated that staff has been working on Lock-Out/Tag-Out for individual pieces of equipment at all of the booster stations, and on standard operating procedures.

Mr. Conner stated that residual levels out in the system are looking really good. Mr. Conner stated that he spoke to Mr. Martin about cutting back .25 ppm to see how it does out in the system.

Chairman King stated that the rechlorination system was installed in Salt Creek and the residuals are now 0.57 – 0.60 ppm.

7. There was no Public Comment.

8. There was no Old Business.

a. In Other Old Business:

Mr. Martin stated that staff has been working with Ms. Murphy on the purchase of property adjacent to the wellfield. Mr. Martin stated that Ms. Murphy has hired a new attorney who sent a letter to the people that have been using the property requesting that they remove their horses and other belongings from the property. Mr. Martin asked the Board if they are still interested in purchasing the property. Mr. Martin stated that he spoke with Mr. Chapin, and it seems as if they do not have anything in writing from the people that have been using the property.

Mr. Chapin stated that there has been an allegation made that the people that have been using the property will not pursue a claim on the property. Mr. Chapin stated that he would rather that was in writing.

Board Member Knell stated that he thinks the Board is still interested in purchasing the property. Secretary Waters agreed. It was the consensus of the Board to move forward with the purchase.

Mr. Chapin stated that he would send the purchase contract to Ms. Murphy's attorney.

9. In New Business:

- a. Item # 9 a was moved to the beginning of the Agenda as Item # 2.
- b. Mr. Martin stated that the Board has discussed the Hoistway Project previously. Mr. Martin stated that this project is an OSHA requirement for an evacuation hoistway over the filters. Mr. Martin stated that the Board contracted with Lower Co. for design and construction administration on this project. Mr. Martin stated that design was completed and the project put out to bid. Mr. Martin stated that one bid was received for this project, from Pope Construction, in the amount of \$70,920. Mr. Martin stated that staff recommends that the Board authorize a construction contingency amount of \$5,000, for a total project amount of \$75,920.

Mr. Martin stated that the engineer estimate for this project was \$46,000 for construction, but did not include the additional filter basin protection and access delivery costs for the steel beams. Mr. Martin stated that the budget for this project is \$50,000. Mr. Martin stated that if the Board moves forward with an approval for the project, a budget transfer will need to be approved as well. Mr. Martin stated that staff recommends moving forward with the project as it is anticipated to replace the filter media next budget year, and it would be better to install the hoistway before the filter media is replaced.

Mr. Martin stated that Mr. Alex Sveda, City Engineer, is in attendance today to answer any questions the Board may have on this project.

Board Member Knell stated that the estimate was \$46,000, and the bid came in almost double. Board Member Knell asked if the project should be put out to bid again with the correct parameters. Mr. Sveda stated that the project could be put out to bid again, but the Board will be looking at the same costs.

Board Member Cathey asked when the engineering estimate was done. Mr. Sveda stated that the estimate was done in January 2021. Board Member Cathey stated that prices have increased drastically over the last year and are most likely reflected in the bid.

Board Member Knell asked if there are funds available in the budget to transfer to this project. Mr. Martin stated that the FY22 Roof Project was budgeted at

\$300,000, but was scaled back and the estimate came in much lower than anticipated.

A motion was made by Secretary Waters and seconded by Board Member Freel to approve the agreement with Pope Construction, Inc., in the amount of \$70,920 for the WTP Confined Space Evacuation Hoistway, Project No. 21-061 with a contingency amount of \$5,000, for a total project amount of \$75,920. Motion put and carried.

- i.) Mr. Martin stated that Budget Reallocation No. 2022-02 in the amount of \$29,920 moves funds from the FY22 Roof Replacements Project to the Filter Gallery Confined Space Hoist Project as discussed.

A motion was made by Board Member Knell and seconded by Secretary Waters to approved Budget Reallocation No. 2022-02 in the amount of \$29,920 moving funds from the FY22 Roof Replacements Project to the Filter Gallery Confined Space Hoist Project. Motion put and carried.

- c. Mr. Martin stated that there are 29 wells in the two wellfields. Mr. Martin stated that the original design production was 25 MGD, including the Infiltration Gallery, which is 5 MGD that will not likely be used again due to EPA. Mr. Martin stated that right now, the wellfield is producing a maximum of 8 MGD in the winter, and 12 MGD in the summer.

