

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

MEETING PROCEEDINGS

May 20, 2025

A public meeting of the Central Wyoming Regional Water System Joint Powers Board (Board) was held Tuesday, May 20, 2025, 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 Waters, Treasurer Sutherland and Board Members Larson, Pollock, Sabrosky and Sweeney. Vice-Chairman North was absent.

City of Casper – Bertoglio, Larson, Pollock, Sweeney, Tom Brauer, Jill Johnson, Ethan Yonker, Logan Wood, Mark Anderson, Janette Brown

Natrona County –

Salt Creek Joint Powers Board – Sutherland

Town of Bar Nunn – Sabrosky

Pioneer Water & Sewer District – Waters

Poison Spider Improvement & Service District –

Wyoming Water Development Office -

Sandy Lakes Estates –

Lakeview Improvement & Service District -

33 Mile Road Improvement & Service District –

Mile-Hi Improvement and Service District –

Central Wyoming Groundwater Guardian Team (CWGG) –

Others — Jace Madsen - Williams, Porter, Day & Neville, P.C.; Justin Farley – Advance Casper; Bill Allemand; Ross Schriftman; Sarah Bieber

The Board meeting was called to order at 11:32 a.m.

1. In announcements, Chairman Bertoglio welcomed Ms. Brown to the meeting.

AGENDA ITEM

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2. Chairman Bertoglio asked for a motion to approve the minutes from the April 15, 2025, Regular meeting. A motion was made by Board Member Sabrosky and seconded by Treasurer Sutherland to approve the minutes from the April 15, 2025, Regular meeting. Motion put and carried.

3. Chairman Bertoglio asked Mr. Yonker to present the Bills & Claims listing.

Mr. Yonker reviewed the Bills and Claims as follows:

City of Casper, Regional Water OPS Reimbursement in the amount of \$234,300.83; and a reimbursement for a project Ad for Bid in the amount of \$687.65. Total amount is \$234,988.48.

Civil Engineering Professionals, Inc., Mountain View Tank Improvement in the amount of \$3,686.25.

Engineering Associates, Well Rehabilitation in the amount of \$8,95.85.

Ferguson Enterprises, Inc., Ozone Cooling Water Valves in the amount of \$6,895.00.

HDR Engineering, Inc., CWRWS Water Resources Master Plan in the amount of \$15,808.75, WTP Disinfection System Upgrade in the amounts of \$22,973.50 and \$27,107.23 with a grand total of \$65,889.48.

State of WY – Office of State Lands & Investments, DWSRF#153 in the amount of \$105,775.10, and DW#129 in the amount of \$8,182.83 with a grand total of \$113,957.93.

Williams, Porter, Day & Neville, P.C., Legal Expenses in the amount of \$617.00.

Mr. Yonker stated that this brings the total for the May 2025 Bills & Claims to \$434,984.99.

A motion was made by Secretary Waters and seconded by Treasurer Sutherland to approve the May 2025 Bills and Claims in the amount of \$434,984.99. Motion put and carried.

4. Mr. Yonker presented the Production Report, using a graph system. Mr. Yonker presented the first graph with monthly water production 0.86 MG above the 5-year average in April. Mr. Yonker stated that April production was just below last year. Mr. Yonker stated that the production year-to-date is 3.22 BG, with the five-year average of 2.96 BG, which is 260 MG above the 5-year average. Mr. Yonker presented the average 30 year-to-date data as a bit below.

5. Ms. Johnson presented the April 2025 Financial Report.

Ms. Johnson stated that she knows the Board has been discussing their investments and asked the Board to reference the Investments on the Balance Sheet. Ms. Johnson stated that the Board has CDs which are under the WGIF investments, WYOStar I, which is a short-term investment account, and WYOStar II, which is a bond type account which is a longer duration on the investments.

Ms. Johnson stated that the Water receipts are ahead of where they have been over the last two years.

Ms. Johnson asked the Board to reference the Budget Comparison. Ms. Johnson stated that the budget for the Board's Interest Income was very low this year so receipts are way ahead of it. Ms. Johnson stated that the amount has been adjusted up for next year's budget so the Board will be looking at a better comparison for the investment interest. Ms. Johnson stated that there is also a change on the Investment Interest that was made to the WYOStar II account. Ms. Johnson stated that interest is not being allocated to the Board's accounts monthly. Ms. Johnson stated that it's going to be allocated to the account quarterly, so it will still be calculated on the daily average.

Ms. Johnson stated that was all she had for the Financial Report and asked if the Board had any questions.

Board Member Sweeney asked if any of the investment accounts are currently in equities, or just bond markets. Ms. Johnson stated that the Board does not have the ability at this time to invest in equities. Ms. Johnson stated that she knows the State Treasurer is working on rules that hopefully will be ready for us in July, but we do not have that ability at this time.

Board Member Sweeney asked that with fluctuation, is it wise to project additional income in the upcoming budget discussions. Ms. Johnson stated that yes, where the Board budget is currently very low and we can see where the investment interest is right now, it's 200% of what was budgeted, so she thinks it is way too low, so to adjust it up is something that she thinks is responsible at this point. Ms. Johnson stated that she believes that the Board will be able to hit that adjusted budget number.

