

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

**MEETING PROCEEDINGS**

February 9, 2005

A public meeting of the Regional Water System Joint Powers Board (JPB) was held Wednesday, February 9, 2005 beginning with an Executive Session at 11:30 AM and the regular meeting at 12:00 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 Jones, Treasurer Workman, Board Members Bentley, Peryam and Killean.

**City of Casper** - Bertoglio, Peryam, Phillip Stuckert, David Hill, Lynne Short, Tom Sarvey, Tim Rail, John Naquin, Janette Brown, Tracey Belser

**Natrona County** - Killean

**Salt Creek Joint Powers Board** – Jones

**Wardwell Water & Sewer District** – Workman

**Pioneer Water & Sewer District** – Bentley

**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

**Central Wyoming Groundwater Guardian Team (CWGG)**-

**Others** - Don Chapin – Crowell, Chapin and Dixon, P.C.,

The JPB meeting was called to order at 12:33 p.m.

1. There were no announcements.
2. Chairman Bertoglio asked for a motion to approve the minutes of the January 12, 2005 meeting. Motion made by Board Member Peryam and seconded by Board Member Bentley to approve the minutes of the January 12, 2005 meeting. Motion

put and carried.

3. Mr. Hill asked the Board to reference the voucher listing in their agendas to include vouchers 6321 through 6326 for a total amount of \$201,721.45. Mr. Hill stated that the voucher for the water purchase is included in the listing and that the breakdown for the City of Casper invoice is in the Financial Report. Mr. Hill offered to answer any questions. Vice-Chairman Jones asked Mr. Hill why the advertising for the Operations Manager position was a Board expense. Mr. Hill stated that the position was advertised regionally. Vice-Chairman Jones asked why the Board should pay for the advertising if the employee is for the City of Casper. Mr. Hill stated that the advertising expenses were for a City of Casper employee to act on behalf of the Regional Water System. Board Member Peryam asked why the advertising was paid for out of the Training line item. Mr. Hill stated that it seemed logical. Board Member Killean asked if the cost of operations for January was comparable to last year. Mr. Hill stated that he believed it was comparable. Board Member Peryam stated that she would like a Board discussion on Vice-Chairman Jones' question. Treasurer Workman stated that he felt that if the City was replacing an employee whose work was 100% for Regional Water then the Board should pay for the advertising, but if the employee would be doing work only for the City then the City should pay the costs. Board Member Peryam asked Chairman Bertoglio if this was covered in the Operations Contract. Chairman Bertoglio stated that he thought it was covered and that any cost that would have been paid by the Board if the Board was operating the plant would be covered. Vice-Chairman Jones stated that the Board was not dissatisfied with the employee in the position when operations were turned over to the City. Treasurer Workman stated that a Manager was in place and the City did not feel that he was adequate to fill the position, so advertised. He stated that he felt that the City did not make use of all the resources that the Board turned over to them. Ms. Belser stated that in the contract it states that the City shall be responsible for training costs of employees, etc. Chairman Bertoglio stated that those costs all fall under reimbursable expenses. Board Member Bentley stated that it would fall to the Board to cover if the City was not involved. Motion made by Board Member Peryam and seconded by Treasurer Workman to approve the vouchers as of February 9, 2005 in the amount of \$201,721.45. Motion put and carried.
  
4. Mr. Hill turned the Financial Report over to Lynne Short and Tom Sarvey to answer any questions. Ms. Short stated that she knew the Board received the reports yesterday and that Finance is working on resolving issues so that the report will be able to go out with the agendas in the future. Board Member Bentley stated that on page 2 there is Net Assets with Unrestricted listed and asked what it was for. Mr. Sarvey stated that the Net Assets list the balances of the accounts and that the Unrestricted is everything that is left. Board Member Bentley stated that on page 3 under Operating Expenses it lists Contracted Services City of Casper and asked what the expenses were for under January 2004. Mr. Sarvey stated that he took the January 2004 Financial Statements and broke out the personnel, legal and other costs listed and left the rest in the amount as if the City of Casper had operated the plant for comparison purposes. Mr. Hill stated that on page 3 the Operating Revenues for January 2005 are about

