

WY Water Development Commission Meeting
Cheyenne, Wyoming
January 11, 2012

1. Chair Jim Wilson called the meeting to order at 8:30 a.m.
2. Secretary Bill Resor called the roll of Commissioners:

Commissioner's Attendance:

Jim Wilson, Chair
Kent Shurtleff, Vice-Chair
Bill Resor, Secretary
Floyd Canfield
Mitch Cottenoir
Phil Habeck
Shawn Hall
Margo Sabec
Jeanette Sekan

Absent:

Nick Bettas

Advisors in Attendance:

Greg Kerr, University of Wyoming
Andrew Kuhlmann, Attorney General's Office
Harry LaBonde, State Engineer's Office

Select Water Committee Attendance:

Senator Gerald Geis
Senator Stan Cooper
Representative Mark Semlek
Representative Stan Blake
Representative Owen Petersen
Representative Lorraine Quarberg

3. Approval of Minutes. Margo Sabec made a motion to approve the November 3 and 4, 2011 minutes, seconded by Mitch Cottenoir. The motion carried.
4. Audience Introductions
5. Planning Contracts/Amendments
 - *Lander Master Plan, Level I*
A final amendment to the engineering contract with Trihydro Corporation was presented. The amendment serves to document WWDC acceptance of the final report and to document the final contract amount of \$184,995.21.

- *Lucerne Water Supply, Level II*
A final amendment to the engineering contract with DOWL HKM was presented. The amendment serves to document WWDC acceptance of the final report and to document the final contract amount of \$86,335.45.
- *Pavillion Area Water Supply, Level I*
An interim amendment to the engineering contract with James Gores and Associates was presented. The amendment serves to expand the Phase II tasks in the scope of services with an additional budget of \$25,000 for a new total contract amount of \$173,500, and to extend the contract expiration date to June 30, 2013.

A motion to approve all documents as presented was made by Floyd Canfield, seconded by Kent Shurtleff. The motion carried.

6. Construction Documents

- *Central Wyoming Regional Water System Joint Powers Board (JPB)*. A mortgage parity agreement was presented by Jane Caton, Attorney General's Office. The JPB has refinanced the revenue bonds which were issued to refinance the construction loans from the State of Wyoming Permanent Mineral Trust Fund for the water treatment facilities. The city of Casper has loaned the JPB \$15,905,000 with a mortgage on the water treatment plant property. The JPB is seeking lien parity of the mortgages held by the State of Wyoming with the city of Casper.
- *Little Snake Rehabilitation*. A release of mortgage for the Little Snake River Conservancy District was presented by Andrew Kuhlmann, Attorney General's Office. The release of mortgage allows the Little Snake River Conservancy District to release the Ladder Ditch Company from their mortgage. A second amendment to real estate mortgage and first renewal promissory note were also presented. The amendment and first renewal promissory note are needed to reamortize the district's outstanding debt.

Bill Resor made a motion to approve all documents as presented, seconded by Jeanette Sekan. Discussion followed. The motion carried.

7. Financial Status Report. Mike Purcell reported that the balances remaining in water accounts nos. I, II, and III, if the 2012 preliminary recommendations were adopted, would be \$39.1 million, \$5.5 million, and \$124.6 million, respectively. Projections for spending from water account no. III from 2013 to 2017 were prepared for 11 projects. Governor Mead is recommending that \$9.4M be transferred from water account no. III to water account no. II.
8. Omnibus Water Bill – Construction(12LSO-0189.W2)

Director Mike Purcell presented the Level III funding recommendations for the New Development and Rehabilitation Programs that were preliminarily approved at the WWDC meeting in November. Those recommendations were as follows:

New Development

Big Horn Regional Well Connection	\$4,730,200	67% grant
Buffalo Northwest Pipeline	365,000	67% grant, 33% loan, 4%, 30 years
Casper Poplar Transmission Pipeline	1,541,000	67% grant
Cody West Transmission Pipeline	408,700	67% grant
Fort Laramie Storage Tank	53,600	67% grant
Gillette Regional Extensions	703,500	67% grant
Lander Water Supply	3,068,000	50% grant
Lovell Transmission Pipeline	67,000	67% grant
Northwest Rural Northern Expansion	281,400	67% grant
Rolling Hills Water Supply	160,000	67% grant, 33% loan, 4%, 30 years

