

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

MEETING PROCEEDINGS

July 18, 2023

A public meeting of the Central Wyoming Regional Water System Joint Powers Board (Board) was held Tuesday, July 18, 2023, 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 Cathey and Board Members Knell, North, Pollock, and Sabrosky.

City of Casper – Bertoglio, Cathey, Knell, Pollock, Cindie Langston, Bruce Martin, Jill Johnson, Tom Edwards, Mark Anderson, Janette Brown

Natrona County – North

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.; Tom Brauer – Technical Mediation Solutions

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

1. In Announcements, Mr. Martin stated that it was good to see Chairman King back at the meetings.

Mr. Martin introduced Ms. Cindie Langston as the Interim Public Services Director, and informed the Board that Ms. Langston is the City of Casper Solid Waste Manager.

2. Chairman King asked for a motion to approve the minutes from the June 20, 2023, Regular meeting. A motion was made by Treasurer Cathey and seconded by Vice-Chairman Bertoglio to approve the minutes from the June 20, 2023, Regular meeting. Motion put and carried.
3. Mr. Martin informed the Board there was one additional voucher added to the voucher listing that was sent out in the agenda packet, voucher 8596 for Williams, Porter, Day & Neville, P.C. in the amount of \$2,047.50 for legal services.

Mr. Martin stated that voucher 8592 for Engineering Associates in the amount of \$4,687.76 is for the Caisson No. 2 Rehab Project No. 21-040.

Mr. Martin stated that voucher 8595 for Carr Coatings, LLC in the amount of \$6,415.50 is the retainage release for the WTP Raw Water Intake Pipe Recoating Project No. 22-075. Mr. Martin stated that this project has been completed.

Mr. Martin stated that the vouchers are in good order and recommended approval of vouchers 8591 through 8596 in the amount of \$666,975.90.

Chairman King asked for a motion to approve the July 2023 vouchers. A motion was made by Secretary Waters and seconded by Board Member Sabrosky to approve the July 2023 voucher listing to include voucher numbers 8591 through 8596 in the amount of \$666,975.90. Motion put and carried.

4. Mr. Martin asked the Board to reference the Water Production chart on the screen. Mr. Martin stated that there were 302 MG of water produced in June, which is 238 MG below the five-year average of 540 MG. Mr. Martin stated that with all the rain that was received in June, it was not a good month for water sales.

Mr. Martin stated that year to date water production for June was 3.68 BG, which is 34 MG below the five-year average of 3.71 BG. Mr. Martin stated that it was a very good year for water production until the rain arrived in June.

Mr. Martin stated that Water Rate Revenue year to date is \$8,206,561.40, which is \$34,000 below budgeted.

Mr. Martin stated that as it is the end of the fiscal year, there is not a June Financial Report from City Finance. Mr. Martin stated that the June report will be the annual audit. Mr. Martin stated that although there is not a Financial Report, Ms. Johnson is in attendance today to discuss the WyoStar accounts with the Board.

Ms. Johnson stated that there was a realized loss of \$6,000 on the WyoStar accounts for June. Ms. Johnson stated that this is the second loss in the last year, July 2022 had a loss of around \$13,000, and June 2023 had a loss of approximately \$6,000. Ms. Johnson stated that because it is a pool with other governments, when a government takes out

more money than they have cash on hand, bonds have to be sold. Ms. Johnson stated that right now, bonds are being sold at a loss. Ms. Johnson stated that loss is then allocated to all the participants of the pool. Ms. Johnson stated that even with the losses, the Board made \$214,000 in investments in FY23, which is \$198,000 over FY22, and \$144,000 over budgeted.

Ms. Johnson stated that the City of Casper also had a realized loss, but it was considerably higher as the City has more funds invested in WyoStar. Ms. Johnson stated that she will be looking into other investment options for the City, and asked if the Board would like to explore other investment options as well. Ms. Johnson stated that she would be happy to do the work and come back with recommendations for the Board.

Board Member North stated that the County just moved their investments from WyoStar because of the losses that were seen. Board Member North stated that bonds are not the best option for investing right now. Board Member North stated that he would like to see the Board look at other options.

Secretary Cathey stated that it is always a good idea to look at options.

