

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

MEETING PROCEEDINGS

February 20, 2018

A public meeting of the Central Wyoming Regional Water System Joint Powers Board (Board) was held Tuesday, February 20, 2018 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 Powell, Treasurer Lawson, and Board Member Hopkins (by phone). Board Members Johnson, Walsh and Waters were absent.

City of Casper – Powell, Hopkins (by phone), Bruce Martin, Brian Schroeder, Clint Conner, Janette Brown, Scott Baxter, Alex Sveda

Natrona County – Lawson

Salt Creek Joint Powers Board – King

Wardwell Water & Sewer District – Keffer

Pioneer Water & Sewer District –

Poison Spider Improvement & Service District –

Wyoming Water Development Office -

Sandy Lakes Estates -

Lakeview Improvement & Service District -

33 Mile Road Improvement & Service District –

Central Wyoming Groundwater Guardian Team (CWGG) –

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

The Board meeting was called to order at 11:42 a.m.

1. In Announcements, Chairman King stated that with Board Member Hopkins in attendance by telephone, the Board would first go through all the items on the agenda that need voted on, than would go through the remaining agenda items.

2. Chairman King asked for a motion to approve the minutes from the January 23, 2018 meeting. A motion was made by Treasurer Lawson and seconded by Board Member Powell to approve the minutes from the January 23, 2018 meeting. Motion put and carried.
3. Mr. Martin asked the Board to reference the updated voucher listing dated today and shown on the screen. Mr. Martin stated that two additional vouchers were added to the listing; voucher 7801 for Endress+Hauser in the amount of \$4,855.20 for Ferric System level indicators; and 7802 for WWC Engineering in the amount of \$6,167.50 for the Westwinds Road Project easement acquisition. 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 2018 vouchers. A motion was made by Vice-Chairman Keffer and seconded by Treasurer Lawson to approve the February 2018 voucher list to include voucher numbers 7790 through 7802 in the amount of \$451,285.14. 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 2018 was 176 MG. Mr. Martin stated that the five year average is 175 MG. Mr. Martin stated that year to date production is 2.35 BG and the five year average is 2.49 BG.

Mr. Martin asked the Board to reference the Water Rates Billed table. Mr. Martin stated that \$303,535 was billed for December. Mr. Martin stated that year to date, \$4,037,264 has been billed.

Chairman King asked for a motion to approve the January 2018 Financial Report as presented. A motion was made by Secretary Powell and seconded by Vice-Chairman Keffer to approve the January 2018 Financial Report as presented. Motion put and carried.

8. In New Business:

- a. Mr. Martin asked the Board to reference Amendment No. 2 with Arcadis US for the WTP Emergency Generator Project No. 10-09 and turned the time over to Mr. Alex Sveda, Associate Engineer with the City of Casper.

Mr. Sveda stated that additional engineering fees are associated with this project due to delays by the contractor. Mr. Sveda stated that several attempts were made to have the contractor pay these additional fees. Mr. Sveda stated in order to avert any potential conflicts of interest which might arise by having the contractor pay the Owner's engineer, it was decided that the best avenue was to have an amendment to the engineering contract. Mr. Sveda stated that the amount of the amendment includes anticipated fees for additional site inspections, additional submittal reviews, and additional site trips for start-up.

Mr. Sveda stated that Wyoming Machinery is planning on doing their final testing

and electrical work this week. Mr. Sveda stated that they had planned to have this work completed in December, but the date had to be pushed out.

Chairman King asked why start-up was scheduled when the contractor was not ready. Mr. Sveda stated that he thinks Wyoming Machinery is having issues with their sub-contractors, namely scheduling to have work completed without verifying that the work is done and ready for the next stage. Chairman King asked if work is being signed off on without knowing if it has been completed. Mr. Sveda stated that Wyoming Machinery has been signing off and stating that the work is ready for inspection, but when the engineer comes out; the inspector tells them that the work has not been done in compliance with what is required. Mr. Sveda stated that this has pushed completion out farther. Mr. Sveda stated that this has caused internal issues between the contractor and the sub-contractors.

Secretary Powell asked if it is the contractor's job to make sure the sub-contractors are doing their work. Mr. Sveda stated that was so. Chairman King asked if the Board is supposed to pay the engineer for the contractor's delay. Mr. Sveda stated that liquidated damages in the amount of \$217,000 are being withheld from the contractor payments, and are increasing each day the project is not completed. Mr. Sveda stated that it is planned to use the liquidated damages to pay the engineer. Chairman King stated that was acceptable.

