

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

MEETING PROCEEDINGS

November 14, 2023

A public meeting of the Central Wyoming Regional Water System Joint Powers Board (Board) was held Tuesday, November 14, 2023, 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, Vice-Chairman North, Secretary Waters, Treasurer Cathey, and Board Members Aars, and Sabrosky. Board Members Pacheco and Pollock were absent.

City of Casper – Bertoglio, Cathey, Tom Brauer, Bruce Martin, Tom Edwards, Mark Anderson, Nicholas Gassman, Janette Brown

Natrona County – North

Salt Creek Joint Powers Board – Aars

Wardwell Water & Sewer District – 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 — Charlie Chapin, Alia Scott, Craig Silva – Williams, Porter, Day & Neville, P.C.; Peter Boyer, Pat Holscher, Frank Schwarzrock – Town of Bar Nunn; Phil Stump – HDR Engineering; Jeff Yennie, Jordan Jones – Ketel Thorstenson, LLP

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

1. In Announcements:

- a. Mr. Martin stated that there are several people joining the meeting online and introduced Mr. Jeff Yennie and Mr. Jordan Jones with Ketel Thorstenson, Ms. Alia Scott and Mr. Craig Silva with Williams, Porter, Day & Neville, P.C., and Mr. Phil Stump with HDR Engineering.
 - b. Mr. Martin informed the Board that this will be the last meeting for Mr. Tom Edwards, WTP Manager, as he is moving out of state and thanked Mr. Edwards for his service and wished him well in the future.
 - c. Chairman Bertoglio stated that he would like to mix up the order of the agenda. Chairman Bertoglio stated that the Board would go through with the first five items on the agenda, and then jump down to the Audit Presentation and follow through the New Business items and leave Old Business Agenda Item # 7a as the last item on the agenda in order to have as much time for discussion as necessary.
2. Chairman Bertoglio asked for a motion to approve the minutes from the October 17, 2023, Regular meeting.

A motion was made by Secretary Waters and seconded by Vice-Chairman North to approve the minutes from the October 17, 2023, Regular meeting.

Board Member Sabrosky asked if he should remain neutral and not vote. Treasurer Cathey asked if the Board has established a quorum for this meeting. Chairman Bertoglio stated that there is a quorum with Board Member Sabrosky. Chairman Bertoglio stated that technically Wardwell is still a member of this Board. Mr. Chapin stated that this is one of those things we need to do to keep moving. Board Member Sabrosky stated that he will abstain from any votes on the Wardwell matter.

Motion put and carried.

3. Mr. Martin stated that there was one additional voucher added to the voucher listing that was sent out in the agenda packet and asked the Board to reference the voucher listing on the screen.

Mr. Martin stated that voucher 8629 for Williams, Porter, Day & Neville, P.C. in the amount of \$1,313.13 is for legal expenses for October 2023 and was added to the listing.

Mr. Martin stated that voucher 8624 for Hach Company in the amount of \$6,652.00 is for turbidimeter replacements that were approved by the Board and included in the FY24 Budget.

Mr. Martin stated that voucher 8625 for Wyoming Water Development Commission in the amount of \$654,316.77 is for the New Construction and Rehabilitation loan payments.

Mr. Martin stated that voucher 8626 for Kenny Electric in the amount of \$18,395.00 is for the North Chem Lighting Project – Security Upgrades that was approved by the Board and included in the FY24 Capital Budget.

Mr. Martin stated that voucher 8628 for Casper Star Tribune in the amount of \$569.04 is for the Advertisement for Bid for the WTP 42-inch Steel Waterline Replacement Project No. 21-045.

Mr. Martin stated that the vouchers are in good order and recommended approval of vouchers 8624 through 8629 in the amount of \$1,092,882.93.

Chairman Bertoglio asked for a motion to approve the November 2023 vouchers. A motion was made by Secretary Waters and seconded by Vice-Chairman North to approve the November 2023 voucher listing to include voucher numbers 8624 through 8629 in the amount of \$1,092,882.93. Motion put and carried.

4. Mr. Martin asked the Board to reference the Water Production chart on the screen. Mr. Martin stated that there were 238 MG of water produced in October, which is 22 MG above the five-year average of 216 MG.

Mr. Martin stated that the year-to-date water production was 1.85 BG, which is 132 MG below the five-year average of 1.98 BG.

Mr. Martin stated that Interest Earned is \$87,699 compared to \$36,744 last year. Mr. Martin stated that this does not include the interest earned in October from the WYOSTar accounts as the statements were not available to include in the Financial Statement.

Mr. Martin stated that Water Utility Charges year-to-date are currently \$4,259,990, compared to \$4,633,134 last year, which correlates with the decrease in production.

Mr. Martin stated that Reimbursable Contract Expense is \$1,629,111, which is \$288,580 more than last year. Mr. Martin stated that this line item is where it was expected to be at this time of the Fiscal Year.

Mr. Martin stated that the Insurance/Bonds line item is \$119,656. Mr. Martin stated that in the past, Finance posted an accrual amount to this line item, but has changed to just posting the full amount to the line item when the insurance is paid.

Chairman Bertoglio asked for a motion to approve the October 2023 Financial Report as presented. A motion was made by Secretary Waters and seconded by Treasurer Cathey to approve the October 2023 Financial Report as presented. Motion put and carried.

5. The time was turned over to Mr. Edwards for the WTP Operations Update.

Mr. Edwards stated that production for the month of November is averaging 5.3 MGD, all coming from the wellfield. Mr. Edwards stated that last year at this time the average production for the month was 5.4 MGD.

Mr. Edwards stated that the WWDC Wellfield Management Project is on hold as they are waiting for some well pumps that are on order to arrive. Mr. Edwards stated that there is the possibility that they could start rehabilitating some of the wells before they come in.

Mr. Edwards stated that Morad 6 pump replacement will ship out on Nov. 17th. Mr. Edwards stated that the pump for Morad 2 should be here by mid-December. Mr. Edwards stated that there are pumps for three other wells on the Board agenda today.

Mr. Edwards stated that repairs for the Sodium Hypochlorite Tanks are on the Board agenda today as well. Mr. Edwards stated that it is hoped they will start this project early next year.

Mr. Edwards stated that the Ammonia Line Replacement Project is scheduled to start the week of December 4th.

Mr. Edwards stated that the HVAC System Cold Water Valve Project is delayed, but hopefully will start in a couple of weeks.

Mr. Edwards stated that the boilers will be inspected next week by Dynamic Controls.

Mr. Edwards stated that Kenny Electric completed the North Chem Lighting Upgrade Project.

Mr. Edwards stated that Sheet Metal Specialties is still working on the HVAC Chiller Replacement Project.

Mr. Edwards stated that Maintenance Staff has been working on draining and cleaning the Surface Water System for the winter.

Mr. Edwards stated that the Raw Water gates had a mechanical failure on two of the valve actuators and staff has been working on them.

Mr. Edwards stated that staff has been changing out filter turbidimeters from the MOD BUS+ to the 420 milliamps.

Mr. Edwards stated that staff repaired the turbidimeter on Casper 22 well.

Mr. Edwards stated that staff replaced thermostats on well house heaters and installed a new heater in Caisson 3.

Mr. Edwards stated that the Lead Operator position was filled by the Plant Maintenance Supervisor, Logan Wood. Mr. Edwards stated that the Plant Maintenance Supervisor position is being advertised and will close on the 19th.

Mr. Edwards stated that the vacant WTP Operator position was filled, and the new Operator started on the 6th.

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

Mr. Anderson stated that the weekly security checks and tank sampling continue to be completed each week.

Mr. Anderson stated that we are still in nitrification season, so chloramine residuals are still pretty low.

Mr. Anderson stated that staff checked all the non-draining fire hydrants again this month. Mr. Anderson stated that this will continue throughout the cold months.

Mr. Anderson stated that a new sump pump was installed at Sandy Lake Booster as the old one decided it was done working.

Mr. Anderson stated that Pioneer Tank was drained yesterday, and staff are doing the inspection right now. Mr. Anderson stated that he did have one update that said it wasn't that bad, but he's not sure what that means. Mr. Anderson stated that he will have more information later today.

Mr. Anderson stated that staff has completed all the RWS ARV maintenance for the year.

6. In Public Comment, Mr. Peter Boyer, Mayor of Bar Nunn, introduced himself, Mr. Holscher, and Mr. Schwarzrock to the Board. Mr. Boyer stated that he thinks most of the Board knows him, and they are in attendance today because they want to hang out an olive branch and open some discussion, and have some friendly discussion with the Board, and give an update on where things stand. Mr. Boyer stated that they are happy to answer questions and discuss anything openly with the Board that they want to discuss.

Chairman Bertoglio welcomed the Bar Nunn representatives to the meeting and stated that hopefully at the end of this everyone will be unified and on one page.

8. In New Business:

- a. Mr. Martin stated that this is the time of the year the audit is presented to the Board. Mr. Martin stated that Ketel Thorstenson was awarded the contract for the audit for the next five years. Mr. Martin stated that Mr. Nicholas Gassman from City Finance is in attendance today. Mr. Martin stated that Mr. Gassman, Mr. Fagnant, and Ms. Brown do a lot of work on the audit.

