

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

MEETING PROCEEDINGS

August 15, 2023

A public meeting of the Central Wyoming Regional Water System Joint Powers Board (Board) was held Tuesday, August 15, 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, 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.

The Board meeting was called to order at 11:31 a.m.

1. There were no Announcements.
2. Chairman King asked for a motion to approve the minutes from the July 18, 2023,

Regular meeting. A motion was made by Board Member Knell and seconded by Vice-Chairman Bertoglio to approve the minutes from the July 18, 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 8605 for Williams, Porter, Day & Neville, P.C. in the amount of \$1,759.75 for legal services.

Mr. Martin stated that voucher 8598 for Sheet Metal Specialties in the amount of \$52,594.85 is for the WTP HVAC Chiller Replacement Project No. 20-40. Mr. Martin stated that they are replacing some of the hot water pumps and whatnot while waiting for the main equipment to arrive. Mr. Martin stated that the equipment should arrive in the fall.

Mr. Martin stated that voucher 8600 for DXP Enterprises, Inc. in the amount of \$6,702.00 for the Morad Recharge Pump Motor.

Mr. Martin stated that there are two Operations Reimbursement expenses on the voucher listing. Mr. Martin stated that there is one for July, and the second billing for June, which is wrapping up the FY23 expenses.

Mr. Martin stated that voucher 8604 for the City of Casper in the amount of \$7,845.00 is for Security Cameras. Mr. Martin stated that this was a FY23 purchase that when the invoice came in it was inadvertently paid by the City of Casper rather than the RWS, so this is just a reimbursement to the City of Casper for the expense.

Mr. Martin stated that the vouchers are in good order and recommended approval of vouchers 8597 through 8605 in the amount of \$454,867.63.

Chairman King asked for a motion to approve the August 2023 vouchers. A motion was made by Board Member Knell and seconded by Board Member North to approve the August 2023 voucher listing to include voucher numbers 8597 through 8605 in the amount of \$454,867.63. 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 584 MG of water produced in July, which is 85 MG below the five-year average of 669 MG. Mr. Martin stated that July was not a good month for water sales.

Mr. Martin stated that with July being the start of the fiscal year, the year-to-date water production numbers are the same.

Board Member Knell stated that he was surprised that with all the rain that was received, that there wasn't a larger drop-off in production. Mr. Martin stated that June and July were definitely low water production months.

Board Member Sabrosky asked if water production gets too low, does it affect the water rights if they aren't all used. Mr. Martin stated that it does not. Mr. Martin stated that

typically not all of the water rights are used at once, but each are exercised. Board Member Sabrosky asked if that was enough water usage to do that. Mr. Martin stated that it is.

Mr. Martin stated that Interest Earned is \$12,782 from the Hilltop Account as the WyoStar statements were delayed due to the end of the fiscal year. Mr. Martin stated that the Board will be discussing WyoStar later in the meeting.

Mr. Martin stated that Water Rate Revenue year-to-date is \$1,349,551, which is \$215,600 below last year at the same time even with the rate increase. Mr. Martin stated that the reduction in production is impacting revenues.

Chairman King asked for a motion to approve the July 2023 Financial Report as presented. A motion was made by Board Member Sabrosky and seconded by Board Member Pollock to approve the July 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 16.7 MGD for the month, with 7.5 MGD coming from the wellfields. Mr. Edwards stated that last year at this time production was averaging 22 MGD with 10.5 MGD coming from the wellfields.

Mr. Edwards stated that the new pumps for Caspar 8 and Morad 3 wells have arrived. Mr. Edwards stated that the plan is to have those pumps installed next week. Mr. Edwards stated that it is planned to camera and inspect the wells prior to the pump installations.

Mr. Edwards stated that Maintenance staff has been clearing weeds and mowing in the wellfield.

Mr. Edwards stated that staff repaired a pressure gauge at Sandy Lake Booster.

Mr. Edwards stated that valving issues were resolved on the South LOX Tank.

Mr. Edwards stated that Maintenance staff greased and adjusted packing on all the wells and greased all the High Service pump motors.

Mr. Edwards stated that Maintenance staff switched from the east Actiflo sludge lagoon to the west and began draining the east side.

Mr. Edwards stated that the drain line on Raw Water Pump # 3 was repaired.

Mr. Edwards stated that the level indicator on Morad 2 was repaired.

Mr. Edwards stated that leaking drains were replaced on Settled Water Pumps and the floor drain was unclogged.