Mr. Chapin stated that Mr. Sveda has done a masterful job of negotiating this amendment. Mr. Chapin stated that he didn't want to have to go back into the contract and make a bunch of changes in order to make this flow as a regular amendment. Mr. Chapin stated that because Wyoming Machinery delayed the whole process and created the additional expenses, this will add the costs to the end of the contract and take it away from whatever Wyoming Machinery will be paid. Mr. Chapin stated that when he and Mr. Sveda started the discussion for this issue, the total for liquidated damages was not much.

Secretary Powell asked if the Board has any exposure for withholding the liquidated damages. Mr. Chapin stated that the Board does not have any exposure as the contractor signed off on liquidated damages in the contract with the Board.

Treasurer Lawson clarified that the additional fees are a result of the contractor's delay. Mr. Sveda stated that was correct. Treasurer Lawson asked if that was the case that will be made for keeping the liquidated damages. Mr. Chapin and Mr. Sveda stated that was correct.

Secretary Powell clarified that the liquidated damages would be subtracted from the final payment to the contractor. Mr. Chapin stated that was correct. Mr. Chapin stated that the other option is to just pay Arcadis and try to get the funds from Wyoming Machinery later. Mr. Chapin stated that this option was not satisfactory to anyone. Mr. Chapin stated that the goal is to sidestep litigation, which would be harder to do if Wyoming Machinery had not agreed to liquidated

damages by signing the contract.

Secretary Powell stated that he learned the hard way that if you make exceptions or compromise on this type of thing someone will throw it in your face later and ask for the same thing. Secretary Powell stated that the Board can't set precedence for overlooking liquidated damages.

Treasurer Lawson asked if liquidated damages will be held back from the contractor payment. Mr. Chapin stated that was correct. Treasurer Lawson stated that the reason he asked if the liquidated damages were due to contractor delays is that when you go for liquidated damages you have to show the injury. Mr. Sveda stated that the total amount withheld from Wyoming Machinery invoices to date is \$217,000.

Secretary Powell stated that staff's time has value that needs added to the liquidated damages. Mr. Sveda stated that Wyoming Machinery has been notified of this.

A motion was made by Secretary Powell and seconded by Vice-Chairman Keffer to approve Amendment No. 2 with Arcadis US for the WTP Emergency Generator Project No. 10-09 in the amount of \$42,000. Motion put and carried.

- b. Mr. Martin asked the Board to reference Change Order No. 1 for the Airport Elevated Water Storage Tank Project No. 14-48 and turned the time over to Mr. Scott Baxter, Associate Engineer with the City of Casper.

Mr. Baxter stated that this change order is due to three different items. Mr. Baxter stated that the first item is the foundation base material. Mr. Baxter stated that the contractor did not count on bringing in new foundation base material; they just planned on using the material from the old tank site. Mr. Baxter stated that the old material did not meet the compaction requirements and the decision was made to use all new material that could be compacted uniformly to meet specifications. Mr. Baxter stated that the contractor agreed to bear half of the total cost for removal and replacement of the base material since the tank foundation detail design falls within their scope of work. Mr. Baxter stated that the cost for this item was \$8,330.85.

Mr. Baxter stated that the second item is the material for the internal ladder was changed from aluminum to galvanized metal resulting in a cost savings of \$7,000.

Mr. Baxter stated that the third item is a temporary fence was required by the easement agreement with the nearby property owner for piping and drain lines. Mr. Baxter stated that at the time of bidding, it was not clear whether any livestock would be present in the property, and temporary fencing was not included in the bid documents. Mr. Baxter stated that as construction proceeded, it became clear that livestock would or could be present on the property and

temporary fencing was necessary. Mr. Baxter stated that the cost for this item is \$5,000.

Chairman King asked if the temporary fence is three-strand barb wire. Mr. Baxter stated that it is. Mr. Baxter stated that there is approximately a half mile of fence and the cost includes the maintenance of the fence during construction.

Mr. Chapin stated that the temporary fence was part of the easement negotiations by 609 Consulting and asked why the fence was not included in the bid documents and then dropped if not needed. Mr. Baxter stated that he reviewed the easement document and it was written "as needed" and was not sure why the option was not called out in the bid documents.

Board Member Hopkins asked how many yards of fill dirt were needed. Mr. Baxter stated that he would have to check, but the foundation area is approximately a forty foot diameter area eight feet deep.

Secretary Powell asked what the typical cost of temporary fencing is. Mr. Baxter stated that he can look into the cost of the fencing and compare it with other projects.

Secretary Powell asked Mr. Chapin if it would be legal for the Board to approve the change order up to \$5,000 for the fencing with expectation that the cost of the fence be scrutinized. Mr. Chapin stated that it is legal for the Board to approve a change order up to a specific amount.