Mr. Martin turned the time over to Mr. Jeff Yennie and Mr. Jordan Jones, with Ketel Thorstenson for the audit presentation.

Mr. Yennie stated that he and Mr. Jones are with Ketel Thorstenson (KT) and headquartered in Rapid City, with offices in Spearfish and Gillette. Mr. Yennie stated that KT does have a pretty strong presence in Wyoming. Mr. Yennie stated that KT does the City of Casper audit, along with the Economic Joint Powers Board audit, and now the RWS audit. Mr. Yennie stated that since the RWS is a component of the City of Casper, it really works out and makes it easy on everyone.

Mr. Yennie stated that everyone should have seen the draft audit report. Mr. Yennie stated that he will point out a couple of things, but there isn't anything really crazy in the audit.

Mr. Yennie asked the Board to reference page 3 of the draft audit report. Mr. Yennie stated that this is the opinion, and the first two paragraphs highlight that this is a clean, unmodified opinion. Mr. Yennie stated that this is the opinion you want on your financial statements. Mr. Yennie stated that this states that they are not aware of any material modifications that need made in order to be in conformity with accounting principles. Mr. Yennie stated that it was a successful audit in that perspective.

Mr. Yennie stated that farther down on the page is the paragraph titled "Prior Period Financial Statements". Mr. Yennie stated that this points out that a previous audit firm audited these financial statements last year, and since we report a comparative set of financial statements, we are just pointing out that KT only audited the year ended June 30, 2023, and did not audit June 30, 2022. Mr. Yennie stated that those were audited by the previous firm, and KT did not spend any time on it.

Mr. Yennie stated that page 6 starts the Management Discussion and Analysis. Mr. Yennie stated that this is a 5 or 6 page summary of your financial statements and the overall operations of the Water System if someone would want a high level overview of the operations to see what's going on. Mr. Yennie stated that they should be able to get a good idea of what's going on with the Water System by reviewing these pages.

Mr. Yennie stated that page 11 starts the Statements of Net Position. Mr. Yennie stated that cash at the end of 2022 was \$574,826, and in 2023 it is just over \$2.3 Million. Mr. Yennie stated that there is more in estimated property and equipment in 2022, and some repurpose of investments. Mr. Yennie stated that otherwise everything is consistent.

Mr. Yennie stated that there are still some projects hanging out there as far as construction in process commitments are concerned. Mr. Yennie stated that it was a status quo year from a Balance Sheet perspective.

Mr. Yennie stated that there were normal debt paydowns, normal property and equipment additions.

Mr. Yennie asked the Board to reference page 12 of the report. Mr. Yennie stated that this is the Income Statement, Statement of Revenues and Expenses. Mr. Yennie stated that he likes to look at the Operating Income line which is halfway down the statement. Mr. Yennie stated that this is really consistent, so this tells you that there weren't a ton of changes in the operations. Mr. Yennie stated that Revenues and Expenses were consistent, and operating in the median, which is where you want to be. Mr. Yennie stated that this is organized as a proprietary fund, so you want to cash flow yourself. Mr. Yennie stated that if the Board had sustained losses from operations, you would need to take a look at either rates or possibly overspending on operating. Mr. Yennie stated that he thinks the Board is in a good spot.

Mr. Yennie stated that page 13 is the Cash Flow Statement. Mr. Yennie stated that the first subtotal is net cash flows divided by operating activities. Mr. Yennie stated that this is how the Board made their money. Mr. Yennie stated that the next two subtotals, Net Cash Flows Used in Capital and Related Financing Activities, and Net Cash Flows (Used in) Provided by Investing Activities, is how the Board spent their money. Mr. Yennie stated that the Board made \$4.5 Million by providing water and services, and then spent it on Capital and Related Financing Activities. Mr. Yennie stated that this year there was actually a little bit of Investment Income. Mr. Yennie stated that is the Board's basic financial statements.

Mr. Yennie stated that page 14 starts the notes. Mr. Yennie stated that there were no new accounting standards or new disclosure requirements this year. Mr. Yennie stated that there is not a lot in the notes that the Board hasn't seen before.

Mr. Yennie stated that the Summary of Significant Accounting Policies goes through all the accounting background and how the Board applies accounting principles to their organization.

Mr. Yennie asked the Board to reference Note 2 on page 17. Mr. Yennie stated that this note discloses what the exposure to FDIC insurance is. Mr. Yennie stated that the Board is covered for \$250,000 per financial institution. Mr. Yennie stated that this shows that the Board has approximately \$3.2 Million of deposits that are uninsured. Mr. Yennie stated that he doesn't see a lot of risk on it, but it is worth the Board's look to see if maybe they can diversify and spread the money out to different banks to get covered under FDIC, but he doesn't see a ton of risk there.

Mr. Yennie stated that page 18 is the Capital Asset schedules. Mr. Yennie stated that this is just a roll forward from the previous year to the current year. Mr. Yennie stated that there is \$41 Million in balance sheet capital assets, which is pretty normal for an operating entity like the Board.

Mr. Yennie stated that page 19 has the Long-Term Debt note. Mr. Yennie stated that this is fairly straight forward as there was no new borrowings, just standard repayments.

Mr. Yennie stated that page 20 continues the Long-Term Debt note and talks about all the different payments that will be made and the interest rates.

Mr. Yennie stated that page 21 schedules the principal and interest payments out by year. Mr. Yennie stated that it shows the first five years of payments individually, and then in five-year blocks after that.

Mr. Yennie stated that in Note 6 it talks about Related Organization as there is a lot of back and forth between the Board and the City of Casper. Mr. Yennie stated that the Note discloses the amounts paid to and received from the City of Casper, and what is outstanding to be collected.

Mr. Yennie stated that they also issue Findings of Significant Deficiency. Mr. Yennie stated that there is one finding to report. Mr. Yennie stated that this is the Financial Statement Preparation Finding. Mr. Yennie stated that this is in over 90% of his clients' files. Mr. Yennie stated that they prepare the financial statements, and all this says is that it is the Board's responsibility to understand them and the Board's fiduciary duty to ask questions if you have them. Mr. Yennie stated that they do report in the Corrective Action Plan on page 27 that there is an anticipated correction of this finding in June 2025 when the City is going to produce financial statements on the Board's behalf, and then this finding will go away.

Mr. Yennie stated that from an audit finding perspective, it's very clean and easy, so kudos to Ms. Brown, Mr. Gassman, and Mr. Martin.

Mr. Yennie offered to answer any questions the Board might have on the audit.

Treasurer Cathey stated that on page 21, in the 2029 – 2033 line, debt jumped to over \$2 Million and asked where that figure came from. Mr. Yennie stated that would be the total debt for the five years, instead of being broken down into individual years.

Chairman Bertoglio asked if there were any further questions. Being no further questions, Chairman Bertoglio asked for a motion to approve the FY2023 Audit.

A motion was made by Vice-Chairman North and seconded by Secretary Waters to approve the FY2023 Audit Report. Motion put and carried.

Chairman Bertoglio thanked Mr. Yennie and Mr. Jones for their time.

- 7.b. Chairman Bertoglio stated that he would like to jump back to Item 7b, Other Old Business, Consider CD Purchase Options from WGIF.

Board Member Aars arrived at 11:54 a.m.

Chairman Bertoglio asked the Board to reference the CD rate sheets on the screen. Chairman Bertoglio stated that these are not the actual rates the Board will be able to use. Chairman Bertoglio stated that every week WGIF sends out a new CD rate sheet. Chairman Bertoglio stated that he was not comfortable picking the CDs, so the first question is, does the Board want to authorize him to make that selection. Chairman Bertoglio stated that the new rate sheet comes out sometime today. Chairman Bertoglio stated that WGIF contacted him, and he wasn't sure he had the authority to actually pick them.

Chairman Bertoglio stated that looking at the CD rate sheet, they are all pretty much the same. Chairman Bertoglio stated that he wasn't sure if there were any concerns about where the bank was, or where the notes were, so he elected to bring it back to the Board and seek authority to make that decision or co-sign off on it.

Secretary Waters asked what this is for. Chairman Bertoglio stated that these are for the CDs that the Board decided to purchase in the amount of \$250,000 for two CDs.

Chairman Bertoglio stated that there are different maturity dates on some of these, six months, a year, etc. Chairman Bertoglio stated that WGIF gave him all the CD rates and terms, and he thinks the Board suggested that the CDs go for a full year. Chairman Bertoglio stated that if the Board will give him some guidance, he will send out an email to the Board once he gets the updated rate sheet.

Board Member Sabrosky asked if the money for the CDs is coming out of the WYOSTar account. Chairman Bertoglio stated that is correct.

Chairman Bertoglio stated that he is looking for some direction from the Board. Chairman Bertoglio stated that ideally, he can send this out and there will be time to make the call. Chairman Bertoglio stated that when he receives the new rate sheet, he will review it and send out a recommendation to the Board through Ms. Brown. Chairman Bertoglio stated that as long as everyone responds quickly, we can get these set up.

Vice-Chairman North asked when the rates on the screen were published. Chairman Bertoglio stated that these rates were published last week, and the settlement date is 11/13/2023, so you have to have them signed up by then. Chairman Bertoglio stated that when he spoke to WGIF, they told him they get a new rate sheet every Tuesday afternoon.

