

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

MEETING PROCEEDINGS

April 16, 2024

A public meeting of the Central Wyoming Regional Water System Joint Powers Board (Board) was held Tuesday, April 16, 2024, 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, Pollock, and Sabrosky. Board Member Bond was absent.

City of Casper – Bertoglio, Cathey, Pollock, Tom Brauer, Bruce Martin, Mark Anderson, 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 – Williams, Porter, Day & Neville, P.C.; Steven Clark and Patrick Holscher – Town of Bar Nunn; George Moser – Wyoming Water Development Commission

The Board meeting was called to order at 11:31 a.m.

1. In Announcements:

- a. Mr. Martin informed the Board that Casper City Councilor Michael Bond has been assigned by Casper City Council to replace Board Member Pacheco on the Board, but he is not in attendance today.
 - b. Treasurer Cathey stated that he just received a text from Board Member Pollock, and she is on her way to the meeting.
 - c. Chairman Bertoglio stated that when the Board gets to the point of discussing the changes to the Joint Powers Agreement that the reference to Councilman for the City of Casper needs to be changed to reflect Councilor. Mr. Chapin stated that he will make that note.
2. Chairman Bertoglio asked for a motion to approve the minutes from the March 19, 2024, Regular meeting. A motion was made by Secretary Waters and seconded by Board Member Aars to approve the minutes from the March 19, 2024, Regular meeting. Motion put and carried.
 3. Mr. Martin stated that one additional voucher was added to the listing that was sent out in the agenda packet. Mr. Martin stated that voucher 8679 for Ameri-Tech Equipment Co. was added to the listing. Mr. Martin asked the Board to reference the voucher listing on the screen.

Mr. Martin stated that voucher 8675 for Sheet Metal Specialties is for the CWRWS HVAC Chiller Replacement Project No. 20-30. Mr. Martin stated that this project is ongoing, they are in the start-up phase and are having some trouble keeping it running. Mr. Martin stated that they are doing final work on the project.

Mr. Martin stated that vouchers 8677 and 8679 are in relation to the utility truck that has been on order for the last year and a half or so. Mr. Martin stated that the invoice for the truck was inadvertently processed through the City of Casper payables, and voucher 8677 is reimbursement to the City of Casper. Mr. Martin stated that voucher 8679 for Ameri-Tech Equipment Co. is for the installation of the snowplow on the utility truck.

Mr. Martin stated that voucher 8678 for DXP Enterprises, Inc. is for a seal and bearings for the Metro Road Booster pump.

Mr. Martin stated that the vouchers are in good order and recommended approval of vouchers 8674 through 8679 in the amount of \$259,735.80.

A motion was made by Secretary Waters and seconded by Vice-Chairman North to approve the April 2024 voucher listing to include voucher numbers 8674 through 8679 in the amount of \$259,735.80. 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 156 MG of water produced in March, which is 11 MG below the five-year average of 167 MG.

Mr. Martin stated that the fiscal year-to-date water production was 2.51 BG, which is

approximately 128 MG below the five-year average of 2.67 BG.

Mr. Martin asked the Board to reference the Comparative Income Statement on the screen.

Mr. Martin stated that Water Utility Charges year-to-date are currently \$6,158,203, compared to \$6,539,070 last year, which is approximately \$381,000 less than last fiscal year and correlates with the below average water sales.

Mr. Martin stated that Reimbursable Contract Expense is \$2,732,936, which includes March expenses. Mr. Martin stated that this line item is approximately \$114,887 more than last year due to the timing of chemical purchases, but it is where it was expected to be at this time of the Fiscal Year.

Chairman Bertoglio asked for a motion to approve the March 2024 Financial Report as presented. A motion was made by Board Member Aars and seconded by Treasurer Cathey to approve the March 2024 Financial Report as presented. Motion put and carried.

5. Mr. Martin stated that the WTP Manager position has not been filled yet, but we are still searching.

Mr. Martin stated that the vacant Administrative Assistant position was advertised and closed. Mr. Martin stated that they are preparing to do interviews for this position so should have it filled soon.

Mr. Martin stated that the Chiller Project is in start-up now, and we are hoping to be near the end of this project.

Mr. Martin stated that the 42-inch Groundwater Pipe Replacement Project will be happening out in the yard here just downstream of the Ozone De-Gas Tower. Mr. Martin stated that work is scheduled to begin the first week of May, providing the pipe shows up the last week of April. Mr. Martin stated that everything seems to be on track for this project at this time. Mr. Martin stated that when the project starts, the groundwater will have to be shut down for a few days while the pipe is being replaced as all the groundwater flows through that pipe. Mr. Martin stated that the surface water plant will have to be running during this time.