Mr. Martin stated that staff would like the Board to consider an application to the Wyoming Water Development Commission (WWDC) for a Level II Feasibility Study to look at the wellfield to investigate previous and existing geological conditions, determine the existing conditions of the wells, establish a well rehabilitation and/or replacement plan, and establish a comprehensive wellfield management and operation plan. Mr. Martin stated that this study would also look at the recharge channels to see what could be done differently in managing and operating the channels to maximize production. Mr. Martin stated that the study would also incorporate a riparian and wellfield vegetation plan and incorporate best management practices for enhancing and sustaining wildlife habitat beneficial to the wellfield ecological system.

Mr. Martin stated that the WWDC application for the Level II Feasibility Study, includes a \$4,000 application fee, and if approved, the WWDC would help select a consultant to develop this plan. Mr. Martin stated that WWDC would pay 100% of the cost. Mr. Martin stated that this study could cost up to \$100,000.

Secretary Waters asked for clarification as to if the WWDC would pay 100% of the consultant fee for the study if the application for this project is approved. Mr. Martin stated that was correct.

Board Member Knell stated that they would probably not pay for construction costs for what is found during the study. Mr. Martin stated that there will most likely be projects that come out of the study, and then the Board could move

forward with Level III Grant Funding for construction.

Mr. Beamer stated that he thinks it is necessary to have some type of master plan on how to rehabilitate and increase production out of the wellfield. Mr. Beamer stated that every summer the WTP pushes water out, and 12 MGD is simply not enough, more production is needed.

Board Member Knell asked that if the application is not approved, where will it leave the Board besides being out \$4,000. Mr. Beamer stated that the Board would be looking at funding the master plan.

Mr. Martin stated that if WWDC elects not to fund this study, they will reimburse the Board \$3,750.

Vice-Chairman Keffer asked if there wasn't already a plan in place for rehabilitating the wells, and this is just to look at the whole picture of the wellfield. Mr. Martin stated that is a good point, that staff tries each year to rehabilitate a couple of the wells, or one Caisson. Mr. Martin stated that if we can get a more definitive idea of how the water moves underground it would be better. Vice-Chairman Keffer stated that he is all for having more information on the wellfield.

Board Member Knell asked if the wellfield has ever produced 29 MGD. Mr. Martin stated that he thinks it probably did, as the Caissons used to produce 4,000 GPM, and now in high production they only produce 1,000 GPM. Mr. Martin stated that production has really dropped off.

A motion was made by Board Member Knell and seconded by Board Member Cathey to authorize submission of an application to the Wyoming Water Development Commission for a Level II Feasibility Study for a Wellfield Management and Operation Plan. Motion put and carried.

- i. Mr. Martin stated that this application requires the submittal of a resolution authorizing the submittal of the application.

A motion was made by Vice-Chairman Keffer and seconded by Secretary Waters to approve Resolution 22-01 authorizing submittal of the Wyoming Water Development Commission application. Motion put and carried.

- ii. Mr. Martin stated that a check in the amount of \$4,000 needs to be submitted with the application. Mr. Martin stated that voucher 8419 is for this fee.

A motion was made by Board Member Cathey and seconded by Treasurer Bertoglio to approve voucher 8419 for the Wyoming Water Development Commission in the amount of \$4,000 for the application fee.

Board Member Knell asked if there is a lot of competition for this funding. Mr. Beamer stated that he was unsure, but if they have talked to Mr. Martin, he thinks there is a good chance of getting the funding. Mr. Martin stated that typically they have a certain pool of monies they work with, and his understanding is that the Board has a good chance of receiving funding. Mr. Martin stated that from the little bit of conversation that he has had with the WWDC, they feel that this is a “true” water development project and they seemed excited about it.

Board Member Knell asked what the timeline is for awarding funding. Mr. Martin stated that the Select Water Committee meets in March or April, and it will be almost a year before the funding is completed. Mr. Martin stated that it is a long process, but he will keep the Board informed as to the progress.

Motion put and carried.


d. There was no Other New Business.

10. In the Chairman’s Report, Chairman King stated that the next regular meeting would be held on March 15, 2022.

A motion was made by Secretary Waters and seconded by Vice-Chairman Keffer to adjourn the meeting at 12:18 p.m. Motion put and carried.



Chairman



Secretary