Secretary Waters asked if most of the CD rates fall in the 5.6% range. Chairman Bertoglio stated that they fall in the 5.6% to 5.7%, but what you have to look at is the maturity dates on them, as some of the higher rates are shorter. Chairman Bertoglio stated that there is not a lot of difference on them.

Vice-Chairman North asked if the Board is still looking at a year. Secretary Waters stated that is what the Board decided previously.

Treasurer Cathey asked that Chairman Bertoglio send the new rate sheet to him. Chairman Bertoglio stated that he is going to send it out to everyone.

Chairman Bertoglio stated that the longer you go out on the CD maturity date, the rate does drop. Chairman Bertoglio stated that he expects that the short-term rates will come down.

8.b, c, d. Chairman Bertoglio stated that he will continue with New Business on the agenda.

Mr. Martin stated that if the Board recalls, we're working with the WWDC on the Wellfield Management Plan, that is looking at different techniques for rehabilitation. Mr. Martin stated that a couple of well pumps were pulled, this was discussed last month, the pumps were in bad shape and could not be

reinstalled. Mr. Martin stated that WWDC is currently doing water sampling right now that will help to develop rehabilitation techniques, and hopefully we will be able to get several that we will be able to use going forward. Mr. Martin stated that also in this program, we will be looking at Casper 9, Morad 11, and Morad 8, so before any more pumps are pulled for water sampling and videoing of the wells, we would like to have new pumps on hand to put in place. Mr. Martin stated that these pumps are of the same age and are likely in bad condition as well. Mr. Martin stated that staff does not want to take any more wells offline until they are ready to be rehabbed and new pumps installed.

Mr. Martin stated that this first contract is for Casper 9 Well pump. Mr. Martin stated that staff reached out and obtained three quotes with Cahoy Pump Service being the low quote at \$16,310. Mr. Martin stated that funds for this pump would come out of the FY24 Capital Budget for the Well Rehabilitation Project. Mr. Martin stated that \$500,000 was set aside for this project. Mr. Martin stated that pumps ordered now would not arrive until the end of January.

Mr. Martin recommended approval of the purchase of the Casper 9 Well pump in the amount of \$16,310.

Chairman Bertoglio asked if the comments and presentation for Morad 11 and Morad 8 Well pumps are the same as this well pump. Mr. Martin stated that they are. Chairman Bertoglio stated that these can be grouped together and moved along unless there is something unique for each well pump.

Mr. Martin stated that the pump prices are different, Casper 9 pump is \$16,310, Morad 11 pump is \$17,194, and Morad 8 pump is \$16,973.

Secretary Waters asked what the difference is between the pumps. Mr. Martin stated that the difference is mainly the length of the pump, and the size.

Chairman Bertoglio asked for a motion to approve the contracts with Cahoy Pump Service for the replacement well pumps for Casper 9 Well, Morad 11 Well, and Morad 8 Well.

A motion was made by Secretary Waters and seconded by Treasurer Cathey to approve the contracts with Cahoy Pump Service for the replacement of the following well pumps: Casper 9 Well pump in the amount of \$16,310.00, the Morad 11 Well pump in the amount of \$17,194.00, and the Morad 8 Well pump in the amount of \$16,973.00.

Treasurer Cathy stated that Cahoy Pump Service is out of Iowa, and asked where the companies that submitted the other quotes are from. Mr. Martin stated that the other companies that submitted quotes are from Casper. Mr. Martin stated that staff is being told that the companies are purchasing the pumps from someone else so are acting as a middleman. Mr. Martin stated that is some of the reasons for the differences in the pricing.

Motion put and carried.

- e. Mr. Martin stated that there are two fiberglass Sodium Hypochlorite Tanks at the WTP that have leaks at the flanges that are in need of inspection and repair. Mr. Martin stated that funds for this project were included in the FY24 Capital Budget. Mr. Martin stated that \$25,000 was budgeted for this project.

Mr. Martin stated that staff has had a tough time locating a company that is willing to come out and work on these tanks. Mr. Martin stated that Fibersurance LLC is out of Ohio. Mr. Martin stated that staff contacted many, many companies, and the three listed in the memo are the companies that provided quotes, with Fibersurance coming in low at \$14,032.00.

Mr. Martin stated that the contract is set up with the completion date of April 1st, as that will have the tanks repaired before the WTP goes online with summer production. Mr. Martin stated that it will take a little bit of time to empty one tank, and then once it is repaired, pump the contents from the other tank and repair the second tank.

Mr. Martin stated that staff is happy to finally have a contractor in place for these repairs, and recommended approval of the contract with Fibersurance LLC in the amount of \$14,032.00 for the inspection and repair of the two Sodium Hypochlorite tanks.

A motion was made by Secretary Waters and seconded by Vice-Chairman North to approve the Contract for Professional Services with Fibersurance LLC for the inspection and repair of two Sodium Hypochlorite Tanks at the WTP in the amount of \$14,032.00.

Treasurer Cathey asked if the price included mobilization and demobilization. Mr. Martin stated that it does.

Motion put and carried.

- f. Mr. Martin stated that last month the Board approved Budget Amendment No. 1 to carryover projects and encumbrances from FY23 to give spending authority in FY24. Mr. Martin stated that Budget Amendment No. 1 included \$1.5 Million of the ARPA Grant Funding for the Caisson Well Rehabilitation Project. Mr. Martin stated that it was captured in the Revenues but was missed in the Expenditures side. Mr. Martin stated that Budget Amendment No. 2 is for \$1.5 Million in the Expenses for the ARPA funded project.

Mr. Martin stated that this will change the FY24 Budget from \$11,385,657 to \$12,885,657.

A motion was made by Treasurer Cathey and seconded by Secretary Waters to approve FY24 Budget Amendment No. 2 in the amount of \$1.5 Million in Expenses for the ARPA funded Caisson Well Rehabilitation Project. Motion put

and carried.

7. a.i. Mr. Martin stated that he would begin the discussion regarding Wardwell, and then turn the time over to Ms. Scott, Mr. Chapin, Mr. Silva, and Mr. Stump.

Mr. Martin stated that this discussion is regarding the Wardwell dissolution and items to get that wrapped up, and what needs to be put in place for the water rights as well as for the Regional Water Joint Powers Agreement amendment that needs to go to the State for approval.

Mr. Martin stated that in the packet were several documents provided by Williams, Porter, Day & Neville. Mr. Martin stated that Ms. Scott did a good job writing up a summary of the water rights assignment process and what that looks like. Mr. Martin stated that he hopes everyone was able to read through that before the meeting.

Mr. Martin stated that there are three items dealing with the Wardwell dissolution on the agenda. Mr. Martin stated that each of the three items will require Board action, so he would like to take them one at a time and walk the Board through them.

Mr. Martin stated that the first item is the Wardwell No. 1 Ground Water Right transferring the Assignment of Ownership from Wardwell to Bar Nunn. Mr. Martin stated that there would be no impact on the point of diversion or place of use, it would remain with Central Wyoming Regional Water System. Mr. Martin stated that they are changing the name of the water right from Wardwell to Bar Nunn with the State Engineer's Office. Mr. Martin stated that with that water right, Regional Water would have to sign a consent letter consenting to the name change. Mr. Martin stated that again, the water right itself, the point of diversion, place of use, all remain within the Central Wyoming Regional Water System, the name is the only thing changing.

Mr. Silva introduced himself to the Board. Mr. Silva stated that in a recent Board meeting that he attended for Mr. Chapin it became clear that as attorneys, they were not sufficiently answering the Board's questions relating to Wardwell and Bar Nunn. Mr. Silva stated that as they continued to work through this process that he didn't feel that has improved so he encouraged, through Mr. Martin, that Ms. Scott and Mr. Stump come forward and address any questions the Board might have in relation to that. Mr. Silva stated that Ms. Scott has had to be the heavy lifter legally as this is kind of new ground for everyone. Mr. Silva stated that there is also a financial burden that is not on Regional Water, but is on Wardwell, and Bar Nunn to some extent. Mr. Silva turned the time over to Ms. Scott.

Ms. Scott introduced herself to the Board. Ms. Scott stated that she has been the attorney for Wardwell for a little over five years.