Chairman King asked what options are available. Ms. Johnson stated that she does not have a list of options right now. Ms. Johnson stated that she believes there are some really good options out there that could certainly reduce the losses.

Board Member Sabrosky asked where the County moved their investments. Board Member North stated the County rolled over some of their investments to First Interstate because of the interest rates that were guaranteed. Board Member Sabrosky asked if it was a money market account. Board Member North stated that it is a kind of money market, but it has a guaranteed rate that is secure. Board Member North stated that there are a lot of good options out there right now. Board Member North stated that when interest rates were low WyoStar was really good, but now that the interest rates are high, it is the opposite.

Chairman King asked Ms. Johnson to bring the investment options to the next Board meeting.

Ms. Johnson stated that she believes WyoStar was good, but it is now time to look at something different.

Chairman King asked for a motion to approve the June 2023 Financial Report as presented. A motion was made by Secretary Waters and seconded by Board Member North to approve the June 2023 Financial Report as presented. Motion put and carried.

5. The time was turned over to Mr. Edwards to give the WTP Operations Update.

Mr. Edwards stated that production is averaging 17 MGD, which is down from 23.5 MGD from the same time last year due to the rain and cool weather.

Mr. Edwards stated that the river flows have been higher than average in the last few

months, but lower going into June compared to last year. Mr. Edwards stated that this is because of the wet weather and the irrigators didn't need the higher flows until this past week.

Mr. Edwards stated that the Morad recharge has stayed mostly empty, which affects the Morad well levels. Mr. Edwards stated that currently, the wellfields are running about 7.5 MGD. Mr. Edwards stated that last year the wellfields were running about 9.5 MGD.

Mr. Edwards stated that two Morad wells are out of service, and one Caspar well is out of service. Mr. Edwards stated that pumps are on order for the Morad and Caspar wells. Mr. Edwards stated that with these wells out of service, it is a difference of approximately half a million gallons a day.

Mr. Edwards stated that he anticipates improved production from the WWDC Wellfield Project, as well as the Caisson Rehabilitation Project, which should be going out to bid soon.

Mr. Edwards stated that Maintenance staff has been working on weed cutting and mowing in both wellfields.

Mr. Edwards stated that Maintenance staff also flagged and marked all the test wells in the wellfields for the upcoming WWDC project.

Mr. Edwards stated that the filters and fan belts were replaced on all the HVAC fans and the motors were greased.

Mr. Edwards stated that an oil leak was repaired on the Actiflo mixer.

Mr. Edwards stated that the drain valve on the ferric tank containment basin was replaced.

Mr. Edwards stated that Maintenance staff is also rebuilding sand pumps for Actiflo.

Mr. Edwards stated that the air relief valve on Raw Water Pump No. 1 was repaired.

Mr. Edwards stated that Maintenance staff worked on monthly preventative maintenance workorders, and turbidimeter calibrations.

Mr. Edwards stated that the contractor work that was done this past month was by Hach for work on the Groundwater Chloramine Analyzer.

Mr. Edwards stated that some work was done on the Chiller project as well. Mr. Edwards stated that plumbers were out to replace pumps on the hot water side.

Mr. Edwards stated that Long Building Technology replaced a controller for the HVAC system.

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

Mr. Anderson stated that the weekly security checks and tank sampling continue to be completed each week. Mr. Anderson stated that the quarterly Disinfection By-Products testing is being completed this month.

Mr. Anderson stated that staff have begun mowing and weed eating around all the RWS fire hydrants. Mr. Anderson stated that the tank and booster yards have been spot sprayed, but they are in good shape.

Mr. Anderson stated that staff is currently doing the tri-annual RWS transmission line flushing, which started today.

Mr. Anderson stated that staff changed out all the two-inch ARV's along with the shut off valves and piping for them on Seven Mile Road. Mr. Anderson stated that all the valve maintenance on Seven Mile Road was done as well.

Mr. Anderson stated that the Meter Services staff has begun the wholesale water meter testing.

Mr. Anderson stated that the roof vent motor for Airport Booster failed. Mr. Anderson stated that the replacement motor arrived yesterday and is being changed out right now.

6. There was no Public Comment.

7. There was no Old Business.

a. In Other Old Business:

i. Mr. Martin stated that Ms. Johnson has an update on the required Public Officer Training.

