

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

**MEETING PROCEEDINGS**

April 17, 2007

A public meeting of the Regional Water System Joint Powers Board (JPB) was held Tuesday, April 17, 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, Board Members Fagan, Keffer and Schlager.

**City of Casper** - Bertoglio, 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** – 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** -

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

**Others** – Steve Loftin – Tetral Corp.

The JPB meeting was called to order at 11:36 a.m.

1. In Announcements, Chairman Bertoglio stated that he had other issues to add to the agenda and would cover them in the Chairman's Report. He also announced that Board Member Daubin was absent and that Board Member Fagan has his proxy. Chairman Bertoglio also announced that Treasurer Bentley was absent and Jacob Quickel from Pioneer's Board has her proxy.

2. Chairman Bertoglio asked for a motion to approve the minutes of the February 20, 2007 meeting. Motion made by Secretary Peryam and seconded by Board Member Keffer to approve the minutes of the February 20, 2007 meeting. Motion put and carried.
3. Chairman Bertoglio asked for a motion to reaffirm the approval of the March 2007 vouchers. A motion was made by Vice-Chairman King and seconded by Board Member Schlager to reaffirm the approval of the March 2007 vouchers to include voucher numbers 6532 through 6537 in the amount of \$168,715.42. Motion put and carried.

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 April 2007 vouchers. Chairman Bertoglio asked for a motion to approve the April 2007 vouchers. A motion was made by Secretary Peryam and seconded by Board Member Schlager to approve the April 2007 voucher list to include voucher numbers 6538 through 6548 in the amount of \$217,398.15. Motion put and carried.

4. Mr. Hill asked the Board to reference page 2 of the Financial Report. He stated that in looking at the Current Assets the RWS is in very good shape. Mr. Hill stated that on page 3 at the very top, it shows that water sales are up by \$280 thousand above last year at this same time. He also stated that the Operating Expenses are up due to the water sales and costs associated with them. Mr. Hill asked the Board to reference page 6, Cash Equivalents. He stated that this is a crude approximation of what is in the accounts. He stated that a \$1 million Debt Service payment is due June 1<sup>st</sup>. Secretary Peryam asked where those funds come from. Mr. Hill stated that the funds will be in the Debt Service account to cover the payment. Secretary Peryam asked Mr. Hill to reference page 2 on the bottom. She asked why the Net Assets are down. Mr. Hill stated that this was due to accumulated depreciation. Chairman Bertoglio asked the board to reference page 6, Cash and Equivalents. He stated that Mr. McDonald and Ms. Wasson are present to go over a draft Reserve Policy later in the meeting. A motion was made by Vice-Chairman King and seconded by Board Member Fagan to approve the March 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 winter flows are staying steady at 5.5 – 6 mgd. He stated that the SCADA Phase I project is almost completed. Mr. Naquin stated that Automation is working on communications to get the fastest speed and that it is not in operation yet. Mr. Naquin stated that a contract for the SCADA Phase II should be brought before the Board soon. Mr. Naquin stated that he is finally finished with the Stage 2 and LT2 and EPA has accepted the grandfathered data and placed the RWS in bin classification of 1 for the surface water. He stated that the groundwater data was also accepted with additional testing for the GWUDI. Secretary Peryam congratulated Mr. Naquin on this accomplishment and asked what else is coming up with EPA. Mr. Naquin stated that the RWS was chosen to

participate in the UCMR2 testing for the next 3 years and that it will cost approximately \$5-8 thousand dollars. He stated that the Radon rule is coming also. Mr. Naquin stated that he is waiting on Energy Labs to be approved by EPA for the UCMR2 testing. Secretary Peryam asked how the aerobic spore testing is going. Mr. Naquin stated that another round of split samples will be done on the aerobic spores. The split samples will be sent to Clancy and to EPA. Mr. Naquin stated that e-coli testing has been done in conjunction with the aerobic spore testing. Vice-Chairman King asked if this is the same testing that was done in Washington. Mr. Hill stated that he did not think that Washington did aerobic spore testing. Mr. Naquin stated that Mindy Mohr with EPA in Denver has been very helpful. Secretary Peryam complimented Mr. Naquin on developing a good relationship with EPA personnel. Chairman Bertoglio stated that the Board will agree to one more round of split samples and then send a letter to EPA Headquarters and Mr. Burger, stating that the Board is tired of wasting money and unless he can prove that this is working it will end.

Mr. Naquin stated that staff is in the middle of getting the plant ready to start. He stated that Mr. Rail's crew has been helping and the surface plant is almost ready. Mr. Naquin stated that the boiler burner assembly is failing and it is not cheap. He stated that it will cost \$12,000 to replace the assembly or it will cost more later to replace the whole system. Mr. Hill stated that the SCADA Phase II for the plant and the wells should be able to be consummated by the May Board meeting so the monies could be encumbered from this year.

