

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

**MEETING PROCEEDINGS**

June 19, 2008

A public meeting of the Central Wyoming Regional Water System Joint Powers Board (JPB) was held Thursday, June 19, 2008 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, Keffer, Fagan, and Schlager.

**City of Casper** - Bertoglio, Daubin, Fagan, Schlager, Gary Clough, David Hill, John Naquin, Brenda Hoffman, Tim Rail

**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 Groundwater Guardian Team (CWGG)** –

**Others** –

The JPB meeting was called to order at 11:37 a.m.

1. In Announcements, Mr. Hill introduced Ms. Hoffman, who is the Secretary at the WTP and is filling in for Ms. Brown at today's meeting. Mr. Hill stated that Ms. Brown had to have emergency back surgery on Monday and will be out of the office for the next month or longer.
2. Chairman Bertoglio asked for a motion to approve the minutes from the May 20, 2008 meeting. A motion was made by Board Member Schlager and seconded by

Secretary Peryam to approve the minutes from the May 20, 2008 meeting. Motion put and carried.

3. Mr. Hill asked the Board to reference the Voucher Listing handed out on this date. Mr. Hill offered to answer any questions and recommended approval of the Voucher Listing. A motion was made by Secretary Peryam and seconded by Treasurer Bentley to approve the June 2008 voucher list to include voucher numbers 6619 through 6622 in the amount of \$157,108.45. Motion put and carried.
4. Mr. Hill asked the Board to reference page 2 of the May 2008 RWS Financial Report. He stated that Revenues are down about \$160 Thousand compared to the same time last year. Mr. Hill stated that this was due to all the rain that has been received. Mr. Hill stated that the Operating Expenses will be under the budgeted amount for the current fiscal year and no year-end budget amendments are expected. Chairman Bertoglio asked for a motion to accept the May 2008 RWS Financial Report. A motion was made by Treasurer Bentley and seconded by Vice-Chairman King to accept the May 2008 RWS Financial Report. Motion put and carried.
5. In the Operations update, Mr. Hill turned the time over to Mr. Naquin.

Mr. Naquin stated that the surface plant was started last Friday. He stated that the highest production date so far was yesterday at 19mgd. Mr. Naquin stated that June is short 49 mg from the same time last year and the fiscal year is short 94 mg.

Mr. Naquin stated that the Distribution crew cleaned out the Caisson recharge channel a couple months ago, which improved groundwater production. Mr. Naquin stated that unfortunately, elevated levels of aerobic spores have been seen in the testing for EPA. Mr. Naquin stated that EPA is using aerobic spores as a surrogate for cryptosporidium. Mr. Naquin stated that Casper Well #6 results have been elevated, but nothing has been done to this well. He stated that he believes the results are elevated due to all the rain that has been received. Board Member Daubin asked what would be the cure for these elevated results. Mr. Naquin stated that EPA in Washington, D.C. wants the groundwater to be filtered, but Ms. Clancy, who is a microbiologist, stated that aerobic spores are not a good surrogate and turbidity should be used instead. Chairman Bertoglio stated that since aerobic spores are naturally occurring, it is difficult to determine where they are coming from. Mr. Naquin stated that giardia is larger than crypto and can be removed by filtration and both can be killed by ozonation. Chairman Bertoglio stated that no crypto or giardia have been found in the wells, but they have been found in the river.

Mr. Naquin turned the time over to Mr. Rail to give the Distribution Report. Mr. Rail stated that things are going well. He stated that all the RWS hydrants should be flushed by the end of the week.

Mr. Rail stated that there was a leak on 12 Mile and Poison Spider. He stated that

the County is installing more culverts in this area so this section of line will need to be lowered in order to provide more cover for the line. He stated that there is only 1-2 feet of cover on the line.

Mr. Rail stated that the sewer line by Mt. View School was also repaired recently.