Ms. Scott stated that she wanted to provide a little clarification on the Wardwell No. 1 Ground Water Right. Mr. Scott stated that this groundwater right has gone through some changes in the past, as you can see in the summary. Ms. Scott stated that currently the point of diversion is with Regional, the physical well and infrastructure associated with the well are owned by Regional, and Regional is in charge of utilizing the water right for

the required beneficial use of the right. Ms. Scott stated that the only aspect associated with this well is that Wardwell remains the name of the Appropriator on the certificate of appropriation for the well and this is a lot of confusing language to say that. Ms. Scott stated that when talking about ownership of a water right, especially in this context, is really not the most appropriate word to use because in modern society we don't really connotate ownership as being a joint partnership or conglomeration of individuals. Ms. Scott stated that she likes to think of it more as Wardwell's name is on the water right because historically Wardwell appropriated the water right from the State, but in 1995 when Wardwell executed the Asset Transfer Agreement, this among other assets that belonged to Wardwell, were transferred in full right and title to Regional Water. Ms. Scott stated that this request from Wardwell to have Regional Water review, discuss, and consent to the assignment of the name is really just to clean up the record on this right and to reflect that Wardwell is dissolving, Wardwell dissolved, and Bar Nunn took over Wardwell in its entirety, which includes the transfer of all assets and infrastructure, which includes the name on this well. Ms. Scott stated that she is happy to answer any questions, and any technical questions, that she feels she doesn't have the requisite knowledge, she will defer to Mr. Stump because he has been great in helping her out with all this in the most simple resolution to make sure that nothing changes with this well right and the surface water rights, and to ensure that Wardwell upholds their duties as a member of Regional Water, by properly transferring and assigning this well to make sure that none of the water that is utilized through it is subject to any sort of recapture or encumbrance by any other party.

Secretary Waters stated that he is a little confused and stated that Ms. Scott stated that Wardwell was the original requester from the State of Wyoming for this water well. Ms. Scott stated that she believes so, yes, but does not think that requester is the right name. Ms. Scott stated that Wardwell is the original appropriator on the Wardwell No. 1 Ground Water Right. Secretary Waters stated that Wardwell actually started the process of putting the well in, and then they owned the well. Secretary Waters stated that then in 1995 it was turned over to Regional. Ms. Scott stated that was correct. Secretary Waters asked if Regional retains all the water rights on that well. Ms. Scott stated that is correct because Regional is the point of diversion, the owner and controller of the beneficial use, and they own the facility where the water is processed and rediverted, Regional is really the controller in the idea of ownership. Ms. Scott stated that Wardwell has their name as the Appropriator on the title, but all the rights under the name that really constitute the actual usage and operation of the water belong to Regional. Secretary Waters asked if what is being asked of the Board is to consent to the change of name from Wardwell to Bar Nunn. Ms. Scott stated that is correct. Secretary Waters stated that he understands now. Ms. Scott stated that in some of the prior discussions, someone had brought up the question that if an entity's name is on this doesn't mean that they could change it. Ms. Scott stated that the entity that has their name on the Certificate of Appropriation cannot modify, alter, transfer, encumber, sell, or do anything with the water right in their individual capacity. Ms. Scott stated that in order to do anything with the water right the owner, meaning the individual or entity in charge of using and being the point of diversion, because the point of diversion is really where the ownership can be designated, it is that entity, Regional in this case, that has to approve and ask the State for any modification or encumbrance for or on the water right. Ms. Scott stated that she thinks this is a really crucial thing to know.

Chairman Bertoglio stated that on this particular item, and with the surface water rights as well, asked what is being asked of the Board. Chairman Bertoglio stated that he read through all the documents and asked if the Board is just consenting to the name change.

Ms. Scott stated that there are two requests. Ms. Scott stated that the groundwater process is much simpler. Ms. Scott stated that for the groundwater, all that needs done is to make a quasi-informal request to the Groundwater Division of the State Engineer's Office just to change the name. Ms. Scott stated that Wardwell has already authorized their Board to sign the letter and make the request, and now is just asking Regional Water to join and consent to the submittal of the request to the Groundwater Division. Ms. Scott stated that there is not a waiting time, and you don't have to talk to the Groundwater Board or anything like that. Ms. Scott stated that it's more of a simple change the name to reflect what is happening in actuality. Ms. Scott stated that this discussion can then be wrapped up and have a more in-depth discussion regarding the surface water rights, because the surface water rights are their own separate rights process for amendment or assignment. Ms. Scott stated that she is going to leave the surface water rights out of this discussion for right now.

Mr. Martin stated that there is a drafted letter in the packet from Regional Water consenting to this assignment and the change of name from Wardwell to Bar Nunn. Mr. Martin stated that it would be cleaner if the Board would make a motion just on this letter at this time.

Chairman Bertoglio stated that he was just trying to get a general overview, but he is fine with just taking action on the consent letter. Chairman Bertoglio asked Mr. Chapin if he had any issues with the consent letter. Mr. Chapin stated that he thinks Ms. Scott has done a nice job covering the issues and asked if any of the Board Members had any questions.

Secretary Waters asked if the consent letter that the Board is being asked to send to the State in no way alters the original acquisition to Regional. Ms. Scott stated that there is no alteration of the acquisition of the water right in total capacity, cfs, service area, customer range, none of that is being modified in any respect at all. Ms. Scott stated that on the bottom of the letter it states that no modification to the well, or service area map is indicated at all, it is just the assignment of the name on the certificate of record.

Mr. Silva asked Mr. Stump to provide some technical support on this question. Mr. Stump stated that he thinks Ms. Scott is presenting this well in terms of the water right. Mr. Stump stated that with this well, we are asking for consent in terms of the assignment to the Town of Bar Nunn. Mr. Stump stated that these types of assignments are handled administratively by the Groundwater Division in a straightforward process. Mr. Stump stated that in 2015, HDR, in their professional services under contract with the City of Casper, updated the service area for the entire Regional Water System and all the water rights that are served by that system were identified. Mr. Stump stated that this well was included in that 2015 request to the State Engineer's Office, so the service area is not going to be changing, it is going to be consistent with the 2015 service area that was updated by the City of Casper.

Secretary Waters stated that he just wanted to be sure that Regional Water is not giving up anything. Mr. Stump stated that Regional Water is not giving up anything with this consent letter.

A motion was made by Secretary Waters and seconded by Vice-Chairman North to authorize the Chairman to execute a letter in support of the change of name from Wardwell to Bar Nunn for the Wardwell No. 1 Well. Motion put and carried with Board Member Sabrosky abstaining from the vote.

- 7.a.ii. Ms. Scott stated that essentially all the information that was just discussed about Regional being the point of diversion, the owner and operator of the infrastructure, which includes the pipes and the WTP, and the owner and operator of the service area, meaning the whole area that is encompassed into the Regional Water System Joint Powers Board, these two surface water rights, Permit No. 6101 and Permit No. 30386, the way that is most straightforward to correct or amend the name on the certificate of appropriation, is to execute joint petitions between Regional Water and Wardwell, because Regional Water is the point of diversion, operator of the system, controller of beneficial use, and Wardwell's name is on the certificate of appropriation. Ms. Scott stated that both these entities are submitting the petition to the Board of Control for amended certificates of appropriation to be issued reflecting that Bar Nunn has taken the place of Wardwell. Ms. Scott stated that the petitions have been drafted with the assistance of HDR and are before the Board for review. Ms. Scott stated that the request is for the Board to review, discuss, and approve execution of these petitions by Regional Water. Ms. Scott stated that these petitions have not yet been considered by Wardwell, but their meeting is tonight, and they are on the meeting agenda for consideration.

Secretary Waters stated that the proposal is to replace Wardwell on the surface rights with Bar Nunn along with Regional Water. Ms. Scott stated that is correct. Secretary Waters asked how this works since Bar Nunn is not officially a member of the Regional Water System Board. Ms. Scott stated that she honestly doesn't know, but many of us have discussed kind of the proper order of operations of these different moving parts, what's best to do first, what's best to do second, and she anticipates taking it to the Wardwell board tonight to discuss formally approaching Regional Water, now that some of these background requirements are in place, to formally request withdrawal from Regional Water and replacement by Bar Nunn. Ms. Scott stated that in order to reach that point of the discussion, she thinks that we have to have these documents in our back pocket exhibiting that Bar Nunn is capable, ready, and able to take the place of Wardwell with Regional. Ms. Scott stated that in the event that Bar Nunn did not join Regional, she thinks there could be different types of agreements entered into between Bar Nunn and Regional evidencing their willingness to cooperate with each other, however, because Regional is the point of diversion, owner and operator of the system and facility, and controls beneficial use of all of this water, it essentially does not negate or affect Regional's ability to use and to provide water utilities to all their service area if the name changes from Wardwell to Bar Nunn.

Mr. Holscher stated that he is the attorney for Bar Nunn. Mr. Holscher stated that the other aspect of that is that Bar Nunn is presently bound to Wardwell, and because of that, they are fully obligated to Wardwell. Mr. Holscher stated that they have no liberty to act

contrary to Wardwell's interest in this, they fully pledge to cooperate with Wardwell, so as Ms. Scott has noted, the particular order of things is a little complicated when we get to this point. Mr. Holscher stated that because Bar Nunn is bound to Wardwell and are currently operating on Wardwell's behalf fully, this is the next appropriate step in this.

Chairman Bertoglio stated that in order to play devil's advocate, he asked if the name is changed to Bar Nunn, and they decide they're just going to take their water rights and go somewhere else, Regional still has a say in that, because of how it's been used, so its not simply they just take their marbles and go home with it. Ms. Scott stated that is correct. Ms. Scott that it even goes further than that. Ms. Scott stated that the water right isn't just a bag of marbles, it's a ton of different interwoven connected things, just because someone's name is on the Certificate of Appropriation, it doesn't actually give them any ability to change, modify, encumber, or sell any water that is associated with that right because it's tied to so many other parties, inclusive to Regional, who it is tied to the most. Ms. Scott stated that Regional is in charge of providing water to so many different people that they are in the provision and control of this right which is definitely superior to whoever's name is on it. Ms. Scott stated that it's about Regional's ability to provide the water, the right doesn't even really matter. Ms. Scott stated that in our society it's really important to have our name on something, but here what's more important is the point of diversion, and where the intake is for the water. Ms. Scott stated that the place of use is the Regional WTP. Ms. Scott stated that those factors rate much more than just having the name on the appropriations document.

