

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

MEETING PROCEEDINGS

April 19, 2005

A public meeting of the Regional Water System Joint Powers Board (JPB) was held Tuesday, April 19, 2005 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, Treasurer Workman, Secretary Padgett, Board Members Killean, Opella and Peryam. Vice-Chairman Jones and Board Member Bentley were absent.

City of Casper - Bertoglio, Padgett, Opella, Peryam, Phillip Stuckert, Tom Sarvey, Tim Rail, John Naquin, Janette Brown

Natrona County - Killean

Salt Creek Joint Powers Board – Dale Miller

Wardwell Water & Sewer District – Workman

Pioneer Water & Sewer District – Jacob Quickel

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., Tom Brauer – Civil Engineering Professionals, Inc.

The JPB meeting was called to order at 12:07 p.m.

1. In Announcements, Chairman Bertoglio announced that Dale Miller has Vice-Chairman Jones's proxy and Jacob Quickel has Board Member Bentley's proxy. He stated that both proxies are on record in the file.

2. Chairman Bertoglio asked for a motion to approve the minutes of the March 9, 2005 meeting. Motion made by Board Member Opella and seconded by Treasurer Workman to approve the minutes of the March 9, 2005 meeting. Motion put and carried with Chairman Bertoglio voting on the motion.
3. Mr. Stuckert asked the Board to reference the voucher listing in their agendas to include vouchers 6331 through 6337 for a total amount of \$139,838.92. Mr. Stuckert stated that Mr. Sarvey would be able to answer any questions on the invoice for the City of Casper. Motion made by Board Member Opella and seconded by Board Member Peryam to approve the vouchers as of March 9, 2005 in the amount of \$139,838.92. Board Member Opella asked if the amounts for Mr. Garner were for back pay. Chairman Bertoglio stated that they were. Mr. Stuckert asked the Board to reference page 11 of the Financial Report. He stated that there were several line items that were either over budget or closed to being over budget due to increase that occurred during the year. Board Member Killean asked why the Chemical budget was getting close. Mr. Naquin stated that prices are given for each chemical used each year. He stated that unfortunately there were some increases mid-year on the Sodium Hypochlorite. Board Member Peryam asked why the Consulting line item was so far over budget. Mr. Stuckert stated that there were some increased costs for the EPA Study. Mr. Garner stated that the monies were spent for Clancy, Gollnitz and CH2M Hill to put together the final report for EPA and for the additional information requested by EPA. Motion put and carried.
4. Mr. Stuckert asked the Board to the Financial Statement handout. He stated that Mr. Sarvey would be able to answer any questions the Board might have. Mr. Stuckert briefly reviewed the Financial Statement. Chairman Bertoglio asked for a motion to approve the Financial Statement. Motion made by Board Member Opella and seconded by Secretary Padgett to approve the Financial Statement. Motion put and carried.
5. In the Operations update, Mr. Stuckert turned the time over to Mr. Naquin and Mr. Rail for their updates.

Mr. Naquin stated that production since the call was placed on April 5th is 255 acre-feet. Demand was 5.5 mgd for the first week but has risen to 6.5 mgd. He stated that 72 acre-feet of water were used from Glendo with the rest of the water being used from Rock Creek.

Mr. Naquin also stated that repairs on the groundwater contactor have been completed. He stated that the first product used on the contactor did not work very well, but the second product seems to be working. He stated that the other contactor has been inspected and it was discovered that it has more leaks than the groundwater contactor.

Mr. Naquin stated that around the first part of May the surface plant will be started up to work out any bugs before putting it in service.

Mr. Rail stated that 37 RWS valves have been exercised and 9 valve boxes have been repaired. He stated that the checking of the air release valves on the Cross-Town Pipeline has been completed. He also stated that there will be an entity

meeting held on May 11th to cover summertime operations and the flushing that will begin on May 16th.