Mr. Hill turned the time over to Mr. Rail to give the Distribution Report. Mr. Rail stated that his crews have been helping with valve replacement at the plant and checking the air vacs. He stated that all hydrants will be serviced in June and all the entities will be informed before going into their areas.

6. There was no Public Comment.

7. Old Business:

- a) Mr. Hill stated that the April 1<sup>st</sup> streamflow forecast was 79% of normal for the North Platte River Basin. He stated that the State was close to having a call placed on the river, but one was not placed. Mr. Hill stated that the State is having problems of making up water for the Goshen County area. Every year the State has to make up 7800 acre-feet of water. The State has been purchasing Glendo water, but there is not enough water in Glendo this year. The State is also purchasing water from Rocky Mtn. Power and are interested in purchasing water from the Upper Rock Creek Reservoir.
- b) Mr. Hill stated that the existing recreation easements, etc. for Upper Rock Creek Reservoir are being finalized and should be completed by late May. Secretary Peryam asked if the City of Casper is purchasing the Reservoir and the Board is using the water, will the RWS have to reimburse the City of Casper for the water. Chairman Bertoglio stated no. He stated that there are a lot of details, and that he believes the RWS should participate in the cost of the SCADA to be hooked up to the Reservoir. Mr. Hill stated that there are some upfront improvements at the Reservoir,

including valve replacement. He stated that the City of Casper will be asking the WWDC for some grant/loan monies, but the request has to be approved by the Legislature. Mr. Hill stated that it will be at least 2009 before construction of the SCADA is started. Board Member Quickel stated that in previous Board minutes there was some concern about delivery of the water to the plant and asked if there was some sort of storage for the water. Mr. Hill stated that there will be a conveyance loss study done over the next couple of years to determine just how much water is delivered to the head gate at the plant. Chairman Bertoglio stated that the City of Casper will eventually try to get a storage right in Pathfinder, but that it takes an actual act of Congress. If this is successful, there will be water available if needed.

- c) Mr. Hill stated that in January the Board approved the surplus property sale of three Wardwell tanks and the Actiflo Pilot Plant. Mr. Hill stated that resolutions need to be adopted by the Board in order to finalize declaring the property surplus. Mr. Hill stated that lead paint and asbestos on the Bar Nunn tank will have to be removed before it can be taken down. A motion was made by Secretary Peryam and seconded by Board Member Quickel to approve Resolution 07-01 to declare the Actiflo Pilot Plant surplus property. Board Member Fagan asked if there was still a buyer for the Actiflo Pilot Plant. Mr. Hill stated that nothing more has been heard from the party that was interested. Motion put and carried. A motion was made by Vice-Chairman King and seconded by Board Member Quickel to approve Resolution 07-02 to declare the three Wardwell tanks located at the Wardwell Booster and the 100,000 gallon elevated Bar Nunn tank as surplus property. Motion put and carried.
- d) There was no Other Old Business.

8. New Business:

- a) Mr. Hill stated that Tetral Corporation Vice-President Steve Loftin is present at the meeting. Mr. Hill stated that Tetral Corporation wants to develop property between I-25 and West Yellowstone, which is completely in Wardwell's district. He stated that Tetral is requesting an 8" connection to the 16" RWS line and that no new meter would be required. Mr. Loftin stated that the RWS E-7 line does not have many taps. He stated that they are planning 10-15 industrial lots, but that they do not have the subdivision plan yet. Vice-Chairman King asked if there was going to be housing in any of the lots. Mr. Loftin stated that it was strictly industrial. He stated that the development is on Byrd Road and Midway by 71 Construction's hot plant. Secretary Peryam asked what size line is serving them now. Mr. Hill stated that it is a 16" line. Secretary Peryam asked what size taps are currently on the line. Mr. Hill stated that there are some ¾" up to 8" taps on the line. Chairman Bertoglio asked what growth boundaries the development lies in. Board Member Keffer stated that he thought it lies in Bar Nunn's boundaries. Chairman Bertoglio stated that if it is in Mills' boundary it might be good to send a courtesy letter to them. Board Member Fagan asked if the RWS is responsible for the construction of the tap. Mr. Hill stated that Tetral Corporation is

responsible for the tap being installed, and then Wardwell would be responsible for the tap and line. Board Member Quickel asked if a water pressure problem is foreseeable. Board Member Keffer stated no, that there is high pressure in the area. Chairman Bertoglio asked Mr. Hill if the Board needed to approve the tap before Wardwell approved it. Mr. Hill stated that this was correct. Secretary Peryam asked if Mills is involved in any way. Mr. Hill stated that he was unsure. Secretary Peryam stated that she liked Chairman Bertoglio's suggestion to send a courtesy letter to Mills. Mr. Hill asked Mr. Loftin if the platting had not been completed. Mr. Loftin stated this was correct. Mr. Hill stated that if it lays within Mills boundaries, it will have to be approved by them at the time the platting is approved. A motion was made by Board Member Quickel and seconded by Secretary Peryam to approve the Tetral Corporation request to place an 8" tap on the RWS line in the Wardwell District. Motion put and carried.

