

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

**MEETING PROCEEDINGS**

November 17, 2009

A public meeting of the Central Wyoming Regional Water System Joint Powers Board (JPB) was held Tuesday, November 17, 2009 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 Schlager, Treasurer Bentley, Board Members Brauer, Holloway, Keffer and Opella.

**City of Casper** - Bertoglio, Schlager, Brauer, Holloway, Gary Clough, David Hill, Janette Brown, John Naquin, Tim Rail, V.H. McDonald

**Natrona County** – Opella

**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)** – Floyd Field

**Others** – Roxy Skogen – Lovelett, Skogen & Associates, P.C.; Dennis Obert – Dempsey Acres Resident

The JPB meeting was called to order at 11:35 a.m.

1. There were no Announcements.
2. Chairman Bertoglio asked for a motion to approve the minutes from the September 15,

2009 meeting. A motion was made by Board Member Opella and seconded by Board Member Keffer to approve the minutes from the September 15, 2009 meeting. Motion put and carried.

3. Chairman Bertoglio asked for a motion to reaffirm the approval of the October 2009 vouchers. A motion was made by Board Member Opella and seconded by Secretary Schlager to reaffirm the approval of the October 2009 voucher list to include voucher numbers 6704 through 6709 in the amount of \$221,582.65. Motion put and carried.

Mr. Hill asked the Board to reference the November 2009 voucher listing in their packet. He stated that the WWDC loan payments and the Bond payment are due this month. Chairman Bertoglio asked for a motion to approve the November 2009 vouchers. A motion was made by Treasurer Bentley and seconded by Board Member Opella to approve the November 2009 voucher list to include voucher numbers 6710 through 6715 in the amount of \$1,388,876.02. Motion put and carried.

4. Mr. Hill asked the Board to reference page 2 of the October 2009 Financial Report. Mr. Hill stated that water sales were down considerably in 2009 compared to 2008. Mr. Hill stated that this was the lowest water production from July – September in the last twenty-five years. He stated that this was due to the cool, wet summer. Chairman Bertoglio asked if the fiscal year to date numbers were still a positive income. Mr. Hill stated that they were. Chairman Bertoglio asked the Board to reference page 5 of the report. He asked if Lakeview was consistently this far behind or if this was something new. Mr. Hill deferred to Ms. Brown. Ms. Brown stated that this was something new for Lakeview. She stated that attempts have been made to contact Lakeview representatives, but the contact numbers are no longer valid. Chairman Bertoglio asked if a letter needed to be sent. Ms. Brown stated that a letter requesting updated contact information was sent out last week, but a reply had not been received yet. A motion was made by Board Member Opella and seconded by Secretary Schlager to approve the October 2009 Financial Report. Motion put and carried.

5. Chairman Bertoglio turned the time over to Mr. Naquin for the Operations Update.

Mr. Naquin stated that the surface plant was turned off the last week in September. He stated that historically it has not been shut off until October. Mr. Naquin stated that since the well recharge channels were cleaned, the wellfield capacity has increased. He stated that with the increase in capacity, the wells are able to meet demand.

Mr. Naquin stated that there has been some nitrification taking place in the system, which is normal this time of year. He stated that Midwest has been flushing large amounts of water due to nitrification. Mr. Naquin stated that CH2M HILL recommended relocating the ammonia injection line to help with the formation of monochloramines. He stated that staff is currently investigating possible new locations for the ammonia injection point.

Mr. Naquin stated that now that the surface plant has been turned off, the WTP maintenance staff is busy cleaning the Actiflo units and the filters.

Mr. Naquin stated that he is in the process of modifying the monthly water rights report to reflect changes in reporting. Mr. Hill stated that the Board of Control granted the alternate point of diversion change for the Gallery. He stated that the Board of Control granted the change to the surface plant and to eight wells. Chairman Bertoglio asked how much water this change added to the groundwater. Mr. Hill stated it added 7 MGD.