Chairman Bertoglio asked if it is known if any of the big projects have paid their system investment charges, like the new big development over by Blackmore and the Mall. Chairman Bertoglio asked when system investment charges are typically paid. Mr. Brauer stated that permit fees are paid when they start, which in this case the system investment fees would have already been collected. Mr. Brauer asked Ms. Brown to explain the process. Ms. Brown stated that system investment charges are due when the building permit is issued. Chairman Bertoglio stated that he was curious because there is a lot of dirt work going on there. Ms. Brown stated that the contractor can start the dirt work before the building permit is issued, so they may or may not have paid the system investment charges yet.

Chairman Bertoglio stated that the Investment Committee met just before the meeting today. Chairman Bertoglio stated that the Committee needs to go back and actually look at how much we need to have readily available, how much we have in projects out there to actually try and project a revenue versus expenditure so we can decide how much needs to stay in money market, and how much we can invest and how long we can go out before we have a project that's going to need that money. Chairman Bertoglio stated that the Investment Committee is going to do a little pre-planning before we get to an investment advisor, and we're talking about piggybacking off of the City's investments so we actually get the benefit of the City's investment advisory rates. Chairman Bertoglio stated that it

will probably be a month or two before we make that, and in the meantime, SLIB is going to promulgate rules on any further equity investments.

Chairman Bertoglio asked for a motion to approve the April 2025 Financial Report as presented. A motion was made by Board Member Pollock and seconded by Board Member Sabrosky to approve the April 2025 Financial Report as presented. Motion put and carried.

6. In the Operations Update:

Mr. Wood stated that the Morad Recharge Basin was cleaned out and staff is working with Distribution to get the wells flushed today.

Mr. Wood stated that the Surface Water Plant was started, but is off today due to the rain. Mr. Wood stated that daily production is up a little bit with the average of 9 MGD. Mr. Wood stated that is likely to increase in the next few weeks.

Mr. Wood stated that the new well pump for Morad 8 has been assembled and is waiting to be installed.

Mr. Wood stated that the monthly preventative maintenance workorders have been completed.

Mr. Wood stated that staff cleaned out the Infiltration Gallery Pump House.

Chairman Bertoglio asked if there were any questions for Mr. Wood. No questions were asked.

The time was turned over to Mr. Anderson for the Transmission System Report.

Mr. Anderson stated that staff are busy with weekly security checks and tank sampling. Mr. Anderson stated that the chloramine residual is looking really good out in the system.

Mr. Anderson stated that staff completed the annual pump alignments, quarterly greasing of pumps and valves, and flushing of ARV's.

Mr. Anderson stated that the Meter crew has started the wholesale meter testing and it should be completed next month.

Mr. Anderson stated that the Airport Tank was drained, cleaned and inspected. Mr. Anderson stated that this is the five-year mark for the tank and everything looks really good, no tank issues.

Mr. Anderson stated that as Mr. Wood stated, staff cleaned the recharge basins.

Chairman Bertoglio asked if there were any questions for Mr. Anderson. No questions were asked.

7. There was no Public Comment.

8. In Old Business:

- a. Mr. Yonker stated that he has begun some work on the RWS vehicles, but requested that the Board table this item until next month. Chairman Bertoglio stated that was fine, but the Board needs to look at it closer.
- b. There was no Other Old Business.

9. In New Business:

- a. Chairman Bertoglio turned the time over to Mr. Farley with Advance Casper for an update on the proposed nuclear project near Bar Nunn.

Mr. Farley introduced himself to the Board and stated that part of the responsibility of Advance Casper is to facilitate the Economic Development Joint Powers Board. Mr. Farley stated that the Economic Development Joint Powers Board is in the application process with the State to get a Business Committed Grant to do improvements to the Bar Nunn area. Mr. Farley distributed a map to the Board and stated that the map is the proposed first phase of the project, which is all infrastructure. Mr. Farley stated that the lines on the map indicate water and sewer that run north-south going to the proposed site. Mr. Farley stated that the Radiant site is right of the heavy black line, which indicates a new proposed road for I-25. Mr. Farley stated that the water line they want to connect and loop into the existing tank that's at the top of the map and then goes all the way down to Sunset Blvd. past McMurray Blvd. and will supply water and sewer to this entire area. Mr. Farley stated that this will create roughly 600 new acres of commercial development for the future.

Mr. Farley stated that part of the application process is that we have to have a 10% match for the grant. Mr. Farley stated that Phase One of this project is roughly \$8 Million, so we're in search of \$800,000 as the match. Mr. Farley stated that he came to the Board to request a monetary commitment to help expand water and sewer into this area for future development.

Mr. Farley stated that on the topic of Radiant, one of their representatives is on their way to Bar Nunn as there will be a Town Hall meeting in Bar Nunn on Thursday at 6:00 p.m. Mr. Farley stated that if any of the Board Members want additional information about Radiant, the company themselves, that would be the best place to get that.