A motion was made by Secretary Powell and seconded by Treasurer Lawson to approve Change Order No. 1 for the Airport Elevated Water Storage Tank Project No. 14-48 up to the amount of \$6,330.85 subject to the review of the fence figure by staff and justification of the figure. Motion put and carried.

- c. Board Members Johnson and Waters were not in attendance at the meeting and were unable to sign their annual banking letters.
5. Chairman King turned the time over to Mr. Schroeder for the Operations Update.

Mr. Schroeder stated that the Emergency Power Project start-up and testing is scheduled for March 5th.

Mr. Schroeder stated that the 2017 Tier 2 Report for the Department of Homeland Security has been completed and submitted. Mr. Schroeder stated that any facility that keeps a significant amount of chemicals on site year round is required to submit this report. Mr. Schroeder stated that this report goes to the emergency agencies so if there is ever an emergency situation at the WTP, emergency personnel will know what they will be dealing with.

Mr. Schroeder stated that construction should resume on the Backwash Water Supply Tank in late March. Mr. Schroeder stated that the surface water plant will be started while the tie-ins for the water tank are being completed.

Mr. Schroeder stated that staff is working on preventative and maintenance work orders.

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

Mr. Conner stated that staff has been doing maintenance on the booster stations and replacing lighting at some boosters.

Mr. Conner stated that the new waterline for the Westwinds Interchange Project has been installed, tested, and is ready to tie-in to the booster station. Mr. Conner stated that the tie-in will be done on Tuesday. Mr. Conner stated that all four tie-ins will be completed at the same time. Mr. Conner stated that the contractor will try to have the tie-ins completed in 36 hours. Mr. Conner stated that after speaking with the Operator for Midwest, the water tanks in Midwest/Edgerton should hold enough water for 48 hours.

a. Mr. Martin gave an update on the following projects listed in the Facilities Plan Update:

The Ground Water High Service Discharge Piping Recoating is scheduled to be completed the first week in April.

The Wellhead Protection Plan is in progress.

Security Improvements – A faulty security camera has been replaced and the sidewalk lighting upgrade has been completed. The FY18 Security Improvements have been completed.

The Building Maintenance and Painting is scheduled to be completed in May/June.

The Screen Wash Pump and Motor replacement has been ordered.

The Electrical Transformer Testing/Repair was completed while the power was out for the Emergency Generator tie-in.

Mag Meters – two meters have been installed and two meters are scheduled to be replaced by May.

Secretary Powell asked what the long-term agenda is for the Actiflo system. Mr. Martin stated that a procurement agreement is in place with Veolia for the Actiflo tube settlers. Mr. Martin stated that once Veolia provides a date for delivery, a contract will be bid out for installation. Mr. Martin stated that it takes 12 – 16 weeks for the tube settlers to arrive. Mr. Martin stated that staff wants to make

sure installation can be completed before the surface water plant has to be started. Secretary Powell asked if the current equipment can be used for another season. Mr. Martin stated that if necessary, staff can use the current equipment. Mr. Schroeder stated that if the new equipment doesn't show up until May, it will be tight to get the equipment replaced before the surface water plant is needed.

6. There was no Public Comment.

7. In Old Business:

a. Mr. Baxter stated that in March, the contractor for the Backwash Water Supply Tank will have two weeks to complete the tie-ins and test the butterfly valves. Mr. Baxter stated that the tanks will be painted and finished in June.

b. Mr. Baxter stated that the Airport Tank Project is going really well. Mr. Baxter stated that all the pipe work to connect to the tank is completed; the tank drain has been completed and the diffusers have been installed and tested. Mr. Baxter stated that the contractor is scheduled to be back on site on March 12th to build the tank around the pedestal and raise it up. Mr. Baxter stated that the project is on schedule and in good shape.

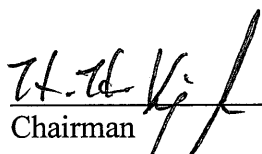
c. There was no Other Old Business.

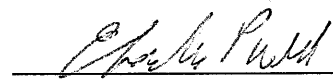
9. A motion was made by Board Member Hopkins and seconded by Secretary Powell to adjourn from Regular Session into Executive Session at 12:15 p.m. to discuss potential litigation. Motion put and carried.

A motion was made by Treasurer Lawson and seconded by Vice-Chairman Keffer to adjourn from Executive Session back to the Regular Session at 12:38 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 20, 2018.

A motion was made by Vice-Chairman Keffer and seconded by Secretary Powell to adjourn the meeting at 12:39 p.m. Motion put and carried.


Chairman


Secretary