Mr. Martin stated that later in the meeting more detail will be given on the Well Rehab WWDC project.

Mr. Martin stated that for the Caisson Well Rehab Project, the contractor plans to be onsite the last week of April. Mr. Martin stated that the contractor will start with Caisson No. 2 and is hoping for a good recovery on it. Mr. Martin stated that the contractor will then go right in to working on Caisson No. 1 and Caisson No. 3. Mr. Martin stated that he will keep a close eye on where the water demand is to make sure the WTP can keep up while the Caissons are offline.

Mr. Martin stated that the Raw Water gates failed and were stuck closed. Mr. Martin stated that staff worked with a contractor and the gates are now open and ready to go for the summer season.

Chairman Bertoglio asked if there were any bites on the WTP Manger position. Mr. Martin stated that it is slow. Mr. Martin stated that a couple of offers were made but were declined. Mr. Martin stated that they are looking at increasing the advertising in different ways to get the posting out there better.

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 the system chloramine residuals are good right now.

Mr. Anderson stated that staff checked all the non-draining fire hydrants for the last time for the winter season.

Mr. Anderson stated that the backflow preventer on the irrigation line at Wardwell Booster was replaced. Mr. Anderson stated that it was tested, and the results were submitted to Bar Nunn as they requested them.

Mr. Anderson stated that staff fixed some erosion issues at Airport Tank.

Mr. Anderson stated that staff has started the dirt work at Wardwell Tank for the fence project since the bulls knocked the fence down. Mr. Anderson stated that staff is going to do something different with the fence.

6. There was no Public Comment.

7. In Old Business:

a. Mr. Martin turned the time over to Mr. Moser for an update on the Wyoming Water Development Commission (WWDC) Wellfield Management Project.

Mr. Moser stated that the WWDC kicked off the study last year with the idea being broadly to take a look at some of the operations in the wellfield, think about strategies that might be used to maximize production over the long term, and make sure it continues to be something that is good and productive over a long period of time. Mr. Moser stated that one of components of the study that he wants to update the Board on is that they decided it would be good to take a look at different methods of rehabilitation of the wells. Mr. Moser stated that one of the things that are looked at when a pump or motor are worked on is strategies to try to make the well produce more water efficiently.

Mr. Moser stated that they have identified six wells, with the idea being that they wanted to pick some from different construction techniques and pick some that

were in various states of decline from when they were originally developed. Mr. Moser stated that the first three wells, for which rehabilitation was recently completed, were done with one method in order to evaluate what success was had with that method. Mr. Moser stated that in the next couple of weeks a slightly different methodology and chemistry will be used.

Mr. Moser stated that Morad 6, Morad 2R, and the Casper 19 wells were chosen. Mr. Moser stated that Morad 6 fits into the category of an older well with very reduced capacity. Mr. Moser stated that for a comparison, last April, it was pumping in the neighborhood of 110 gpm, and through some of the rehab techniques, they were able to increase the amount of water that comes into the well, which is called specific capacity, so for every foot of decline of water level in that well, how much water comes in. Mr. Moser stated that they were able to regain back to the 2015 value, but still roughly half of what the production was in the late 1990's. Mr. Moser stated that last year it was 110 gpm and initially it was brought online at 230 gpm and has bumped up to 275 gpm as of this morning. Mr. Moser stated that this is fairly favorable since it is almost triple what was seen from this well last year.

Mr. Moser stated that with respect to Morad 2R, it is kind of a similar story. Mr. Moser stated that this well was constructed in 1998 so we were able to see about double the amount of water that can come in per unit of drawdown. Mr. Moser stated that this well is pumping 215 gpm as of this morning.

Mr. Moser stated the Casper 19 well is relatively new, and only had about 55% decline in the capacity of it. Mr. Moser stated that they were able to recover to a specific capacity close to what the original completion was. Mr. Moser stated that it might be advantageous to do rehabilitation more frequently instead of waiting until the well is not really productive anymore. Mr. Moser stated that they are still waiting for the new pump to arrive so the well can be put online. Mr. Moser stated that the recommendation from the engineer is that this well will probably come online at least at 175 gpm.

Mr. Moser stated that the next work is to pick off wells that parallel these wells, old, middle, fairly new, and look at how much decline has been seen over time. Mr. Moser stated that companion wells will be picked, and a different rehabilitation technique will be used.

