

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

MEETING PROCEEDINGS

June 20, 2006

A public meeting of the Regional Water System Joint Powers Board (JPB) was held Tuesday, June 20, 2006 at 11:30 AM, in the Joint Powers Board Conference Room, Regional Water Treatment Plant, 1500 SW Wyoming Boulevard, Casper, WY.

Board Members Present - Chairman Bertoglio, Vice-Chairman King, Secretary Padgett, Treasurer Bentley, Board Members Keffer, Killean, Peryam and Opella.

City of Casper - Bertoglio, Padgett, Opella, Peryam, David Hill, Philip Stuckert, John Naquin, Janette Brown, Tim Rail

Natrona County – Killean

Salt Creek Joint Powers Board – King

Wardwell Water & Sewer District – Keffer

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 and Chapin, P.C.

The JPB meeting was called to order at 11:53 a.m.

1. In Announcements Chairman Bertoglio stated that the newspaper did not run the ad for the meeting when it was supposed to. He stated that the Board could tentatively approve the budget and rate and would have to reschedule the meeting in order to advertise for the proper amount of time. A meeting was scheduled for Thursday, June 29, 2006 at 9:00 am to approve the FY2007 Budget and Rate.

2. Chairman Bertoglio asked for a motion to approve the minutes of the May 16, 2006 meeting. Motion made by Board Member Peryam and seconded by Board Member Opella to approve the minutes of the May 16, 2006 meeting. Motion put and carried.
3. Mr. Hill asked the Board to reference the voucher listing handed out at this meeting to include vouchers 6454 through 6463 for a total amount of \$252,373.43. Mr. Hill stated that voucher number 6458 is the RWS share for the cost of the upgrades made to North Park Booster. Board Member Opella asked Mr. Hill how the percentage for the share was determined. Mr. Hill stated that it was a ratio of use. Mr. Hill stated that voucher number 6462 is a Capital purchase of radios for the Water Treatment Plant and trucks. He stated that the City went to an 800 mhz system and all of Public Utilities have radios. Motion made by Secretary Padgett and seconded by Board Member Opella to approve the June 2006 vouchers in the amount of \$252,373.43. Board Member Killean asked if the radios would work with the County and Sheriff Office. Mr. Stuckert stated that the radios would work with the County and Sheriff Office. Board Member Peryam abstained from the Mt. View Sub invoice listed on the City of Casper reimbursement request. Motion put and carried.
4. Mr. Hill asked the Board to reference page 4 of the Financial Statement. Mr. Hill stated that the water sales in June are tremendous and that revenue is up by approximately \$450,000. He stated that there is bad news in that the costs of chemicals and electricity are up. Mr. Hill stated that later in the agenda there is a Budget Amendment to add \$150,000 to the FY2006 budget and that the Budget Reallocation in the packet would not be used. A motion was made by Board Member Opella and seconded by Vice-chairman King to accept the Financial Report. Motion put and carried.
5. In the Operations update, Mr. Hill turned the time over to Mr. Naquin for his update.

Mr. Naquin stated that it has been a good month for water production. He stated that production is 147 million gallons over last June and 365 million gallons over last the whole year. He also stated that chemical use is way over what was projected. Mr. Naquin stated that during the electrical storm on June 9th some wells were lost and the chloramine analyzer and ozone generators were damaged. Mr. Naquin also stated that with the ongoing Stage 2, the City of Casper, Vista West and Wardwell have done their first tests for the Provisional 40/30 designation. He stated that the RWS will be able to let some of the very small systems use results from past samples and that the RWS will be able to shift where their samples are taken for the quarter to help the other systems. Mr. Naquin stated that he will be getting with the entities to help them apply for the VSS. Mr. Naquin stated that in May there was some confusion with the compliance samples and one sample for the surface water was missed which will require public notification. He stated that the notification can be included in the CCR at the end of the year. He also stated that steps have been taken to ensure that it would not happen again. Chairman Bertoglio asked what the total production for June was so far. Mr. Naquin stated that it is 409 million gallons.

