Wyoming Water Development Commission/
Select Water Committee Joint Meeting
Casper, Wyoming

November 3, 2011

1. Chair Jim Wilson called the meeting to order at 8:30 a.m.

2. Floyd Canfield made a motion to appoint Kent Shurtleff as acting secretary until November 21, 2011 as Bill Resor would be unavailable for several weeks. The motion was seconded by Jeanette Sekan. The motion carried.

3. Acting Secretary Kent Shurtleff called the roll of Commissioners:

   Commission Attendance:
   Jim Wilson, Chair
   Kent Shurtleff, Vice-Chair
   Bill Resor, Secretary (by phone)
   Nick Bettas
   Floyd Canfield
   Mitch Cottenoir
   Shawn Hall
   Margo Sabec
   Jeanette Sekan

   Absent:
   Phil Habeck

   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 Stan Cooper
   Senator Ogden Driskill
   Senator Gerald Geis
   Senator John Hines
   Senator Marty Martin
   Senator Curt Meir
   Representative Stan Blake
   Representative John Eklund
   Representative Owen Petersen
   Representative Lorraine Quarberg
   Representative Jim Roscoe (by phone)
   Representative Mark Semlek

4. Approval of Minutes. A motion to approve the August 19, 2011 minutes was made by Mitch Cottenoir, seconded by Kent Shurtleff. The motion carried.

   In a separate action, Representative Mark Semlek made a motion to approve the Select Water Committee minutes of August 19, 2011, seconded by Senator Marty Martin. The motion carried.

5. Audience Introductions

6. Operating Criteria of the Wyoming Water Development Program
   Mike Purcell noted that the draft criteria had been adopted at the August 19, 2011 WWDC meeting, a public review process was held during September and October, 2011, and a public hearing was held November 2, 2011. No opposing comments were received during either the public review time frame or the public hearing. Floyd Canfield made a motion to adopt the revised criteria, seconded by Mitch Cottenoir. The motion carried.

   In a separate action, Representative Mark Semlek made a motion to endorse the adoption of the revised operating criteria, seconded by Senator Stan Cooper. The motion carried.

7. Amendments
   - *Cottonwood Lake Enlargement, Level II*
     An interim amendment to the engineering contract with Sunrise Engineering was presented. The amendment serves to extend the contract expiration date to December 30, 2013.

   - *Lance Creek Water Supply, Level I*
     A final amendment to the engineering contract with WWC Engineering was presented. The amendment serves to document WWDC acceptance of the final report and to document the final contract budget of $96,983.32.

   - *Little Snake River Supplemental Storage, Level II*
     An interim amendment to the engineering contract with States West Water Resources Corporation was presented. The amendment serves to extend the contract expiration date to December 31, 2012.

   - *Middle Piney Reservoir Study, Level II*
     An interim amendment to the engineering contract with States West Water Resources Corporation was presented. The amendment serves to extend the contract expiration date to December 31, 2012.

   - *Sweetwater River Watershed Management Plan, Level I*
     An interim amendment to the engineering contract with Anderson Consulting Engineers, Inc. was presented. The amendment serves to extend the contract expiration date to December 31, 2012.

- *Thunder Basin Watershed Improvement Study, Level I*
  A final amendment to the engineering contract with Olsson Associates was presented. The amendment serves to document WWDC acceptance of the final report and to document the final contract budget of $215,099.72.

- *Yoder Groundwater, Level II*
  A final amendment to the engineering contract with Wyoming Groundwater was presented. The amendment serves to document WWDC acceptance of the final report and to document the final contract budget of $393,196.90.

Kent Shurtleff made a motion to accept all documents as presented, seconded by Shawn Hall. The motion carried.

8. Sponsor's Inflation Funds. Mike Purcell presented a status report on the uncommitted funds in Account I, New Development and Account II, Rehabilitation. Account I has a balance of $1,947,329.38 and Account II has a balance of $201,746.04. The town of Dubois needs additional funding to complete well upgrades. The Director requested an allocation of $27,000 from the New Development Sponsor's Inflation Fund. Margo Sabec made a motion to approve the allocation, seconded by Mitch Cottenoir. The motion carried.