The time was turned over to Mr. Rail for the Distribution Report.

Mr. Rail stated that his crews have been doing general maintenance on the RWS transmission system. He stated that the Sandy Lake tank had to be drained due to nitrification. Chairman Bertoglio stated that he received a call from the newspaper and asked if the flushing being done is the same flushing that is done every year. Mr. Hill stated that it was.

The time was turned over to Mr. Floyd Field for an update on the Groundwater Guardians.

Mr. Field asked the Board to reference the map showing the groundwater testing area. He stated that the Groundwater Guardians have been testing this area for Nitrates and Nitrites. Mr. Field stated that the homes in this area have septic systems, and there is a mobile home park near this area with fifty homes on a septic system. Mr. Field stated that the maximum contaminate level for nitrates is 10 mg/l. He stated that the nitrate level at site 5 was 11.5 mg/l in January; and 15 mg/l in June. Mr. Field stated that the nitrate levels at site 2 were 16.7 mg/l in January; and 17.8 mg/l in June. Vice-Chairman King asked if this entire area is on septic systems. Mr. Field stated that it is. Vice-Chairman King asked if there were any regulations for septic systems. Mr. Field stated that the County has regulations on septic systems. He stated that this area is a wellhead protection area and the septic systems must not impact the water shed. Mr. Hill stated that the 1981 Wastewater Facilities Plan includes facilities that were to be built by the 201 Regional Wastewater System in the area. He stated that these facilities included a lift station in Dempsey Acres. Vice-Chairman King asked what the process was to get sewer in the area. Mr. Hill stated that this area is in the Mills growth boundary. Board Member Holloway asked what the health risks were of too much nitrates in the water. Mr. Hill stated that it can cause "Blue Baby" syndrome, where the body cannot absorb oxygen. Board Member Opella asked who to contact at DEQ about this issue. Mr. Field stated that calls could be made to the local DEQ office. Mr. Obert stated that Countryside Court and another mobile home park on Chamberlain Road were both supposed to do something about the septic systems per DEQ. He also stated that DEQ did shut down a couple of mobile home parks in the area because of contaminated groundwater. Mr. Hill stated that the increased nitrates in Dempsey Acres have not had a major effect on the RWS wellfield yet. Chairman Bertoglio thanked Mr. Field and Mr. Obert for all the work the Groundwater

Guardians have done regarding testing and public education.

6. There was no Public Comment.

7. Old Business:

- a) Chairman Bertoglio turned the time over to Mr. McDonald for discussion concerning the Investment Manager RFP. Mr. McDonald stated that six responses were received for the Investment Manager RFP. Mr. McDonald stated the he was looking for Board participation to review and choose applicants for interviews. Chairman Bertoglio stated that he would like to have Treasurer Bentley, Board Member Brauer and himself on the committee. Mr. McDonald passed out the RFP packets to these Board Members and stated that he would set up a meeting for the Board Members to discuss the applicants.
  
- b) Mr. Hill stated that the Board has discussed the WTP Emergency Power Project several times. Mr. Hill stated that there is currently no emergency power for the WTP or the wells. Mr. Hill stated that last winter the Board had a consultant, ARCADIS, conduct a study and determine costs to implement emergency power. Mr. Hill stated that exhibit "B" of the memo in the agenda packet shows the water systems around the State with emergency power. Mr. Hill stated that Mr. Clough and Mr. Naquin are available to answer any questions. Mr. Hill stated that staff is looking for a decision today. Chairman Bertoglio asked how many systems in the State are pressurized and have emergency power. Mr. Hill stated that Cheyenne and Buffalo are both gravity fed systems. Board Member Brauer asked if the emergency power will cover the WTP and the wells. Mr. Hill stated that it depends on which option the Board chooses. He stated that staff recommends the 2800 KW generator. Chairman Bertoglio asked what this project will do to the wholesale water rate. Mr. Hill stated that he had not run the rate model, but there is enough money in Reserves to pay for the project, or the Board could apply for a 2.5% loan from the Office of State Lands and Investments. Chairman Bertoglio asked how much additional work the generator will cause for Operations. Mr. Hill stated that the generator will take maintenance and exercising. Mr. Clough stated that generators have come a long way in the last twenty-five years. He stated that as long as they are maintained they will last for years. Chairman Bertoglio asked if the excess power could be sold back to Rocky Mountain Power. Mr. Clough stated that he did not think so, but the generator could be used during peak demand. Board Member Brauer asked if staff looked at wind generation as backup power. Mr. Clough stated that wind generation is not a viable backup for the WTP. A motion was made by Board Member Holloway and seconded by Board Member Opella to go forward with staff's recommendation for the \$1.8 Million WTP Emergency Power Project. Motion put and carried.

