

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

MEETING PROCEEDINGS

February 20, 2007

A public meeting of the Regional Water System Joint Powers Board (JPB) was held Tuesday, February 20, 2007 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 Peryam, Treasurer Bentley, Board Members Daubin, Fagan, Keffer and Schlager.

City of Casper - Bertoglio, Daubin, Fagan, Schlager, Philip Stuckert, David Hill, John Naquin, Janette Brown, Tim Rail, VH McDonald, Deca Wasson

Natrona County – Peryam

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 -

Central Wyoming Groundwater Guardian Team (CWGG) –

Others – Greg Fladagar – K2 News

The JPB meeting was called to order at 11:42 a.m.

1. In Announcements, Mr. Hill announced that after the meeting there will be an orientation session for the new Board members and other Board Members if they wish to attend.
2. Chairman Bertoglio asked for a motion to approve the minutes of the January 16, 2007 meeting. Motion made by Vice-Chairman King and seconded by Board Member Fagan to approve the minutes of the January 16, 2007 meeting.

Motion put and carried.

3. Mr. Hill asked the Board to reference the Voucher Listing handed out on this date. He stated that two additional vouchers had been added to the list and offered to answer any questions the Board might have on the vouchers. Mr. Hill recommended approval of the February 2007 vouchers. Chairman Bertoglio asked for a motion to approve the January 2007 vouchers. A motion was made by Secretary Peryam and seconded by Board Member Schlager to approve the February 2007 voucher list to include voucher numbers 6521 through 6531 in the amount of \$177,635.67. Board Member Schlager asked what the home office expense was. Chairman Bertoglio stated that in Mr. Garner's contract there was a home office expense of \$625 a month, but that for tax purposes the payment was delayed until Mr. Garner retired. Treasurer Bentley asked what ToolTime was. Mr. Hill stated that ToolTime is the work order software used at the plant. Secretary Peryam asked about the Explorer tune-up. Mr. Naquin stated that the check engine light was on due to a bad sensor that had to be changed out. Motion put and carried.

4. Mr. Hill stated that Mr. McDonald and Ms. Wasson from the City of Casper Finance Department were in attendance to help answer any questions the Board might have. Mr. Hill asked the Board to reference page 2 of the January 2007 Financial Statement. Mr. Hill stated that the Total Current Assets are \$1.3million over from last year due to increased water sales and the rate increase. Mr. Hill stated that on page 3 the Operating Revenue is \$3.4 million this year in comparison to \$3.1 million last year at this same point in time. Mr. Hill stated that under Operating Expenses paid to City of Casper it is \$1.25 million compared to \$1.028 million one year ago. Mr. Hill stated that this was due to the increased usage of chemicals and utilities for the increased water production. Mr. Hill also asked the Board to reference page 6. He stated that there was \$7.16 million in cash and investments compared to \$5.8 million last year. Mr. Hill turned the time over to the Board to ask any questions of Mr. McDonald and Ms. Wasson. Secretary Peryam asked Mr. McDonald if all the investments in the General Reserve were in the WGIF. Mr. McDonald stated that a majority of the investments were transferred from the certificates of deposit to the repurchase accounts in order to take advantage of the higher interest rates. Mr. Hill informed the Board to feel free to contact Mr. McDonald or Ms. Wasson if they had any further questions on the Financials. A motion was made by Board Member Fagan and seconded by Board Member Daubin to approve the January 2007 Financial Statement. Motion put and carried.

5. In the Operations update, Mr. Hill turned the time over to Mr. Naquin.

Mr. Naquin stated that there was a meeting with Automation and Electronics about the SCADA system. He stated that there have been people from A&E here at the plant for the past several days working on the SCADA. He stated that they currently have four boosters communicating and are making progress with the rest of the boosters and tanks. Mr. Naquin stated that he is finishing up the documentation for the LT2 regulations which must be completed by June 1. He stated that the Region has been chosen to participate in the UCMR2 testing which

will cost approximately \$8,000. Mr. Naquin stated that a new Operator has been hired and seems to be doing well at learning the operation of the plant. Mr. Naquin stated that the wind knocked out the repeater antennae this morning but there is a spare that is in the process of being installed. Treasurer Bentley asked why there was so much more water produced in January. Mr. Naquin stated that in the past 5.5 mgd was typical, but that he thinks that with the growth that is going on it has risen to just over 6 mgd. Mr. Hill stated that it was the same last year also. Board Member Fagan stated that it looks like usage was up for all the entities for January.