   In a separate action, Representative Stan Blake made a motion to approve the allocation for the town of Dubois, seconded by Senator Curt Meier. The motion carried.

9. Discussion
   Public hearings for new construction projects will be held December 5-7, 2011. The next WWDC meeting will be January 10-11, 2012 with the Select Water Committee meeting on January 12, 2012.

10. 2012 Funding Recommendations
    New Development Program

    <u>Level III Projects -- Existing</u>

    - *Big Horn Regional Pipeline*. The director's recommendation was to reduce the appropriation by $2,512,500 and extend the appropriation's reversion date to 2014. John Joyce, Big Horn Regional Joint Powers Board, addressed the recommendation. Discussion followed.

    - *Greybull Valley Irrigation District Hydroelectric*. The director's recommendation was to reduce the appropriation by $326,000 as the State Lands and Investment Board can now statutorily provide loans for hydropower projects. Additionally, the appropriation's reversion date would be extended to July 1, 2014. Discussion followed.

    - *Green River/Rock Springs/Sweetwater County Raw Water Reservoir.* The director's recommendation was to increase the existing 50.5% grant from $900,000 to $8,282,000 or $7,382,000. The remaining 49.5% of the funding will be obtained by

the sponsor from the Wyoming Drinking Water State Revolving Fund. Brian Seppie and Ben Bracken, Green River/Rock Springs/Sweetwater County Joint Water Powers Board, addressed the recommendation.

- *Laramie Transmission Pipeline*. The director's recommendation was to increase the project appropriation from $7,730,000 to $10,850,000 or $3,120,000. The financing plan will remain a 67% grant and a 33% loan with 4% interest and a term of 30 years. Rich Elliott, city of Laramie, addressed the recommendation.

- *Small Water Project Program*. The director's recommendation was to increase the funds in the New Development Program by $300,000 and to reauthorize the program to 2014. Discussion followed.

- *South Laramie Water Supply*. The director's recommendation was to reduce the project appropriation from $3,100,000 to $2,638,170 or $461,830 and to revise the financing plan to a 65.14% grant and no loan. The sponsor obtained loan funding from the USDA Rural Utilities Service. Rich Elliott, city of Laramie, addressed the recommendation.

- *Teton Village Water Supply*. The director's recommendation was to reduce the 2009 appropriation by $2,394,500. The sponsor has chosen to delay construction of the storage tank at this time.

- *Wright Water Supply - 2011*. The director's recommendation was to increase the project appropriation from $737,000 to $1,809,000 or $1,072,000. The appropriation will serve as a 67% grant with the remaining 33% of the project budget to be secured by the sponsor. Ralph Kingan, Wright Water and Sewer District, addressed the recommendation.

  A motion to accept the director's preliminary recommendations on all presented projects was made by Margo Sabec, seconded by Nick Bettas. The motion carried.

<u>Level III Projects -- New</u>

- *Baggs Storage Tank*. The director's recommendation was to deny funding as the town was successful in obtaining project funding of $550,000 from the Wyoming Drinking Water State Revolving Fund.

- *Big Horn Regional Well Connection*. The director's recommendation was to provide funding as a 67% grant of $4,730,200. The remaining funding of $2,329,800 was provided from the Wyoming Drinking Water State Revolving Fund. In addition, the Level II well is being sold to the sponsor for approximately $145,653. John Joyce, Big Horn Regional Joint Powers Board, addressed the recommendation.

- *Buffalo Northwest Pipeline*. The director's recommendation was to provide an appropriation of $365,000 as a 67% grant and a 33% loan at 4% interest for term of 30 years. The funding will be used for project design, permit procurement, and land acquisition with the expectation that the sponsor will request construction

funding within the next two years. Mayor Randy Dyess, town of Buffalo and John Gibbs, Johnson County commissioner, addressed the recommendation. Discussion followed.