Chairman Bertoglio asked if new sanitary sewer will be installed all the way down to Sunset. Mr. Farley stated that was correct. Chairman Bertoglio asked if the water line just goes to McMurray Blvd. Mr. Farley stated that it's been indicated by Shane, who did this map for Mr. McMurray, who paid for the study, that there would have to be some sewer upgrades down towards Sunset, and then water from McMurray up. Mr. Farley stated that the sanitation would be an improvement all along, down there to Sunset Blvd. and then water north of McMurray Blvd.

Mr. Farley stated that he has presented to Bar Nunn City Council and asked of them, as far as the application is concerned, that they have a lion's share of the improvement and therefore should consider the lion's share of the contribution toward this effort in the grant. Mr. Farley stated that Advance Casper and the Economic Development Joint Powers Board will contribute. Mr. Farley stated that they have presented to the County, who didn't give a hard number on how much they would contribute toward it, but they are open and in support of the project itself. Mr. Farley stated that they are going around trying to get as many organizations involved as they can as it bodes very well for the application and shows commitment from the community in support of this and also kicks off a little bit of the load from the community itself and them having to raise it. Mr. Farley stated that it would be great if this Board would consider a couple hundred thousand toward this effort, or anything would be of help.

Chairman Bertoglio asked if the project can be done without the whole new waterline all the way down to McMurray Blvd. Mr. Farley stated that it is his understanding, and this would be a better question for Shane, is that you could probably come off of Westwinds Road and go up, but not the sewer. Chairman Bertoglio stated that RWS is water, not sewer.

Chairman Bertoglio asked who is going to own the water line, Bar Nunn or Regional Water. Mr. Farley stated that as it sits now, Bar Nunn would own the water line on Bar Nunn property, and everything north is in the County, but there's obviously opportunity. Chairman Bertoglio stated that it's a fairly large water line and he didn't know if Bar Nunn was going to take over ownership.

Mr. Brauer stated that he has had this discussion and what jumped out at him is the fact that that's a Regional transmission line and a Regional Water storage tank out in Zone 3 in Bar Nunn. Mr. Brauer stated that immediately it jumped out at him that all the proposed improvements that are shown would be owned and operated by the Town of Bar Nunn. Mr. Brauer stated that the ancillary benefit of that water line is that it does provide some looping for that water storage tank, and increases the usage of that water storage tank, which is a challenge as it's at the end of our system.

Mr. Brauer stated that it's his understanding that Radiant Nuclear is not a big huge water user, but with the facility of that size will probably use a 2-inch water meter, so it's not an appreciable tap fee for Regional Water.

Mr. Brauer stated that how it ended up here today is based on the fact it is a Regional tank and transmission line and the fact that this water line does provide some ancillary benefits to Regional, and if we have another user that pays a tap fee and uses more water.

Chairman Bertoglio asked who would be putting in the water and sewer lines for the project, would it be the lead government agency. Mr. Brauer stated that he assumes it would be Bar Nunn. Mr. Brauer stated that if nothing else, Bar Nunn

would need to make sure it complies with their standards. Chairman Bertoglio stated that was his thought.

Chairman Bertoglio asked if this project area butts up to Bar Nunn and if they will be able to annex it. Board Member Sabrosky stated that it is.

Board Member Sabrosky stated that he would like to speak from the standpoint of the last Bar Nunn Council meeting. Board Member Sabrosky stated that they are going through their budget leading up to June and their number one on this is they don't have \$400,000 to give out. Board Member Sabrosky stated that the second aspect of this is the voters are not on board with this. Board Member Sabrosky stated that this is an emotional project because of the nuclear waste that is proposed to be stored on site. Board Member Sabrosky stated that there's mixed feeling out there with the residents, and he's not sure but the county as a whole. Board Member Sabrosky stated that as soon as you start adding the aspect of taxpayer dollars developing private land, which all that 600 acres is owned by one family, you lose any support for the project. Board Member Sabrosky stated that Bar Nunn is a hard no on it so far. Chairman Bertoglio asked if Bar Nunn was against the development or putting money into it. Board Member Sabrosky stated that Bar Nunn is against putting money into it, they are still neutral on the project.

Chairman Bertoglio turned the time over to Mr. Bill Allemand. Mr. Allemand stated that he represents House District 58, which is part of Bar Nunn and Midwest. Mr. Allemand stated that he ran a professionally done poll through a company in Texas, which is the very same pollsters that is used by Harriet Hagaman. Mr. Allemand stated that the poll results show that people do not want State funds and taxpayer money to be used for this project, nor do they want nuclear waste to be stored here. Mr. Allemand asked the Board to not give money to this project.

Chairman Bertoglio stated that the question before the Board today is whether or not the Board participates in this grant. Chairman Bertoglio asked if McMurray or anyone else is going to participate in this water line being as they're going to get the benefit of development. Mr. Farley stated that Mr. Robert McMurray has indicated a gift, or giving back, like a six-acre parcel in that corner to Bar Nunn, and then he would participate monetarily to some degree in the grant match. Mr. Farley stated that they have to get clarity on whether or not you could get private sector dollars as part of the grant match. Chairman Bertoglio stated that regardless of whether we approve or anything, there's more politics involved in this.