A motion was made by Board Member Opella and seconded by Secretary Schlager to finance the WTP Emergency Power Project with a 2.5% 20-year

loan from the Office of State Lands and Investment Board. Motion put and carried.

Chairman Bertoglio asked for a motion to approve resolution 09-03 authorizing the submission of an application to the State Loan and Investment Board for a \$1,800,000 2.5% 20-year loan for the purpose of the Central Wyoming Regional Water System Emergency Power Project. A motion was made by Board Member Opella and seconded by Secretary Schlager to approve resolution 09-03 authorizing the submission of an application to the State Loan and Investment Board for a \$1,800,000 2.5% 20-year loan for the purpose of the Central Wyoming Regional Water System Emergency Power Project. Mr. Hill stated that this project is on the DEQ Intended Use Plan. Motion put and carried.

c) There was no Other Old Business.

8. New Business:

a) Chairman Bertoglio turned the time over to Ms. Skogen to discuss the Fiscal Year 2009 annual audit.

Ms. Skogen stated that the audit went very smooth this year. She stated that there were no problems and she appreciated the assistance from Ms. Brown and Ms. Taft. Ms. Skogen asked the Board to reference page 10 of the FY09 RWS Audit. Ms. Skogen stated that there was a 2¢ increase in the water rate from 2008 to 2009. She stated that System Investment Charges were down, and there was a 10% increase in Operational costs due to increases in chemicals. She stated that there was \$500,000 in cash expended during the year. Ms. Skogen stated that there was a loss of \$286 Thousand in FY2009. Ms. Skogen stated that she made two adjustments during the audit process. She stated that the first was the Actiflo Pilot Plant. She stated that at the point that the Board made the decision to sell the Pilot Plant and was unable to, then decided to sell it for scrap the asset was no longer depreciated and wrote down to \$2,000. Ms. Skogen stated that on page 9, Net Assets were down \$1 Million due to depreciation. She stated that the Board paid down \$800 Thousand on debt. Ms. Skogen asked the Board to reference page 24, Other Adjustment. She stated that this is where the new reserve policy is reflected. Ms. Skogen stated that there will be new accounting policies in the future which will change the designation of reserves in future presentations. Board Member Brauer asked if all the funds will show as restricted with the new accounting policies. Ms. Skogen stated that they will. Chairman Bertoglio thanked Ms. Skogen for her presentation. A motion was made by Vice-Chairman King and seconded by Board Member Keffer to accept the FY09 RWS Audit. Motion put and carried.

b) Mr. Hill stated that in 2001, the Board approved a policy to purchase items less