Rehabilitation

Big Horn Canal Rehabilitation 2012	\$1,440,000	67% grant, 33% loan, 4%, 30 years
Fayette Irrigation Rehabilitation	180,000	67% grant, 33% loan, 4%, 20 years
Lake Hattie Dam	840,000	67% grant, 33% loan, 4%, 30 years
Lovell Canal Rehabilitation 2012	565,000	Materials only
Midvale Rehabilitation 2012	945,000	Materials only
Shell Canal Tunnel Rehabilitation	1,220,000	67% grant, 33% loan, 4%, 30 years

Existing Projects, additional appropriation

Big Horn Regional Pipeline	(2,512,500)	Reversion
Small Water Development Projects, ND	300,000	Reauthorization
Small Water Development Projects, R		Reauthorization
Highline Canal Rehabilitation		Time extension
Sponsor's Inflation Funds	300,000	Time extensions
Greybull Valley ID Hydroelectric	(326,000)	Reversion, time extension
Sheridan Northwest/Big Goose Tanks		Time extension
Laramie Transmission Pipeline	3,120,000	67% grant, 33% loan, 4%, 30 years
Teton Village Water Supply	(2,394,500)	Reversion
Heart Mountain Rehabilitation 2010	485,000	Materials only
Little Snake Diversions	1,323,500	67% grant, 33% loan, 4%, 20 years
GR/RSW/SC Raw Water Reservoir	7,382,000	50.5% grant
South Laramie Water Supply	(461,830)	65.14% grant
Wright Water Supply 2011	1,072,000	67% grant
Willwood Dam Rehabilitation	1,410,000	67% grant, 33% loan, 4%, 30 years

John Joyce, Big Horn Regional JPB; Richard Monger, town of Ft. Laramie; Brian Dickson, town of Lovell; Dossie Overfield, Northwest Rural Water District; Lee Allen, Greybull Irrigation District; Rich Elliott, city of Laramie; Bryan Seppie and Ben Bracken, Green River/Rock Springs/Sweetwater County Joint Powers Water Board; and Ralph Kingan, Wright Water and Sewer District responded to their respective recommendations.

A motion to adopt the Omnibus Water Bill – Construction (12LSO-0189.W2) was made by Margo Sabec, seconded by Mitch Cottenoir.

Amendments to the omnibus construction bill:

- *Austin Wall Canal Rehabilitation.* The preliminary recommendation, which was adopted at the November, 2011 meeting, was to provide \$150,000 for a

Level II study. Construction funding was not recommended. Jud Redden and Rich Isom, Austin Wall Irrigation District, addressed the recommendation. Discussion followed. No further action was taken.

- *Sundance Storage Tank.* The Director’s recommendation was to incorporate the project into the New Development Program at Level III status with an appropriation of \$722,000 as a 51% grant and a 25% loan at 4% interest for a term of 20 years. Discussion followed. Commissioner Sabec questioned the effect of the recommendation on outstanding potential claims related to the failure of the existing Cole Water Storage Tank. To address this concern, the Director noted the Commission could offer an appropriation of \$722,000 as a 100% loan at 4% for a term of 20 years with the condition that the financing plan would be reconsidered by the Commission at a later date after potential claims are resolved. Further, a special condition related to claims, settlements, or lawsuits for the Cole Water Storage Tank and repayment of the loan by the town was noted. Kathy Lenz, Larry Schammer, and Paul Brooks, town of Sundance, were available for questions. Discussion followed. Bill Resor made a motion to revise the financing plan to include a 100% loan with the condition that the financing plan would be reconsidered by the Commission after potential claims were resolved, seconded by Jeanette Sekan. The motion carried with Phil Habeck dissenting.

The motion carried, as amended.