Board Member Sweeney asked if there is a way that the County, or Salt Creek could do this as the tie-in is across the Interstate to Westwinds, if Bar Nunn decides they don't want the whole thing but the County does, and if there is a different way to look at this in utilizing the Regional Water tank. Chairman Bertoglio stated that was one of the questions he asked earlier, if they have to have the whole water line, but the sanitary sewer line is still needed. Chairman Bertoglio stated that he thinks the grant is still going to require that portion of it.

Chairman Bertoglio stated that the County cannot own utilities, but they could put

money into it as they would get a significant building permit out of it. Chairman Bertoglio stated that coming off of Salt Creek's line, which starts at just about to the north of that, could probably be done, but he thinks it would have more problems than they want.

Mr. Brauer stated that the Salt Creek Joint Powers Board booster station actually pulls water off of Zone 2, as it was constructed before Zone 3 was in place. Mr. Brauer stated that historically, the Salt Creek Joint Powers Board has not allowed taps off that waterline as that booster station was designed to solely support Midwest and Salt Creek because it has to go over 20 Mile Hill. Mr. Brauer stated that it's a challenging pump station because it's very high discharge pressure, and on the backside, they have pressure reducing times right now. Mr. Brauer stated that from an engineering standpoint, and he's limiting his discussions to engineering related, it doesn't make a lot of sense to tie that system off of the Salt Creek Joint Powers Board booster, both from a capacity and a pressure standpoint. Mr. Brauer stated that from a development standpoint, this is within the Town of Bar Nunn's growth boundaries. Mr. Brauer stated that across the Interstate is Casper's growth boundaries. Mr. Brauer stated that the interesting part is it's a Regional transmission line, a Regional booster, and a Regional thing that is in Zone 3.

Board Member Pollock asked if there are any hard commitments from organizations on this tap, so far as it's sort of people are coming to the table but haven't committed to specific dollar amounts yet. Mr. Farley stated that initially Advance Casper is treating this like a match for the community like Evansville, when we did the Mesa project as they didn't have a lot of dollars. Mr. Farley stated that what they ask for and what they receive are always going to be two different things. Mr. Farley stated that very early on in talks we were up to \$100,000 both from Advance Casper and the Economic Joint Powers Board, which again this was just discussed early on to see where we are to use it as a motivation for others to participate. Mr. Farley stated that the County didn't want to give any hard numbers, it was like a not to exceed 25%.

Board Member Pollock stated that it was mentioned that this would open up additional acreage for partial development and asked if an analysis was done about the impact on that area. Board Member Pollock stated that she understands it would vary depending on how it gets developed and what is out there, but asked if an analysis was done on the broader economic affect. Mr. Farley stated that they don't have hard figures at this time, but there are other parties interested in this same area, one is a similar business as Radiant. Mr. Farley stated that depending on how Bar Nunn and the County views Radiant as a project would certainly dictate whether or not this is still a favorable location for that company as well, but that's another 400 jobs.

Mr. Allemand asked if that business is a manufacturer of nuclear. Mr. Farley stated that it is not a manufacturer like Radiant, it is more like a refinery. Mr. Allemand stated that they are going to bring yellow cake from all over Wyoming and manufacture yellow cake into trisofuel. Mr. Farley stated that he could not

speaking to that. Mr. Allemand stated that he thinks that is what they are going to do, and we're going to turn Wyoming into a wasteland of nuclear development. Mr. Allemand stated that is what he thinks this other project is as well, turning Wyoming uranium into fuel that can be used as a bomb.

Board Member Sabrosky stated that there are many Town Hall meetings to come for this, but at the first Town Hall meeting the question was proposed to Radiant, and he believes it was answered, if they don't get the grant, will the project move forward, and it was answered in the affirmative. Board Member Sabrosky stated that he has a feeling, which is only his opinion, that there are personalities in our Legislature down to local personalities that are holding on tight to Radiant pursuing this grant because of the benefits to the other players involved as this is a \$300 M plus project. Board Member Sabrosky stated that Wyoming is an attraction for the nuclear development that's coming, not just Radiant, but many. Board Member Sabrosky stated that it is his opinion that we need to let the fair market play its course, and any of these entities putting in taxpayer money, he is against, including Bar Nunn and this Board.

Board Member Pollock stated that if there are partnerships developing across the community, she would be in favor of participating in that. Board Member Pollock stated that from this Board standpoint, she understands what Board Member Sabrosky is saying, and she also thinks that if we don't get that \$8 M, it's going to go to a different community in Wyoming and she would just as soon see it come here and be put to use for our local area. Board Member Pollock stated that if people have issues with the structure, that's a conversation to have, but this is the structure we have to work with right now and to her it's silly to leave that money on the table when we could go after it and get it and bring it back here. Board Member Pollock stated that this is not a debate, we are talking about support now, and she thinks that the money will go to a different community to build a project that they're working on, so she is willing to play ball if we've got other partners involved. Board Member Pollock stated that she doesn't know if the Board has a couple \$100,000 that they want to put towards it, but she is certainly interested in partnership opportunities with other entities.

Chairman Bertoglio asked if the southern tie-in is coming off a Regional line or if the tie-in is on a Bar Nunn line as designed. Mr. Brauer stated that he believes as designed, that is a Bar Nunn line, not a Regional line. Mr. Brauer stated that the new water line would not be owned or operated by Regional Water. Mr. Brauer stated that Regional does get some ancillary benefit from the standpoint of having a looped water line up there and again helping with water quality in Zone 3 in Bar Nunn.