6. There was no Public Comment.

7. Old Business:

a) Mr. Hill stated that at the end of each budget year, the Board must approve any encumbrances that are carried over into the next budget year. Mr. Hill asked the Board to reference the encumbrance for the Emergency Power Professional Services Contract and recommended approval of the encumbrance. A motion was made by Secretary Peryam and seconded by Treasurer Bentley to approve the encumbrance number RWS2008-1 for the WTP Emergency Power Study – Phase I by ARCADIS RMA in the amount of \$9,500. Motion put and carried.

b) Mr. Hill asked the Board to reference the Wholesale Water Rate sheet for FY09. He stated that he worked out several different scenarios for the Wholesale Rate. Mr. Hill stated that due to reduced water sales, the cost of living adjustment for the WTP employees and the reduction in the interest revenue the rate has increased. He stated that he used the water sales five-year average in the rate model. Mr. Hill stated that he also included the 6.5% cost of living increase that was approved by the Casper City Council at their meeting last Tuesday. Mr. Hill stated that the other impact to the rate is the Interest Earnings, which has decreased dramatically this year. Mr. Hill stated that the three scenarios show the FY09 Wholesale Water Rate as \$1.35, \$1.38 or \$1.40 per thousand gallons. Mr. Hill recommended going with the \$1.40 Wholesale Water Rate, which is a 3.7% increase. Mr. Hill reminded the Board that there was no rate increase last year, and the cost of living has gone up quite a bit. Mr. Hill stated that the other rate scenarios did not meet the minimum reserves. Board Member Peryam asked if it was still the case that the Board has too much money in reserves. Chairman Bertoglio stated that the monies in reserves are still there, but the Board still needs to meet the 1.1 coverage of the debt and cannot use the reserves for this coverage according to the Bond Covenants. Chairman Bertoglio stated that the Board is meeting the new Reserve Policy amounts. Vice-Chairman King stated that the Board must justify the rate increase to the public. Secretary Peryam asked if there was any way the Board could supplement the rate in order to bring it down a couple of cents. Chairman Bertoglio stated that the Board cannot take reserves to use for Operations, the rate must cover these expenses. Mr. Hill stated that the Board must remember that reserves will be going down in the next few years due to future capital projects. Secretary Peryam stated that if the Board has a capital project account then some of the undesignated reserves needs to be put in that account to cover upcoming capital projects. Board Member Daubin stated

that he does not understand why the rate model jumps a nickel and then stays that rate for the out years. Secretary Peryam stated that she was confused by this also and wondered if the rate should be adjusted by a penny or two each year. Mr. Hill stated that the out years would not stay at the projected rate on the rate model as conditions are so dynamic each year. Secretary Peryam stated that she felt the rate model should reflect this. Board Member Daubin stated that the Board needs to have some type of rate stabilization monies available. Chairman Bertoglio stated that the best rate stabilization available to the Board would be in two years when some of the Bonds are callable and can be retired as the Bonds are the biggest component in the rate model. Secretary Peryam stated that she felt there should be a rate stabilization fund that the Board can use to buy down the rate. Mr. Hill stated that the rate model exercise is completed annually because conditions change so much during the year. Vice-Chairman King asked if there was a way that the Board can access the undesignated reserves to use them for capital projects and rate stabilization. Board Member Fagan stated that he felt the undesignated reserves could be used for whatever the Board needed since they are undesignated. He also stated that he would like the rate model to reflect a modest rate increase in the out years. Secretary Peryam asked what the balance was of the capital reserves. Mr. Hill stated that the capital reserve balance is \$1.1 Million, which are the minimum replacement capital reserves required by the WWDC. Chairman Bertoglio stated that this balance would have to increase once the Wardwell tank and booster are completed. Treasurer Bentley stated that it would be easier to understand the replacement capital reserves if there were two accounts, one for the WWDC and one that the Board can use for projects. Secretary Peryam asked how much money is brought in for every penny on the rate. Mr. Hill stated that it is approximately \$38,000 for the entire year. Chairman Bertoglio stated that these monies are compounded each year. Chairman Bertoglio asked how dramatic of a difference would it make to have the rate \$1.38 per thousand. Mr. Hill handed out the rate model reflecting a \$1.38 rate. Board Member Fagan asked if was possible to have the rate model reflect a two cent increase yearly. Mr. Hill stated that this was possible. Chairman Bertoglio stated that he agreed with small rate increases yearly due to operating costs increasing yearly. A motion was made by Secretary Peryam and seconded by Board Member Fagan to increase the Wholesale Water Rate for FY09 by two cents to a \$1.37 per thousand gallons. Board Member Fagan asked Mr. Hill to provide a rate model to the Board that shows an increase of one - two percent per year. Motion put and carried with Board Member Daubin voting against.

