

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

**MEETING PROCEEDINGS**

May 16, 2017

A public meeting of the Central Wyoming Regional Water System Joint Powers Board (Board) was held Tuesday, May 16, 2017 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, and Board Members Hopkins, Johnson, Walsh, and Waters. Secretary Powell and Treasurer Lawson were absent.

**City of Casper** – Johnson, Hopkins, Walsh, Andrew Beamer, Bruce Martin, Pete Meyers, Brian Schroeder, Clint Conner, Michael McDaniels, Janette Brown

**Natrona County** –

**Salt Creek Joint Powers Board** – King

**Wardwell Water & Sewer District** – Keffer

**Pioneer Water & Sewer District** – Waters, Linda Tasler

**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** — Steve Quail – HDR, Inc.

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

1. There were no Announcements.
2. Chairman King asked for a motion to approve the minutes from the April 18, 2017 and May 1, 2017 meetings. A motion was made by Vice-Chairman Keffer and seconded by

Board Member Walsh to approve the minutes from the April 18, 2017 and May 1, 2017 meetings. Motion put and carried.

3. Mr. Martin asked the Board to reference the voucher listing handed out on this date. Mr. Martin stated that five additional vouchers were added to the listing; voucher 7659 for Industrial Repair Service, Inc. in the amount of \$3,783.87 for the repair of turbidimeters; voucher 7660 for Quadna a DXP Company in the amount of \$60,096 for the Raw Water Pump #1 replacement; voucher 7661 for Quadna a DXP Company in the amount of \$15,780 for the rebuild of Groundwater High Service Pump #3; voucher 7662 for Intuit in the amount of \$210.98 for Operations Fund checks; and voucher 7663 for WWC Engineering in the amount of \$2,056.96 for the Westwinds Road Easement Acquisition project. 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 May 2017 vouchers. A motion was made by Board Member Hopkins and seconded by Vice-Chairman Keffer to approve the May 2017 voucher list to include voucher numbers 7643 through 7663 in the amount of \$541,181.55. Motion put and carried.

4. Mr. Martin asked the Board to reference the Gallons Produced table in their agenda packets. Mr. Martin stated that production for April 2017 was 156 MG which compares to 161 MG one year ago. Mr. Martin stated that year to date production is 2.99 BG compared to 3.07 BG last year at this same time.

Mr. Martin asked the Board to reference page 2 of the April 2017 Financial Report. Mr. Martin stated that Water Sales is approximately \$48,000 less than one year ago. Mr. Martin stated that Operations Expense is approximately \$149,683 less than one year ago due to the timing of chemical purchases. Mr. Martin stated that Net Operating Income is approximately \$101,000 greater than last year.

Chairman King asked for a motion to approve the April 2017 Financial Report as presented. A motion was made by Board Member Johnson and seconded by Vice-Chairman Keffer to approve the April 2017 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 as the Board could see when they came through the security gate, the WTP site is under construction. Mr. Schroeder stated that the Emergency Generator Project was scheduled to pour concrete today in anticipation of setting the generator, but due to the rain received this past week and especially today, it won't be happening. Mr. Schroeder stated that the concrete will have to be poured next week sometime.

Mr. Schroeder stated that the Alternate Backwash Tank contractor is on site staging, digging, and locating pipes.

Mr. Schroeder stated that staff has been working on some projects as well. Mr. Schroeder stated that staff is currently working to rebuild one of the groundwater high service pumps.

Mr. Schroeder stated that the Surface Water Plant ran over the weekend so staff could make sure everything is in working order before water demand increases due to the hot weather. Mr. Schroeder stated that the Surface Water Plant is currently off due to the rain.

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

Mr. Conner stated that Water Distribution staff has been spraying weeds around booster stations and water storage tanks to prepare for mowing.

Mr. Conner stated that the contractor has completed wiring the Wardwell Tank for the new tank mixer. Mr. Conner stated that once the Wardwell Tank has been repaired and put back in service, the new tank mixer will be used.

Mr. Conner stated that all the valves on the WTP site have been checked and exercised as part of the Alternate Backwash Water Supply Project.