After additional discussion, Chairman Bertoglio stated that the question being asked of the Board is whether or not they want to participate in the water line and grant.

Board Member Sweeney stated that he 100% agrees with Board Member Pollock's comments, as he has been at the meetings and studied this. Board Member

Sweeney stated that he thinks it's good for Natrona County and for the state.

Secretary Waters stated that he is in favor of the infrastructure part to help with projected growth. Secretary Waters stated that as for the nuclear part of this, he is not in favor of it. Secretary Waters stated that as far as giving some money towards it, he could vote for that.

Treasurer Sutherland stated that he can see where this is kind of going, but you've got to think about Bar Nunn also. Treasurer Sutherland stated that Bar Nunn doesn't want this, but they're going to get it forced on them. Treasurer Sutherland stated that he is leaning towards the other side, these guys got the money and they can build it if they want to.

Mr. Farley asked for a point of clarity. Mr. Farley stated that if Radiant isn't a part of the conversation, the project doesn't come to fruition and they do not locate here, that infrastructure exists for the future.

Board Member Larson stated that he was going to say the same thing, that the infrastructure will be there. Board Member Larson stated that even if they don't come, they can't say well you can't use this now. Board Member Larson stated that he understands where everybody's at where they like this, but they don't like this.

Board Member Sabrosky stated that he would like to enhance his no vote. Board Member Sabrosky stated that this land is owned by a billionaire family and their resources to develop are very deep. Board Member Sabrosky stated that the game in Wyoming is coming to an end in Wyoming as there has been a power structure change in the Legislature as the people are tired of their tax dollars going to benefiting the well connected. Board Member Sabrosky stated that he understands economic development would be great, but only through fair market principles.

Chairman Bertoglio stated that the Board is talking basic infrastructure. Chairman Bertoglio stated that this is a big project and it is going to open up a whole lot of land for development and if Radiant walked away, the infrastructure itself would be a huge benefit and open up land for development. Chairman Bertoglio also added that the Board typically has not gotten into providing any economic incentive, so if they said no, it wouldn't be like we're making an exception based on who's going in, we've just never done it and the only exemptions we've made for system development charges is for municipalities for water development which is in the Board policy.

Board Member Sweeney asked if there is a possibility to do a straight forward amount of dollars. Chairman Bertoglio stated that the Board can do what it wants, but in the past the Board has not participated in economic development.

Chairman Bertoglio asked when Mr. Farley needs an answer. Mr. Farley stated that he needs an answer quickly ask the timeline for the grant submittal has been dictated by the State. Mr. Farley stated that a decision to participate in some

fashion or not would suffice, it's up to the Board. Mr. Farley stated that the application has to be submitted in June.

Chairman Bertoglio stated that the Board could submit a letter in support of the infrastructure and leave it at that by not endorsing the project. Chairman Bertoglio stated that is a nice compromise, and could note that we don't contribute funds to it, but we would love to see the infrastructure go in for future development.

Board Member Sweeney asked if the Board were to contribute funds to the infrastructure project, where the funds would come from. Chairman Bertoglio stated that all the Board's funds come from selling water.

Board Member Pollock stated that she is not philosophically opposed to contributing if the case can be made that it ultimately returns for us.

Mr. Farley asked if the Board has funds set aside for expansion of the system. Chairman Bertoglio stated that the Board is a wholesale water provider and puts in main infrastructure to get water to the entities. Chairman Bertoglio stated that the Board has lines up to Bar Nunn, and then Bar Nunn has to install lines off our tank, or our lines, or pump station since Bar Nunn is the retailer. Chairman Bertoglio stated that is why he was asking about whether this line is a transmission line or a retail line.

Board Member Sabrosky stated that this Board is in the same boat that Bar Nunn is in, there's some money in the bank, but on different levels. Board Member Sabrosky stated that EPA is forcing the Board into this \$15 to \$20 M project. Board Member Sabrosky stated that Bar Nunn is facing kind of the same thing, they have \$3 M in the bank that was transferred over from Wardwell, but they are being faced with a lead mitigation problem. Board Member Sabrosky stated that Bar Nunn is also changing out old valves, etc. and there is possibly \$6 M in investment to get things up to par in their system on top of what EPA is requiring for lead abatement stuff. Board Member Sabrosky stated that it looks like there's money in the bank, but we have commitments.

Chairman Bertoglio asked what the pleasure of the Board is on this topic. A motion was made by Board Member Sweeney and seconded by Treasurer Sutherland to direct the Chairman to prepare and sign a letter of support for the infrastructure portion of this development project. Motion put and carried with Board Member Sabrosky voting against.

