

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

MEETING PROCEEDINGS

March 19, 2003

A public meeting of the Regional Water System Joint Powers Board (JPB) was held Wednesday, March 19, 2003 at 5:30 PM, in the Joint Powers Board Conference Room, Regional Water Treatment Plant, 1500 SW Wyoming Boulevard, Casper, WY.

Board Members Present - Chairman Dobos, Vice-Chairman Bertoglio, Treasurer Jones, Board Members Haigler, Padgett, Peryam and Sjostrom. Secretary Lamb was absent.

City of Casper –Bertoglio, Padgett, Peryam, David Hill

Natrona County – Haigler

Salt Creek Joint Powers Board – Jones

Wardwell Water & Sewer District – Sjostrom

Pioneer Water & Sewer District – Dobos

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 - Steve Garner, Deena Hood, John Naquin, Janette Brown, Michael McDaniels, Brian Boettcher

Central Wyoming Groundwater Guardian Team (CWGG)-

Others – Brody Farquar-Casper Star-Tribune, Don Chapin

The JPB meeting was called to order at 5:44 p.m.

1. Mr. Garner announced that the 5-minute break was not moved on the agenda and informed the JPB that it might be appropriate to put the break in the midst of the rates and budget discussion. Chairman Dobos announced that Vice-Chairman Bertoglio has Secretary Lamb's proxy.
2. Chairman Dobos asked for a motion to approve the minutes of the February 26, 2003 JPB meeting. Motion made by Vice-Chairman Bertoglio and seconded by

Board Member Padgett to approve the minutes of the February 26, 2003 JPB meeting. Motion put and carried.

3. Chairman Dobos asked for a motion to approve the voucher listing handed out to the Board on this date to include voucher numbers 5125 through 5199 in the amount of \$63,515.21. Motion made by Board Member Peryam and seconded by Vice-Chairman Bertoglio to approve the vouchers. Board Member Sjostrom asked why so many small parts for Actiflo were purchased. Mr. Garner stated that it was general maintenance that needed done before start-up. Motion put and carried.
4. Mr. Garner asked the Board to reference pages 7-12 of the agenda. He stated that production is a little higher than February of last year. Board Member Peryam asked if production levels for the first part of March were down. Mr. Garner stated that right now production is at domestic use, so there won't be much of a difference from last year.
5. Mr. Garner asked Mr. John Naquin to give the Operations Update. Mr. Naquin stated that 102 million gallons have been produced so far this month, which is an increase of 5 million gallons from the same time last year. Mr. Naquin stated that in comparison to last year, the yearly total is up 1.5 million gallons. He also stated that the residuals are holding up in the outer edges of the system. Treasurer Jones stated that on behalf of the Salt Creek he wanted to thank the Operators for the good job they did the past couple of days with the power outage at the surge tank and the SCADA system was not working.
6. There was no public comment.
7. Old Business:
 - a) Mr. Garner stated that the water call continues at 1923. He also stated that he is expecting a 1904 call to be placed April 1st. He stated that the recent snowstorm helped, but did not end the drought. Chairman Dobos asked about the progress of CAID. Mr. Garner stated that it is ongoing.
 - b) There was no other Old Business
10. New Business:
 - a) Mr. Garner stated that there are two Budget Reallocations – one for Property and Liability Insurance, and the other for Audit. He stated that these have no effect on the budget, that money would just be moved and recommended approval by the JPB. Chairman Dobos asked for a motion to approve the two Budget Reallocations. Motion made by Board Member Peryam and seconded by Board Member Haigler to approve the two Budget Reallocations. Motion put and carried.
 - b) Mr. Garner asked the JPB to reference the Draft budget papers. He stated that he is trying to get as close to the real numbers for the budget as quickly as possible and there is not a lot of fat in the draft numbers. He stated that he will go over the draft budget line by line and explain how

the numbers were determined and the justification for the numbers. He stated that the JPB has a number of decisions to make as far as direction. They are: 1- Surcharges and changes to the JPB Agreement and Asset Transfer Agreement; 2- Target reduction to prepare for in the budget and how it relates to the rate model; 3- Debt Service and Coverage; 4- Contributions to Capital and General Reserve, Rate Stabilization, Water Rights Reserve, etc.; 5- Purchase of water: part of O&M, General Reserves, 6- Vulnerability Assessment: Required by EPA at a cost of approximately \$125,000, shared cost between RWS and City of Casper, split 70/30 with City, 70% RWS and 30% City, budget in O&M which affects the rates, or use Capital Construction Reserves; 7- Personnel: will be held in executive session except for cursory discussions.