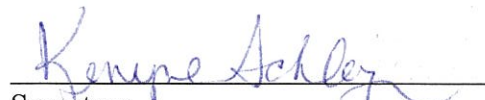
than \$5,000. Mr. Hill stated that he felt it necessary to have a policy for items \$5,000 - \$20,000 because a lot of equipment that is purchased is high dollar and must be purchased immediately without waiting for a Board Meeting. Mr. Hill stated that the policy before the Board is similar to the policy that is in place for the City of Casper in that the City Manager has the authority to authorize a purchase or a contract up to \$20,000. Mr. Hill stated that staff would try to get three quotes, unless it is a sole source purchase, before asking for written authorization for the purchase from the Chairman, and then submit the invoice through the normal acquisition procedure. Board Member Opella stated that someone needs to be able to justify sole source purchases to the Board. Mr. Hill stated that in the past, staff has come to the Board with sole source purchases. Treasurer Bentley stated that the Board was set up to maintain control of expenditures and she felt that the Board should make the decision on purchases. She stated that she felt that the decision on expenditures up to \$20,000 was being taken away from the Board. Vice-Chairman King stated that he agreed with Treasurer Bentley. Mr. Hill stated that this would not be used for normal procurement, only for emergencies. Treasurer Bentley stated that staff can get approval from the Board in less than a day by phone or email. Mr. Hill stated that any meeting of the Board must be advertised in the newspaper. Board Member Opella asked if the Board would accept having the Chairman and Vice-Chairman approve emergency purchases. Treasurer Bentley stated that if two members of the Board are contacted it would be just as easy to contact all the members. Board Member Brauer stated that it would be a violation of the law if a quorum of the Board meets without notification. Secretary Schlager stated that she supports the policy for emergency purchases with approval from the Chairman. Board Member Brauer stated that he felt it needs to be stated in the policy that any purchases will be reaffirmed at the next Board meeting. Board Member Holloway stated that the policy does not mention emergency purchases. Secretary Bentley stated that she is concerned about the process as it seems the Board will have no control of purchases. She stated that an emergency needs to be clearly defined. A motion was made by Board Member Opella and seconded by Secretary Schlager to change the policy to read "Central Wyoming Regional Water System Water Treatment Plant Emergency Purchasing Process for items under \$20,000. Board Member Holloway stated that some ground rules as far as what constitutes an emergency should be included. Motion put and carried. A motion was made by Treasurer Bentley and seconded by Board Member Opella to table the approval of the policy until guidance is received by the Board attorney, and there are guidelines as to what constitutes an emergency. Mr. Hill stated that a few years ago the State Legislature realized there were problems with the \$5,000 limit and changed the law to \$20,000. Motion put and carried. Mr. Hill stated that he will have a discussion with Mr. Chapin and have him attend the next Board meeting.

c) In Project Updates:

- i) Mr. Hill stated that the wetlands issues with the West Belt Loop Road project have been taken care of. He stated that there are now land procurement issues.
  - ii) Mr. Hill stated that the Evansville WWDC level II study was preliminarily approved by the WWDC. He stated that the study will look at Evansville joining the Regional Water System. Mr. Hill stated that Mr. Mike Purcell of WWDC wants to meet with the Board this summer. Mr. Hill stated that the Level 3 application for the Evansville booster was rejected. He stated that the emergency connection to the City of Casper/Regional Water System was also rejected after much discussion by the WWDC and Select Water Committee.
  - iii) Mr. Hill stated that the Wardwell Zone IIIB booster and tank are ready to go. He stated that start up was in progress. Mr. Hill stated that the lines are being flushed and the tank will be ready to fill after Thanksgiving. He stated that both the booster and tank should be on-line mid-December.
  - iv) Mr. Hill stated that an agreement with the land owner to purchase land at the Upper Rock Creek Reservoir has been tentatively reached. He stated there was a pre-bid meeting in October and the project should go out for bid after the first of the year.
- d) There was no Other New Business.
9. In the Chairman's Report, Chairman Bertoglio stated that the Board should not plan on a meeting in December. He stated that the committee for the Financial Advisor should have a recommendation for a January meeting.

A motion was made by Board Member Opella and seconded by Board Member Keffer to adjourn the meeting at 1:12 p.m. Motion put and carried.

  
Chairman

  
Secretary