- *Casper Poplar Transmission Pipeline*. The director's recommendation was to provide funding as a 67% grant of $1,541,000. Mayor Paul Bertoglio and David Hill, city of Casper, addressed the recommendation.

- *Cody West Transmission Pipeline*. The director's recommendation was to provide funding as a 67% grant of $408,700. Steve Payne, city of Cody, addressed the recommendation.

- *Fort Laramie Storage Tank*. The director's recommendation was to provide funding as a 67% grant of $53,600. The remaining 33% of the funding ($26,400) is being sought as a mineral royalties grant. The funding will be used for project design, permit procurement, and land acquisition with the expectation that the sponsor will request construction funding within the next two years. Mayor Richard Monger and Tim Eisenhauer addressed the recommendation. Discussion followed.

- *Gillette Regional Extensions*. The director's recommendation was to provide funding as a 67% grant of $703,500. The remaining funding of $346,500 (33%) will be provided by the sponsor. The funding will be used for project design, permit procurement, and land acquisition with the expectation that the sponsor will request construction funding within the next two years. Mayor Tom Murphy, Mike Cole and Steve Peterson, city of Gillette; Kevin King, Campbell County; Mickey Shellbourg; Lynne Gray, Bennor Estates Improvement and Service District; and Loren Crain, Antelope Valley Improvement and Sewer District addressed the recommendation. Discussion followed.

- *Lander Water Supply*. The director's recommendation was to provide funding as a 50% grant of $3,068,000. The remaining funding of $3,068,000 was provided from the Wyoming Drinking Water State Revolving Fund.. Mayor Mick Wolfe, Mickey Simmons, and Gary Michael, city of Lander, addressed the recommendation. Discussion followed.

- *Laramie Grand Avenue Pipeline*. The director's recommendation was to not provide funding as the project is eligible for a loan from the Wyoming Drinking Water State Revolving Fund. Rich Elliott, city of Laramie, addressed the recommendation. Discussion followed.

- *Lovell Transmission Pipeline*. The director's recommendation was to provide funding as a 67% grant of $67,000. The remaining funding is being sought as a mineral royalties grant. The funding will be used for project design, permit procurement, and land acquisition with the expectation that the sponsor will request construction funding within the next two years. Mayor Bruce Morrison and Brian Dickson, Town of Lovell, addressed the recommendation.

- *Northwest Rural North End*. The director's recommendation was to provide funding as a 67% grant of $281,400. The remaining 33% funding will be sought as a mineral royalty grant. The funding will be used for project design, permit procurement, and land acquisition with the expectation that the sponsor will request construction funding within the next two years. Dossie Overfield, Northwest Rural Water District, and Todd Stutzman, North End Water Users, addressed the recommendation. Discussion followed.

- *Powell Transmission Pipeline*. The director's recommendation was to not provide funding as the project is eligible to participate in the Wyoming Drinking Water State Revolving Fund.

- *Rolling Hills Water Supply*. The director's recommendation was to provide funding of $160,000 as a 67% grant and a 33% loan at 4% interest for a term of 30 years. The funding will be used for project design, permit procurement, and land acquisition with the expectation that the sponsor will request construction funding within the next two years. Mayor Devonie Mueller and Jerry Hall, town of Rolling Hills, addressed the recommendation. Discussion followed.

- *Sundance Storage Tank*. The director's recommendation was to postpone action on the funding recommendation until the January 2012 WWDC meeting to allow the town to continue its investigations and seek alternate funding from FEMA.

Margo Sabec made a motion to accept the director's preliminary recommendations on all presented projects, seconded by Kent Shurtleff. The motion carried.

<u>Level II Projects</u>

- *Gillette Regional Connections*. The director's recommendation was to incorporate the project into the New Development Program with a budget of $500,000. The Level II study will develop master plans and improvements needed to connect to the Gillette Madison Pipeline Project for five different improvements and service districts. Loren Crain, Antelope Valley Improvement and Service District; Debbie Billingsley, Peoples Improvement and Service District; Eugene Morgan, Freedom Hills Improvement and Service District; and Lynne Gray, Bennor Estates Improvement and Service District, addressed the recommendation. Discussion followed.