Treasurer Cathey stated that the other thing that is just as important about that water right is the age of it based on the calls on the river, and asked if that is correct. Ms. Scott stated that is correct, and she and Mr. Chapin both reached out to the State Engineer's Office to make sure to do some background research on the date and the age of the appropriation of this right to ensure that any assignment of the name or involvement of a different party would not subject this water right to any recapture by any other entity, inclusive of the State of Nebraska since some of the water rights along the Platte River are subject to recapture in the event that there is any transfer. Ms. Scott stated that they were assured by the State Engineer's Office that changing or assigning the name on the Certificate of Appropriation will not in any way change any of the water right that is associated with these surface rights in the amount or location.

Treasurer Cathey asked if it is still a 1904 water right. Ms. Scott confirmed that is correct.

Ms. Scott stated that the documents that are before the Board for consideration are intended to make sure that this portion of the history of the water right is very clear, so that in 30 years when someone asks what happened when Wardwell dissolved, the water right was transferred to Bar Nunn, and then Bar Nunn continued to run it in connection with the Regional Water System Joint Powers Board who had always been the point of diversion through the Regional Water Treatment Plant, and this is the area that it serviced. Ms. Scott stated that they are just trying to make it clean and clear for the record.

Mr. Silva asked if this is consistent with what Mr. Stump sees on a day-to-day basis, and

this type of assignment does not change the appropriation date. Mr. Stump stated that is exactly right in terms of this assignment. Mr. Stump stated that he would add to the process that these joint petitions, one for each of the surface water rights, if acting on them today to authorize the signature, those are original documents that get signed and submitted to the Wyoming Board of Control that meets quarterly. Mr. Stump stated that when talking about timing of how things go about, that quarterly meeting that we need to get filed on is the second week in February. Mr. Stump stated that there is some time if we move forward with signing these petitions, and if Wardwell approves this tonight, they will be submitted and filed with the Board of Control. Mr. Stump stated that we're amending a certificate, which is a statutory process to address a change to a certificate, we're not transferring a water right, we're not changing a water right in any way in terms of the point of diversion, the conveyance, the facilities, or the place of use. Mr. Stump stated that these are all consistent in terms of asking for amended certificates that would be issued by the Board of Control through an amendment process. Mr. Stump stated that these will not be acted upon until the February meeting of the Board of Control.

Mr. Chapin stated that the attorneys flushed this out to make sure it is correct, and nothing is lost.

Ms. Scott stated that these petitions also allow the benefitted opportunity of updating the service area to reflect all the work that HDR did in 2015, so it's like getting two asks with one document for the Board of Control. Ms. Scott stated that after these petitions are filed all the information associated with these surface rights will be up to date, which will be really good for the records.

Mr. Chapin stated that his main concern was if it was transferred, that it is permanent and it can't be dissected and transferred out in parcels and pieces going forward. Mr. Chapin stated that Ms. Scott did a nice job of explaining that the rights go as a whole, or they don't go at all, and everybody has to agree to it. Mr. Chapin stated that these are confusing and difficult, and for those of us that have not done water law in a long time, we just had to scratch our heads and read a bunch of stuff that didn't make any sense, but eventually it came to and HDR did a great job of explaining this to all of us, because it is a quagmire once you start into it. Mr. Chapin stated that they took the easiest, simplest approach and modification that we could.

Treasurer Cathey stated that in the petition there is a spot that says "Jim Jones to assist with the legal description, etc." and is highlighted in yellow. Treasurer Cathey asked when that will be done. Mr. Stump stated that he spoke to Mr. Martin about this in terms of we have the legal description written out in terms of township, range, section, quarter, so our thought was that Mr. Jones is retired from CEPI, but he actually was the preparer of that service area map, he signed off on it as a Professional Land Surveyor in Wyoming. Mr. Stump stated that he contacted Mr. Jones last week, and he hasn't heard back from him. Mr. Stump stated that Mr. Jones said he would follow up with him, he may contact some individuals with CEPI to actually assist with a final quality control of the legal description. Mr. Stump stated that he would like to get Mr. Jones's review signed off making sure it aligns exactly with that 2015 service area map. Mr. Stump stated that he will contact Mr. Jones later today to see where he is on this, and to see when it will be completed. Mr. Stump stated that once that is done, both petitions can be

finalized.

Ms. Scott stated that we do have a map of the service area and it is updated and on record and filed with the State. Ms. Scott stated that we wanted to make sure that instead of attaching a big map, that it could be condensed to that wording of the legal description. Ms. Scott stated that she didn't anticipate it taking much longer. Ms. Scott stated that they wanted to make sure to get the other pertinent language in front of the Board as soon as possible in order to make the deadline for the Board of Control meeting.

Treasurer Cathey suggested that the Chairman not sign this document until we see that legal description and the map in the document. Ms. Scott stated that she agrees with that.

Mr. Chapin asked if there is an estimate of when the legal description and service area map will be available. Ms. Scott stated that Mr. Martin has the map of the service area in two different versions that was sent to him on the 6th, so it could be provided as a partial exhibit. Ms. Scott stated that they would have to contact CEPI after the meeting today to check on the status of the legal description.

Chairman Bertoglio asked if the service area map is the old boundary maps. Mr. Martin stated that is correct. Mr. Martin stated that he thinks it will take a couple of weeks to get the legal description drafted out.

Chairman Bertoglio asked what the timing is for getting these petitions submitted to the State. Chairman Bertoglio asked if we're trying to get these before the Board of Control in February. Ms. Scott asked Mr. Stump what the deadline is for submittals. Mr. Stump stated that there is a 45-day docketing deadline prior to the meeting. Mr. Stump stated that he does not have the actual date of the meeting, but it is generally held in the second week of February. Mr. Stump stated that if this can be signed in the next week to week and a half, we will be in good shape for docketing before the deadline. Mr. Stump stated that they will follow up with people to let them know of the deadline and get the service area wrapped up. Ms. Scott stated that we might have a couple of weeks as 45 days from February 6th is December 23rd. Ms. Scott stated that we should be good to go if we can get it in in the second or third week of December. Chairman Bertoglio stated that the Board meets on December 19th, and asked if that will create an issue for getting it in on time. Ms. Scott stated that it is a potential issue, but she isn't positive.

Ms. Scott stated that she would suggest that the Board make a motion to approve the authorization of the Chairman to sign the petitions for the assignment of the ownership of record on the Certificates of Appropriation on both surface water rights pending the affirmation of the proper legal description as determined by quality control of CEPI, or something like that so that we aren't necessarily tied to that December 19th deadline.

Chairman Bertoglio stated that basically we put the thing together, and then just affirm on the 19th that it is ok, so they can get the application put together and move forward. Mr. Chapin stated that he thinks they will go ahead and do all those things. Mr. Chapin stated that what would be the process if the Chairman would have authority, as soon as the information is received from CEPI, to sign as long as there is written notification that it has been certified.

Chairman Bertoglio asked Treasurer Cathey if that would work for him. Treasurer Cathey stated that he is concerned by the fact that Wardwell is servicing an illegal annexation of Mills, and he wants to know exactly where that all falls into this, and he doesn't want those sales to then instigate the fact that Mills can continue, and Bar Nunn can continue to sell water to Mills because if Mills were to expand drastically, and Bar Nunn keeps selling them water to service that expansion, this plant is already at its limit in the summer, which would then require plant expansion and he doesn't think that is appropriate.

Chairman Bertoglio stated that he agrees that Mills did an illegal annexation, but not anything to do with Regional Water. Chairman Bertoglio stated that the reason why Mills annexed that area was because the growth boundaries changed in 2013 or 2015 and brought that corner in that allowed that to be part of the Mills growth boundary. Chairman Bertoglio stated that prior to that, if you look at the 1986 maps the reason why that portion was excluded was the physical restraints of Mills being able to provide water. Chairman Bertoglio stated that it made no sense, and when the growth boundaries were revised, they decided to use the main roadways as the boundary lines. Chairman Bertoglio stated that looking back it was a mistake, but he understands. Chairman Bertoglio stated that if you go off the new growth boundaries, Mills cannot be serviced because it would not be in that growth boundary. Chairman Bertoglio stated that he's pretty sure that the 2015 growth maps that are being looked at exclude that little checkerboard portion of Mills in there. Chairman Bertoglio stated that is something that will have to be addressed because it was previously included in the growth boundaries that were originally presented at the time the water rights were put together.

Ms. Scott stated that is the reason they want to get it certified by the person who originally prepared the documents.

Mr. Chapin stated that doesn't correct the impropriety just because it is certified. Treasurer Cathey stated that is his whole point.