He stated that last June was rainy until the 17th and that production this June has been over 20 mgd since the 1st. Mr. Hill stated that if the month is projected out it will be the highest June for about 12 years. Chairman Bertoglio asked what all the lightning took out. Mr. Naquin stated that the lightning took out the meter for two wells and did bad things to the chloramine analyzer and ozone generators.

Mr. Hill turned the time over to Mr. Rail for the Distribution Report. Mr. Rail stated that they have finished servicing the RWS hydrants and are working on air relief valves.

6. In the Project Update, Mr. Garner asked the Board to reference the letter from Automation and Electronics on 6a page 1 of the agenda. He stated that Automation and Electronics has run into some problems with the SCADA, but are making progress. He stated that the letter is requesting a time extension only with no increase in cost. Mr. Garner recommended the Board approve the time extension. Motion made by Board Member Opella and seconded by Treasurer Bentley to approve the time extension request by Automation and Electronics. Motion put and carried. Mr. Garner stated that he has been talking to Mr. Tanner about the impact the time extension would have on stage two of the SCADA upgrades.
7. There was no Public Comment.
8. Old Business:
 - a) Mr. Hill stated that the Budget Reallocation forms that were included in the agenda will not be used. He stated that Mr. McDonald decided that a Budget Amendment would be better and asked the Board to reference the handouts for the Operations and the Agency Budgets to add \$150,000 to each. Mr. Hill stated that the unexpected production in June caused the most impact. Mr. Hill recommended a motion be made to approve the Budget Amendments contingent on public notification and the meeting on June 29th at 9:00 am. Treasurer Bentley asked where the money was going to come from to cover the Budget Amendment. Mr. Hill stated that it would come from the unexpected water sales revenue. A motion was made by Board Member Killean and seconded by approve the Operations and Agency Budget amendments contingent on the meeting to be held on June 29th. Board Member Peryam asked why the reasons for both amendments were identical. Mr. Hill stated that the costs from the vendors would be covered through the Operations Budget and the City would be reimbursed through the Agency Budget. It is a total of \$150,000 not \$300,000. Board Member Peryam asked if there could be two separate motions clarifying that there is a total of only \$150,000. Board Member Killean withdrew her motion. Board Member Peryam asked that the Agency Budget Amendment reasons be changed to state “will cover Operations Budget”. A motion was made by Board Member Peryam and seconded by Board Member Opella to approve the amendment to the FY2006 Operations Budget with an increase of \$150,000 for the reasons noted on the amendment. Motion put and carried. A motion was made by Board Member Killean and seconded by Board Member Opella to amend

the FY2006 Agency Budget with the amount of \$150,000 to cover the increases in the Operations Budget. Motion put and carried.

