

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

MEETING PROCEEDINGS

June 21, 2022

A public meeting of the Central Wyoming Regional Water System Joint Powers Board (Board) was held Tuesday, June 21, 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 Bertoglio, Secretary Waters, Treasurer Freel, and Board Members Cathey, and Sabrosky. Board Members Knell and Sutherland were absent.

City of Casper – Cathey, Freel, Andrew Beamer, Bruce Martin, Tom Edwards, Clint Conner, Alex Sveda, Mark Anderson, Mike Dean, Bart Willadson, Seth Van Wyck, Janette Brown

Natrona County – Bertoglio

Salt Creek Joint Powers Board – King

Wardwell Water & Sewer District – Sabrosky

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 – Williams, Porter, Day & Neville, P.C.

The Board meeting was called to order at 11:37 a.m.

1. In Announcements, Mr. Martin announced that this would be Mr. Conner's last Board meeting, as he will be retired effective July 8th. Mr. Martin stated that Mr. Conner has not only done a lot for the City of Casper, but for the RWS as well. Mr. Martin thanked

Mr. Conner for his service.

Chairman King stated that the Board is happy to have had Mr. Conner work with them over the years. Chairman King stated that Mr. Conner has been a great employee for the RWS and has kept the Board informed of anything they needed to be informed of. Chairman King stated that Mr. Conner's dedication and service will be missed when he leaves.

2. Chairman King asked for a motion to approve the minutes from the May 17, 2022 Regular meeting and Executive Session. A motion was made by Treasurer Freel and seconded by Secretary Waters to approve the minutes from the May 17, 2022 Regular meeting and Executive Session. Motion put and carried.
3. Mr. Martin informed the Board that one additional voucher was added to the voucher listing that was sent out in the agenda packet. Mr. Martin stated that voucher 8475 for Hach Company in the amount of \$11,976.23 for a Filter Particle Counter was added to the voucher listing.

Mr. Martin stated that voucher 8464 for Veolia Water Technologies is for the Actiflo scraper arms; voucher 8466 for Pope Construction and voucher 8467 for Lower & Co. are both for the Hoistway Project; voucher 8474 for BLM is for the Pioneer Tank right of way, and there are several vouchers for small equipment purchases. Mr. Martin stated that the vouchers are in good order and recommended approval.

Chairman King asked for a motion to approve the June 2022 vouchers. A motion was made by Secretary Waters and seconded by Board Member Sabrosky to approve the June 2022 voucher listing to include voucher numbers 8464 through 8475 in the amount of \$577,116.62. 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 May 2022 was 253 MG, which is 8 MG less than the five-year average. Mr. Martin stated that the year to date production total is 3.07 BG, which is 115 MG less than the five-year average. Mr. Martin stated that this is due to the water conservation efforts that took place last summer.

Mr. Martin asked the Board to reference page 1 of the Financial Report. Mr. Martin stated that the WyoStar I account has \$2 M in it, and the WyoStar II account has \$3.4 M in it. Mr. Martin stated that on page 2 it shows the interest earned of \$3,450 compared to FY2021 of \$2,092, and FY2020 of \$76,338. Mr. Martin showed the Board a chart prepared by Ms. Jill Johnson, Director of the City Finance Department that shows the interest earned for the year. Mr. Martin stated that from February, when the WyoStar accounts were set up, the interest earned has increased significantly. Mr. Martin stated that it was a good decision made by the Board to participate in the WyoStar accounts.

Mr. Martin asked the Board to reference page 2 of the Financial Report. Mr. Martin stated that Water Utility Charges is \$6,530,490, which is \$148,000 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 \$2,744,556, which is \$54,689 less than the previous year. Mr. Martin stated that this is due to timing of chemical purchases.

Mr. Martin offered to answer any questions the Board may have on the Financial Report.

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

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

Mr. Edwards stated that the WTP is producing approximately 21 MGD. Mr. Edwards stated that the Surface Water Plant is producing 13 MGD, and the wells are producing 9 MGD. Mr. Edwards stated that all the wells are running, with the exception of Casper Well 12, which is being rehabbed by Hydro Inc. with an estimated completion of three weeks.

Mr. Edwards stated that the Maintenance staff installed a new motor on Morad 6.

Mr. Edwards stated that a new turbidimeter was installed on Casper 21.

Mr. Edwards stated that staff has cleaned and calibrated all the well turbidimeters.

Mr. Edwards stated that there were power issues on Casper 5 and Casper 8. Mr. Edwards stated that the damaged weather head and some wiring were replaced by Modern Electric.

Mr. Edwards stated that Morad 4 had a bad transformer and Rocky Mountain Power came out and replaced it.

Mr. Edwards stated that Maintenance staff is also doing some brush clearing and weed control out in the wellfield and around the well houses.

Mr. Edwards stated that a new Plant Mechanic was hired.

