

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

MEETING PROCEEDINGS

February 18, 2020

A public meeting of the Central Wyoming Regional Water System Joint Powers Board (Board) was held Tuesday, February 18, 2020 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 and Powell. Board Members Freel and Huber were absent.

City of Casper – Cathey, Powell, Andrew Beamer, Bruce Martin, Brian Schroeder, Clint Conner, Janette Brown, Scott Baxter, Jolene Martinez

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 –

Central Wyoming Groundwater Guardian Team (CWGG) –

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

The Board meeting was called to order at 11:32 a.m.

1. In Announcements, Mr. Martin stated that copies of the WTP Annual Report were

handed out for the Board Members to review.

Mr. Martin also announced that hard copies of the annual audit are available if any of the Board Members would like one.

2. Chairman King asked for a motion to approve the minutes from the January 21, 2020 meeting. A motion was made by Treasurer Bertoglio and seconded by Secretary Powell to approve the minutes from the January 21, 2020 meeting. Motion put and carried.
3. Mr. Martin informed the Board that three additional vouchers were added to the voucher listing: voucher 8125 for HOA Solutions, Inc. for the SCADA System Upgrade in the amount of \$132,755.91; voucher 8126 for HDR Engineering, Inc. for the 2.6M Gallon Tank Roof Replacement in the amount of \$23,429.31; and voucher 8127 for HDR Engineering, Inc. for the Wardwell Tank Repairs in the amount of \$3,224.55. 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 2020 vouchers. A motion was made by Vice-Chairman Keffer and seconded Secretary Waters by to approve the February 2020 voucher list to include voucher numbers 8118 through 8127 in the amount of \$534,896.80. 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 January 2020 was 159 MG, which is 9 MG less than the five-year average of 168 MG. Mr. Martin stated that year-to-date production is 2.5 BG, which is 51 MG more than the five-year average of 2.45 BG.

Mr. Martin stated that Total Reserves is down a little bit from last year due to capital project expenses. Mr. Martin stated that Undesignated Reserves is \$1.4 M, and should be down to approximately \$1.1 M at the end of the fiscal year. Mr. Martin stated that Reserves remain strong.

Mr. Martin stated that Water Sales for the year are \$4,832,354, which is \$575,588 higher than FY2019. Mr. Martin stated that this is due to the rate increase and strong water sales this fiscal year.

Mr. Martin stated that Total Operating Expenses are 1.61% higher than last fiscal year. Mr. Martin stated that staff anticipated that Operating Expenses would be 1.9% higher than last year.

Chairman King asked for a motion to approve the January 2020 Financial Report as presented. A motion was made by Board Member Cathey and seconded by Secretary Waters to approve the January 2020 Financial Report as presented. Motion put and carried.

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

Mr. Schroeder stated that the SCADA contractor is pretty much done with the distribution system, which includes the booster stations, tanks, and installing new PLCs and radios at the remote sites. Mr. Schroeder stated that these are all on the new SCADA system. Mr. Schroeder stated that the SCADA contractor has started on the WTP systems and are scheduled to be completed at the end of March.

Mr. Schroeder stated that there is a power outage scheduled in the next two weeks to test the emergency generator again. Mr. Schroeder stated that it is a tough time to have a power outage with the SCADA Project going on. Mr. Schroeder stated that staff will have to make sure everything is turned off before the power outage so there are no issues getting all systems back on line. Mr. Schroeder stated that hopefully everything goes well with the test. Mr. Schroeder stated that mechanical changes were made to the generator, as well as to the programming. Secretary Waters asked what the root problem is with the emergency generator. Mr. Schroeder stated that when the power from the utility is lost, the diesel powers up, but it doesn't switch power to the WTP. Mr. Schroeder stated that the only way to test the generator is with a power outage.

Chairman King asked if this work is covered under the warranty. Mr. Martin stated that was correct.

Secretary Waters stated that a good thing about having the test with the SCADA contractor on site, is that if something goes wrong with the SCADA during the test, they can address it right away.

Board Member Cathey asked what kind of generator package is being installed. Mr. Schroeder stated that it is a CAT generator being installed by Wyoming Machinery.

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

Mr. Conner stated that the Wardwell tank was taken out of service a couple of weeks ago due to a bad routine bacti test. Mr. Conner stated that the tank will be left offline while staff is waiting on good weather to test the tank roof to see if it is leaking. Mr. Conner stated that if no leaks are found in the roof, the tank will be disinfected really well and put back in service.

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

Mr. Conner stated that a couple of ARVs on 7 Mile Road need repaired, but there is too much snow to get to them right now.

Mr. Conner stated that staff pumped down the wet well at the WTP to install a pump.

Mr. Conner stated that the materials for the contactor drain valves are ordered and will be installed when they arrive.

6. There was no Public Comment.

7. In Old Business:

- a. Mr. Martin stated that before the Board today is a funding request from the City of Casper regarding the River Restoration Project. Mr. Martin stated that this request is broken into two separate parts.