- b) Mr. Hill stated that the encumbrances were for the Agency budget only. They are for Capital items that won't be completed until FY2007. Mr. Hill requested the encumbrances be rolled over from the FY2006 Budget into the FY2007 Budget. A motion was made by Board Member Opella and seconded by Board Member Peryam to approve encumbrances numbered 1 through 5 as listed on the agenda for FY2006 Capital monies. Motion put and carried.
- c) Mr. Hill stated that the draft 10-year Capital Improvement plan has been worked on for some time. He reiterated that it was draft, as there will need to be discussion with the Board and that things may change after the Water Master Plan has been completed. He stated that years 1-3 are more accurate than 4-10. Chairman Bertoglio stated that this will eventually help to get the reserves in order for the rate model. Vice-Chairman King asked if the Water Master Plan was to be done the first of August. Mr. Hill stated that they requested that CEPI have zones 3 and 4 of Casper done by August and the rest will be done by October.
- d) Mr. Hill stated that he would like the Board to note one change that was made to the Operations Budget. He stated that the City Council will approve a 2.5% cost of living increase for City employees at tonight's Council meeting. He stated that everything else was the same. Board Member Peryam asked if the Operations Budget Personnel line items were for the Water Treatment Plant staff. Mr. Hill stated that was correct. A motion was made by Vice-Chairman King and seconded by Board Member Killean to approve the FY2007 Operations Budget pending final approval at the public meeting scheduled for June 29th. Motion put and carried.
- e) Mr. Hill stated that three changes have been made to the FY2007 Agency Budget. Mr. Hill asked the Board to reference page 2 of the Agency Budget, the Personnel line item. He stated that Mr. Garner's salary increased 2.5%, the same as the City of Casper employees. Board Member Peryam asked when Mr. Garner's contract expires. Mr. Garner stated that it expires January 31, 2007. Board Member Keffer asked if the Personnel line item was budgeted for a full year. Mr. Hill stated that there may be the possibility of a contract due to Phase 2 of the SCADA contract. Mr. Hill asked to Board to reference page 3 of the Agency budget. He stated that the Other Reimbursable Contract Expenses is the identical figure of the Operations Budget. Board Member Peryam stated that the percent of increase was different from the Personnel increase in the Operations Budget. Chairman Bertoglio stated that the increase for Personnel was minimal compared to the increases for Chemicals and Utilities. Mr. Hill stated that in order to get the agenda out to the Board, numbers had to be typed in on the Budgets, the percentages are not correct. Chairman Bertoglio stated that the numbers match from the Operations Budget to the Reimbursable line in the Agency Budget. Mr. Hill stated that on page 4 under Capital Replacement Technologies, \$50,000 was added to the SCADA Replacement for Phase 2. Mr. Garner stated that the increase was based on the difficulties seen in Phase 1 plus

the on-going price increases in technologies. He stated that anything not expended rolls back into the Capital funds. Chairman Bertoglio asked if System Development Charges could be used for the SCADA replacement. Mr. Hill stated that System Development Charges could only be used for system expansion. Chairman Bertoglio stated that Mr. McDonald could come at a later date, after it has been determined what amount is in the System Development Charges. Board Member Peryam asked that this item be placed on the agenda for a future meeting. A motion was made by Board Member Opella and seconded by Board Member Killean to approve the FY2007 Agency Budget contingent on the approval at the June 29th meeting. Motion put and carried.

- f) Mr. Garner stated that he used the Capital 10-year Plan and extended the rate model out to FY2010. He stated that currently, the Board has \$1.3 – 1.6 million in Capital. In FY10 the balance would be \$33,000 with the rate model showing transfers of \$100,000 into Capital. Mr. Garner cautioned the Board to pay close attention to what is spent and what is being transferred into Capital each year. He stated it will have a big impact on the years to come. Mr. Garner stated that the projected rate for FY07 is \$1.35 per thousand. He stated that this includes the \$150,000 amendment to the FY06 budget, no transfer to the General Reserve, no transfer to the Water Rights fund, and \$100,000 transfer into Capital which is required by the promissory note when the balance is under \$1 million. Mr. Garner stated that \$220,000 is coming out of Rate Stabilization to buy down the rate. Mr. Garner stated that the projected revenue is not increased from FY06 because it is unknown if it was an anomaly or not. He stated that he would rather be conservative with the numbers. Mr. Garner stated that the General Reserve fund shows a balance of over \$800,000. He also stated that the Board set a limit of \$500,000 for the General Reserve fund. Mr. Garner recommended to the Board that they transfer the excess from the General Reserve Fund into the Capital Reserve fund. Board Member Peryam asked why the rate is higher by 14 cents in the following year. Mr. Garner stated that it because of the Revenue Projection and Capital Expenses. He also stated that in the out years the rate is without Rate Stabilization funds. Mr. Garner stated that the excess revenue from the current year will go into Rate Stabilization unless the Board decides to parcel it out differently. Shortfalls come out of Rate Stabilization. Board Member Peryam asked if some of the excess from this year could be put into Rate Stabilization and Capital. Mr. Garner stated that was correct, transfers are made at the end of the Fiscal Year. Chairman Bertoglio asked if the rate showed a transfer into Capital for FY06. Mr. Garner stated that it did not. Chairman Bertoglio stated that with the excess this year it would be a good time to transfer funds to Capital. Chairman Bertoglio stated that it is proposed that the Board transfer \$100,000 to the Capital Construction fund, transfer \$225,000 from Rate Stabilization and ending with the rate of \$1.35 per thousand for FY07. Vice-Chairman King asked if the \$1.35 would bring the Board more coverage for the Capital in the out years. Mr. Garner stated that it would provide more coverage if it was not a really wet year, but that there should be some wiggle room. Chairman Bertoglio stated