\$100,000 less than last year due to declining water sales. Vice-Chairman Jones asked about the Accounts Payable total for the present year being \$90,000 over costs last year. Mr. Sarvey stated that it could be a timing difference for when bills were paid and that the number also included the personnel costs. Ms. Short stated that the current number also includes the water purchase that was made in a different month last year. Chairman Bertoglio asked if the Budget vs. Actual is tracking within the budget. Mr. Hill stated that does seem to be on track. Chairman Bertoglio stated that when looking at the vouchers, the activities don't represent the actual tasks. He asked that Finance actively go through and make sure that the accounts are correct. Ms. Short stated that there is a structure to the City accounts with names of accounts being the same for each department. She stated that the names of the accounts could be changed if needed. Board Member Peryam asked why there are Equipment Repairs under 1<sup>st</sup> Interstate Bank. Ms. Short stated that these were petty cash purchases. Mr. Hill stated that it will take a few months to get used to the Financial Report. Chairman Bertoglio urged the Board to contact Mr. Hill, Ms. Short or Mr. Sarvey if there were any changes that they would like to see. Chairman Bertoglio asked for a motion to approve the Financial Report. Motion made by Treasurer Workman and seconded by Board Member Peryam to approve the Financial Report. Motion put and carried.

5. In the Operations update, Mr. Hill stated that water sales were up in December, but sales are behind last year. He also stated that they have been declining for the last few years due to some opportune rains and cooler weather during the summer. Board Member Bentley stated that there is a new mentality to change watering habits. Mr. Hill turned the time over to Mr. Naquin and Mr. Rail for their updates.

Mr. Naquin gave the Board copies of the Annual Report and reviewed it with them. He stated that there is a slight reduction in year-to-date production. Mr. Naquin stated that the Groundwater Contactor that has been leaking was repaired with a water activated poly resin which is flexible. He stated that the contactor is being filled and pressure tested before being disinfected and put back in service. Mr. Naquin stated that the Entity Operators meeting held on January 26, 2005 went very well and a meeting will be held quarterly. Mr. Hill stated that the contact and emergency call list is being updated by Ms. Brown and will be sent to all the entity boards. Board Member Bentley asked if she could have a copy of the Annual Report. Mr. Naquin gave her a copy and let the Board know that if anyone else would like a copy to let him know. Vice-Chairman Jones apologized for Salt Creek not being in attendance for the Entity Operators meeting and let Mr. Naquin know that they would attend the next meeting. Treasurer Workman stated that Ms. Brainard felt that the meeting was very useful.

Mr. Rail stated that the key people from the Distribution crew attended the meeting and thought it was very helpful. He stated that the RWS hydrants will be flushed between April 25 and May 23. He stated that work has been done on the Crosstown pipeline ARV's and new maps of the system. He stated that pumps in the plant and boosters have been laser aligned and that pump #2 in Mt. View Booster will be repaired as soon as the parts arrive. Vice-Chairman Jones asked Mr. Rail to thank his crew for their help at the Salt Creek Booster.

Mr. Hill stated that the existing water supply situation is better but still is not very good. He stated that there is a very good chance of mandatory restrictions being placed again this year in Casper.