Mr. Martin stated that the first part of the request is relating to the Exposed Waterline Project that the Board contracted with 71 Construction last year to cover the waterline. Mr. Martin stated that Change Order No. 1 for this project involved extending the recharge channel intake waterline farther into the river. Mr. Martin stated that when the River Restoration Project was completed there was a little backwater section built into it that resulted in water quality issues where the recharge intake pipe was located, so the intake pipe had to be extended out into the river. Mr. Martin stated that the City will reimburse the RWS for this change order to the project since it was caused by the River Restoration Project.

Mr. Martin stated that the City submitted RWS vouchers to the Wyoming Business Council (WBC) to see if any of it would be reimbursed as part of the WBC grant that was received for the same reach of the river to which the Board pledged funding. Mr. Martin stated that the City received funds from the WBC in the amount of \$75,677. Mr. Martin stated that according to City accounting and finance rules, the \$75,677 from the WBC grant, even though it is for a City grant, because the Board is the holder of the contract with 71 Construction, the funds must be credited to the Board and not to the River Restoration Project. Mr. Martin stated that the City is asking that the Board consider giving the River Restoration Project the \$75,677 reimbursement from the WBC grant.

Chairman King asked if this is a grant/loan, or just a grant. Mr. Martin stated that it is a grant, and stated that Ms. Jolene Martinez and Mr. Andrew Beamer are in attendance to answer any questions.

Treasurer Bertoglio asked if this was all part of the same phase of the River Project. Mr. Beamer stated that the City had a \$500,000 WBC grant for Phase I of the River Restoration Project. Mr. Beamer stated that the grant only reimburses 22% of costs related to this grant. Mr. Beamer stated that in order to fully utilize the grant, WBC staff allowed the submittal of the RWS expenses for this project as it was located in Phase I.

Treasurer Bertoglio asked if the project for the exposed waterline was part of Phase I or Phase II. Mr. Beamer stated that this was a separate project done by the Board, and the extension of the recharge intake was added as a change order to the project. Treasurer Bertoglio asked if the change order was done because of the river project. Mr. Beamer stated that was correct, and the City will be paying for the change order portion of the project.

Chairman King asked how many more phases there are for the river project. Mr. Beamer stated that there are at least four more phases to the project. Chairman

King asked if all the phases will benefit the RWS WTP. Mr. Beamer stated that the phases near the WTP, but not farther downstream, would benefit the RWS WTP.

Treasurer Bertoglio stated that he just wanted to clarify that there are two requests, but the grant request is related to Phase I. Mr. Beamer stated that both requests are related to Phase I in a sense. Mr. Beamer stated that in order to fully realize the WBC grant of \$500,000, their staff approved the City submitting invoices for the RWS project to cover the exposed waterline and to extend the recharge intake piping, which cost \$330,000 and they reimbursed the City 22%, which was the \$75,677.

Treasurer Bertoglio asked how much extra the River Restoration Project cost RWS. Mr. Beamer stated that in 2016, the Board at that time allocated \$500,000 to the River Restoration Project. Mr. Beamer stated that the City is in the process of gathering all the River Restoration funds in the new financial system and it was determined that the City only invoiced the RWS for \$250,000 of the \$500,000. Mr. Beamer stated that the City is asking that the remaining \$250,000 be allocated back to the City. Mr. Beamer stated that he realizes that this amount is not currently in the RWS budget for this year.

Board Member Powell asked if the City members of the Board would need to declare a conflict. Mr. Chapin stated that the City members of the Board would need to declare a conflict.

Treasurer Bertoglio stated that he could appreciate the request for the grant reimbursement part, but at this point, as the \$250,000 is not in the Board's current budget, if the City wants to make the request, he is not opposed to having that discussion during budget planning.

A motion was made by Treasurer Bertoglio and seconded by Secretary Waters to reallocate the WBC grant reimbursement in the amount of \$75,677 to the City of Casper.

Treasurer Bertoglio asked if the City currently has the money, and if it is just an accounting issue. Mr. Beamer stated that the City does have the money and this will just clean up the accounting issues between the City and the RWS.

Motion put and carried with Board Members Cathey and Powell abstaining from the vote.

Board Member Cathey asked if the Board could vote on this with the City members of the Board abstaining. Treasurer Bertoglio stated that there was a quorum of six present at the beginning of the meeting, and when the vote took place, a majority of four Board Members in attendance voted. Mr. Chapin stated that was correct.

Mr. Martin stated that staff is currently working on budgeting and asked if the direction of the Board is to include the \$250,000 in the FY21 budget. Secretary Waters stated that he believes that is the right place to address it. Treasurer Bertoglio stated that since it is not invoiced at this time, he believes addressing it in the upcoming budget is the right thing to do. Board Member Cathey stated that if the funds were allocated in 2016, the funds should have been carried over in the budget until they were paid. Mr. Martin stated that the original \$500,000 was allocated in FY2016 where \$250,000 was invoiced and paid, and \$250,000 was carried over to FY17. Mr. Martin stated that since those funds were not invoiced by the City in FY17, they were not carried over again.

b. There was no Other Old Business.