6. In the Project Update, Mr. Garner stated that a contract was entered into with VA Resources to provide 900 acre-feet of water from the Rock Creek Reservoir for the month of April. He stated that the contract, which states that the water will be sold for \$75 per acre-foot used, has been reviewed by Mr. Chapin and that the contract needs to be approved and executed. Board Member Peryam asked what the cost of the Bureau of Reclamation water was. Mr. Garner stated that after all the fees it cost \$114.50 an acre-foot. Chairman Bertoglio asked for a motion to have the Chairman and Vice-Chairman execute the contract. Motion made by Board Member Opella and seconded by Board Member Killean to have the Chairman and Vice-Chairman execute the contract. Board Member Killean asked if there were any guarantees that this water source will continue in the future. Chairman Bertoglio stated that the water has to be dumped every year from the Reservoir. Mr. Garner stated that the best thing to do would be to get through this April, and then work on firming up the contract with VA Resources for future years. Chairman Bertoglio stated that in entering into the contract with VA Resources, it shows beneficial use of the water downstream even though there is a 25% conveyance loss. Mr. Garner stated that the contract is very preliminary based on the need to show beneficial use. Motion put and carried.

Mr. Garner stated that he is in the process of writing a response letter to the EPA. He stated that EPA's response to the Study was that the point was proven with some exceptions. EPA would like more testing. Mr. Garner stated that the money spent on consultants was well worth the price. Mr. Garner also stated that two of the consultants used for the EPA Study have applied for a grant for a two-year AWWARF Study and have asked that Regional Water be a participant in the study. He stated that the study is to better develop the methods to assess groundwater under the direct influence, riverbank filtration and to redo the MPA method. They have proposed getting three entities involved. It would involve setting up continuous monitoring of temperature, conductivity and collecting MPA samples and using a new device that is a particle counter that takes pictures of the particles. RWS's commitment would be the time for someone to collect the samples for the period of one year. The study would pay for the analysis and the devices. Mr. Garner stated that Mr. Naquin has been in touch with Mr. Hill and he thinks this would be a good thing. Chairman Bertoglio asked if everything would be provided to collect the samples. Mr. Garner stated that all materials needed to collect the samples, freight charges and analytical charges would be paid for by the study. Someone to collect the samples is the only thing that would be needed. Mr. Garner asked for the Board's commitment to participate in the study. Board Member Peryam asked if someone would have to be hired to collect the samples. Mr. Stuckert stated that no one would be hired to collect samples, in-house staff would be used. A motion was made by Board Member Peryam and seconded by Board Member Opella to participate in the AWWARF study. Motion put and carried.

Mr. Garner stated that he would be meeting with Mr. Hill and Mr. Stuckert next week to discuss rates.

7. There was no Public Comment.
8. Old Business:
 - a) Chairman Bertoglio stated that the downside risk for refinancing the bonds at this time was greatly understated. Board Member Killean stated that she had the County Treasurer review the booklet from the bond meeting and that their comments were not good. Chairman Bertoglio asked for a motion to approve the refinancing of the bonds. No motion was made. Chairman Bertoglio asked Ms. Brown to prepare a letter to George K. Baum and Company.
 - b) Mr. Stuckert stated that in a past meeting the City of Casper staff asked the Board to participate in the North Park Booster improvements. There was a consensus at that time that the Board would be interested in participating. Since that time, the project has been put out to bid and a percentage spread has been worked up that is thought to be equitable. Mr. Stuckert stated that it is up to the Board to approve the percentage and that the whole contract will be put before the City Council for approval. Mr. Stuckert turned the time over to Mr. Brauer to review the cost proposal for the Board. Mr. Brauer stated that the North Park Booster was built in the mid-1970's and when the Regional Water System was formed in the 1990's the use of the Booster increased. The Booster was built with two pumps and a space for a third pump. Usage for the Booster was looked at with a thirty-year projection of growth for the areas served. City of Casper usage is approximately 35% with Regional Water usage at 65%. Board Member Peryam asked what portion of the memo will be going before the City of Casper tonight. Mr. Stuckert stated that the total cost of the bid will be going before the City Council. The Council will be asked to approve the \$185,800. A motion to participate in the North Park Booster improvements was made by Board Member Opella and seconded by Board Member Killean. Chairman Bertoglio asked the Board if they wanted to accept the percentages as is, or if they want to look at the incremental or perceived usage of the Booster. Chairman Bertoglio stated that the City of Casper is the current high user of the Booster at about 60%. Board Member Peryam made an amendment to the motion to accept the proposal on an incremental basis with the City of Casper paying 61% and the Regional Water System paying 39% of the total cost of the North Park Booster improvements. Seconded by Secretary Padgett. Motion put and carried. The motion to participate in the North Park Booster improvements was put and carried.
9. There was no Other Old Business.
10. New Business:
 - a) Ms. Brown asked the Board if they wish to renew the Chamber of Commerce annual membership which is \$264. Motion made by Board Member Opella and seconded by Treasurer Workman to renew the Chamber of Commerce annual membership. Board Member Peryam asked what the Regional Water System gets out of the membership.