- b) Chairman Bertoglio stated that right now, the Board is not looking for definitive answers on the budget, reserves or rate. He stated that they all need to be tied together. Mr. Hill asked the Board to reference the draft budget papers in their agendas. Mr. Hill stated that there are three things that drive the Water Treatment Plant Operations Budget, which are electricity, personnel and chemicals. Mr. Hill stated that the Operations budget will have to be approved by the City Council because it is a reimbursement budget. Mr. Hill stated that the biggest increase in the budget is Chemicals. He stated that the Personnel totals include merit increases, but does not yet include any type of cost of living increase. Mr. Hill stated that there is a 7% increase in the Energy-Electricity line item. Mr. Hill stated that Operating Supplies increased to \$554 thousand, which is for the Chemicals. He stated that the price of chemicals increased, but also there is increased water usage and the loss of the Gallery has had a huge influence. He stated that 2 years ago surface water usage was 24% of total production and last year it was 34% of total production. Secretary Peryam asked how the charges for services and the chemical costs relate. Mr. Hill stated that the total on the bottom of page 2 is the total to be reimbursed to the City of Casper from the RWS. He stated that the increase that is for the chemicals is reflected in the total to be reimbursed. Vice-Chairman King asked if there would be a break on cost for larger orders of chemicals like in the past. Mr. Hill stated that there is a shelf life for the chemicals and storage is an issue also. He stated that the SeaQuest was the double order that was purchased in the past. Mr. Naquin stated that it was the shipping costs that were saved on the double order of SeaQuest.
- c) Mr. Hill asked the Board to reference the draft Agency Budget for FY08. Mr. Hill stated that the budget assumes no rate increase, and the grants may not go through the WWDC for the Airport Booster replacement. He stated that the Board could wait a few more years on the replacement of Airport Booster. Mr. Hill stated that under Expenses, there is no longer an employee of the RWS. He stated that

Travel & Training has gone down because there is no longer an employee, but there is some money for Board Travel & Training. Chairman Bertoglio asked if the Other Contractual was zero due to no need to purchase water. Mr. Hill stated that this was correct. Mr. Hill stated that on page 3 the Loan Payments are for the WWDC Loans and the Bond payments. He also stated that the Reimbursable Contract Expenses is the reimbursement to the City of Casper for operating the WTP. Mr. Hill stated that under Capital New, there is \$50 thousand for Security. In Capital Replacement Buildings, are the monies for the design for the Airport Booster, which might not happen. In Improvements Other Than Buildings, are monies for major equipment replacement, sand pumps, well pumps and well rehabilitation. In Technologies, monies will be encumbered from the current budget for the SCADA Phase II project assuming that the contract is consummated before the end of the year. Mr. Hill stated that the net fund is \$604,168 assuming that there are good water sales in May and June. Using the same criteria, the net fund would be \$712,423 next year. Chairman Bertoglio asked the Board to reference the anticipated System Investment Charge Revenue of \$350 thousand. He stated that the SIC have been collected for a while and can only be used for new capital.

- d) Chairman Bertoglio asked if anyone had a suggestion for the Choice Gas. Secretary Peryam stated that she thought the Board should look at the pass on rate. Chairman Bertoglio stated that he has been watching the prices and they have been coming down. A motion was made by Secretary Peryam and seconded by Board Member Schlager to stay with the pass on rate for Choice Gas. Chairman Bertoglio asked if the Board had been approached by any of the Choice Gas companies. Ms. Brown stated that they had not. Motion put and carried.
- e) Chairman Bertoglio stated that he had sat down with Mr. McDonald and gone through the Board's Reserves and after an agreement has been reached on the Reserve Policy, the reserves will be tied to specific Agency Budget line items. Chairman Bertoglio turned the time over to Mr. McDonald. Mr. McDonald asked the Board to reference the Draft Reserve Policy. He stated that the Reserve Policy is made up from required and recommended reserves. He stated that the required reserves would cover the Bonds and the State Loans. He stated that the recommended reserves are the General Operating Reserves and the Emergency Reserves and a rule of thumb is usually 15% reserve is adequate. An additional Reserve component is Capital Improvement Reserves. Mr. McDonald stated that this is where the System Investment Fees would go. He also stated that there would be the General Improvement Reserves which would be for the State Loans. Mr. McDonald stated that the Water Rights Reserves would be at the discretion of the Board. He stated that this would give the Board something to think about before the Policy is finalized. Board Member Fagan asked about the function of the Emergency Reserve. Mr. McDonald stated that if there is an interruption in service or a