Ms. Johnson stated that last month she spoke to the Board about a statute that requires anyone who is involved in the accounts of a government organization to do the required training through the Wyoming Department of Audit. Ms. Johnson stated that most of the Board Members will get the training through their own organizations, however if you are not doing that, this Board is required to take the training as well. Ms. Johnson stated that a session of the Department of Audit training will be held tomorrow in Cheyenne, in person only, and the training is all day. Ms. Johnson stated that the next training session will be on August 23rd and can be done online or in person, but you must register through the Department of Audit. Ms. Johnson stated that there will also be a Wyoming Association of County Officers conference in Casper in September, and the Department of Audit will be providing training there as well.

Board Member Knell arrived at 11:45 a.m.

ii. Mr. Martin stated that the hearing was held last week on the City of Mills Ordinance regarding franchise fees. Mr. Martin stated that the judge ruled

in favor of Regional Water and Wardwell Water & Sewer District.

Vice-Chairman Bertoglio asked if no franchise fees have to be paid to the City of Mills. Mr. Chapin stated that there will not be franchise fees charged to the Board or to Wardwell by the City of Mills.

8. In New Business:

- a. Mr. Martin stated that several months ago the Board asked staff to request proposals for audit services. Mr. Martin stated that two proposals were received: one from Ketel Thorstenson, and one from Casey Peterson, Ltd. Mr. Martin stated that Skogen, Cometto & Associates, P.C. are no longer providing audit services due to the difficulty of retaining experienced staff. Mr. Martin stated that this was a surprise to staff.

Mr. Martin stated that staff reviewed the proposals in conjunction with City Finance staff. Mr. Martin stated that items that were considered during the review were audits that were completed in the past, qualified staffing, audit procedures, price proposals, and how well they understood the Regional Water's audit needs. Mr. Martin stated that it was decided that Ketel Thorstenson was a good choice. Mr. Martin stated that staff recommends the Board entering into a five-year contract, for FY23 – FY27, with Ketel Thorstensen for audit services.

Mr. Martin reviewed the pricing from Ketel Thorstenson for audit services; FY2023 - \$27,500, FY2024 - \$29,400, FY2025 - \$31,500, FY2026 - \$33,700, FY2027 - \$36,000. Mr. Martin stated that actual mileage costs will be charged at IRS rates, and meals at actual cost. Mr. Martin stated that Ketel Thorstenson are also contracted with the City of Casper for audit services and if they are traveling from Rapid City to Casper, the Board may be able to share some of the mileage costs with the City.

Mr. Martin reviewed the cost estimates from Casey Peterson, Ltd. with the Board.

Mr. Martin stated that staff feels that Ketel Thorstenson will do a good job for the Board and recommended approval of the audit services contract.

Mr. Martin stated that negotiations on the insurance language in the contract are still being finalized, and recommended the Board approve the contract with Ketel Thorstensen contingent on finalizing insurance negotiations and final legal review and approval.

Chairman King asked if an approval on the contract is needed today. Mr. Martin stated that staff is asking for an approval at this point, so the contract is in place as it is time to start the audit. Mr. Martin stated that he anticipates having an answer any day from the auditors regarding the contract insurance requirement.

Board Member Knell asked how Ketel Thorstensen pricing compares to the previous auditors. Mr. Martin stated that the price from Skogen, Cometto and

Associates for the last few years was approximately \$30,000 per year.

A motion was made by Secretary Waters and seconded by Board Member North to approve the audit services contract with Ketel Thorstenson for FY23 through FY27 contingent on final legal review and approval of the contract. Motion put and carried.

- b. Mr. Martin requested permission from the Board to submit an application for a \$16 M State Revolving Fund (SRF) Loan for the WTP Disinfection System Improvements Project which includes the installation of Ultraviolet treatment, as required by EPA, and upgrading the Ozone generation equipment. Mr. Martin stated that HDR completed a preliminary design report that was required by EPA and was submitted to EPA. Mr. Martin stated that the estimate in the preliminary design report was just under \$16 M. Mr. Martin stated that a funding request was submitted to WWDC in 2019, which was denied. Mr. Martin stated that other funding options are being investigated, and a SRF Loan is a good option. Mr. Martin stated that SRF Loans typically come with 25% Principal Forgiveness, and a 2.5% interest rate over a 20-year term.