- *Greybull Valley Hydropower*. The director's recommendation was to incorporate the project into the New Development Program with a budget of $85,000.

- *Indian Paintbrush Water Supply*. The director's recommendation was to incorporate the project into the New Development Program with a budget of $375,000. Mike Calabrese and Mike Quinn, Indian Paintbrush Water District, addressed the recommendation.

- *Laramie County Fire District Well.* The director's recommendation was to not fund the project. George Nickerson and Sandra Newland, Laramie County Fire District

#10, and Gay Woodhouse, Laramie County Commissioner, addressed the application. Discussion followed.

- *South of Laramie Well*. The director's recommendation was not to provide funding. Ben Jordan, Weston Engineering; Susan Adler and Foster White, South of Laramie Water and Sewer District, and David Clark, city of Laramie attorney addressed the recommendation. Discussion followed.

- *Weather Modification Pilot Program*. The director's recommendation was to provide an additional $2,400,000 to provide an adequate number of " events" to allow for an accurate quantification of benefits for an additional two years.

  Margo Sabec made a motion to accept the director's preliminary recommendations on all presented projects except the Laramie County Fire District Well and the South of Laramie Well, seconded by Mitch Cottenoir. The motion carried.

  A motion to table the Laramie County Fire District Well project until the January, 2012 WWDC meeting was made by Mitch Cottenoir, seconded by Margo Sabec. The motion carried with Floyd Canfield in opposition.

  Mitch Cottenoir made a motion to table the South of Laramie Well project until the January, 2012 WWDC meeting, seconded by Margo Sabec. The motion carried.

<u>Level I Projects</u>

- *Bear River Hydrology Model*. The director's recommendation was to incorporate the project into the New Development Program with a budget of $50,000. Discussion followed.

- *Guernsey Master Plan.* The director's recommendation was to incorporate the project into the New Development Program with a budget of $125,000. Mayor Ed Delgado, Cate Cundall, and Mike Montgomery, town of Guernsey, addressed the recommendation. Discussion followed.

- *Lovell Master Plan*. The director's recommendation was to incorporate the project *into* the New Development Program with a budget of $110,000. Mayor Bruce Morrison and Brian Dickson, town of Lovell, addressed the recommendation.

- *Middle North Platte Watershed Study*. The director's recommendation was to incorporate the project into the New Development Program with a budget of $250,000. Lisa Ogden and Richard Hollingstad, Natrona County Conservation District, addressed the recommendation. Discussion followed

- *North Platte Water Yield Analysis*. The director's recommendation was to incorporate the project into the New Development Program with a budget of $75,000. The study was suggested by the Joint Agriculture, State and Public Lands and Water Resources Committee. Discussion followed.

- *UW Water Research Program*. The director's recommendation was to provide a budget of $400,000 to perform general water research. Greg Kerr, Office of Water Programs, University of Wyoming, presented a status report. Discussion followed.

  Mitch Cottenoir made a motion to accept the director's preliminary recommendations on all presented projects, seconded by Floyd Canfield. The motion carried.

General

- *Groundwater Grant Program*. The director's recommendation was to provide additional funding of $800,000.

- *UW Office of Water Programs*. The director's recommendation was to provide $175,000 to fund the administration of the Office of Water Programs from July 1, 2012 to June 30, 2014. Discussion followed.

  A motion to accept the director's preliminary recommendations on all general requests was made by Shawn Hall, seconded by Mitch Cottenoir. The motion carried.

There being no further business, the meeting adjourned at 3:55 pm.

Wyoming Water Development Commission/
Select Water Committee Joint Meeting
Casper, Wyoming

November 4, 2011

The meeting was called to order at 8:30 am by Chair Jim Wilson.