Mr. Edwards stated that some of the turbidimeters in the wellfield were replaced.

Mr. Edwards stated that Maintenance staff installed a new VFD motor on the North Chem air handler.

Mr. Edwards stated that oil changes and routine service were performed on the WTP trucks.

Mr. Edwards stated that the annual fire extinguisher inspection was completed.

Mr. Edwards stated that the handrailing inside the building is being painted.

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 the Security Camera System, which is part of the Security Upgrade Project for FY23.

Mr. Edwards stated that Casper Window and Door resealed the exterior window on the main building that was leaking.

Mr. Edwards stated that Hach was on site for service on the Groundwater Monochloramine Analyzer and replaced most of the hardware.

Board Member Knell asked how the Well Rehabilitation Project is coming. Mr. Martin stated that the Caisson Rehab Project is out for bid now, and the Pre-Bid Meeting will be held later this week. Mr. Martin stated that there are only a couple of contractors that can do the work, so depending on their schedule, hopefully Caisson 2 will be done in time for next summer.

Secretary Waters asked if staff knew why there are such high river flows right now. Mr. Edwards stated that due to the late release of water, they have been able to maintain higher levels to monitor. Mr. Edwards stated that water wasn't released until the middle of June this year, when typically, water is released at the end of May, or the first part of June. Board Member Knell stated that there has also been the prolonged melt, as we didn't get the big heat in the beginning like we are accustomed to. Secretary Waters stated that every day he sees the river level and thinks that is a lot of water running. Mr. Edwards stated that the call was also late for the irrigators, and because of the heavy snowfall last winter, he thinks they have been able to maintain the higher levels of the river.

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 system chloramine residuals dropped a couple of weeks ago, but the Operators were requested to increase the chloramine residual feeding the system,

and it seems to be helping. Mr. Anderson stated that the lower residual seen in the system is due to warmer temperatures of water in the tanks, and diminished usage.

Mr. Anderson stated that there are a couple of dead ends on the RWS system that were flushed. Mr. Anderson stated that staff is currently servicing hydrants in the RWS system.

Mr. Anderson stated that Meter Services staff tested all the wholesale water meters. Mr. Anderson stated that one of the Wardwell meters, the one by Energy Labs, had to be replaced.

Mr. Anderson stated that staff finished the RWS transmission line flushing.

Mr. Anderson stated that staff tested all the RWS backflow preventers, and they were all good. Mr. Anderson stated that none of the backflow preventers needed any new parts.

Mr. Anderson stated that staff repaired the security lighting at Wardwell Tank as the bulls decided to rip it off the side of the tank. Mr. Anderson stated that bollards were installed so the bulls could no longer get to the security lights.

6. There was no Public Comment.

7. There was no Old Business.

a. There was no Other Old Business.

8. In New Business:

a. Mr. Martin stated that Ms. Johnson spoke to the Board at the meeting last month regarding the activity of the WyoStar accounts. Mr. Martin stated that some of the entities are withdrawing their funds, so the Board is experiencing some loss. Mr. Martin stated that the Board requested that Ms. Johnson put together some alternatives to the WyoStar accounts. Mr. Martin stated that he will review the information compiled by Ms. Johnson with the Board as she is out of town today and is unable to attend the meeting. Mr. Martin stated that he will take any questions the Board may have on the compiled information to Ms. Johnson.

Mr. Martin presented the following investment information compiled by Ms. Johnson to the Board:

Leave funds where they are: Pro – would be the easiest option, hope the returns come back up and no further losses. Con – Potentially there could be further losses as the fund stabilizes. In addition, the rate of return is lower than other options.

Put funds in Hilltop Bank: Pro – Utilize the money market fund or savings account. If the Board decides to go this route, she would recommend either RFP for the best interest rate or get a negotiated rate from Hilltop Bank. Con –

Fluctuates with the market. While this is high right now, if interest rates drop, the return will drop as well, which is what was seen previously. Mr. Martin stated that if a rate is negotiated, it is usually only good for a six-month period.

Alternative Investment Pool

Wyoming Class: Pro – Short term government investment pool which follows SEC Rules – no investments longer than 270 days. Fund has \$600M in assets, 75 partners from Wyoming Government and carries \$100M in cash. With the large cash balance, the need to cash bonds in for redemptions would be minimized. Con – The Board does not currently have an account set up with Wyoming Class. This would take Board approval. The rates for this fund are subject to the market interest rate; the return will go up and down based on the fed rate. Board Member North stated that currently their rates are 5.31%.

