

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

MEETING PROCEEDINGS

April 28, 2004

A public meeting of the Regional Water System Joint Powers Board (JPB) was held Wednesday, April 28, 2004 beginning with an Executive Session at 12:00 PM and the regular meeting at 1:50 PM, in the Joint Powers Board Conference Room, Regional Water Treatment Plant, 1500 SW Wyoming Boulevard, Casper, WY.

Board Members Present - Chairman Bertoglio, Vice-Chairman Dobos, Secretary Jones, Treasurer Padgett, Board Members Killean, Lamb, Peryam and Workman

City of Casper - Bertoglio, Padgett, Lamb, Peryam, David Hill

Natrona County - Killean

Salt Creek Joint Powers Board – Jones

Wardwell Water & Sewer District – Workman

Pioneer Water & Sewer District - Dobos

Poison Spider Improvement & Service District -

Wyoming Water Development Office -

Sandy Lakes Estates -

Lakeview Improvement & Service District -

33 Mile Road Improvement & Service District -

Central Wyoming Regional Water System - Steve Garner, John Naquin, Deena Hood

Central Wyoming Groundwater Guardian Team (CWGG)-

Others - Don Chapin – Crowell, Chapin and Dixon, P.C., Brendan Burke - Casper Star Tribune, Greg Fladager – KGWC-TV, Carl Kruzich

The JPB meeting was called to order at 1:53 p.m.

1. Chairman Bertoglio announced that the executive session had adjourned at 1:40 p.m. and that Board Member Peryam had left at 1:30 p.m. leaving her proxy with Treasurer Padgett.
2. Chairman Bertoglio asked for a motion to approve the minutes of the March 24,

2004, JPB meeting. Motion made by Secretary Jones and seconded by Vice-Chairman Dobos to approve the minutes of the March 24, 2004 JPB meeting. Motion put and carried.

3. Mr. Garner asked the Board to reference pages four and five of the agenda as well as the handout dated April 23, 2004 to include vouchers 5858 through 5911 for a total amount of \$135,698.87. Mr. Garner offered to answer any questions the Board had with reference to the vouchers. Secretary Jones asked why voucher 5868 to Hilltop National Bank had not been paid early as usual. Mr. Garner stated that it had either been omitted or fell in a different billing cycle this month. Board Member Lamb asked if it had become necessary to lease a copier and Mr. Garner stated that the office has always leased a copier and that voucher 5901 was for that lease charge. Motion made by Board Member Workman and seconded by Board Member Lamb to approve the vouchers as presented. Motion put and carried.
4. Mr. Garner asked the Board to reference the financial report contained in their agenda packets on pages 6 through 11 and the Budget vs. Actual handed out this date. He stated that things were business as usual and that interest rates continue to be quite low accounting for miniscule interest earnings. He asked them to reference the graph for water usage and stated that there was a slight decrease for March. He anticipated April to be static or have a slight decrease as well. With reference to the Budget vs. Actual, items are as would be expected this time of year and adjustments will be made at the end of the fiscal year to true up the budget. He stated that the overall budget was at 69.7%, which is under what the average should be. Vice-Chairman Dobos stated that 21 items were under 50% at this time and asked if that had been considered in the next year's budget. Mr. Garner stated that it had been considered and where possible, budget items had been reduced. However, he was reluctant to lower some budget items due to unexpected things like lightning etc. and that the money could be rolled back in at the end of the year. Chairman Bertoglio asked Mr. Garner if by statute the Board was constrained in what it could invest in looking specifically at the Capital Construction fund and some of the other long-term investments? Mr. Garner stated that the Board was bound to invest in certain instruments but he was not sure if they were bound by amount. Chairman Bertoglio asked if there were other investments available that would earn 2% instead of 1% on some of the large Capital investments. Mr. Garner stated that the money was invested in order to be able to utilize it more quickly.
5. Mr. Garner asked John Naquin to give the Operations update. Mr. Naquin stated that April production was 151 million gallons compared to last April at 153 million gallons. He stated that of 600 acre-feet purchased for use for April, 480 acre-feet had been used so far. Any of that water not used in April will be left over for use over the summer for any further administration on the river. He stated that preparations were under way for the summer season at the plant. He offered to answer any questions the Board might have. Secretary Jones asked if the 600 acre-feet purchased was for the calendar year. Mr. Garner stated that it was only good through September. Vice-Chairman Dobos asked what daily production was. Mr. Naquin stated that daily production was averaging 5.5 million gallons

per day. Chairman Bertoglio asked if the gallery had been filled yet. Mr. Garner stated that he did not anticipate filling the gallery until June but did not know what the releases were going to be.