Mr. Martin stated that some of the ARPA funding that has come out in the past has used SRF funding as the match funding, but the SRF funding must be in place before the ARPA funding so it can be used as the match.

Mr. Martin stated that while the SRF application is in the full amount of \$16 M, staff will continue to look for additional funding such as ARPA, Bipartisan Infrastructure Law funding, or something of that nature where hopefully the Board will be able to get some grant funding that the SRF funding could be used as match funding.

Mr. Martin stated that in October 2023, the Board will have the City of Casper loan paid off, which will reduce the debt service requirement, and this loan will take its place. Mr. Martin stated that this new loan should not have an impact on the rate model, it will just be a wash between the City of Casper loan and the new SRF Loan.

Mr. Martin stated that per the EPA plan, the Board is to have funding in place by October 2023, which is the next milestone in the EPA plan. Mr. Martin stated that staff is recommending the Board approve submitting an application for a SRF Loan in the amount of \$16 M for the WTP Disinfection System Improvement Project.

Board Member Knell asked that if the Board is able to acquire grant funding, would the Board have to borrow less from the SRF. Mr. Martin stated that is correct. Mr. Martin stated that once the loan is finalized, it will be for the actual amount borrowed.

Vice-Chairman Bertoglio asked why the WWDC rejected the funding request. Mr. Martin stated that the WWDC denied the funding request as it is for a

treatment project and not for a distribution project.

Secretary Waters asked if submitting the SRF Loan application meets the EPA milestone. Mr. Martin stated that it does not quite meet the EPA milestone, as funding is to be secured by October 2023. Mr. Martin stated that it is a step in the right direction, but there may need to be negotiations with EPA to let them know that funding is in the works but has not been secured yet.

Chairman King asked if Resolution No. 23-03 would cover the Board for submitting the SRF Loan application. Mr. Martin stated that was correct, the resolution allows the submittal of the application.

A motion was made by Secretary Waters and seconded by Treasurer Cathey to approve Resolution No. 23-03 authorizing submission of an application to the State Land and Investment Board for a loan through the State Revolving Fund for the WTP Disinfection System Improvements Project in the amount of \$16 M. Motion put and carried.

- c. Mr. Martin stated that as Mr. Edwards mentioned during the Operations Update, there are a couple of well pumps that are out of service. Mr. Martin stated that quotes were requested to replace the well pump in Morad 6, and the quotes are as follows: Purvis Industries - \$34,699.66; DXP Enterprises - \$36,432.00; Hydro Rocky Mountain, Inc. - \$42,466.00. Mr. Martin stated that staff looked at rebuild costs for the pump, but it was more expensive than a new pump. Mr. Martin recommended purchasing the new well pump from Purvis Industries. Mr. Martin stated that the funds for this purchase will come from the FY24 RWS Capital Budget Well Rehabilitation Project.

Board Member Sabrosky asked what will be done with the old pump, and if there is a core charge for the pump. Mr. Martin stated that there is not a core charge for the pump, but it will be kept and evaluated for rebuilding in the future. Mr. Martin stated that getting parts for the pump is a challenge right now.

A motion was made by Board Member Knell and seconded by Secretary Waters to approve the purchase of a vertical turbine well pump for Morad 6 from Purvis Industries in the amount of \$34,699.66. Motion put and carried.

- d. In Other New Business:
 - i. Mr. Martin informed the Board that a Special Meeting needs to be scheduled for an Executive Session to discuss potential litigation. Mr. Martin stated that due to advertising requirements, the soonest the meeting could be held would be July 26th and asked the Board Members when they are available. It was the consensus of the Board to hold the Special Meeting on Wednesday, July 26, 2023, at 11:30 a.m. in the Board Conference Room at the WTP.

Vice-Chairman Bertoglio stated that he would be out of town that day but

would be available to call in to the meeting.

9. In the Chairman's Report, Chairman King stated that the Special Meeting will be held on July 26, 2023, at 11:30 a.m., and the next Regular Meeting will be held on August 15, 2023, at 11:30 a.m.

A motion was made by Secretary Waters and seconded by Board Member North to adjourn the meeting at 12:05 p.m. Motion put and carried.

11.11.15 /c
Chairman

Samuel L. Waters
Secretary