- 1) Surcharge – Mr. Garner stated that at the last meeting it was brought up to look at the possibility of changing the JPB Agreement to make sure of the ability to charge a surcharge. Mr. Garner stated that he and Mr. Chapin have discussed the existing language in the JPB agreement and both believe that the language that exists probably would withstand the use of a surcharge if it was a year long surcharge and provided equity among the entities. Mr. Garner recommends letting the rate model show the rate that should be charged and let the entities use a surcharge or conservation charge. Vice-Chairman Bertoglio asked what the surcharge would be used for. Mr. Garner stated that the discussion that was held at an earlier meeting was a surcharge that would be based on a loss of revenue and the need to purchase water. There was further discussion as to whether a surcharge would be implemented at the RWS level or should the CAID contract be implemented and whether or not the City would charge the entities directly for the surcharge. Board Member Sjostrom stated that he did not believe the JPB Agreement would allow the City to charge the entities for the purchased water. Treasurer Jones asked if the RWS can oversee the billing of CAID water to the entities. Mr. Garner stated that he was verklempt as to whether it was possible under the JPB Agreement and he will meet with Mr. Chapin and determine if it is possible.
- 2) Target Reductions – Mr. Garner stated that last year there was a 4% overall reduction in production. Mr. Garner asked the JPB to reference the draft rate model scenarios. The scenario from last year showed no growth with a 4% reduction. The draft models for the next year show more reduction in revenue with 5% and 10% reduction in production. Cheyenne is requesting a 25-35% reduction with an 80 cent per thousand gallons surcharge. Their base rate starts at \$2.34 per thousand and goes to \$3.14 and any usage over the range of the previous year's average, it can go over \$4 per thousand gallons. Board Member Peryam asked if the 17% does not include CAID cost. Mr. Garner stated that this is true. Board Member Peryam asked that if

with a 17% reduction and the entities ask for conservation, there will be a 5% loss. Mr. Garner stated that this is based on direct costs. The purchase of CAID water is figured in General Reserve funds. After much discussion, Board Member Peryam asked about the Water Rights fund. Mr. Garner stated that the Water Rights fund is reflected in the Financial Reports. He stated that \$100,000 a year is placed in this fund at the end of the year.

The Board took a 5-minute break.

- 3) Capital and General Reserve Funds – Mr. Garner stated that all decisions don't need to be made tonight, but do need to be resolved in order to set the rate.
 - 4) Water Purchase – Mr. Garner stated that the money for the Bureau of Reclamation water has been budgeted for in the O&M and does not come out of the General Reserve Fund. He asked if the JPB wishes to continue with this as it has an effect on the rate.
 - 5) Vulnerability Assessment – Mr. Garner stated that this required by EPA and must be completed by the end of this year. Right now it is listed in Capital Expenditures in the rate model. It is at the discretion of the JPB where to get the funds to pay for the Vulnerability Assessment. Mr. Garner recommended using the Capital Reserve Fund. It will be left in Capital Reserves for now and can be put in the O&M later if the JPB wishes. Vice-Chairman Bertoglio asked if it is placed in the O&M would it increase the rate. Mr. Garner stated that it would.
 - 6) Personnel – Mr. Garner decided not to discuss personnel at this time.
- c) Mr. Garner asked the JPB to reference the three budget sheets. The Budget vs. Actual report shows a usage of 62.15%, which is right on track. The Budget Worksheet is being used for the budget in the rate model. The June 2002 Budget vs. Actual shows the unused number of \$146,082.26, which was placed back in the Rate Stabilization fund. Mr. Garner stated that in the budget worksheet, numbers are used to cover actual costs and try to have some contingency monies. Mr. Garner stated that in the draft budget, he has tried to cut out a lot of the contingency as to not have an immediate impact on the rate. He stated that the draft budget is very close to being completed. Mr. Garner went over the draft budget with the JPB.

Mr. Garner stated that the Audit account is up due to the implementation of GASB34, which must be in place by the end of the year. The JPB asked Mr. Garner to place the audit out for a request for proposal. Mr. Garner stated that he will make some calls and if there is a big discrepancy he will send out an RFP.

Mr. Garner stated that the Groundwater Guardian budget went from \$16,743 to \$12,300.

The electrical budget stays the same due to budgeting last year for an increase and not receiving it.

The natural gas budget is staying at \$140,000. Mr. Garner stated that less gas was used this past year and that he still has not heard of what the increase will be. Vice-Chairman Bertoglio stated that he will help to firm up the number.

Property and Liability Insurance is increased due to a lot of the companies that will not be covering water utilities due to placement on vulnerability list.

Board Member Sjostrom asked if the wages and salaries line item included health insurance. Mr. Garner stated that it does include all benefits.

Mr. Garner stated that the overall budget increase is 1.2%. Treasurer Jones stated that the budget looks very lean. Mr. Garner stated that it is less than the overall 3% that was in the rate model last year.

- d) In Other New Business, Vice-Chairman Bertoglio asked that a graph be available for the next meeting, which shows the water rights available vs. call dates.

11. There was no Chairman's Report.

The motion was made by Vice-Chairman Bertoglio and seconded by Board Member Padgett to adjourn the meeting at 8:10 PM. Motion put and carried.

The next regular meeting will be held on April 16, 2003 at 5:30 PM.

Secretary