8. In New Business:

a. Mr. Martin stated that before the Board today is Change Order No. 1 with Riley Industrial Services, Inc., for the 2.6M Gallon Tank Recoating, Project No. 18-093 in the amount of \$196,106.83 and a time extension of 365 days.

Mr. Martin stated that Riley Industrial is under contract for the 2.6M Gallon Tank Recoating Project, for the inside and outside of the tank. Mr. Martin stated that when Riley Industrial started sandblasting on the inside, they found severe corrosion issues. Mr. Martin stated that an inspection blast was done to allow for an inspection of the surfaces. Mr. Martin stated that when it was determined that the tank roof would have to be replaced, Riley Industrial demobilized and will have to come back after the roof is replaced to finish their work.

Mr. Martin stated that this change order includes the blast inspection and demobilization/remobilization costs for them to come back and finish the work. Mr. Martin stated that they will basically have to start over once the roof is replaced.

Mr. Martin stated that the 365 day time extension is to give time for the roof to be replaced before the October 31, 2020 completion date.

A motion was made by Secretary Waters and seconded by Board Member Powell to approve Change Order No. 1 with Riley Industrial Services Inc., for a price increase in the amount of \$196,106.83 and a time extension of 365 days for the 2.6M Gallon Tank Recoating, Project No. 18-093.

Treasurer Bertoglio asked if this change order will be budgeted for next year. Mr. Martin stated that since Riley Industrial is already under contract, it is expected to have a contractor under contract for the tank roof replacement before the end of the year. Mr. Martin stated that at the meeting last month, the Board reallocated \$774,000 of capital projects for this roof replacement. Mr. Martin stated that the contingency funds for the Riley Industrial contract will be used for the change

order, plus some of the reallocated funds.

Board Member Powell asked if staff is confident that the Backwash Tank, which is now the primary tank, will function fine for the next year and is working well in this configuration. Mr. Martin stated that staff used the tanks in this configuration through the majority of last summer, and staff is confident it will work fine while this work is being completed.

Motion put and carried.

- b. Mr. Martin stated that before the Board today is Change Order No. 1 with Great Plains Structures, LLC, for a deduction in the amount of \$41,250, for liquidated damages assessed for the Wardwell Tank Repairs, Project No. 16-035.

Mr. Martin stated that Great Plains was six days late on substantial completion in September, and the tank was out of service in November and December for additional leak repairs. Mr. Martin stated that liquidated damages were assessed in the amount of \$41,250 through negotiations with Great Plains. Mr. Martin stated that this amount will cover the additional engineering costs from HDR Engineering in the amount just under \$30,000, and for water and pumping costs.

Mr. Martin stated that this will reduce the contract price from \$458,000 to \$416,750. Mr. Martin stated that additionally there is \$20,837.50 in retainage. Mr. Martin stated that Great Plains will have to come back to do leak testing and repairs, which must be completed by June 19, 2020.

Mr. Martin stated that Mr. Scott Baxter with City Engineering is in attendance to answer any questions the Board may have.

Mr. Chapin stated that Mr. Martin and Mr. Baxter did an artful job in negotiating the resolution of the liquidated damages. Mr. Chapin stated they used great finesse for getting the matter taken care of and preserving Great Plains coming back to complete the work later on. Mr. Martin stated that Mr. VanWyhe with HDR was also involved in the negotiating.

A motion was made by Board Member Cathey and seconded by Vice-Chairman Keffer to approve Change Order No. 1 with Great Plains Structures, LLC for a deduction in the amount of \$41,250 for the Wardwell Tank Repairs, Project No. 16-035.

Board Member Cathey asked if retainage is still being held for this project. Mr. Martin stated that \$20,837.50 is being held in retainage. Mr. Baxter stated that in terms of payment amounts, there is an additional \$32,000 that has not yet been paid on the contract. Board Member Cathey asked if there is enough funds being held back if another repair has to be made to the tank. Mr. Baxter stated that there is enough funds being held at this time if another repair has to be made to the

tank.

Motion put and carried.

- c. Mr. Martin stated that it is the time of year when the Board reviews and signs the annual banking letters, which must be signed in open session.

The annual banking letters were signed by the Board Members in attendance at the meeting on this date during open session and are incorporated as part of these minutes.

- d. There was no Other New Business.

9. A motion was made by Board Member Power and seconded by Board Member Cathey to adjourn from Regular Session into Executive Session at 12:11 p.m. to discuss potential litigation. Motion put and carried.

Board Member Powell left the meeting at 12:49 p.m.


A motion was made by Board Member Cathey and seconded by Secretary Waters to adjourn from Executive Session at 1:02 p.m. Motion put and carried.

A motion was made by Board Member Cathey and seconded by Vice-Chairman Keffer to return to Regular Session at 1:03 p.m. Motion put and carried.

10. In the Chairman's Report, Chairman King stated that the next regular meeting will be held on March 17, 2020.

A motion was made by Board Member Cathey and seconded by Secretary Waters to adjourn the meeting at 1:04 p.m. Motion put and carried.


Chairman


Secretary