9. Omnibus Water Bill – Planning (12LSO-0176.W2)

Director Mike Purcell presented the Level I and Level II funding recommendations for the New Development, Rehabilitation, and Dams and Reservoirs Programs that were preliminarily approved at the WWDC meeting in November, 2011. Those recommendations were as follows:

Level I, New Development

<u>Project</u>	<u>Appropriation</u>
Bear River Hydrology Model	\$ 50,000
Guernsey Master Plan	125,000
Lovell Master Plan	110,000
Middle North Platte Watershed	250,000
North Platte Water Yield Analysis	75,000
UW Water Research Program	400,000

Level II, New Development

<u>Project</u>	<u>Appropriation</u>
Gillette Regional Connections	\$ 500,000
Greybull Valley Hydropower	85,000
Indian Paintbrush Water Supply	375,000
Weather Modification Pilot Program	2,400,000

Level I, Dams and Reservoirs

<u>Project</u>	<u>Appropriation</u>
Badwater-Poison Creek Watershed	\$ 250,000
Upper Green River Watershed	300,000

Level II, Dams and Reservoirs

<u>Project</u>	<u>Appropriation</u>
Nowood River Storage	\$ 350,000
Shell Valley Storage	350,000
Sheridan Supplemental Storage	250,000

Level II, Rehabilitation

<u>Project</u>	<u>Appropriation</u>
Austin Wall Canals	\$ 150,000
Basin-Big Horn Canal	150,000
Lakeview Irrigation Master Plan	250,000

General

<u>Project</u>	<u>Appropriation</u>
UW Office of Water Programs	\$ 150,000
Groundwater Grant	800,000

A motion to adopt the Omnibus Water Bill – Planning (12LSO-0176.W2) was made by Mitch Cottenoir, seconded by Margo Sabec.

Brian Dickson, town of Lovell, addressed the recommendation for the town's Level I study.

Amendments to the omnibus planning bill:

- *Laramie County Fire District Well.* The preliminary recommendation was to not fund the project. Gay Woodhouse, Laramie County Commissioner, addressed the recommendation. No action was taken.
- *South of Laramie Well.* The preliminary recommendation was to not fund the project. A letter from the South of Laramie Water and Sewer District was read. Janine Jordan, city of Laramie, addressed the recommendation. No action was taken.
- *Sundance Master Plan.* The director's recommendation was to incorporate the project into the New Development Program at Level I with a budget of \$150,000. Bill Resor made a motion to accept the director's recommendation, seconded by Floyd Canfield. The motion carried.
- *Hawk Springs Master Plan.* The director's recommendation was to incorporate the project into the Rehabilitation Program at Level II with a budget of \$200,000. A motion to accept the director's recommendation was made by Margo Sabec, seconded by Kent Shurtleff. The motion carried.

The motion carried, as amended.

10. Water Research Program
Greg Kerr, Office of Water Programs, presented an overview of eight ongoing projects, four of which will be completed in 2012. Four additional projects were approved in November, 2011. Discussion followed.
10. Miscellaneous Discussion
The FY2013-2014 budget for the Water Development Office was presented. The proposed 2012 funding for the Gillette Madison Pipeline project was presented. A December 20, 2011 letter from the Director to Governor Mead related the proposed purchase of lands to implement the city of Laramie's Casper Aquifer protection plan was presented and discussed. Future potential draft legislation for the Upper Colorado River Basin Fund MOA for the Wyoming State Engineer authority to establish project priorities and recommendations was presented and discussed.
11. Next Meeting
The Director provided the publication seeking interest from consultants for the upcoming Level I and Level II projects. He noted that the consultant selection process is initiated with the condition that the funding for the studies must be approved by the 2012 Legislature.

In addition, the Director noted that the WWDO is planning on pursuing a sole source contract with C.A. Troendle for the completion of the North Platte Water Yield Analysis. He also noted that the WWDO is planning to amend existing contracts with the existing consultants on the following Level II projects: Austin Wall Canals, Nowood Storage, Shell Valley Storage, and the Weather Modification Pilot Program. He inquired if the Commission had problems with this approach. None were expressed.

The next WWDC meeting will be March 9, 2012 in Cheyenne.

There being no further business, the meeting adjourned at 12:25 p.m.

Respectfully submitted,

William B. Resor
Secretary