WGIF (Wyoming Government Investment Fund): Pro – Short term government investment pool which follows SEC rules – no investments longer than 270 days. Fund mostly caters to School Districts and does a revenue share with them. With the large cash balance, the need to cash bonds in for redemptions would be minimized. The Board had investments with them in the past and when the rates went to 0%, the fund's returns were not as good as WYOStar II. Con – The rates for this fund are subject to the market interest rate; the return will go up and down based on the fed rate. The fees for this account are netted which is why there is a lower return.

WGIF (Wyoming Government Investment Fund) – CD Program: Pro – Investment program offers 90-730 day CDS. The CDs would be purchased in \$250,000 blocks from different institutions to ensure FDIC insured. CDs are held by the entity, not the pool. Con – Finding multiple institutions to fund large blocks of CDs is difficult.

Mr. Martin stated that he discussed these options with Ms. Johnson and her recommendation was to not pull all the funding out of the WyoStar account but pull out small amounts over time and invest it back in the WGIF Investment Fund. Mr. Martin stated that Ms. Johnson does not recommend taking funds out all at once as it will incur penalties.

Mr. Martin stated that in FY23, even with the losses from July and June, the Board still ended up with \$214,168 in Interest Earned, and the budget was only \$70,000. Mr. Martin stated that the WyoStar accounts, even with the two bad months, were still a pretty good investment.

Mr. Martin stated that he would turn the time over to the Board for discussion and questions.

Board Member Knell stated that he thinks balancing the portfolio is always good, so if the Board were to pull a little bit and put it in WGIF, even if it is performing good, is never a bad thing to do. Board Member Knell stated that however, you

don't lose money unless you take money out. Board Member Knell stated that WyoStar has proven to be nothing but stellar for the Board, as it has made the Board over \$200,000 even with two months of losses. Board Member Knell stated that technically, the Board hasn't lost a dime, you only lose money if you pull it out, it goes off the interest rate, and we hope that sometime next year the country will stabilize and interest rates will come back and you'll realize that money back, because if you pull money out now, you not only realize a loss, you also pay a penalty. Board Member Knell stated that will take a tremendous amount of time and investment over years to recoup just that money that you never would have lost if you just left it alone. Board Member Knell stated that is why Ms. Johnson says it is the easiest option to just leave it where it is, because it fluctuates all the time. Board Member Knell stated that he is of the opinion that the Board should just leave their investments where they are as it is a proven commodity. Board Member Knell stated that it's just a market thing and sometimes you just have to ride the wave.

Board Member North stated that the County moved funds to First Interstate with a guaranteed rate, so should make back the money that was lost in about ten months. Board Member North stated that bond markets right now are bottomed out and will be that way as long as interest rates are high.

Board Member Knell stated that he doesn't think interest rates are done going up. Board Member North stated that is not a bad thing if you reinvest in something else, but if you leave it in bonds then it is going to hurt as the bonds continue to go down while everything else goes up. Board Member Knell stated that when the interest rates go back down, the bond rates go back up. Board Member North stated that is when you diversify differently.

Treasurer Cathey asked if the one WGIF program is for securities and not bonds. Vice-Chairman Bertoglio stated that they act as a broker to institutions, banks, etc. Treasurer Cathey asked if it is CDs or securities. Vice-Chairman Bertoglio stated that it is a kind of CD.

Board Member Knell stated that when the interest rate starts coming down, those will start to lose value. Vice-Chairman Bertoglio agreed. Board Member Knell stated that you can play the game of mixing and moving, or you can ride the wave.

Vice-Chairman Bertoglio stated that he agrees with Board Member Knell on this. Vice-Chairman Bertoglio stated that the reason the Board put funds in WyoStar II is because they were meant to be long term, they are not there to be used, they are there to be left in. Vice-Chairman Bertoglio stated that if you start chasing interest rates for little gains, you really are playing the market. Board Member Knell stated that you are trying to cut losses and becoming a day trader, and it's not prudent. Board Member Knell stated that he doesn't like paying penalties for taking my own money out, and doesn't like cashing out for less than what was put in.

Secretary Waters stated that he agrees with Board Member Knell and thinks that the Board should leave the funds where they are as the Board is not losing money, they just aren't making money.

Board Member Knell stated that at some point it would behoove the Board to diversify, as it is never smart to have all your eggs in one basket.