6. No one spoke in public comment.

7. Old Business:

a) Mr. Garner stated that the 1904 water call was still in place and would be until the end of April. He stated that the Region was still using water purchased from the Bureau of Reclamation out of Glendo. He stated that he did not anticipate another call the first of May and hoped that the Region would go through the summer without another call. He stated that it was shaping up much like 2002 so there was a possibility for some other administration on the river in the summer. Chairman Bertoglio asked if there were acre-feet left over from the purchase from the Bureau of Reclamation, could it be used later in the year. Mr. Garner stated that it could be used until September. Chairman Bertoglio stated for the Board's information that the City of Casper had received a letter from the Bureau of Reclamation stating that the Casper Alcova allocation is available this year. He stated that if there is a water call, the City could make up whatever is necessary to supplement for required water and prevent the need for water restrictions. Mr. Garner stated that the City of Casper and the Region had received copies of the renewed temporary use agreements with Amoco and Texaco. They are still in effect and will be utilized through the summer. Chairman Bertoglio stated that betterment fees are paid to Casper Alcova for the ability to use this water. He stated that he would encourage people to be careful, but that we are not running out of water.

8. The Board elected not to take a break.

9. New Business:

a) Mr. Garner stated that Carl Kruzich had asked to approach the Board with reference to an issue related to the Cross-town Pipeline. Mr. Kruzich stated that he was there to talk about an issue at 2934 East 12th, his mother's home. He stated that when the Cross-town pipeline was constructed past his mother's home, the sewer line was also replaced and he believed that when putting in the curb stop the contractor damaged the sewer line to his mother's home. He explained to the Board that since the construction of the Cross-town pipeline, there had been raw sewer back-ups in his mother's home related to the angle of the sewer line. Mr. Garner further explained the situation by drawing the angle of the sewer line for the Board on the white board. After some discussion, it was discovered that the original angle of the sewer line was not an ideal situation and the contractor had done the best it could probably do. It was also discussed that the Cross-town Pipeline project was out of warranty. It was the

consensus of the Joint Powers Board that this issue was not a Regional issue but rather one for the City of Casper, but they would entertain further discussion with the City of Casper to resolve this issue. Chairman Bertoglio asked David Hill with the City of Casper, who was in attendance this date, to put Mr. Kruzich on the agenda for the next CPU Advisory Board meeting. Mr. Kruzich thanked the Region for their time and stated that he really just needed some place to begin. Mr. Garner asked David Hill to let him know when that meeting would be so he could attend.

- b) In other new business, Chairman Bertoglio asked for motion to be granted the authority to enter into a contract with a third-party for the purpose of analyzing employee issues. Motion made by Board Member Killean and seconded by Board Member Lamb. Motion put and carried.

10. Budget and Rates

a) Budget

Mr. Garner asked the Board to reference the Budgets vs. Actual fiscal year 2005 planning sheet handed out this date. He stated that he would briefly go line item by line item and if the Board had any questions to please interrupt. Notably, Analytical Testing-CWGG went from \$8500-\$4500 due to less testing. Board Member Killean asked why less testing. Mr. Garner stated that after many tests, the Team is receiving the same results. Vice-Chairman Dobos asked if the data was being compiled. Mr. Garner stated that it was and that the Team would be at the next meeting to present that data. Chemicals are funded from \$300,000 to \$310,000 due to increased costs. Consulting is funded from \$25,000 to \$30,000. Mr. Garner stated that he recommended that the Region enter into a contract with CEPI for engineering consulting work. Contractual Transmission Maintenance Repair is budgeted for \$35,000. Vice-Chairman Dobos asked if this was a line item budgeted for emergencies given the large unused portion this year. Mr. Garner stated that it was and that that amount would go quickly in an emergency. Electrical power is up 10% to \$502,000. Lab testing is up from \$17,500 to \$26,000. That is due to the normal cycle of analytical testing. Natural Gas funded down from \$140,000 to \$100,000. Mr. Garner stated that he was comfortable with this number because we now have some historical data on gas prices. Training-CWGG went from \$1000 to \$4000 because the Team is planning on sending some students to Groundwater University in 2005. Wells is funded from \$4,000 to \$7,500 because of the need to rebuild motors in 2005. Well Testing reduced from \$100,000 to \$50,000 because the Region's commitment to the EPA testing ends in September.

