

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

MEETING PROCEEDINGS

July 20, 2010

A public meeting of the Central Wyoming Regional Water System Joint Powers Board (JPB) was held Tuesday, July 20, 2010 at 11:30 a.m., in the Joint Powers Board Conference Room, Regional Water Treatment Plant, 1500 SW Wyoming Boulevard, Casper, WY.

Board Members Present - Chairman Bertoglio, Secretary Schlager, Treasurer Bentley, Board Members Brauer, Holloway, Opella and Keffer. Vice-Chairman King was absent.

City of Casper - Bertoglio, Brauer, Holloway, Gary Clough, David Hill, Janette Brown, John Naquin, Tim Rail

Natrona County – Opella

Salt Creek Joint Powers Board –

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 – Charlie Chapin – Crowell & Chapin;

The JPB meeting was called to order at 11:47 a.m.

1. In Announcements, Chairman Bertoglio stated that Vice-Chairman King was absent due to medical tests.
2. Chairman Bertoglio asked for a motion to approve the minutes from the June 15, 2010 meeting. A motion was made by Board Member Opella and seconded by Board Member Holloway to approve the minutes from the June 15, 2010 meeting. Motion put and

carried.

3. Mr. Hill asked the Board to reference the July 2010 voucher listing handed out on this date. He stated that voucher 6766 for the nitrification control mixer was added to the listing. Mr. Hill recommended approval of the vouchers. Chairman Bertoglio asked for a motion to approve the July 2010 vouchers. A motion was made by Board Member Opella and seconded by Secretary Schlager to approve the July 2010 voucher list to include voucher numbers 6763 through 6766 in the amount of \$181,515.76, with voucher 6765 to be considered later in the meeting. Motion put and carried.
4. Mr. Hill stated that due to the end of the fiscal year, the monthly financial compilation report is not available. Mr. Hill stated that once the report is finalized by Finance, the report will be emailed to the Board. Mr. Hill stated that this was the lowest amount of yearly water production since the RWS started operating thirteen years ago. He stated that production was approximately 295 Million gallons less than last year.

A motion was made by Board Member Opella and seconded by Board Member Keffer to approve the June 2010 Financial Report. Motion put and carried.

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

Mr. Naquin stated that June 2010 production was short 12 MG compared to June 2009. He stated that July 2010 is currently 66 MG over July 2009.

Mr. Naquin stated that the surface plant is running very heavy right now. He stated that with the river stage at such a high level, 2/3's of the wellfields were shut down as a proactive approach because of the aerobic spore testing and EPA requirements. Mr. Naquin stated that the surface plant has to make up for the shortfall of the wells. Mr. Naquin stated that the highest day so far has been 26 MGD. Mr. Naquin stated that the surface plant has not been run this hard; however, it has the capacity of meeting the demand so far. Chairman Bertoglio asked what the maximum capacity of the surface plant was. Mr. Naquin stated that the surface plant has a maximum capacity of 27 MGD. Mr. Naquin stated that for one full day the surface plant ran 23 MGD, when in the past the highest it has run is approximately 15 MGD. Mr. Naquin stated that the caveat is a lot of ferric chloride coagulant is being used. He stated that the surface plant is using 2,200 gallons of ferric a day. Mr. Naquin stated that when there are issues such as if the plant goes down because of power bumps or other operational problems it takes about an hour and a half to start it back up. Mr. Naquin stated that the wells that are closest to the river have been flushed, chlorinated, flushed again, and tested before being put back in service. Mr. Hill stated that staff is being very conservative with the wells. Mr. Hill stated that after the wells have three days of good bacteriological samples, they are being put back in service. Mr. Naquin stated that the wells that are still out of service will continue to be tested.

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

Mr. Rail stated that the well recharge pump was replaced.

Mr. Rail stated that the SCADA for the Airport tank is working and staff will be able to empty the tank for the contractor. Mr. Hill stated that the painters have been very busy and the orange tank will turn into a tan tank soon.

Mr. Rail stated that the contractor is ready to start work on the Upper Rock Creek Reservoir. Mr. Rail stated that the Reservoir will have to be partially drained in order for the contractor to begin work. Board Member Holloway asked where the stored water went when the Reservoir is drained. Mr. Rail stated that the water goes down Rock Creek to the Sweetwater and then to the North Platte via Pathfinder Reservoir.

Chairman Bertoglio asked if anything had been done with the Gallery water right. Mr. Hill stated that the Gallery water right was transferred from a surface water right to ten wells as alternate points of diversion by the State Engineer's Office. Mr. Hill stated that staff has been exercising those wells to use the water right.