Mr. Hill turned the time over to Mr. Rail to give the Distribution Report. Mr. Rail stated that general maintenance is being done and that his crew has been working on air vacs and pumping out hydrants.

Chairman Bertoglio asked Mr. Naquin if there had been any comments from EPA about the Aerobic Spore testing. Mr. Naquin stated that testing is still being done, but there has not been any other communication.

6. There was no Public Comment.

7. Old Business:

- a) Mr. Hill stated that the February 1st streamflow forecast was 80% of normal for the North Platte River Basin. He stated that it is not the best of news but it did not trigger the Guernsey call on the river. He stated that March precipitation will tell if there will be a call placed in April. Chairman Bertoglio asked if the call is placed if there is a concern about Inland Lakes filling. Mr. Hill stated that is part of the equation, but many things are taken into account before a call is placed.
- b) Mr. Hill stated that the City of Casper is still in negotiations for the purchase of the Upper Rock Creek Reservoir. He stated that a contract for the purchase may be ready by the end of March or the first part of April. Secretary Peryam asked if with this purchase there will be enough water for April in the future. Mr. Hill stated that this is so. Board Member Daubin asked that if it is possible to get a storage right, would it extend the usage of the water. Mr. Hill stated that it would, but it would take an actual act of Congress to get the storage right.
- c) Mr. Hill stated that in December the RWS auditors brought up the need for surety bonds for Ms. Brown and the Board Treasurer. Mr. Hill stated that Ms. Brown is covered by theft insurance through the City of Casper and will not need to be bonded. Mr. Hill asked the Board to reference the copy of the Bond Covenant which states that the Board Officers shall be covered by a surety bond. Mr. Hill stated that he believed this has never been covered in the past and asked Ms. Brown for verification. Ms. Brown stated that this was covered by the Board's insurance for employee dishonesty, but that when there were no more employees that portion of the insurance policy went away. Secretary Peryam asked how this can be accomplished. Chairman Bertoglio asked if it needs to be done on an individual basis or a Board basis. Ms. Brown stated that it is done on an individual basis and that she has the application forms for the Board

Officers to fill out. She stated that the Board must decide on the amount for the surety bonds, which usually are \$25,000 to \$50,000. Board Member Fagan asked what the cost range for the bonds would be. Ms. Brown stated that the \$25,000 bond would be about \$150 for a year. Chairman Bertoglio asked if the bonds would need to be for the whole Board or only the Officers. Ms. Brown stated that the bonds are only needed for those Board Members who can sign on the accounts, which are the Officers. Vice-Chairman King asked if there is money available to purchase the bonds. Ms. Brown stated that there is money left in the line item for Insurance and Bonds. Chairman Bertoglio stated that since it takes two signatures for any transaction he believed that the smaller amount of \$25,000 for the surety bonds would be sufficient. A motion was made by Board Member Fagan and seconded by Board Member Schlager to purchase surety bonds in the amount of \$25,000 for each of the four Board Officers. Motion put and carried.

- d) Mr. Hill stated that last summer the State Engineer's Office tested the RWS wells for adjudication for the amount of water each well could produce. Mr. Hill asked the Board to reference the Groundwater Adjudication Attachment in their agendas. He stated that the wells are restricted to a maximum of 9,200 acre-feet average in any one year. Mr. Hill stated that there are concerns about these figures and a letter has been sent to the State Engineer's office. He stated that in the fourth paragraph of the letter it states that the groundwater wells are regulated like the surface water, but that the groundwater is much less expensive to treat. A request was made to raise the annual limits to 12,000 acre-feet per year. Mr. Hill stated that a reply has not been received as of yet from the State Engineer's Office. Mr. Hill stated that it is up to the Board's discretion as to whether or not to sign the adjudications or wait for an answer. Treasurer Bentley stated that she would rather wait for an answer before signing the adjudications. Chairman Bertoglio asked about the Gallery water rights. Mr. Hill stated that the Gallery is a surface water right. Chairman Bertoglio stated that EPA says the Gallery has to be treated like the surface water and not pumped like the groundwater or it is not to be used. Chairman Bertoglio stated that the Board will wait for an answer from the State Engineer's Office before signing the adjudications.
- e) There was no Other Old Business.