6. In the Project Update, Mr. Garner stated that the EPA Study is ongoing and that he is currently working on acquiring long-term usage of water rights for the months of April. Chairman Bertoglio stated that he has had discussions with Mr. Hill and Mr. Stuckert about who will be overseeing the water rights for the Board. He stated that it is spelled out in the Asset Transfer Agreement and that Mr. Garner will be spearheading anything to do with water rights. Vice-Chairman Jones asked Mr. Garner if the McMurray water rights inquiries are equivalent or greater than the water purchased each year. Mr. Garner stated that it is unknown at this time. He stated that the McMurray water rights are for Rock Creek Reservoir that was offered to the Board earlier. He stated that Mr. McMurray is offering to let the Board purchase the reservoir and the rights associated with it. He stated that there is 1000 acre-feet of water which is more than enough to satisfy demand for April. It is still to be determined if there is that amount of water available at the point of diversion. The State Engineer has had their Hydrographer run a test run with McMurray to find out how much water actually comes down the river. Mr. Garner stated that he has a meeting on Friday with Mr. McMurray and his consultant and they will present the Hydrographer's report and a sample contract for the purchase. Board Member Killean asked where the reservoir is located and who will be responsible for transporting the water. Mr. Garner stated that the reservoir is located near Atlantic City near the old taconite mine and that at this point Mr. McMurray is interested in selling the reservoir so it would fall to the Board if they purchase it. He also stated that until he sees the Hydrographer's report and the sample contract there isn't much else that can be discussed. Chairman Bertoglio stated that Mr. Garner is working with the State Engineer to see if any credit will be given for the release of the water. Board Member Killean asked how old the water right is. Mr. Garner stated that it is pre-Pathfinder.
7. There was no Public Comment.
8. Old Business:
  - a) Mr. Hill stated that things are going well and the water plant is up to staff. He stated that a Plant Mechanic was hired in late December. Mr. Hill also stated that there are two open positions for the Utility Worker II but that the RWS system is being maintained with the existing Distribution crew. Mr. Hill also stated that he is working on a 5-year Capital Improvement Plan for the Board. When it is completed he will bring it to the Board within two months for comments. Chairman Bertoglio stated that he spoke to Mr. McDonald about an investment policy that spells out what the City can invest instruments in where the Agency Agreement allows them.
  - b) Mr. Hill stated that the project is out to bid for the installation for the 3<sup>rd</sup> pump in the North Park Booster. He stated that he is very concerned because of all the development in Bar Nunn and the future development in

the Salt Creek Heights area and the redundancy is needed. Chairman Bertoglio asked what the estimate of the allocation is going to be. Mr. Hill stated that it is not available yet.

9. In Other Old Business, Mr. Hill asked the Board to review the information that was sent to them for the D&O insurance. Ms. Belser stated that the Board is covered by the Governmental Immunity for Boards and are not obligated to make a choice on the quote that was provided by Carol Hobza who is with Wyoming Financial Insurance. She stated that the quotes were provided in case the Board wishes to purchase the D&O coverage. Vice-Chairman Jones asked what the cap or limit is on the Government Immunity. Ms. Belser stated that if the Board is found liable, the cap is \$250,000 per claim. Vice-Chairman Jones asked that if the Board stayed with the Governmental Immunity Act the cap that anyone can sue the Board for is \$250,000. Mr. Chapin stated that this was so and if additional coverage is purchased, it could supersede the Governmental Immunity. Ms. Belser stated that with the Governmental Immunity the cap is \$250,000 but that legal fees would be in addition. Chairman Bertoglio stated that he would ask Bill Luben to look into what other Joint Powers Boards in the state are doing for coverage.

Board Member Peryam excused herself at 1:15 p.m. and left her proxy with Chairman Bertoglio.

10. In New Business, the Groundwater Guardians were not available to make an update.

Chairman Bertoglio stated that there is a big annexation study going on in the County and that Mills has come up with a growth policy that encompasses a lot of Regional customers and the well field. Chairman Bertoglio stated that he will be serving on the City's committee that will be looking into it and will keep the Board updated.

11. Mr. Hill stated that north of the river and west of the Riverwest and Paradise Valley area a contractor from Cheyenne is building a very big addition with moderate to mid-income housing that affects zones 1 and 2A. He stated that when the contractor gets into zone 2A it will be served from the Poison Spider line and there is plenty of capacity with the line since it is fed from two different directions. He stated that the first phase is under construction and houses will be built in the spring. Vice-Chairman Jones asked who's customer the development will be. Mr. Hill stated that the development is within the Casper City limits so will be a Casper retail customer.
12. There was no Other New Business.
13. In the Chairman's Report, Chairman Bertoglio stated that he will find out when Mr. Opella will join the Board for their meetings.
13. Chairman Bertoglio stated the next meeting was scheduled for March 9, 2005 at noon. He stated that he felt that until things are running smoothly with the

Financials, it would be best to continue with monthly meetings.

A motion was made by Board Member Killean and seconded by Board Member Bentley to adjourn the meeting at 1:43 p.m. Motion put and carried.

Chairman

Secretary

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