disruption of revenues this would give the Board the cash flow it would need. He stated that it could replace the Rate Stabilization Reserve. Board Member Fagan asked if this would tie back to the budget. Mr. McDonald stated that it would. He stated that he would have more details later for the Board. Secretary Peryam asked Mr. McDonald to reference page 8bpage5, Undesignated Reserves. She asked if these funds could be placed in any fund. Chairman Bertoglio stated that they could be used for anything. He asked the Board if they wanted to specify what the minimum amounts for each reserve account should be. Secretary Peryam stated that she thought it would make it easier to have minimums when it comes time to set the rate. Chairman Bertoglio stated that some of the Reserves would have a moving target. He stated that the Debt Service has been a monthly transfer, but he would recommend one payment or a whole year transfer to be ahead of the payments. Chairman Bertoglio stated that this would be part of the Rate Model and would go in-hand with the Capital Improvement Plan. Secretary Peryam stated that she thought this would be a good thing for the Board.

9. In Other New Business, Chairman Bertoglio stated that refinancing of the bonds has come up. He stated that it is very straight forward and the interest would save the Board about \$75,000 a year. Chairman Bertoglio stated that if the Board is interested, he would have Mary Keating come for the next meeting. The Board agreed to have Ms. Keating come speak at the next meeting.

Secretary Peryam asked if the May meeting could be held at noon instead of at 11:30. Chairman Bertoglio stated that he would not be in the country the third week of May. Chairman Bertoglio suggested that the Board put off the next meeting until June so there is a better idea of how things are with production and end of the year budget numbers unless there is something critical that comes up.

Chairman Bertoglio stated that System Investment Charges have been collected for years and not much of the money has been used. He stated that Mr. Hill, Mr. Stuckert, Board Member Keffer and Mr. Brauer sat down and talked about the pressure problems that are going on out in Bar Nunn. He stated that he thought that the Board should participate in the building of a booster and additional tank which would end up being the Board's property. Chairman Bertoglio stated that the Board is being asked to contribute \$350 thousand. Chairman Bertoglio stated that Mr. Brauer stated that he thinks this would help with the Salt Creek Booster and the expansion of the RWS System. He stated that he thinks it is a worthwhile project. Vice-Chairman King asked if it would take anything away from Salt Creek. Chairman Bertoglio stated that it would not. Secretary Peryam asked if Wardwell was OK with this. Board Member Keffer stated that Wardwell is requesting the Board's involvement. He stated that Wardwell and Bar Nunn are putting up money and there is a 67% grant. Chairman Bertoglio stated that the cost may be lower when it is put out to bid. Secretary Peryam stated that she would like a request in writing from Wardwell with a requested amount. Chairman Bertoglio asked the Board if they conceptually think this is a good idea. It was the Board's consensus to participate and to wait for a written request.

10. In the Chairman's Report, Chairman Bertoglio stated that the May meeting will be cancelled and the next meeting will be held on June 19<sup>th</sup>.

A motion was made by Secretary Peryam and seconded by Board Member Keffer to adjourn the meeting at 12:55 p.m. Motion put and carried.

Chairman

Secretary

Paul C. Bertoglio

Barbara Peryam

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The Central Wyoming Regional Water System Joint Powers Board will hold their regularly scheduled public meeting on Tuesday, April 17, 2007 at 11:30 a.m. in the Joint Powers Board Conference Room, Regional Water Treatment Plant, 1500 SW Wyoming Boulevard, Casper, WY 82604.  
Publish: April 10, 2007 Legal No. 757016

**AFFIDAVIT OF PUBLICATION**

STATE OF WYOMING )  
COUNTY OF NATRONA)

I, the undersigned, being a person in the employ of the **Casper Star-Tribune**, a newspaper published in CASPER, NATRONA COUNTY, WYOMING, and knowing the facts herein set forth do so solemnly swear that a copy of the notice as per clipping attached was printed and published

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in the regular and entire issue of said newspaper, and not in any supplement thereof, for

1 non-consecutive

days

weeks

commencing with issue dated

April 10, 2007

ending with issue dated

April 10, 2007

Signed

Subscribed in my presence and sworn to before me this

24th day of APRIL 2007

Jeanette Saulsbury