- b. Chairman Bertoglio stated that the next item on the Agenda is Consider Resolution No. 25-01 for submittal of a loan application for the Primary Disinfection Improvement Project in the amount of \$20 Million. Mr. Yonker stated that this is an SRF funding application for the Primary Disinfection Improvement Project. Mr. Yonker stated that HDR is under contract. Mr. Yonker stated that staff is looking at as many options as we can for the Primary Disinfection, and some of those options may end up producing the total cost of this project. Mr. Yonker stated that to make sure we have all of our bases covered, we did get on the Intended Use Plan

(IUP) for the full amount of the full replacement of ozone generators and anything that may be needed as we finalize this design. Mr. Yonker stated that this project did get added to the IUP and the expected interest rate for this \$20 M loan would be 0.25%, which is a pretty good interest rate.

Chairman Bertoglio asked if we don't have to upgrade the ozone, if that would drastically cut what would be needed from this \$20 M. Mr. Wood stated that they are still working on the research for not upgrading the ozone as there's a lot of variables in play. Mr. Wood stated that you could do that for the groundwater, but not the surface water. Chairman Bertoglio asked if the \$20 M should cover all the variables. Mr. Yonker stated that it should, and a lot of the required testing needs to take place during the summer months. Mr. Yonker stated that we won't have answers on the surface water until the fall, but we are getting closer on the groundwater now.

Mr. Brauer stated that SRF loans are unlike any other loans. Mr. Brauer stated that 0.25% interest rate is incredibly low, and you can apply for the whole amount and use whatever you use. Mr. Brauer stated that they don't write the loan document until the project is finished. Mr. Brauer stated that staff erred on the side of being high to make sure we are covered because it is about a one-year process to ask for more money. Mr. Brauer stated that interest doesn't accrue and the payments don't start until the project is finished. Mr. Brauer stated that the terms of this loan are very, very favorable for the Regional Water System. Mr. Brauer stated that staff is doing everything they can to consider if the ozone generators need to be rebuilt to the tune of roughly \$10 M.

Board Member Sabrosky asked that when the loan goes into repayment, if the funds go back to the State, or if they eventually go back to EPA. Mr. Brauer stated that the funds stay with the State. Mr. Brauer stated that historically these SRF loans were eligible for 25% Principal Forgiveness, which is basically a grant. Mr. Brauer stated that the State has put rules in place that say communities that are over 10,000 people are not eligible for Principal Forgiveness.

A motion was made by Board Member Pollock and seconded by Secretary Waters to approve Resolution No. 25-01 for the submittal of a loan application for the Primary Disinfection Improvements Project in the amount of \$20 Million. Motion put and carried.

- c. Mr. Yonker stated that he emailed the revised budget memo to the Board last week and hoped that it made sense. Mr. Yonker offered to answer any questions the Board may have on the information he sent last week.

Chairman Bertoglio asked about the allocations for Interdepartmental Services. Chairman Bertoglio stated that the \$7,000 allocated to City Council represents a month's worth of the City's budget towards City Council and he doesn't believe Regional represents 12% or 10% of the City's budget. Chairman Bertoglio asked if that was the total amount that was allocated to Water and if some of this amount should be going towards Water Distribution. Mr. Yonker stated that he reached out

to Ms. Johnson as the Finance Department is the one that calculates these allocations and puts them in the budget. Mr. Yonker stated that Ms. Johnson had to leave but he will show the Board the information he has which includes the spreadsheet of the allocations to the different Enterprise Funds. Mr. Yonker showed that the spreadsheet lists the allocations to each separate fund, and there is a breakout for the WTP and for Water Distribution.

Board Member Sabrosky asked if it is spelled out in the Operations Contract with the City of Casper, or if that is just at their own discretion. Mr. Yonker stated that the percentage amounts are not necessarily spelled out. Mr. Yonker stated that he could look into that to see if dollar amounts or percentages are spelled out in the contract.

Board Member Sabrosky stated that if the amounts aren't controlled by the Board and are controlled by the City of Casper, he feels like they are getting out of hand and need to be revisited in the contract and set some allocation percentages that can be abided by both the Board and the City because they are climbing fast. Board Member Sabrosky asked what the different departments are doing for the Board. Chairman Bertoglio stated that it is administrative overhead. Chairman Bertoglio stated that his question is how they come up with the number. Chairman Bertoglio stated he knows they do it at Metro and all the others, they have a degree that gets allocated as a percentage of the City Manager, Council, all that. Board Member Sabrosky stated that the Board is an independent facility compared to all those other facilities that are owned by the City. Chairman Bertoglio stated that is correct, but part of the Operations that they're doing is we're getting the benefit of City Finance Department and all that, so there are some direct charges that show up, but like for Ms. Johnson she falls under Finance charges. Chairman Bertoglio stated that the Board can certainly ask about the percentages used.

Mr. Brauer stated that this is allocated to every department, as he sees them in every department during budget review. Mr. Brauer stated that funds are allocated based upon the amount of labor that's associated with each department. Mr. Brauer stated that the question about the City Attorney, it is allocated based on labor and is assigned for personnel. Mr. Brauer stated that in the beginning, two people from Water Distribution were responsible for Regional because it was really hard to try and discern in a day's work. Mr. Brauer stated that we could also invoice based on time cards and work orders if the Board would like, as that has been done as well.