Mr. Conner stated that the chlorine residuals in the system look really good at this time.

Mr. Conner stated that Salt Creek had a leak just past the booster station on their waterline yesterday. Mr. Conner stated that the booster station pumps had to be shut down for a while in order for the repairs to be completed. Chairman King stated that the repairs should be completed by this afternoon.

Mr. Conner stated that a larger pump at the Wardwell Booster was put into service due to increased usage, and the smaller pump has been taken out of service.

6. There was no Public Comment.

7. There was no Old Business.

a. Mr. Martin stated that a month or so ago the Board was informed about negotiations with EPA on the update to the Wellfield Management Plan. Mr. Martin stated that after much negotiating an agreement has been reached. Mr. Martin stated that this will help with operation of the wells during high aerobic spore counts.

Mr. Martin stated that the updates to the Wellfield Management Plan are as follows:

- If aerobic spore results for a Caisson are higher than 10 and the river has high flows; all the Caissons must be taken out of service.

- If one of the Wells tests high for aerobic spores, it must be taken out of service and testing moves to the next well. If the next three wells test high for aerobic spores, the wellfield must be taken out of service.

Mr. Schroeder stated that the backup wells listed on the plan in the agenda packet may change order.

Board Member Waters asked if he understood correctly that the wellfields do not have to be completely taken out of service in the beginning if one of the wells test results are high for aerobic spores. Mr. Martin stated that was correct.

- b. There was no Other Old Business.

8. In New Business:

- a. Mr. Martin asked the Board to reference the agreement with Skogen, Cometto & Associates for Fiscal Years 2017 and 2018 annual audits. Mr. Martin stated that the financial audit is required each year. Mr. Martin stated that the price of the audit has increased slightly due to the loans for construction projects, such as the Alternate Backwash Water Supply, Emergency Power, and the Airport Elevated Water Storage Tank, which require a Single Audit. Mr. Martin recommended approval of the agreement.

A motion was made by Board Member Johnson and seconded by Board Member Waters to approve the agreement with Skogen, Cometto & Associates for Fiscal Years 2017 and 2018 annual audits in the amount of \$30,000 per year. Motion put and carried.

- b. Mr. Martin asked the Board to reference the email from Ms. Sheehan in their agenda packets. Mr. Martin stated that the Board has seven Certificates of Deposit (CD's) that reach maturity within the next month. Mr. Martin stated that these CD's were purchased when interest rates were very low, 0.001% rate of return on the interest bearing checking account. Mr. Martin stated that the Board has allocated some of the reserve funds in these CD's towards current capital projects. Mr. Martin recommended not renewing the CD's in order for these funds to be readily available for these projects. Mr. Martin stated that until these large capital projects are completed these funds would be left in the Operating Fund checking account, which is currently earning 0.60% interest, or deposited in the Wyoming Governmental Investment Fund accounts, which are showing a current yield of 0.65%.

A motion was made by Board Member Hopkins and seconded by Board Member Johnson to not renew the seven Certificates of Deposit. Motion put and carried.

- c. Mr. Martin asked the Board to reference the Wholesale Water Rate Narrative in their agenda packets. Mr. Martin reviewed the following assumptions used in the

rate model:

- Model assumes a 0.5% rate of growth in the Regional Water System over the next ten years. This is the same rate used in the Water Treatment Plant Facilities Plan.
- Models take into consideration no COLA for City personnel services for FY18. In FY19 and beyond the model assumes a 2.00% increase for Personnel Services expense each year over the next ten years. Health Insurance costs increased by 5.2% in FY18. In FY19 and beyond the model assumes an 8% per year Health Insurance cost increase. For Contractual Services a 2% rate of inflation each year is assumed over the next ten years, and for Materials and Supplies a 4.00% rate of inflation each year is assumed over the next ten years. Electricity, natural gas, and chemical costs in the future could be higher than the assumed 4% increase per year.
- The model assumes fund reserve interest earnings at 1.25% for the next ten years.
- The model assumes the volume of water produced by the Regional Water System (RWS) represents the most probable case for the next ten years.
- The recommended minimum RWS fund reserves are calculated in accordance with the RWS Fund Reserves Policy as adopted by the Board in August 2007.
- Rates developed by these models include rate adjustments needed for new and replacement capital facilities above that obtained from the system investment charges, reserves, grants, and loans.
- The model assumes an FY18 SRF loan in the amount of \$1,300,000 for the PLC/SCADA Improvements Project.
- The model assumes that grant/loan funding will be secured in FY21 for the Ultraviolet Light Disinfection System and the Westwinds Road Water Line Extension Project.