Board Member Killean stated that anyone from Regional Water would be able to participate on committees through the Chamber of Commerce. Motion put and carried.

- b) Mr. Stuckert asked the Board to reference the pictures of the RWS buildings and tanks that were handed out. The pictures are of the old Bar Nunn water tower and the three tanks and pump house on Salt Creek Highway. Missing is a picture of the small building on the south side of the Distribution Garage. Mr. Stuckert stated that these structures are non-functional and requested permission to demolish them. Board Member Opella made the motion to demolish the structures for salvage and if salvage is not available to raise the structures. Seconded by Board Member Killean. Board Member Peryam asked if someone would buy the structures for scrap. Mr. Stuckert stated that the tanks could be sold for scrap or the bolted tank could be reused. Motion put and carried.
- c) Mr. Stuckert stated that staff is proceeding with development of the RWS budget and would like to present it to the Board. He also stated that in about six weeks the rate spreadsheet would be ready for presentation to the Board. Chairman Bertoglio asked if there is a need for a couple of meetings. Mr. Stuckert stated that there are two budgets to present to the Board, the Operations and the Agency budgets. He stated that a meeting to cover just the budgets would take approximately one to two hours and a meeting to cover the rate may take three hours. Board Member Peryam stated that she would prefer two separate meetings. Mr. Stuckert stated that the budget meeting could be set for after May 4th. A Budget meeting date was set for Tuesday, May 10, 2005 at 11:00am. Chairman Bertoglio stated that the Board will wait to set the Rate meeting. Board Member Peryam asked that the Regular Board Meeting be scheduled for the third Tuesday of the month. The Board agreed to the date change.

11. There was no Other New Business.

12. In the Chairman's Report, Chairman Bertoglio stated that Mr. McDonald of the City Finance Department is developing a Reserve Policy that will state what the Board can invest in and how much reserves the Board should have.

Chairman Bertoglio asked if the City of Casper will be making a decision on Choice Gas for the water treatment plant. Mr. Stuckert stated that he would take a recommendation from the Board. A motion was made by Board Member Peryam and seconded by Board Member Opella to accept the pass-on rate. Chairman Bertoglio asked if Regional Water has been approached by any of the gas companies. Ms. Brown stated that only one supplier has approached Regional Water. She stated that Midwest United offered CIG plus 3 cents with the other suppliers offering 79 cents per therm for the fixed rate with the Market Index rate CIG plus anywhere from 3 to 13 cents per therm. Board Member Peryam asked what the pass-on rate will be. Chairman Bertoglio stated that the pass-on rate will be CIG plus 2 cents. Motion put and carried.

13. Chairman Bertoglio stated that the budget meeting will be held on Tuesday, May 10, 2005 at 11:00 a.m. and the next regular meeting will be scheduled for

Tuesday, May 17, 2005 at 11:30 a.m.

A motion was made by Board Member Opella and seconded by Treasurer Workman to adjourn the meeting at 1:28 p.m. Motion put and carried.

Chairman

Secretary