Board Member Sabrosky stated that back when it did transfer over and Regional got rid of their employees, it worked out good but you can see how the pendulum is going the other direction. Board Member Sabrosky stated that right now it's palatable, but as the City of Casper struggles with their budgets, and they see these outlying departments sitting on cash, those increases continue to skyrocket to the point this independent department, which does still operate outside of the bounds of ownership of Casper, you could end up driving this Board or this facility into going back to hiring employees. Board Member Sabrosky stated that he's not saying that's happening tomorrow, but if you continue to go too far and ask too much from this entity, it's something that may have to be looked at because those

are huge increases without justification.

Mr. Brauer stated that without having all the data in front of him, he disagrees with Board Member Sabrosky's supposition that the City keeps asking for more because this percentage is purely based on personnel. Mr. Brauer stated that if there's 70 personnel at Solid Waste and there's 35 at Regional Water, Solid Waste takes twice as much as Regional. Mr. Brauer stated that nowhere is the City putting the thumb on the scale that says this is an outside City agency, because, let's be honest, we're paying ourselves 85% of every dollar when you see \$242,000 there. Mr. Brauer stated that 85% of that is coming from the City of Casper so there's no incentive for us to put our thumb on the scale now. Mr. Brauer stated that he will speak with Ms. Johnson about this as they can go back and look at the last ten years and his guess is that the percentages have been fairly close. Mr. Brauer stated that he knows that in the last ten years the number of personnel has been very flat, so this percentage has not changed dramatically at the WTP. Mr. Brauer reiterated that the percentage is based on staff's hours not on what the total budget is.

Board Member Sabrosky asked if the percentage is based on the number of employees, or the total of the salaries as a total. Mr. Brauer stated that he thinks it is the salaries as a total because the number of employees wouldn't make sense. Board Member Sabrosky asked if we go back ten years then that percentage is based on those yearly salary amounts. Mr. Brauer stated that is correct.

Chairman Bertoglio stated that the increases are usually associated with increases in wages and benefits. Chairman Bertoglio stated that benefits have been a big one because of health insurance and the other really big one this year has been Worker's Comp as it has gone through the roof. Mr. Brauer stated that they are looking into Worker's Comp this year to figure out why it has increased so much.

Board Member Sabrosky stated that if that is the way it is calculated, that makes sense. Board Member Sabrosky stated that this is volunteer Board Members so it seems like Casper is asking for a big hike, but now he is understanding the justification.

Mr. Brauer stated that he's going to ask Mr. Yonker to do two things, number one – look at the five or ten year history of what these numbers have been; and two – figure out exactly how that calculation takes place to make sure 100% what is being presented so then there is a slice of accountability so everyone is comfortable.

Mr. Yonker stated that additionally, the City just had a compensation study performed and all employees received a 2.75% increase, so those impacted our salary lines for the WTP, but they also impacted those Interdepartmental costs as well.

Chairman Bertoglio asked the Board if there were any other items in the budget they wished to discuss. Secretary Waters stated that he didn't take a lot of time to review the budget, but there was a 54% increase and asked what that increase was for. Mr. Yonker stated that it's difficult with the Regional budget to talk about

percentage increases because some years you have budgets that are making revenue, and in some budgets you are spending down reserves to get to your target. Mr. Yonker stated that this year we are going to be spending down some of the excess fund balance. Mr. Yonker stated that this 54% change in the Agency Budget is a direct relationship to not only the Capital Projects that we are going to be doing, but also the carry over Capital Projects from previous fiscal years. Mr. Yonker presented a spreadsheet to show where the Board is with Capital Projects, and where the Agency Budget is without considering the rollover capital.

Mr. Yonker stated that the FY2026 total proposed Capital Improvement Budget is \$4.155 M, whereas last year it was \$3.18 M. Mr. Yonker stated that a little bit of extra Water Revenue was gained last year because it was a dry year. Mr. Yonker stated it did have an impact on the Fund balance, and to get it back down to reserves there are needed Capital projects that need to be done. Mr. Yonker stated that it is a balancing act with Capital Projects.

Chairman Bertoglio asked if there are a couple of million in rollover projects that are impacting the budget. Mr. Yonker stated that the \$4.155 M is just FY26 Capital. Chairman Bertoglio asked if there are some FY25 projects to rollover. Mr. Yonker stated that there are some rollover projects and reviewed the list with the Board. Mr. Yonker stated that there will be \$5.159 M of rollover projects and \$1.16 M of projects that were completed and will be returned to the Fund. Mr. Yonker stated that this will be reflected in the Rate Model Pro-Forma.

- d. Mr. Yonker referenced the Wholesale Rate Model Pro-Forma and explained that the closed projects were removed, all SRF loan amounts are included, \$15 M is included for the total loan on the Disinfection Improvements Project as it is unknown what the total loan will be at this point in the design. Mr. Yonker stated that the Pro-Forma assumes a 3% rate increase for the next four fiscal years and a 2% increase in 2030.

Chairman Bertoglio stated that last year when looking at the Pro-Forma, he thought it included a 4% increase for this year, so that \$1 M that was added back to the fund helped to drop it down. Treasurer Sutherland stated that is even better than the 3.5% the Board discussed previously.

Mr. Yonker stated that the 3% increase equates to change the wholesale water rate to \$2.48 per thousand gallons.