Mr. Martin stated that the rate model is adjusted each year and takes into account the Capital Improvement Plan which is quite aggressive for the next few years.

Mr. Martin stated that the criteria used in the model result in a 7.0% wholesale water rate increase; FY18 Wholesale Water Rate - \$1.72/1,000 gallons.

Mr. Martin stated that the 7.0% wholesale water rate increase each year will have the following results on Reserves:

FY18 Reserves – Projected - \$5.25 M; Minimum Required - \$4.04 M

FY19 Reserves – Projected - \$4.42 M; Minimum Required - \$4.35 M (close to minimum reserves)

FY20 Reserves – Projected - \$4.44 M; Minimum Required - \$4.31 M (close to minimum reserves)

Mr. Martin stated that it needs to be emphasized that the assumptions and budget information used for the wholesale water rate models are suitable for one year only. Mr. Martin stated that the assumptions and budget information will have to be changed and/or adjusted for next year's wholesale water rate models incorporating the best information available at that time.

Mr. Martin stated that the 7.0% wholesale water rate increase is quite substantial. Board Member Hopkins asked what the wholesale water rate increases have been historically. Mr. Martin stated that the wholesale water rate increases have historically been 2% to 3% each year.

Board Member Waters asked if the 7% wholesale water rate increase is for each following year. Mr. Martin stated that was correct. Mr. Martin stated that if revenues increase in the future it could be less. Mr. Martin stated that the rate model is just a snapshot in time and is updated and reviewed annually.

Mr. Martin stated that no action is required at this time on the Wholesale Water Rate as it will be brought back to the Board in June for approval.

- d. Mr. Martin asked the Board to reference the Contract for Professional Services with HDR Engineering, Inc. in their agenda packets. Mr. Martin stated that as part of the WTP Facilities Plan Update, HDR completed a preliminary report for the Supervisory Control and Data Acquisition (SCADA) System.

Mr. Martin stated that a proposal was requested from HDR for Design and Construction Administration of a SCADA System Upgrade. Mr. Martin stated that Casper Public Utilities and Public Service staff have reviewed HDR's proposal for this work and recommend entering into a contract with HDR in the amount of \$430,650 for the work to be completed.

Mr. Martin stated that the City of Casper will share in the cost of this contract in the amount of \$87,661. Mr. Martin stated that a funding agreement with the City of Casper will be brought before the Board at the June meeting.

Mr. Martin stated that design of the SCADA/PLC improvements will take place in FY18 with construction in FY19.

Board Member Walsh asked if the SCADA system is what is used to operate the

water storage tanks and booster stations. Mr. Martin stated that was correct, along with operating the various systems at the WTP.

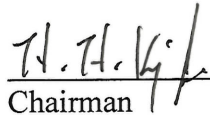
A motion was made by Board Member Walsh and seconded by Vice-Chairman Keffer to approve the Contract for Professional Services with HDR Engineering, Inc. for the SCADA system design and construction administration in the amount of \$430,650. Motion put and carried.

e. There was no Other New Business.

9. In the Chairman's Report, Chairman King stated that the next regular meeting will be held on June 20, 2017.

Chairman King reminded the Board that the WTP Facilities Plan Update will be presented to Casper City Council on May 23, 2017 at 4:30 p.m. in the Council Meeting Room at City Hall.

A motion was made by Board Member Johnson and seconded by Board Member Walsh to adjourn the meeting at 11:53 a.m. Motion put and carried.

  
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Chairman

  
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Secretary