Mr. Holscher stated that one of the conditions that Bar Nunn agreed to with Regional Water, is that a memorandum of understanding has been sent to Mr. Chapin for review, is that Bar Nunn would not ask to expand water service in any other city outside of Bar Nunn without first consulting with Regional Water. Mr. Holscher stated that he thinks this concern has been addressed but is yet to be reviewed. Mr. Holscher stated that they actually made it a little broader than requested.

Treasurer Cathey stated that he believes that it would be much better than a memorandum of understanding (MOU) to have either a resolution or an ordinance stating that, because MOU's can be torn up. Treasurer Cathey stated that sometimes MOU's are not worth the paper they are written on.

Chairman Bertoglio stated that if you go back and look at the Asset Transfer Agreement/Operating Agreement, whatever you want to call it, it is very specific about growth boundaries. Chairman Bertoglio stated that Pioneer is a good example as every time they want to step outside their growth boundaries, it has to be approved by Regional Water, they can't just simply go out there and do it. Chairman Bertoglio stated that it is

the same thing for Wardwell. Chairman Bertoglio stated that for example, if the Solar Farm goes in, it is outside the boundary. Chairman Bertoglio stated that someone has to approve providing service out there, Bar Nunn, or whoever decides to do it, has to come to this Board to ask for an expansion of their service area.

Treasurer Cathey stated that as we grow, the plant is going to have to grow.

Chairman Bertoglio stated that going back to the petitions, it will be what it is if they are going back to the 2015 service area map. Chairman Bertoglio stated that the Mills part of it is going to have to be addressed, short of getting it de-annexed, he isn't sure what to do about it.

Mr. Chapin asked Mr. Holscher if the MOU he referenced had been sent out. Mr. Holscher stated that he just recently sent out the MOU, so Mr. Chapin probably hasn't had a chance to look at it yet. Mr. Chapin stated that he will go through his mail and get it out to everyone for review and consideration to see if anyone has any concerns and what they may be.

Board Member Sabrosky stated that prior to the dissolution of Wardwell, it would have been easier to service Mills if they expanded, but now he thinks there are better restrictions under Bar Nunn.

Mr. Holscher stated that is correct as Bar Nunn would be severely constrained on trying to provide additional water service inside another municipality. Mr. Holscher stated that Bar Nunn would be more constrained than Wardwell would have been.

Treasurer Cathey stated that because Mills is unable to supply, Wardwell should have never sold them the water, or they should not have been allowed to annex, one or the other. Mr. Boyer stated that we can't go back in time and change that. Treasurer Cathey stated that he understands that, but he doesn't want it to continue down that road. Treasurer Cathey stated that this plant cannot stand to have other people come in that are not paying for this plant.

Chairman Bertoglio stated that you have to remember that these people were already being provided water by Wardwell. Chairman Bertoglio stated that this is a subsequent action that Mills did, so it really is not like this is going to continue. Chairman Bertoglio stated that the growth boundaries are set, and they have been agreed to. Chairman Bertoglio stated that Bar Nunn has a growth boundary, Casper has one, everybody has a growth boundary, and those growth boundaries are clearly identified, and they do need to be updated when we look at this because he believes it references the 1986 or 1984 maps. Chairman Bertoglio stated that during the course of this, whatever they clarify as service area needs to be consistent within that. Chairman Bertoglio stated that he personally does not fear that Mills will get any more water.

Mr. Boyer stated that since Bar Nunn is the one taking over the water distribution, we have no interest in expanding in that direction at all, and that is the purpose of the MOU that Mr. Holscher sent out. Mr. Boyer stated that he understands the implications of this plant being at its maximum capacity, but we work with Regional Water and that is the

point of why we're trying to get on the Regional Water Board, so that we can work with Regional if there is expansion that needs to be done, or if there are other things. Mr. Boyer stated that they are not going to just go off and secretly give Mills a bunch of extra water or something, that's not going to happen. Mr. Boyer stated that they are trying to get a member on the Board so that they can be part of the Board and work together as a team, and that's the whole purpose. Mr. Boyer stated that there is no fear at all of Bar Nunn providing any more service to Mills. Mr. Boyer stated that to speak as to Mills getting water now, Wardwell has been providing service to them for years, well in excess of a decade. Mr. Boyer stated that it is a non-issue and can be resolved easily if everyone sits down and talks about it, but let's not stop this process of what is being done right now, which he feels is something really good, and good for the community and the unincorporated area that Wardwell is all part of, let's not stop that on this one little sticking point.

Chairman Bertoglio stated that he doesn't want to slow this down, as he wants to make sure the petition gets before of the Board of Control and asked for Mr. Chapin's suggestion on how to move forward. Chairman Bertoglio asked if the Board should approve the Chairman signing the petitions subject to review of the legal description and service area map. Mr. Chapin stated that the Board can do it that way, or they can withhold approval until such time as the documentation has been produced and a meeting has been conducted and everyone has a chance to say what they want to say and vote at that meeting and move forward. Mr. Chapin stated that it would have to be pretty quick in order to stay in line with the timing of it. Mr. Chapin stated that it is just whatever the Board is most comfortable with, in his opinion.

Mr. Holscher stated that as they are descriptions that the Board is waiting on, the Board could approve contingent upon a review of the descriptions and boundaries of the Councils for Wardwell and Bar Nunn.

Chairman Bertoglio asked for the Board's pleasure on this topic. Secretary Waters stated that he would like to see the map produced where the Board can review it and approve it. Secretary Waters stated that if the Board meets on the 19th, and approves it that day, that can be given to the lawyers and they can do whatever they need to do in preparation for that prior to the vote, anticipating that the Board will vote for it, so it should be just a matter of them filing the documents. Mr. Martin stated that the meeting is scheduled for the 19th, but it is possible to move the meeting up. Chairman Bertoglio stated that he was thinking the same thing.

Chairman Bertoglio stated that if the service area map and legal description can be put together as soon as possible, and if the 19th is too late, the Board can move up the meeting to ensure that this can be submitted in a timely manner. Chairman Bertoglio asked if this will work. Ms. Scott stated that the next Board of Control meeting is not scheduled yet as their last meeting was last week. Ms. Scott stated that last year the Board of Control meeting was February 6th – 9th, and 45 days from December 19th is February 2nd, so theoretically that will be okay, but once we can confirm when their meeting is going to be held then we would know for sure the Board's meeting will need to be moved.

Chairman Bertoglio asked that the boundaries be forwarded to the Board as soon as possible for review, and then if it turns out that it needs to be submitted before the 19th, the Board will move their meeting to accommodate it.

Mr. Chapin asked if there is anything else Board Members would like to review at that meeting. Treasurer Cathey stated that he would like to see the MOU. Mr. Chapin stated that most assuredly, as soon as he locates it he will send it to everyone. Mr. Chapin stated that if there is anything else that the Board needs to review, it can be included as part of the next meeting.

- 7.a.iii. Ms. Scott stated that as she was reviewing the RWS documents, she saw several areas where legal legwork will need to be done, as well as legwork that the Board will need to do. Ms. Scott stated that one of the areas she saw is potentially amending the actual JPB Agreement to reflect whatever amendments that the Board feels need made, plus to reflect the addition of Bar Nunn, and any other potential language revisions that it may need. Ms. Scott stated that in order for the JPB Agreement to be amended, it has to be reviewed and approved by the Wyoming Attorney General's Office. Ms. Scott stated that she discussed this with Mr. Chapin, and she offered to reach out to the Attorney General's Office to figure out what department we would be working with and what we could do for them to help ease the process of requesting review for an amendment. Ms. Scott stated that she spoke with the paralegal there, and she also went to law school with the person in the Contracts Department, Mr. Renner, who is going to be in charge of reviewing any documents or amendments. Ms. Scott stated that she was told to send any historical documents, meaning the original document and any amendments, so they can get started reviewing and then they have all the legwork done so that when the amendment has been drafted it can be sent to them, and they are all ready to go. Ms. Scott stated that she just wanted to reach out to them and provide the documentation jointly from everybody.

Ms. Scott stated that in conjunction with that, in the Asset Transfer Agreement from 1995, there is a provision in paragraph 26 that states that in order for an entity of that Agreement, Wardwell being one of the entities, to assign its rights and or responsibilities under that Agreement, they have to get approval from Regional Water and the State Attorney General's Office. Ms. Scott stated that in light of the dissolution of Wardwell, and the discussions held here today, she believes that an assignment of the rights and responsibilities of Wardwell under the Asset Transfer Agreement and the JPB is proper, so as long as we are contacting the State Attorney General's Office she would like to include in there an initial request that they review the documents with the intent of discussion and hopefully approval of that assignment. Ms. Scott stated that a formal request for approval of the assignment will be coming from Wardwell to Regional directly.

Mr. Chapin stated that whether that will happen or not will be subject to review and approval by the Board. Ms. Scott agreed.

Chairman Bertoglio asked if the letter is just asking for a review, or a review and approval of the changes. Ms. Scott stated that there isn't anything to approve yet, so we are just asking for a review. Ms. Scott stated that if she was the AG and someone sent

her a huge email with eighteen attachments and said can you review and approve this in the next week, she would be mildly irritated. Ms. Scott stated that she thought that she would smooth into a relationship with them by giving them the historical documents and that will eventually be going to ask for a review of an amendment and approve it, so in the meantime, we are providing the documents so they can begin their review and potentially help us with the language of the amendment and make it easier on everyone if they had suggestions on what type of language, or what amendments, the AG would be more inclined to approve versus what might cause some issues at the State level.