Chairman Bertoglio stated that he is assuming some of the debt is being paid off and it looks like this is sustainable into 2028.

Mr. Yonker stated that we're anticipating that the debt service for the Primary Disinfection loan will take place in 2027, but will likely be further out by the time the loan gets finalized.

Mr. Yonker stated that the Pro-Forma does have about five years worth of capital improvement plans built into it.

Chairman Bertoglio asked where the \$15 M comes in. Mr. Yonker stated that the expense and revenue are a wash, but the debt service amount is included. Mr. Yonker stated that the estimated annual payment amount on the \$15 Million loan is \$770,000 starting in 2027, but realistically will probably start in 2028, which will only help the fund balance.

Mr. Yonker stated that we are not hitting the fund balance as much as we thought we were going to so we could potentially be a little more aggressive with some of the capital needs, but he prefers to budget on the conservative side. Mr. Yonker stated that based on the outlying years and projections, barring no emergencies, we could hold pretty steady to our customers without major increases just the proposed 3% increase every year, which ends up being \$0.07 per thousand.

Mr. Brauer stated that as we get two years out, it's more of a mystery than it is science. Mr. Brauer stated that trying to anticipate what the capital improvements are going to be is difficult. Mr. Brauer stated that Mr. Yonker has done a wonderful job of developing a 5-year Capital Improvement budget, but it is a work in progress. Mr. Brauer stated that his invitation and request for the Board is to not get too married to the idea of keeping rates flat because our core expenses continue to rise. Mr. Brauer stated that the City of Casper doesn't anticipate a labor increase this year, but the power, gas, and chemical companies do increase. Mr. Brauer stated that there is a lot of fixed costs that go into the expense of producing a gallon of water.

Mr. Brauer stated that Mr. Yonker has done a great job of cleaning up the books, and getting the completed projects off the books.

Chairman Bertoglio asked if the Board is comfortable moving forward with the 3% rate increase. It was the consensus of the Board to move the 3% wholesale water rate increase forward for approval at the June meeting.

e. In Other New Business:

- i. Mr. Yonker stated that an Administrative Specialist was hire to replace Ms. Cochrane, which was previously Ms. Brown's role. Mr. Yonker stated that Ms. Brandy Coyle, who has been with the City for ten or eleven years, and used to work in City Engineering has accepted the position. Mr. Yonker stated that in addition to that, the WTP Admin position was offered to Ms. Sophie Stalnaker and she will be starting June 2nd.
- ii. Secretary Waters stated that he spoke to Ms. Brown a couple of weeks ago and her contract with the City is about to expire in another month. Secretary Waters asked if there is any thought process from the City about keeping her on. Mr. Yonker stated that her original contract was set to expire at the end of April, but was extended to the end of June. Mr. Yonker stated that right now it largely depends on how well Ms. Coyle gets into her role, which he thinks she will hit the ground running. Mr. Yonker stated that Ms. Brown is retired and we would like to let her enjoy her retirement. Mr. Yonker stated

that he thinks it would be possible if needed, but he thinks he would like to wait and see how the new people fit in their rolls before pulling the trigger on another contract extension.

Secretary Waters stated that he would like to propose that if the City does not want to extend Ms. Brown's contract, that the Board keep her on as a consultant so we have her to where we could go and find answers to questions. Secretary Waters stated that since Mr. Martin left, and Ms. Brown retired, we've had a revolving door. Secretary Waters stated that Mr. Yonker recently stepped in and is still learning about a lot of this stuff.

Secretary Waters stated that when you want to go and find facts about what went on in Regional Water and how it was handled before, he keeps going back to Ms. Brown. Secretary Waters stated that he thinks the Board should keep her on and pay her a consulting fee where if the Board needs her to come in and help figure something out, or just for information. Secretary Waters stated that Ms. Brown has been here since Regional was formed and has all the history. Secretary Waters stated that he thinks the Board would benefit from this.

Chairman Bertoglio asked what Ms. Brown thought of this. Ms. Brown stated that she would eventually like to be completely retired, but as a resource to answer questions would be fine, because as Secretary Waters stated, there is no one left that has the full history of Regional Water.

Mr. Yonker stated that he would also add that Ms. Brown is his first call when he doesn't know what's happening.

Chairman Bertoglio stated that perhaps the Board should put some money in the budget so it can be drawn on if the Board feels like they need Ms. Brown, or if the City is so inclined to extend her contract.

Mr. Yonker asked if the Board had a timeframe in mind. Secretary Waters stated that he thinks for at least a year or two.

Board Member Sabrosky stated that he's seen it that people with the knowledge retire, then become a consulting agent and set a fee. Board Member Sabrosky stated then it would be up to the Board as to how many times they want to call and pay that fee. Board Member Sabrosky stated that it is Ms. Brown's decision, but her knowledge is valuable.

Chairman Bertoglio stated that the Board will keep this in mind.

11. In the Chairman's Report, Chairman Bertoglio stated that the next Regular Meeting will be held on June 17, 2025

A motion was made by Secretary Waters and seconded by Board Member Pollock to adjourn the meeting at 1:30 p.m. Motion put and carried.

Paul C. Bontoglio
Chairman

J. L. Waters
Secretary