

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

MEETING PROCEEDINGS

August 5, 2008

A public meeting of the Central Wyoming Regional Water System Joint Powers Board (JPB) was held Tuesday, August 5, 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 and Schlager. Board Members Keffer and Fagan were absent

City of Casper - Bertoglio, Daubin, Schlager, David Hill, Janette Brown, John Naquin, Tim Rail

Natrona County – Peryam

Salt Creek Joint Powers Board – King

Wardwell Water & Sewer District – Larry Forsberg

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 11:45 a.m.

1. In Announcements, Mr. Hill introduced Mr. Larry Forsberg from the Wardwell Water & Sewer Board who is attending for Board Member Keffer.

Chairman Bertoglio stated that Board Member Fagan resigned from the City Council and is no longer on the Regional Water Board. He stated that the City Council at their meeting tonight will be appointing new Council Member Tom

Walsh as a replacement until the end of the year.

2. Chairman Bertoglio asked for a motion to approve the minutes from the June 19, 2008 meeting. A motion was made by Vice-Chairman King and seconded by Secretary Peryam to approve the minutes from the June 19, 2008 meeting. Motion put and carried.
3. Chairman Bertoglio asked for a motion to reaffirm the verbal approvals of the July 2008 Voucher Listing. A motion was made by Treasurer Bentley and seconded by Board Member Schlager to reaffirm the verbal approval of the July 2008 voucher list to include voucher numbers 6623 through 6624 in the amount of \$107,407.73. Motion put and carried.
4. Mr. Hill stated that with it being the end of Fiscal Year 2008, there is no Financial Report at this time. Mr. Hill asked the Board to reference the Gallons Produced Report and the Water Rates Billed Report. He stated that at the end of FY08 Revenue is down approximately \$220 Thousand from June 2007. Mr. Hill stated that with Revenue down, Expenses are also down. He stated that he expects there will be a positive Net Cash Flow for the end of the budget year.
5. In the Operations update, Mr. Hill turned the time over to Mr. Naquin.

Mr. Naquin stated that the plant did not start until June 13th. He stated that from June 1st through today, production is 1.26 billion gallons compared to last year at the same time was only 1.23 billion gallons. Mr. Naquin stated that July was up 75 mg from last year and August so far is already 50 mg over last August. He stated that if August stays dry, production will be way over last August. Mr. Naquin stated that the plant is producing 23-25 mgd. Mr. Naquin stated that the plant is running well this summer.

Mr. Naquin stated that he received a letter that stated the price of the sodium hypochlorite will be increasing 25%. He stated that he has not heard from the supplier for the ferric as to whether or not it is increasing. Mr. Naquin stated that two trucks of ferric and one truck of sodium hypochlorite are being used each week. Mr. Naquin stated that the Natural Gas is expecting a 50% increase in price for this winter. Mr. Hill stated that the chemical suppliers have been very good at getting the deliveries to the plant each week. Mr. Naquin stated that one of the suppliers told him that they were not taking on any new customers in order to be able to get product to existing customers. He stated that the suppliers are asking for a week notice for a delivery.

Mr. Naquin stated that the daily production has been fluctuating drastically. He stated that the Operators will be pushing out 30mgd and then suddenly the tanks are full and the plant has to be throttled back. Mr. Rail stated that he believed this was due to all the contractors using water right now.

Mr. Naquin turned the time over to Mr. Rail to give the Distribution Report. Mr. Rail stated that the RWS hydrant flushing has been completed.

Mr. Rail stated that contractors are using tremendous amounts of water for dust control for the highway construction, hotel construction and all the dirt work being done in the Mesa V Addition. Secretary Peryam stated that she felt the contractors were doing a very good job with the dust control.