Mr. Garner stated that there was a line item in the Operations and Maintenance Budget for Wages & Salaries for \$714,000.00 that would need to be approved separately from the O & M Budget.

b) Rates

Mr. Garner asked the Board to reference handouts this date both of Table

19 of the Rate Model. He stated that they were only slightly different. The first table shows a wholesale rate of \$1.29, which is a 9.23% increase. The second table shows a wholesale rate of \$1.22, which is to 3.4% increase. The first table is based on the last June's production, which was very low in comparison to previous years to the point of about \$250,000 in expected revenue that was not there. The rate for the second table comes by using average production from 2000 to 2002. Mr. Garner stated that the decision on which rate to choose really was up to the Board's comfort level. He stated that he had tried to track weather predictions and that a fairly normal June was being predicted. Vice-Chairman Dobos asked if the Board shouldn't wait until the end of June to approve the rate to give the Board a better idea of what June's numbers would be. Board Member Lamb asked if that would be a problem. Mr. Garner stated that would not, however, the Region needs to set its rate in order for the smaller entities to set their rates. Chairman Bertoglio asked Mr. Garner if the O & M Budget and Wages & Salaries would be the same for either rate. Mr. Garner stated that they would be the same.

Motion made by Board Member Workman and seconded by Treasurer Padgett to approve Wages & Salaries as proposed at \$714,000.00. Vice-Chairman Dobos clarified that this was not tentative. Chairman Bertoglio confirmed that this was a final vote. Motion put and carried.

Motion made by Secretary Jones and seconded by Board Member Workman to approve the Operations and Maintenance Budget for fiscal year 2005 at \$2,025,500.00, excluding the capital expenditures noted at the bottom of page. Motion put and carried.

Motion made by Vice-Chairman Dobos and seconded by Board Member Lamb to approve a tentative fiscal year 2005 wholesale water rate of \$1.22. Motion put and carried.

Capital Expenditures

Filter Valves - \$60,000.00 Mr. Garner stated that these were not replaced during construction and it is imperative that they be replaced at this time. Replacement consists of valves and actuators on four different filters.

Vehicle - \$25,000.00 Mr. Garner stated that this vehicle will replace the 95' Taurus and will be a four-wheel-drive pickup.

Utility Vehicle - \$35,000.00 Mr. Garner stated that this is a tractor with a front-end loader, disk, mower and trailer to haul it for in and around work necessary on Regional properties. The disc would be used to roll the sludge in the sludge lagoons to help it dry during the winter. The size of equipment needed for this kind of work is often not available to rent.

Heaters - \$10,000.00 Mr. Garner stated that heaters should be replaced in two buildings.

Security - \$50,000.00 Mr. Garner stated that this is part of ongoing security measures.

Mr. Garner confirmed that funding of capital expenditures in the rate

model does not affect the rate. Capital expenditures do not affect the rate until the money is spent. Approval of capital expenditures was tabled until the next regular Joint Powers Board meeting.

c) Rate Resolution

This item was tabled until the next regularly scheduled Joint Powers Board meeting. Mr. Garner stated that per the rate consultant, moving setting the rate to later in a year was probably a good idea. He stated further that it would probably raise the rate at least \$.04 in the first year.

11. Chairman Bertoglio asked Ms. Hood to confirm the language for his motion in Other New Business for hiring a third-party personnel advisor and stated that he wanted to clarify that this person was being hired on behalf of the Board.
12. Chairman Bertoglio stated that the next regular JPB meeting would be scheduled later in the month because of possible conflict with the Water Festival. The meeting could be postponed as late as the first week of June.
13. Motion made by Board Member Workman and seconded by Board Member Lamb to adjourn the meeting at 3:07 p.m. Motion put and carried.

Secretary