Mr. Edwards stated that a WTP Operator has also been hired and will start on July 5th.

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

Mr. Conner stated that staff has been mowing around the tank and booster sites, and RWS hydrants out in the system.

Mr. Conner stated that the parts arrived for the exhaust fan at the Airport Booster; they still need to be installed.

Mr. Conner stated that Salt Creek Booster Pump 3 ARV is leaking. Mr. Conner stated that the Operators at Midwest want to watch the repairs being done so they can learn how to do it. Mr. Conner stated that this will take place fairly soon. Chairman King stated

that he would let his staff know as well.

Mr. Conner stated that staff is making a tap on the RWS transmission line on Prairie Lane in Wardwell today. Mr. Conner stated that the tap was supposed to be done yesterday, but there were issues locating the waterline.

Mr. Conner stated that a couple of months ago he mentioned that Wardwell will be replacing the waterline on Blaire Lane. Mr. Conner said it has not started yet, but they will be connecting to the tee on the RWS waterline. Mr. Conner stated that there is no word as to when this work will begin.

Mr. Conner stated that Distribution staff hauled off all the Actiflo sludge to the Landfill last week. Mr. Conner stated that in a few weeks staff will be cleaning out the East Actiflo Lagoon and hauling it to dry.

Mr. Conner stated that he is finishing up with the Sanitary Survey and EPA should be here to inspect the City system this week. Mr. Conner stated that once the City Sanitary Survey is completed, staff will start working on taking pictures and information for the RWS system as it is also due for a Sanitary Survey.

6. There was no Public Comment.

7. In Old Business:

a. There was no Other Old Business.

8. In New Business:

a. Mr. Martin stated that the Board entered into a contract with Pope Construction for the WTP Filter Hoist System, Project No. 21-061, which was required by OSHA so that staff could enter the filters, which were identified as a confined space. Mr. Martin stated that Change Order No. 1 is for \$901 and a time extension of ten days is for some conflicts that were encountered during construction. Mr. Martin stated that there is a \$5,000 contingency amount for this project, so the \$901 would come out of contingency. Mr. Martin stated that Mr. Alex Sveda, City Engineer is in attendance to discuss the conflict that was encountered.

Mr. Sveda stated that when the project was originally designed to have three welds for the beam to hold the hoistway system. Mr. Sveda stated that during bidding the welding connections were reduced to two, in order to save costs with the welding as well as with any of the scaffolding set-ups that were necessary. Mr. Sveda stated that unfortunately, during that change, it was not noticed that the second weld was going to be right in conflict with some air louvers and some overhead piping. Mr. Sveda stated that is what the change is for, an additional ten days for a revision on how to change the welding connection, as well as \$901.

Chairman King asked if it went from three welds to two welds to accommodate

ladders and such. Mr. Sveda stated that originally with the connections there were to be four beams welded together in three spots, and now it's going to be three beams welded together in two spots. Mr. Sveda stated that because of that change, we weren't aware of where the second weld was in conflict with the overhead pipe and louvers.

Chairman King asked if it will be strong enough for what is needed. Mr. Sveda stated that it will be strong enough.

A motion was made by Secretary Waters and seconded by Treasurer Freel to approve Change Order No. 1 for the WTP Filter Hoist System, Project No. 21-061 in the amount of \$901.00 and a time extension of ten days. Motion put and carried.

- b. Mr. Martin stated that the replacement of the 2001 Ford F-450 truck was in the budget last year, as well as being rolled over to this fiscal year. Mr. Martin stated that originally, this went out to bid as another Ford F-450 to replace the existing, but came in at approximately \$130,000. Mr. Martin stated that \$100,000 was budgeted for this truck replacement. Mr. Martin stated that Mr. Edwards and WTP staff looked at a Ford F-350, which has a smaller body and determined it would be suitable for the applications it would be used for at the WTP and in the wellfield.

Mr. Martin stated that the City went out to bid for a Ford F-350 with service body and crane that came in at \$95,131. Mr. Martin stated that the Board is able to piggy-back on the City bid. Mr. Martin stated that after determining that size of truck would work for the operations at the WTP, staff is recommending replacing the F-450 with an F-350 from Greiner Ford in the amount of \$95,131. Mr. Martin stated that the trade-in allowance for the existing 2001 F-450 is \$8,150, for a net cost of \$86,981.

A motion was made by Vice-Chairman Bertoglio and seconded by Secretary Waters to replace the 2001 Ford F-450 with service body and crane with a F-350 Super Cab with service body and crane from Greiner Ford of Casper in the amount of \$95,131, with a trade-in amount of \$8,150 for a net cost of \$86,981. Motion put and carried.