- c) Mr. Hill stated that the only change from the draft Operations budget the Board saw at the last meeting is the cost of living increase of 6.5% for personnel that was approved by the Casper City Council. He stated that the total budget is \$2.45 Million for Operations. A motion was made by Secretary Peryam and seconded by Board Member Schlager to approve the Operations Budget for FY09. Motion put and carried.

- d) Mr. Hill stated that there are no changes to the Agency Budget except for the cost of living increase that is reflected in the Operations Reimbursement line item. A motion was made by Board Member Schlager and seconded by Vice-Chairman King to approve the FY09 Agency Budget. Motion put and carried.
  - e) Mr. Hill stated that negotiations are in progress with WYDOT for the West Belt Loop Road and the moving of the RWS transmission lines. He stated that there would be a meeting with WYDOT in the next couple of weeks to try to iron out some issues. Mr. Hill stated that he expects to bring a contract to the Board for approval by the August meeting.
  - f) In Other Old Business, Mr. Hill stated that at the last meeting Secretary Peryam asked what the WTP Emergency Response Plan states about power outages. Mr. Hill informed the Board that the Plan stated to rent generators. Mr. Hill stated that the Board is under contract with ARCADIS to determine what is needed for emergency power generation for the WTP. He also stated that the City Council approved funds in the Water Fund for an emergency portable generator that could be used for any of the booster stations in the system.
8. New Business:
- a) Mr. Hill asked the Board to reference the purchase agreement for Lot 5, Block 20, Stewart Addition. He stated that an agreement was reached to purchase the lot for \$18,870, not including closing costs. Mr. Hill stated that staff recommended the purchase of the property. He stated that there is still some legal work needed on the purchase agreement before it can be finalized. A motion was made by Treasurer Bentley and seconded by Board Member Daubin to purchase Lot 5, Block 20, Stewart Addition for the amount of \$18,870 (Eighteen Thousand, Eight Hundred Seventy Dollars). Motion put and carried.
  - b) Chairman Bertoglio stated that Ms. Keating-Scott has approached him again about refinancing the Bonds. He stated that he informed her that the Board decided to wait two years when some of the Bonds are callable and retire them.
  - c) Mr. Hill stated that the request for proposal for the Upper Rock Creek Reservoir Improvements Project is out to all the consultants. He stated that he, along with some of the Distribution crew and the engineer would be meeting with the consultants on site at the Upper Rock Creek Reservoir tomorrow. He stated that he fully expects that the City of Casper will award the contract in July or early August to the consultant. Mr. Hill stated that the construction contract would be bid out in early spring. Mr. Hill stated that this is a City of Casper project and the Board is providing the local share financing. He stated that with this in mind, it is very important to have a Board member on the engineer selection committee and requested that a Board member be part of this committee. Mr. Hill

stated that there would probably be a City Council member, a Regional Water Board member, a CPU Advisory Board member, plus staff on the selection committee. Mr. Hill stated that there would be quite a bit of time involved with this committee. Chairman Bertoglio stated that he would probably be on the committee as he is the Council Liaison for the CPU Advisory Board and requested that one of the non-City members of the Board also serve on the committee. Vice-Chairman King volunteered to serve on the selection committee.

Mr. Hill stated that the State Engineer's Office mandated that a conveyance loss study be completed on the Sweetwater River when the Upper Rock Creek Reservoir was purchased. He stated that the project was awarded by the Casper City Council to States West Water Resources to take place over the next two years.

- d) In Other New Business, Chairman Bertoglio asked the Board to reference the letter from Pioneer that was handed out today. He stated that Pioneer is looping a line and has no impact on the RWS system other than Pioneer is asking to connect back into the RWS Transmission line. A motion was made by Secretary Peryam and seconded by Board Member Schlager to approve Pioneer Water District to tap back in to the RWS transmission line after the planned loop. Motion put and carried.
9. In the Chairman's Report, Chairman Bertoglio stated that unless something comes up he saw no reason to have a meeting in July. He also stated that the Board should anticipate a call or email for the July Voucher Listing.

A motion was made by Vice-Chairman King and seconded by Board Member Schlager to adjourn the meeting at 1:09 p.m. Motion put and carried.

Chairman

Secretary

Paul C. Bertoglio

Barbara Peryam