6. There was no Public Comment.

7. Old Business:

a) Mr. Hill stated that the funding agreement is between the City of Casper and the CWRWS for the upfront improvements for the Upper Rock Creek Reservoir. Mr. Hill stated that this is a City of Casper project in which the design will be started this fall with construction next spring. Mr. Hill stated that the Board approved the 33% Local Share funding in the FY09 Budget. He stated that this agreement is to transfer \$410,850 from the RWS to the City of Casper for this important project. Secretary Peryam asked if the Reservoir is going to be used immediately or in the future. Mr. Hill stated that the Reservoir has been used in the past before the City purchased water from it through a temporary use agreement. He stated that it will be used in the future when there is a call on the river. Mr. Hill stated that the water from the Reservoir can be used in the summer months, or it could be sold if not needed. Mr. Hill stated that it is one more water right to add to the portfolio. Secretary Peryam asked where the proceeds from selling the water go. Mr. Hill stated that they will go to the City of Casper since it owns the Reservoir. He stated that last year the State purchased water for agricultural use. Secretary Peryam asked how the 67% / 33% split in the cost of the Reservoir improvements was reached. Chairman Bertoglio stated that the City of Casper made a grant request to the WWDC for the project. He stated that the grant is for 67% and the Local Share contribution for the grant is 33%. Chairman Bertoglio stated that the City of Casper purchased the Reservoir for \$4.2 Million, without any contributions from the RWS, but all the Regional Water entities will be able to use the water. Chairman Bertoglio stated that the City is still looking into getting a storage right, but it takes an actual act of Congress. Board Member Daubin asked if the conveyance loss study for the Reservoir has been completed. Chairman Bertoglio stated that it is on-going. Mr. Hill stated that it is a two year project and will be segregated into irrigation and non-irrigation flows. A motion was made by Secretary Peryam and seconded by Treasurer Bentley to adopt the Upper Rock Creek Reservoir Improvement Project Funding Agreement between the City of Casper and the CWRWS as presented. Motion put and carried.

b) Mr. Hill asked the Board to reference the Utility Agreement between the Regional Water System Joint Powers Board and the Wyoming Department of Transportation that was handed out on this date. Mr. Hill stated that there was a meeting with WYDOT last Friday. He stated that WYDOT had refused to fund the relocation of the line in Poison Spider Road. Mr. Hill stated that CEPI came up with two different options. The first option

was to not replace the line in Poison Spider Road. The second option was to relocate the line in the new Poison Spider Frontage Road. Mr. Hill stated that WYDOT will include in their project the line in the new Poison Spider Frontage Road if the RWS pays to WYDOT \$105 Thousand. Chairman Bertoglio asked who was paying for the Robertson Road line relocation. Mr. Hill stated that WYDOT is including it in their project as Robertson Road is closer to the West Belt Loop Road than Poison Spider Road. Mr. Hill stated that the Board approved \$120 Thousand in the FY09 Budget for the I-25 and 20/26 line replacement. Mr. Hill stated that this has been removed from this phase of the project and these funds could be used for the Poison Spider line relocation. Chairman Bertoglio asked if this included engineering costs. Mr. Hill stated that it does. Mr. Hill stated that WYDOT intends to bid out Phase I in December. Mr. Hill recommended approval of the agreement contingent upon final attorney review and approval. Secretary Peryam asked Mr. Hill for clarification on the strikethroughs on page 4 of the agreement. Mr. Hill stated that all construction will be done by WYDOT and the design for the line relocation and inspection of the water line installation will be done by the engineer for the RWS. A motion was made by Secretary Peryam and seconded by Vice-Chairman King to approve the Agreement for Adjustment of Facilities Project N212084 between the RWS and WYDOT contingent upon final attorney review and approval. Motion put and carried.

- c) Mr. Hill stated that the contract for professional services with CEPI is for design and construction inspections for the water line installation on Robertson Road and Poison Spider Road. Mr. Hill stated that comments have been received by Mr. Chapin and some minor changes will need to be made. Mr. Hill asked the Board to reference page I-2 where it lists the funding for the project. Mr. Hill stated that the total project cost would be approximately \$1.336 Million with funding supplied by WYDOT and the Owner. Secretary Peryam asked that the phrase “the Owner’s share of the funding will be \$105,000” be added in the contract. Mr. Hill stated that it would not be a problem to have that inserted in the contract. Mr. Hill stated that on page I-8 the costs for the compensation under paragraph 3, is \$154,200. He stated that this cost includes the design and construction observation. Mr. Hill stated that these fees are totally reimbursable by WYDOT. Mr. Hill stated that CEPI was selected due to the fact that they have the most expertise on the existing water mains in the area. Mr. Hill recommended approval of the professional services contract between the RWS and CEPI in the amount of \$154,200 subject to final approval by the RWS attorney. A motion was made by Secretary Peryam and seconded by Treasurer Bentley to approve the professional services contract between the RWS and CEPI in the amount of \$154,200 subject to final approval by the RWS attorney. Secretary Peryam stated that on page I-8 under compensation, it states paid by Owner but does not state that it is refunded to the Owner by WYDOT. Mr. Hill stated that this is due to the fact that CEPI has the contract with the RWS, and the RWS has the contract with WYDOT. He stated that CEPI does not work directly with WYDOT.