6. There was no Public Comment.

7. Old Business:

a) Mr. Hill asked the Board to reference the funding documents from the State. He stated that these are common documents for State Revolving Fund (SRF) projects. Mr. Hill stated that the crossed out language is what was presented from the Attorney General's Office and the capitalized change is suggested language from Mr. Chapin. Mr. Hill stated that the Attorney General's Office and the Office of State Lands and Investments have concerns about being on parity with the 1999 Revenue Bonds and requested additional information. Mr. Hill stated that he and Mr. Chapin have been working on gathering the information. Mr. Chapin stated that there is a conflict in the 1999 Revenue Bond Covenants as to whether the SRF loan should be on parity or subordinate. Mr. Chapin stated that Mary Keating-Scott took a look at the Bond documents and will meet with him on Wednesday. He stated that Ms. Keating-Scott stated that annual accountings must be done and that the Reserves are not to be included in the Revenue calculations for bond coverage. Mr. Chapin stated that the most current audit was sent to her for review. Chairman Bertoglio asked if someone other than Ms. Keating-Scott could look at the documents. Mr. Chapin stated that Kutak Rock was the council for the Revenue Bonds and he would contact them. Chairman Bertoglio stated that Ms. Keating-Scott insists that if a Capital Project is done all the monies for the project must show up in the revenues for that year. Mr. Chapin stated that he would bring it up in the meeting on Wednesday. Chairman Bertoglio asked if the SRF funding document language was resolved would there be any further issues. Mr. Chapin stated that as long as the Board can meet the accounting requirements as further evidence for the Board's ability to further encumber those assets, which is where the reserves discussion takes place. Mr. Hill asked if the Board would prefer to wait on the approval on the loan documents until the language is ironed out. Chairman Bertoglio stated that the Board will wait to approve the loan documents.

- b) In Other Old Business, Mr. Hill asked Board Member Keffer to give a progress report on the Wardwell Lease Purchase Agreement for the old RWS booster station and water storage tanks. Board Member Keffer stated that he did see revisions to the agreement that should have been sent to Mr. Chapin. Mr. Chapin stated that he had not seen them yet. Board Member Keffer asked Mr. Chapin to call Mr. Harrington to discuss the agreement.

8. New Business:

- a) Mr. Hill asked the Board to reference page 2 of the WWDC grant application. Mr. Hill stated that the total funding request is approximately \$2.9 Million with the WWDC grant percentage of 67%. Mr. Hill stated that this is for the Regional Water System Zone 3B Improvements Project which includes the Bryan Stock Trail Booster Station and the completion of the Amoco Road Waterline. Mr. Hill stated that this would provide redundant water service to Salt Creek, Bar Nunn, Wardwell, the Events Center, and Salt Creek Heights. Mr. Hill stated that the project is in the FY11 Budget. Mr. Hill recommended approval of the resolution to submit the application. Mr. Hill stated that it is unknown if the funding will be approved by the State. Mr. Hill stated that the matching share could be taken out of Reserves, or an application could be made to OSFI for additional SRF funds. Mr. Hill stated that WWDC must receive the application by August 15th. Board Member Holloway asked if this is what the Developer has been waiting on to develop the Brooks Ranch area. Mr. Hill stated that this will help, but the major concern is redundancy for the existing RWS water system customers. A motion was made by Board Member Opella and seconded by Board Member Keffer to approve Resolution 10-02 to submit the grant application to the Wyoming Water Development Commission for funding of the Regional Water System Zone 3B Improvements Project. Motion put and carried.

Chairman Bertoglio asked for a motion to approve voucher 6765. A motion was made by Treasurer Bentley and seconded by Secretary Schlager to approve voucher 6765 in the amount of \$1,000 for the WWDC application filing fee. Motion put and carried.

- b) Chairman Bertoglio asked that the annual banking letters be handed out to the Board. The annual banking letters were signed by the Board Members present at the meeting.
- c) In Other New Business, Chairman Bertoglio thanked staff for monitoring the high water levels of the river and keeping him informed.

9. In the Chairman's Report, Chairman Bertoglio stated that the tour of the WTP would be after the meeting adjourned.

A motion was made by Treasurer Bentley and seconded by Board Member Opella to adjourn the meeting at 12:20 p.m. Motion put and carried.

Paul C. Bentley
Chairman

Kenye Schlegel
Secretary