that the increase in the rate is about a 2.5% increase. A motion was made by Vice-Chairman King and seconded by Board Member Peryam to accept the rate of \$1.35 per thousand effective July 1, 2006 pending approval at the June 29th meeting. Motion put and carried.

g) There was no Other Old Business.

10. New Business:

- a) Mr. Hill stated that the consent states that the Board will not oppose the Mills Change of Diversion to the Mills intake. He recommended that the Board approve the Chairman signing the consent. A motion was made by Board Member Peryam and seconded by Board Member Opella to approve the signing of the consent form for the Change in Point of Diversion for the Town of Mills. Motion put and carried.
- b) Mr. Hill stated that the State Engineer's Office wants detailed reports for diversions and depletions for the North Platte River. He stated that he has a meeting Thursday to get more information on how to report the information. Chairman Bertoglio asked Mr. Hill to inform the Board when more information is known.
- c) Mr. Hill stated that the developer for the Prairie Park Estates wants to construct a line from Pioneer transmission line to the development. He stated that he would like the Board's approval to connect to the line. Treasurer Bentley asked what it would do to the irrigation crossing. Mr. Hill stated that the 12" line will be owned and operated by the City of Casper. Board Member Peryam asked if the property was annexed into the City of Casper. Chairman Bertoglio stated that all except the first half mile which the developer doesn't own. A motion was made by Board Member Opella and seconded by Treasurer Bentley to approve the 12" connection to the Pioneer transmission line. Motion put and carried.
- d) Mr. Hill stated that the I-25 Access Industrial Park is located at the northeast corner of Amoco Road and I-25. He stated that the developer wants to develop an industrial area and is in need of water. Mr. Hill stated that a 12" line is required for fire flows, but that the City of Casper is going to request that the developer change it to a 16" line. Mr. Hill stated that the line would go down Bryan Stock Trail and in the future a booster would be installed by the McMurray Training Center to make redundancy in the system. Mr. Hill stated that the line would be owned and operated by the City of Casper. Board Member Peryam asked if the developer would be happy changing to a 16" line. Mr. Hill stated that the City of Casper would pick up the extra cost between a 12" and 16" line. Mr. Hill requested approval from the Board to make the connection of the 16" line for the I-25 Access Industrial Park. A motion was made by Board Member Opella and seconded by Board Member Killean to approve the 16" line connection to the RWS transmission line by the North Park Booster Station for the I-25 Access Industrial Park. Motion put and carried.
- e) Chairman Bertoglio stated that normally, the Board would elect officers for the new year at the June meeting. He stated that there are five Board Members that are running for something or for re-election. Chairman Bertoglio stated that the Board may change dramatically and it might be

better to wait until January when elections are over so signature cards will not have to be done twice. A motion was made by Board Member Peryam and seconded by Board Member Opella to keep the Officers of the Board the same as the last year. Motion put and carried.

11. There was no Other New Business.
12. In the Chairman's Report, Chairman Bertoglio stated that the next meeting will be held on June 29, 2006 at 9:00 a.m. to formally approve the FY07 Budgets and Rate. Chairman Bertoglio stated that he will not be available for the July 18th meeting. It was the consensus of the Board to skip the July '06 meeting unless something came up. They instructed Ms. Brown to send out a voucher listing for verbal approvals.

A motion was made by Board Member Opella and seconded by Secretary Padgett to adjourn the meeting at 1:32 p.m. Motion put and carried.

Chairman

Secretary