Chairman Bertoglio stated that there are two additional projects in the back of the packet and asked if they are included in the contract. Mr. Hill stated that when the packets were sent out, he had not yet met with WYDOT. He stated that Exhibit A Option 1, Exhibit B, Exhibit C, Poison Spider Realignment Option 1, Prairie Park Estate, and 20/26 connection are all out of the contract. Motion put and carried.

- d) Mr. Hill stated that last year the Board declared the Actiflo Pilot Plant surplus property and put it out for bid. He stated that there were no bidders. Mr. Hill stated that because there were no bidders, the Board is free to negotiate with anyone interested in purchasing the Pilot Plant. Mr. Hill stated that Mr. Naquin has been approached by the City of Anacordis, Washington to purchase the Actiflo Pilot Plant. He stated that the current book value is \$88,000 and Anacordis has offered \$55,000 plus shipping costs. Mr. Hill asked the Board for conceptual approval to sell the Actiflo Pilot Plant to Anacordis for \$55,000 plus shipping costs. A motion was made by Secretary Peryam and seconded by Board Member Schlager to approve selling the Actiflo Pilot Plant to the City of Anacordis, WA for the amount of \$55,000 plus shipping costs. Vice-Chairman King asked why it was purchased in the first place. Mr. Naquin stated that it was going to be used to make changes to the operations of Actiflo, and then money ran out and it was never put into service. Motion put and carried.
- e) Mr. Hill stated that Wardwell is in negotiations with McMurray for the land purchase for the booster and tank. He stated that they should have the permit from DEQ within the next couple of weeks and go out to bid for the booster and tank around August 18th. Mr. Hill stated that the WWDC mandated that both projects must be bid at the same time. Mr. Hill stated that ultimately the RWS will be owner of the tank and booster once they are completed. Mr. Hill stated that all together it is a \$4.6 Million project.
- f) In Other Old Business, Vice-Chairman King asked if there was any further contact from BB Brooks, Antelope Hills or Homa Hills for water. Mr. Hill stated that there has not been any other contact from any of these entities. He stated that he is sure the Board will hear from them sometime in the future.

8. New Business:

- a) Mr. Hill stated that ever since the RWS went to chloramines in 2000, there have been nitrification issues in the transmission/distribution system. Mr. Hill stated that nitrification uses up the chlorine and leaves the ammonia which turns in to nitrates and nitrites. This then uses up the disinfectant in the water. He stated that this mainly happens during the summer when the water temperature rises. Mr. Hill stated that the water is monitored for nitrification indicators. He stated that when nitrification is discovered in the system, the tanks have to be dumped and the lines flushed in order to bring up the residual and get rid of the nitrification. Mr. Hill stated that

approximately \$20,000 a year is spent on dumped water and personnel costs due to nitrification. Mr. Hill stated that a nitrification study would take the data from the current year and from years past and analyze it. Mr. Hill stated that the contract is with CH2M HILL, who can give some guidance on operations, whether or not different disinfectants are needed, etc. Mr. Hill stated that the nitrifier bacteria are harmless to humans, but it does use up the disinfectant residual in the water. Mr. Hill stated that the contract is for \$59,000 and there was \$75,000 budgeted. Mr. Hill stated that CH2M HILL designed the RWS system and is more experienced with this type of study. Vice-Chairman King asked how long it would take to complete the study. Mr. Hill stated that a final report should be completed by December or January. Chairman Bertoglio asked if the study would only be the analyzing of data that has been collected. Mr. Hill stated that this is most of the study, but there will probably be more testing that will be required as part of the study. Mr. Hill stated that nitrification is a problem throughout the United States and unfortunately there is not a single answer that will cover every system. Mr. Hill stated that Cheyenne does not have a problem with nitrification, but they do not have storage tanks either. Mr. Naquin stated that they also use chlorine dioxide. Chairman Bertoglio asked if CH2M HILL's upfront knowledge is worth the price. Mr. Hill stated that he believed so. Chairman Bertoglio asked if the contract was for the amount not to exceed \$59,000. Mr. Hill stated that this was so. Mr. Hill stated that the Board could go another few years of doing what they are doing now. A motion was made by Board Member Schlager and seconded by Vice-Chairman King to approve the professional services contract with CH2M HILL for the nitrification study. Motion put and carried.

Secretary Peryam left the meeting at 1:18 p.m.

- b) There was no Other New Business.
- 9. In the Chairman's Report, Chairman Bertoglio stated that unless something comes up he saw no reason to have a meeting in September. Mr. Hill stated that the Board should anticipate a Voucher Listing in a week or so for the August vouchers.

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

Chairman

Secretary

Paul C. Bertoglio

Barbara Peryam