Mr. Chapin stated that he thinks that makes sense.

Chairman Bertoglio clarified that what Ms. Scott is doing is sending a letter to the AG requesting a review of the documents, and for their thoughts on what changes, and in what form, that needs to be done to the existing document to bring it in line. Ms. Scott confirmed that is what she is doing. Ms. Scott stated that Mr. Renner is not from Casper and has no idea what Regional Water is, what Wardwell was, what the nuance is with the provision of water and utilities to rural areas here looks like, so she thinks for him to take some time to digest all these documents and familiarize himself with the history would be a real benefit to having the amendment approved.

Chairman Bertoglio asked if the Board had any issue with this as it is only a review, and not a request for changes. There were no questions from the Board on this item.

Chairman Bertoglio asked if the Board needs to approve him signing the letter to the AG since there is no request for action. Mr. Chapin stated that Board approval is not needed for the Chairman to sign the letter unless the Board would like a couple of days to review it and have the time to raise any concerns they might have afterwards.

Ms. Scott stated that she just wanted to reach out to the AG to establish a relationship so that when we need them to be in our corner when amendments are made, they will be.

Chairman Bertoglio asked if Ms. Scott is going to give them the whole thing and ask for their thoughts, or is she going to give them some fences on both sides so that they have an idea of where she wants it to go. Ms. Scott stated all of the above. Ms. Scott stated that she drafted a letter, which should have been in the agenda packet, that was from her, pending the Board's approval, that gives a brief history of Regional and Wardwell and the pending dissolution of Wardwell. Ms. Scott stated that it also included a phrase that in light of this dissolution there are areas where there could potentially be a need for an amendment. Ms. Scott stated that one JPB amendment that could be broad or narrow, is what is a better procedure, or what is going to happen if a party needs to withdraw or amend its' relationship with Regional Water, whatever that looks like. Ms. Scott stated that secondary, for Wardwell to assign its' rights and responsibilities solely in the Asset Transfer Agreement to Bar Nunn. Ms. Scott stated that this letter is just an informal introduction from Regional Water and Wardwell, and she will follow up with them in a couple of weeks to see if they have any questions, and to get their feedback.

Chairman Bertoglio asked if the Wardwell interim Board have to sign this letter as well. Ms. Scott confirmed it does, and stated that the letter will go before the Wardwell board

for consideration tonight.

Chairman Bertoglio stated that while the Bar Nunn Mayor is in attendance today, he would like to have a discussion regarding replacing Wardwell with Bar Nunn on the Board. Chairman Bertoglio stated that this is something that the Board will have to make a decision on at some point. Chairman Bertoglio stated that he believes Bar Nunn needs to be on this Board, as if you look at the audit, back when Regional Water formed, the City of Casper represented 95.5% of the revenue generated, and it is now down to 91%. Chairman Bertoglio stated that Bar Nunn is probably the biggest entity that has taken a piece of that. Chairman Bertoglio stated that as being the only other municipality that Regional Water services in the metro area, he thinks it is not just appropriate, it should be required of the Board to let them have representation. Chairman Bertoglio stated that they are representing approximately 4 – 5% of the Region and he thinks they need to have a voice at the table. Chairman Bertoglio stated that if the Board doesn't do this, the Asset Transfer Agreement has language included in it that the Board structure has to change as well. Chairman Bertoglio stated that this is something for the Board to think about.

Secretary Waters asked if it is Chairman Bertoglio's philosophy to just let Bar Nunn assume a position on the Board without any contribution to Regional Water. Chairman Bertoglio asked what the Board would have them contribute. Secretary Waters asked about the Board's debt load. Chairman Bertoglio stated that they are already assuming the debt load from Wardwell. Secretary Waters asked if there is a document that states that. Chairman Bertoglio stated that it is a requirement, that states Wardwell can only truly dissolve if another entity steps up and assumes their liability for the debt, and that is what Bar Nunn is going to do when we modify the agreement. Chairman Bertoglio stated that is why the Board needs to change the Agreement, to recognize the financial liabilities and assets that are part of Regional Water, Bar Nunn is now assuming Wardwell's portion of that.

Ms. Scott stated that agreement to assume all debts, liabilities, and proportional share of the indebtedness of the Regional Water System JPB has been expressly stated in the Plan of Dissolution as well as the Interim MOU and Revised MOU between Wardwell and Bar Nunn. Ms. Scott stated that it has always been one of her main sticking points to make sure everyone understands that it's not that Wardwell is just giving it all to Bar Nunn, Bar Nunn is also becoming responsible for everything that Wardwell's currently responsible for, whether that be a pipe in the ground, or a portion of a loan from the State.

Mr. Holscher stated that to add to that, Bar Nunn was actually a signatory to Wardwell's Plan of Dissolution because it was committing itself to Wardwell's debt and its obligations to Regional Water.

Chairman Bertoglio stated that in the changes to the Agreement, that is spelled out, the question then is, it still states in the Agreement that the Board consists of four representatives from Casper, a representative from each of Salt Creek Joint Powers Board, Pioneer, Wardwell, and the County. Chairman Bertoglio stated that if one representative is removed, the City loses one representative. Chairman Bertoglio stated that it won't hurt the City, as the City will still have three representatives on the Board,

but the citizens that live in the unincorporated, technically the County can look after them, but nobody is looking out for those in Bar Nunn. Chairman Bertoglio stated that is why he thinks it is appropriate for Bar Nunn to have a seat on the Board, but that is something that the Agreement has to specify.

Mr. Chapin added among other things.

Chairman Bertoglio stated yes, among other things. Chairman Bertoglio stated that the timing of that keeps putting Board Member Sabrosky in limbo, which is one of his issues, but there is no point in modifying the Agreement for one step of it. Chairman Bertoglio stated that the Board should probably do it all at once, so whatever changes are made, it should state that any place that references Wardwell, should be addressed.

Mr. Chapin stated that it should be in the section of who is on in replacement of Board Members. Chairman Bertoglio stated that there is a section that states if any entity withdraws, an adjustment will be made to the Board. Mr. Chapin stated that is correct, but he thinks that change has to be drafted all the way down through the Agreement. Chairman Bertoglio stated that is what he meant.

Treasurer Cathey asked if there is a copy of the 1995 Agreement. Mr. Chapin stated that there should be. Mr. Martin stated that the Agreement is digitized and can be sent to the Board. Chairman Bertoglio stated that it is quite a long document when it comes to the attachments because it lists every little bit of equipment that was transferred.

Chairman Bertoglio stated that in the interim, he would like some clarification as to whether Board Member Sabrosky is quasi on the Board. Ms. Scott stated that she looked into this, and the State Statutes are very vague about what the wind-up process looks like, and what the dissolution process really looks like. Ms. Scott stated that there is zero case law on this. Ms. Scott stated that they're flying by the seat of their pants and she thinks that because of the nature of Regional, that considers matters that are outside the scope of Wardwell and its dissolution, that it's important to have the representator of Wardwell remain on the Board and involved to the extent that it does not cause a conflict of interest with any matter that comes before the Board. Ms. Scott stated that since the purpose of this Board is to provide water and utility services to the more general population, and when she thinks of what a Board of Trustees is tasked with doing, is overseeing the best interest and decisions for that Board. Ms. Scott stated that the Wardwell Board of Trustees is tasked with making decisions to move forward and facilitate the winding up of the District, and to the extent that Regional is involved in that process, and needs Wardwell to be involved in their processes, she thinks it is important that Board Member Sabrosky, or whomever the representative is, remains tangential involved with Regional until the dissolution is finalized.

Chairman Bertoglio asked Board Member Sabrosky if he is a Trustee for Wardwell. Board Member Sabrosky confirmed that he is a Trustee for Wardwell.

Ms. Scott stated that what the State Statute says is that after the dissolution election is confirmed and accepted by the Board, that the entire Board of Directors turns into a Board of Trustees. Ms. Scott stated that it modifies to oversee the District. Ms. Scott

stated that she has reminded them that they are not taking on any new projects, not doing anything new, and not spending any additional funds unless it is related to the dissolution. Ms. Scott stated that they are in a holding pattern moving towards becoming nothing.

Mr. Holscher stated that Board Member Sabrosky does not have a choice as he is a Trustee of Wardwell and has a fiduciary obligation and must continue to attend until this is completed. Mr. Holscher stated that Bar Nunn has chosen an individual who will sit in his place, but this transfer is not complete. Mr. Holscher stated that Bar Nunn could send him as an observer, but he thinks Board Member Sabrosky is a captive to this process and has to keep coming.

Chairman Bertoglio stated that Board Member Sabrosky doesn't want to keep coming to the Regional Water meetings. Mr. Holscher stated that he doesn't think choice is involved.

Chairman Bertoglio stated that within the Agreement it says that Wardwell can. Chairman Bertoglio stated that Wardwell doesn't just disappear within the Agreement because somebody has assumed it. Chairman Bertoglio stated that the Board has not seen any documentation that says someone has assumed Wardwell's debt, and until the Board has that in front of them and the changes, technically Wardwell still exists from the perspective of the Board.