8. New Business:

- a) Mr. Hill stated that the Explorer was turned in by Mr. Garner at the end of January. Mr. Hill asked the Board what type of use the JPB had in mind for the Explorer. He stated that one of the current pickup trucks is wearing out and staff would like to replace the pickup with the Explorer. Mr. Stuckert stated that he asked that the Explorer be parked and not used until the Board made a decision on its use. Secretary Peryam asked if the old pickup is costing money to keep running. Mr. Naquin stated that it is quite old and wearing out. Secretary Peryam stated that she thought that it would be best to get rid of the truck and use the Explorer. Treasurer Bentley agreed with Secretary Peryam. Board Member Daubin stated that he concurred to

use the Explorer as long as possible or else sell both and get a new truck. Mr. Naquin stated that the Explorer would have more of a benefit since it can hold more passengers. A motion was made by Secretary Peryam and seconded by Treasurer Bentley to appropriately sell the Ranger and replace the use of the truck with the Explorer. Motion put and carried.

- b) Mr. Hill stated that he wanted to bring to the Board's attention that the current budget will be overrun and a budget amendment will need to be done in June. Chairman Bertoglio asked if the revenues are up along with the expenses. Mr. Hill stated that they are. Chairman Bertoglio stated that before the FY08 budget is approved, the reserves need to be more structured.
- c) Mr. Hill stated that the budget reallocations are required from the auditors. The reallocations are for Capital Expense items. He stated that the first reallocation is for pump replacements for the dewatering and decant pumps. He stated that money is available in the Electrical Breaker Replacement money since there was no need to use it. Mr. Hill stated that the second reallocation is for the HVAV boiler coil replacement by using left over Filter Valve monies. Mr. Hill recommended both reallocations for approval by the Board. A motion was made by Vice-Chairman King and seconded by Treasurer Bentley to approve the Budget Reallocation forms 2007-1 and 2007-2. Motion put and carried.

9. There was no Other New Business.

10. In the Chairman's Report, Chairman Bertoglio thanked Treasurer Bentley and Board Members Daubin and Keffer for showing up at the System Investment Charge meeting. He stated that good information was given out at the meeting. Treasurer Bentley asked when the next meeting would be. Mr. Hill stated that it would be in April. He stated that there was a handout and he would have copies sent out along with the minutes of the meeting when they are available.

Chairman Bertoglio stated that the March meeting is tentative at this point in time. He stated that the only big issue would be if a call is placed on the river and whether or not water would be available from Rock Creek. Mr. Hill stated that a temporary use permit is in the works and it should be finalized before April.

Secretary Peryam asked for an update on Mr. Garner. Chairman Bertoglio stated that Mr. Garner has retired and the last he knew he would be taking some time off and possibly working for CEPI.

Treasurer Bentley asked if there was anymore information on the Split Rock Project. Mr. Hill stated that the study has not been completed as of yet but that it will be \$60-70 million for the development of wells and pipeline to Casper. He stated that this was a very crude estimate and it is still a few years away.

Secretary Peryam stated that she is anxious to see what the reserves are, that she does not want to stockpile money and still raise rates. Chairman Bertoglio stated

that the new Rate Model hopefully will help the Board head in the right direction with the reserves and investments. Chairman Bertoglio stated that he does not think that the Board is in bad shape with the reserves right now.

A motion was made by Secretary Peryam and seconded by Board Member Fagan to adjourn the meeting at 12:42 p.m. Motion put and carried.

Chairman

Secretary

Paul C. Bertoglio

Barbara Peryam