Vice-Chairman Bertoglio asked if the City still has a very sound financial model plan and has advisors. Board Member Knell stated that they do. Vice-Chairman Bertoglio asked what the City is doing with their investments. Board Member Knell stated that the City has funds in WyoStar, they did not pull their funds out like the County.

Secretary Cathey stated that the only reason he would think about moving funds is that Mr. Martin mentioned taking funds out slowly in small amounts so there isn't a penalty and move some of it into one of the other funds. Board Member Knell stated that he thinks you are penalized no matter how much you take out.

Board Member Pollock stated that she would still like to hear from Ms. Johnson. Board Member Knell stated that he would like more specific information from Ms. Johnson, how much is a little bit, what are the penalties, what are the long-term ramifications. Board Member Knell asked if Ms. Johnson could attend the next meeting to answer questions. Board Member Knell stated that this doesn't need to be decided today.

Treasurer Cathey asked if the Board is currently putting money into any of the WyoStar accounts. Mr. Martin stated that right now it goes into the Hilltop account, and funds could be transferred into WyoStar, but funds are not being moved there right now. Treasurer Cathey stated that may be the way to diversify, not take funds out of WyoStar and when ready to move funds put it in one of the other options.

Board Member Knell asked to table this item until next month when Ms. Johnson is available to answer questions.

The Board agreed to table the discussion on investment options until the next Regular meeting.

- b. Mr. Martin stated that last fiscal year, the HVAC hot-water valves were replaced as a separate Capital Project from the Chiller Project. Mr. Martin stated that funds for the HVAC cold-water valve replacements were included in the FY24 budget. Mr. Martin stated that staff requested quotes for the valve replacements, and the lowest quote was from Dynamic Controls in the amount of \$22,337.00. Mr. Martin stated that the budgeted amount for the project is \$25,000.00. Mr. Martin stated that staff recommends moving forward with the replacement and installation of the HVAC cold-water valves with Dynamic Controls in the amount of \$22,337.00.

A motion was made by Board Member Knell and seconded by Secretary Waters to approve the replacement and installation of the HVAC cold-water valves by Dynamic Controls in the amount of \$22,337.00. Motion put and carried.

c. In Other New Business:

- i. Board Member Pollock stated that at the Economic Joint Powers Board meeting today there was a request that she bring to the Board for consideration. Board Member Pollock stated that it is requested that the Board talk to the Wyoming Water Development Commission (WWDC) about a Level I Grant for the Amoco Road area, further north than where the Master Plan effort is currently. Board Member Pollock stated that there is some additional interest in pursuing development by attracting the State Shooting Complex, and some other businesses interested in developing out there. Board Member Pollock stated that Advance Casper is looking at trying to do a water/sewer study in that area and mentioned that the WWDC might be the avenue to pursue and suggested that it should come to this Board as we deal with Casper, the County, and Regional all in one area.

Board Member Knell asked who would pay for the study. Vice-Chairman Bertoglio stated that WWDC pays for the Level I Study. Board Member North stated that they would just need a governmental entity to request the Level I Study.

Board Member Knell asked if this Board could make the request, or if it would need to be the City of Casper. Vice-Chairman Bertoglio stated that he believes it would have to be the City as RWS would not be installing the sewer.

Board Member Knell asked Board Member Pollock to have the Economic Joint Powers Board reach out to the City Manager's Office with a memo to get it on the Council agenda.

Board Member North stated that makes sense as the waterline in Amoco Road is a City waterline. Mr. Martin stated that is actually a Regional Water waterline in Amoco Road.

Board Member Knell stated that he imagines that it doesn't go all the way and that is why they are looking to expand it. Mr. Martin stated that it would not be Regional Water serving the area, it would be the City of Casper. Board Member Knell stated that it would need to be the City of Casper sponsoring the study.

9. A motion was made by Secretary Waters and seconded by Board Member North to adjourn from Regular Session into Executive Session to discuss potential litigation at 12:03 p.m. Motion put and carried.


A motion was made by Board Member Knell and seconded by Treasurer Cathey to adjourn from Executive Session into Regular Session at 12:27 p.m. Motion put and carried.

10. In the Chairman's Report, Chairman King stated that a Special Meeting will be held on August 24, 2023, at 9:00 a.m. for an Executive Session to discuss potential litigation, and the next Regular Meeting will be held on September 19, 2023, at 11:30 a.m.

A motion was made by Board Member Knell and seconded by Treasurer Cathey to adjourn the meeting at 12:28 p.m. Motion put and carried.



Vice-Chairman



Secretary