- c. In FY2022 Budget Amendments:
 - i. Mr. Martin asked the Board to reference the FY2022 WTP Operations Budget Amendment No. 1. Mr. Martin stated that this amendment is to cover an increase in Chemicals - \$250,000, Natural Gas - \$10,000, and Maintenance / Repair costs - \$10,000. Mr. Martin stated that it also includes one-time payments to personnel - \$15,835, and some encumbered contracts from FY21 - \$17,202. Mr. Martin stated that the total amount of the WTP Operations Budget Amendment No. 1 is \$303,037. Mr. Martin stated that this increases the original FY22 Operations Budget from \$3,480,989 to \$3,784,026 and recommended approval.

A motion was made by Vice-Chairman Bertoglio and seconded by Treasurer Freel to approve FY22 WTP Operations Budget Amendment No. 1 in the amount of \$303,037. Motion put and carried.

- ii. Mr. Martin asked the Board to reference the FY2022 Agency Budget Amendment No. 2. Mr. Martin stated that the WTP Budget Amendment is reflected in the Agency Budget in the Reimbursable Contract Expenses line item. Mr. Martin stated this is the reimbursement to the City of Casper for expenses related to the WTP.

A motion was made by Board Member Cathey and seconded by Vice-Chairman Bertoglio to approve the FY2022 Agency Budget Amendment No. 2 in the amount of \$303,037, increasing the FY22 Agency Budget from \$9,618,087 to \$9,921,124. Motion put and carried.

- d. Mr. Martin stated that last month the Board had a good discussion on the wholesale water rate model. Mr. Martin stated that staff recommended a 6% rate increase, and after much discussion by the Board, the Board instructed staff to bring a 5% rate increase for consideration to the meeting today.

Mr. Martin stated that with a 5% wholesale water rate increase, the rate would change from \$2.13 per thousand gallons to \$2.24 per thousand gallons. Mr. Martin stated that this also changed the FY23 projected fund balance to \$5.73 M.

A motion was made by Secretary Waters and seconded by Vice-Chairman Bertoglio to approve a 5% wholesale water rate increase, changing the rate from \$2.13 per thousand gallons to \$2.24 per thousand gallons. Motion put and carried.

- e. Mr. Martin stated that the Board discussed the FY23 Budgets in detail at the April meeting, so he will just be going over the revisions that were made.

Water Treatment Plant Operations Budget

- Personnel Costs - \$1,162,883 – This represents an increase of \$49,204 over the FY22 budget. The increase is due to adding a new Water Plant Operator position. The position has enabled a reduction in overtime expense.
- Natural Gas - \$80,000 – This amount is an increase of \$30,000 from the FY22 budget.
- Interdepartmental Services - \$285,075 – This is a decrease of \$2,130 from the FY22 budget. This line item covers the following:
 - \$ 21,987 – Information Technology – No Change
 - \$ 19,480 – Finance – Decrease of \$1,986
 - \$ 15,225 – Human Resources – Increase of \$3,224

- \$ 6,991 – City Council – Increase of \$1,512
- \$ 22,524 – City Manager – Increase of \$1,208
- \$ 14,255 – City Attorney – Increase of \$2,401
- \$184,613 – WDG Personnel – Decrease of \$10,452

Summary

The FY23 Operations Budget is 10% greater than the FY22 Operations Budget. In large part, the increases are attributable to increases in personnel costs, a significant increase in chemical costs, an increase to non-contract maintenance repair services, and an increase in machinery repair supplies.

A motion was made by Board Member Cathey and seconded by Board Member Sabrosky to approve the FY23 Water Treatment Plant Operations Budget as amended. Motion put and carried.

Central Wyoming Regional Water System Agency Budget

- Water Rate Revenue - \$8,240,740 – This reflects an increase of \$477,379 over the FY22 budget. These revenues are proportioned to each wholesale entity based on the July 2020 – June 2021 percentage of RWS production based on a five-year average of total RWS production. This amount anticipates a 5% rate increase effective July 1, 2022.

Summary

The FY23 Agency Budget is 7.2% greater than the FY22 budget. The Agency budget anticipates an increase in revenues based on a wholesale water rate increase of 5% and an increase in earned interest on investments. The total amount budgeted for FY23 capital expenditures is \$1,972,000, an increase of \$270,000 from FY22. This amount is in line with what was presented to the JPB in the FY22 rate model.

Staff considers the budgeted requests for both operational and capital to be responsible expenses for meeting the Regional Water System's public health and regulatory responsibilities to its customers for the present and for the future while minimizing the amount of wholesale rate increases. In the coming years, disinfection system improvements need to meet regulatory requirements and/or equipment replacement needs will be of concern.

A motion was made by Board Member Freel and seconded by Secretary Waters to approve the FY23 Agency Budget as presented. Motion put and carried.

- f. There was no Other New Business.
9. In the Chairman's Report, Chairman King stated that the next regular meeting would be held on July 19, 2022.

A motion was made by Board Member Cathey and seconded by Treasurer Freel to adjourn the meeting at 12:05 p.m. Motion put and carried.

W. D. W. Jr.
Chairman

Keith L. Waters
Secretary