Acting Secretary Kent Shurtleff called the roll of Commissioners:
Commission Attendance:
Jim Wilson, Chair
Kent Shurtleff, Vice-Chair
Bill Resor, Secretary (by phone)
Nick Bettas
Floyd Canfield
Mitch Cottenoir
Shawn Hall
Margo Sabec
Jeanette Sekan

Absent:
Phil Habeck

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 Stan Cooper
Senator Ogden Driskill
Senator Gerald Geis
Senator John Hines
Senator Marty Martin
Representative Stan Blake
Representative John Eklund
Representative Owen Petersen
Representative Lorraine Quarberg
Representative Jim Roscoe (by phone)

Absent:
Senator Curt Meier
Representative Mark Semlek

Audience Introductions

11. 2012 Funding Recommendations
Rehabilitation Program

Level III Projects -- Existing

- *Heart Mountain Rehabilitation 2010*. The director's recommendation was to increase the appropriation from $1,180,000 to $1,665,000 or $485,000 for invoiced materials to convert open ditches to pipe. The sponsor is responsible for all other construction related costs. Dan Laursen, Heart Mountain Irrigation District, addressed the recommendation.

- *Little Snake Diversions*. The director's recommendation was to increase the appropriation from $990,000 to $2,313,500 or $1,323,500. The financial plan will remain a 67% grant and a 33% loan at 4% interest for a term of 20 years. Mark Blakley, Savery-Little Snake River Water Conservancy District, addressed the recommendation.

- *Sponsor's Inflation Fund*. The director's recommendation was to provide an additional appropriation of $300,000 for the Rehabilitation Fund and to extend the reversion dates in the New Development and Rehabilitation Funds to July 1, 2015. Discussion followed.

- *Willwood Dam Rehabilitation*. The director's recommendation was to increase the appropriation from $210,000 to $1,620,000 or $1,410,000. The financing plan will remain a 67% grant and a 33% loan at 4% interest for a term of 30 years. Tom

Walker, Willwood Irrigation District, addressed the recommendation. Discussion followed.

Jeanette Sekan made a motion to accept the director's preliminary recommendations on all presented projects, seconded by Mitch Cottenoir. The motion carried.

Level III Projects -- New

- *Austin Wall Canal Rehabilitation*. The director's recommendation was to provide $150,000 for a Level II study to evaluate repair of the existing canal. Jim Eyre, Jud Redden, and Rich Isom, Austin Wall Irrigation District, addressed the recommendation. Discussion followed

- *Big Horn Canal Rehabilitation 2012*. The director's recommendation was to provide an appropriation of $1,440,000 as a 67% grant and a 33% loan at 4% interest for a term of 30 years. Richard Russell, Big Horn Canal Irrigation District, addressed the recommendation.

- *Fayette Irrigation Rehabilitation*. The director's recommendation was to provide an appropriation of $180,000 as a 67% grant and a 33% loan at 4% interest for a term of 20 years. Tom Normington, Fayette Irrigation District, addressed the recommendation. Discussion followed.

- *Lake Hattie Dam*. The director's recommendation was to provide an appropriation of $840,000 as a 67% grant and a 33% loan at 4% interest for a term of 30 years. Dave Moore, Pioneer Canal – Lake Hattie Irrigation District, addressed the recommendation.

- *Lovell Canal Rehabilitation 2012*. The director's recommendation was to provide grant funding of $565,000 for invoiced materials to place the uppermost portion of the Bench Lateral into pipe. The sponsor is responsible for all other construction related costs.

- *Midvale Rehabilitation 2012*. The director's recommendation was to provide grant funding of $945,000 for invoiced materials to replace an open lateral with pipe. The sponsor is responsible for all other construction related costs. Dick Johnson, Midvale Irrigation District, addressed the recommendation. Commissioner Kent Shurtleff advised that he had a parcel of land served by the irrigation district.

- *Shell Canal Tunnel Rehabilitation*. The director's recommendation was to provide an appropriation of $100,000 as a 67% grant and a 33% loan at 4% interest for term of 30 years. The funding will be used for project design, permit procurement, and land acquisition with the expectation that the sponsor will request construction funding within the next two years. John Anderson, Tom Delaney, Leroy Klitzke, Shell Valley Watershed Improvement District, addressed the recommendation. Discussion followed.