Mr. Holscher stated that he has all the documentation that shows that Bar Nunn has assumed everything and would be happy to provide it to the Board, but he still thinks that Board Member Sabrosky needs to attend Regional Water meetings. Chairman Bertoglio stated that he is looking at it strictly from a Regional Water standpoint, Wardwell still exists within the document. Chairman Bertoglio stated that the document needs changed in order for them to dissolve.

Secretary Waters stated that this Board is in a position where we shouldn't be at. Secretary Waters stated that Wardwell had an election, the Board tried to get them to hold off on the election until we got all the documentation taken care of, but they wanted the election. Secretary Waters stated that the election is over, it has been certified, Wardwell Water & Sewer does not exist anymore. Secretary Waters stated that this Board has not changed any of that because we haven't had that discussion because we haven't seen any documentation, the final resolution of any of this. Mr. Holscher stated that he has distributed the documentation. Secretary Waters stated that he has a copy of the resolution, and asked if that is the only thing this Board is going to get. Mr. Holscher stated that absolutely not, and any documents that the Board requires you can work with your counsel and get them, and Wardwell can do the same.

Ms. Scott stated that she can completely understand the frustrations with the position that Regional is in because she was also hung up on what to do before the election, what is the right time to draft all these documents, to get approval from the State, to change the name on the water rights, to transfer the bank accounts, to sign over titles for the vehicles and everything like that, is it before the election so that on the day the election is certified they cease to exist in its entirety, or do they wait to make sure that the election goes through and everything on that side of things is smooth and then start out on all the

piecemeal items of what assets and other things need to be transferred. Ms. Scott stated that she went to the Wardwell Board, and they made the executive decision to wait until after the election went through and was certified before taking the additional steps to move forward with the actual transfer of assets and dissolution process. Ms. Scott stated that she is an optimistic person most of the time, but when it comes to legal work you can only anticipate the worst because otherwise you get caught in a bad spot. Ms. Scott stated that she didn't want the election to be a complete disaster, or it not go forward and have done a significant amount of legal work and troubled everybody at this table and in the community to come together and do agreements, sign things, and change money all to have to undo it. Ms. Scott stated that with the statutes on what the Board really looks like, the statutes on how to transfer things just don't exist, so she has been doing her best to figure out what transfer makes sense when. Ms. Scott stated that she thinks that all that they can do is their very best and she assured the Board that she is trying to do this in the most straightforward legal and proper way possible, and it is not perfect. Ms. Scott stated that there will be hiccups along the way, like what is Wardwell, and what do we do for the next couple of months, but she thinks that things are going in the right direction.

Ms. Scott stated that she would be happy to resend over a packet of all the executed documents, which outline where they are at with the dissolution process, but there are still some major hurdles to overcome for Wardwell to be dissolved. Ms. Scott stated that yes, the people voted for Wardwell to dissolve, and to begin the dissolution process, but the one thing the statute said is clear, is that the Board of Trustees is to oversee the winding up of the district, and that may take a while. Ms. Scott stated that from her perspective, they are trying to wind up the affairs, and the last item is going to be actual monetary cash transfer. Ms. Scott stated that until that happens, from her perspective, Wardwell is still an entity.

Secretary Waters asked that in the resolution that people voted on and was passed, does it say in there that this is a vote to start the dissolution process, or does it state that Wardwell will be dissolved. Ms. Scott stated that what was put before the voters was, do they agree with, or not agree with, the dissolution of the Wardwell Water & Sewer District, and the question was approve, or not approve. Ms. Scott stated that the majority of votes were to approve the dissolution of the Wardwell Water & Sewer District pursuant to the Dissolution Plan, which was a large document that was put on file and recorded with the County. Ms. Scott stated that it's hard because they are approving a dissolution, which is a matter of statement, but what does that entail. Ms. Scott stated that what she thinks the voters did was they voted to dissolve the district and that day the election was confirmed began the real dissolution process.

Mr. Chapin asked from a legal perspective if it means that the Board was effectively dissolved as of that date and whatever actions that are necessary to manifest that dissolution then start occurring from that day forward. Ms. Scott stated that the Board isn't dissolved because the Board becomes the Board of Trustees. Ms. Scott stated that the Board of Directors has morphed into the Board of Trustees. Mr. Chapin stated that the difficulty is, does the acting as a Board of Directors also extend to serving on collateral boards outside the structure of Wardwell itself. Mr. Holscher stated that they retain all their powers necessary in order to fulfill their original mission, so to that extent they do. Ms. Scott stated that she doesn't know. Mr. Chapin asked where Mr.

Holscher's statement comes from. Mr. Holscher stated that like everything else in Wyoming law, you have to interpret it there otherwise nobody has the power to do anything ever. Mr. Chapin stated that serving on the Board has nothing to do with the operation of the District. Mr. Holscher stated that it does as all the water comes through and serves the District. Mr. Holscher stated that they retain the powers of the Wardwell Water & Sewer District that are necessary to complete this process. Mr. Chapin stated that he agrees up to a point because the water that comes through this point of diversion is already there, there isn't any way they can interfere or redirect or change that. Mr. Chapin stated that he's not sure that constitutes an actual activity that they have to undertake.

Mr. Chapin stated that this is clearly a bug in some throats that needs to be addressed and he thinks some time needs to be dedicated to figuring out how that happens.

Ms. Scott asked, historically speaking, what happened when Brooks and some of the original smaller entities were either subsumed or dissolved. Mr. Chapin stated that he can't answer that. Mr. Brauer stated that historically, in his former job at CEPI, when Brooks disappeared, it was taken over by the City of Casper and Mills. Mr. Brauer stated that when Brooks split up, the piece that was in Mills went to Mills, and the piece that was off Robertson Road went to the City of Casper. Mr. Brauer stated that it was never fully documented in the subsequent amendments to the Joint Powers Board Agreement.

Chairman Bertoglio stated that he doesn't see any of this stuff being an issue. Chairman Bertoglio stated that the Board's mission is to develop, maintain, and provide safe, reliable drinking water. Chairman Bertoglio stated that this other is just internal stuff, and he thinks that if the Board keeps their eye on it and focus on that we will get through this. Chairman Bertoglio stated that there are four attorneys in attendance, and they would probably each have a different opinion on how this process went forward, and if it could have been done differently. Chairman Bertoglio stated that he agrees with Ms. Scott on some of it, why go through all this work to get things set up prior if the vote had of been no. Chairman Bertoglio stated that there is logic in some of it and someone will disagree with that, but we are where we're at, so we have to just move forward in the best manner we can.

Mr. Chapin stated that is true and we have to figure out what that manner is. Chairman Bertoglio stated that he thinks it is one issue at a time. Chairman Bertoglio stated it's like the ground water and surface water, if we have an issue or concern with it, we deal with it.

Mr. Chapin stated that he doesn't know if it is that, per say, it's whether we have a representative from Wardwell sitting on the Board when this all goes through. Chairman Bertoglio stated that he thinks if there is a concern about it, most of the issues the Board deals with have nothing to do with Wardwell, other than making sure we're providing water and keeping our budget under control. Chairman Bertoglio stated that if it comes to Wardwell, if Board Member Sabrosky, or whomever is representing them, simply recuses themselves from conversation. Mr. Chapin stated that is an answer. Mr. Chapin stated that he is not picking on Board Member Sabrosky, it's a technical question as to whether he gets to vote on topics that relate to those issues going forward. Chairman

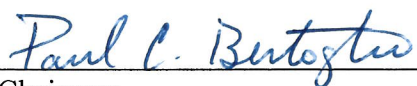
Bertoglio stated that other than the discussion regarding Wardwell, there's nothing else on the agenda today that Board Member Sabrosky couldn't vote on. Mr. Chapin stated that he doesn't disagree, as they are saying the same thing.

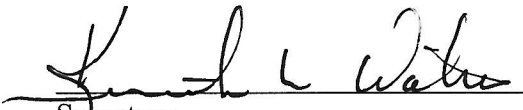
Chairman Bertoglio asked if there was any other discussion on this. Chairman Bertoglio stated that it sounds like there is a game plan for moving forward and thanked Ms. Scott for her hard work. Chairman Bertoglio asked Mr. Chapin if he thought the Board is moving in the right direction as far as he is concerned. Mr. Chapin stated that it is, he still thinks there will be bumps in the road, but things are moving forward.

- 8.g. There was no Other New Business.
9. Chairman Bertoglio asked Mr. Chapin if there was a need for an Executive Session today. Mr. Chapin stated that there was not a need for an Executive Session at this time.
10. In the Chairman's Report, Chairman Bertoglio stated that the next Regular Meeting is tentatively scheduled for December 19th, but if there are issues relating to boundaries and service areas, everyone will be contacted about moving the meeting up.

Ms. Scott stated that she will get the service area map and actual verbiage on the legal description as soon as possible and forward them. Mr. Chapin stated that would be appreciated.

A motion was made by Vice-Chairman North and seconded by Secretary Waters to adjourn the meeting at 1:36 p.m. Motion put and carried.


Chairman


Secretary