- *Thayne Pump Station and Pipeline*. The director's recommendation was not to fund the project as it is eligible for a loan from the Wyoming Drinking Water State Revolving Loan Program.

Kent Shurtleff made a motion to accept the director's preliminary recommendations on all presented projects except the Shell Canal Tunnel Rehabilitation project, seconded by Floyd Canfield. Discussion followed. Mitch Cottenoir made a motion to amend the motion to exempt the Austin Wall Canal Rehabilitation project, seconded by Margo Sabec. The amendment carried with opposition. The amended motion carried.

A motion to table the Austin Wall Canal Rehabilitation project until the January 2012 WWDC meeting was made by Mitch Cottenoir, seconded by Jeanette Sekan. The motion failed. Bill Resor made a motion to accept the director's preliminary recommendation and request further evaluation of the sponsor's proposal of WWDC funding of $4M over five years for the January meeting, seconded by Nick Bettas. Discussion followed. The motion carried.

A revised recommendation for the Shell Canal Tunnel Rehabilitation project was offered by the director to provide all of the Level III construction funding. The project would be provided an appropriation of $1,220,000 as a 67% grant and a 33% loan at 4% interest and term of 30 years. Margo Sabec made a motion to accept the director's revised preliminary recommendation, seconded by Shawn Hall. Discussion followed. The motion carried.

<u>Level II</u>

- *Basin-Big Horn Canal*. The director's recommendation was to incorporate the project into the Rehabilitation Program with a budget of $150,000. Mayor Amy Kania and Jeff McFrederick, town of Basin, addressed the recommendation.

- *Lakeview Irrigation Master Plan*. The director's recommendation was to incorporate the project into the Rehabilitation Program with a budget of $250,000. Allen Paysen and Steve Bales, Lakeview Irrigation District, addressed the recommendation.

Mitch Cottenoir made a motion to accept the director's preliminary recommendations on all presented projects, seconded by Kent Shurtleff. The motion carried.

12. 2012 Funding Recommendations
Dam and Reservoir Program

<u>Level II Projects</u>

- *Nowood River Storage*. The director's recommendation was to continue the project at Level II with additional funding of $350,000.

- *Shell Valley Storage*. The director's recommendation was to continue the project at Level II with additional funding of $350,000. John Anderson, Shell Valley Watershed Improvement District, addressed the recommendation.

- *Sheridan Supplemental Storage*. The director's recommendation was to continue the project at Level II with additional funding of $250,000. Dan Roberts, city of Sheridan, addressed the recommendation. Discussion followed.

Level I Projects

- *Badwater-Poison Creek Watershed*. The director's recommendation was to incorporate the project into the Dam and Reservoir Program at Level I status with a budget of $250,000. Cathy Meyer, Lower Wind River Conservation District, addressed the recommendation. Discussion followed.

- *Upper Green River Watershed*. The director's recommendation was to incorporate the project into the Dam and Reservoir Program at Level I status with a budget of $300,000.

Floyd Canfield made a motion to accept the director's preliminary recommendations on all presented projects, seconded by Jeanette Sekan. The motion carried.

12. Time Extensions

In the New Development Program, the Big Horn Regional Pipeline, Greybull Valley Irrigation District Hydroelectric, and the Sheridan Northwest/Big Goose Tanks projects as well as the Small Water Project Program require reversion dates to be extended to 2014. Additionally, the Sponsor's Inflation Fund will require an extension to 2015. In the Rehabilitation Program, the Highline Canal project and the Small Water Project Program require reversion dates to be extended to 2015. Additionally, the Sponsor's Inflation Fund will require an extension to 2015.

A motion to accept the director's preliminary recommendations was made by Margo Sabec, seconded by Kent Shurtleff. The motion carried.

13. Next Meeting

The next WWDC meeting will be January 10-11, 2012 with the Select Water Committee meeting on January 12, 2012.

There being no further business, the meeting adjourned at 10:50 am.

Respectfully submitted,

Kent Shurtleff
Acting Secretary