Mr. Moser stated that another item he wanted to update the Board on, as another component of this study, is that they are going to do some groundwater modeling efforts and the team has already assembled a preliminary groundwater model. Mr. Moser stated that the idea being that if they can accurately capture in a modeling sense what the behavior is for the wellfield, and what things are seen during the seasons, then we can try to throw some what-ifs at it. Mr. Moser stated that things that can be tested on the groundwater model are increased recharge in the basins; rotate wells that are pumping to try to maximize the return on the wellfields; how it can be managed to be more productive in the long term and in the short term. Mr. Moser stated that the team presented the preliminary model to

Mr. Martin and him about two weeks ago. Mr. Moser stated that he thought there were significant areas for improvement and did not think it was a good time to present it to the Board yet. Mr. Moser stated that Mr. Martin had a lot of comments about whether the production rates made sense in the model.

Mr. Moser stated that one of the predictive things he thinks they will see with the model is as they try to play with what if one of the wells were tweaked and we got more water out of them versus increasing recharge. Mr. Moser stated that one of the surprising outcomes was that when they picked off five of the low production wells and said what if the capacity was increased in those wells, if they were redrilled, what kind of production that would give us versus just pumping water 24/7 into more of the recharge area. Mr. Moser stated that he will be interested in what they find once they get their numbers a little bit more precise, but he thinks the sense was that increasing the recharge was very beneficial for being able to produce more water out of the wellfield. Mr. Moser stated that conceptually, that makes sense to him. Mr. Moser stated that he and Mr. Martin have given comments to the groundwater model team for ways to improve the model and make it more realistic and believable.

Mr. Moser stated that when the companion rehab effort is put together that speaks to different ways that wells can be rehabbed, and what is successful, and also have some more of the modeling done, the consulting crew will present the results to the Board. Mr. Moser stated that there will be more phases to this study.

- b. Mr. Martin stated that last month it was discussed to have a meeting with some Board Members and Mr. Chapin to review the JPB Agreement and discuss options for revisions. Mr. Martin stated that this meeting was held, and a draft has been crafted and brought to this meeting for discussion.

Chairman Bertoglio stated that there weren't a lot of changes structurally to the Agreement. Mr. Chapin stated that the same Agreement was used and included the revisions. Mr. Chapin stated that the rest of it is probably wording tweaks and preferences and how things are stated.

Chairman Bertoglio stated that they looked at the Joint Powers Board Agreement and the Operating Agreement, or Asset Transfer Agreement. Mr. Martin stated that they also reviewed the Board Organization Certification. Chairman Bertoglio stated that basically Wardwell was struck out and replaced with Town of Bar Nunn where appropriate.

Mr. Chapin asked if there had been a discussion with the State regarding just replacing the names in the existing document and if that would be acceptable, or if they have the desire to see a different kind of agreement going forward. Mr. Martin stated that Ms. Scott had a discussion with the State after she sent the existing document to them. Chairman Bertoglio stated that Ms. Scott was going to send all the documents to the State and pave the way, so they didn't just get ambushed. Chairman Bertoglio stated that he does not know how that went. Mr. Chapin stated that he will speak with Ms. Scott.

Chairman Bertoglio asked if there was anything else the Board wanted to do with this at this point. Mr. Martin asked if Mr. Chapin had a chance to go through all the revisions and if another review meeting needs to be held to discuss them. Mr. Chapin stated that most of his comments are different wording. Mr. Chapin stated that there are a couple of things that he thinks are missing from the Agreement, one of which is the ability to have video meetings, as that was a good idea during COVID.

Mr. Martin asked if Mr. Chapin's comments could be added to the Agreement and then brought back to the Board at the next meeting. Chairman Bertoglio stated that he would like this done, so adding Mr. Chapin's comments and bringing back to the Board would be good.

Board Member Sabrosky stated that a follow-up with Ms. Scott to be sure that the State gives its blessing on the document language would be a good idea. Mr. Chapin agreed and stated that the Agreement won't be going anywhere without State approval. Chairman Bertoglio stated that the Board can get a preliminary approval from the State, that they don't see any issues with the way the Agreement is being revised. Board Member Sabrosky stated that he doesn't think they would have any issue, but we don't need to come back a few months later with them saying something was left out of the Agreement. Chairman Bertoglio stated that Ms. Scott stated that she was going to send the Agreements to the State as a heads up that this will be coming to them. Mr. Chapin stated that he imagines that Ms. Scott did send them to the State if she said she was going to.

Chairman Bertoglio stated that the Board Members on the committee should plan on getting together in the next couple of weeks after they have had a chance to look at the revisions. Chairman Bertoglio stated that he is sure that Bar Nunn's Town Council would like to review the revised Agreement being as they are entering into it. Chairman Bertoglio stated that anyone else that needs to look at it should, and then perhaps the Board will be ready to vote on it at the next meeting.

- c. Mr. Martin stated that last month the Board discussed the RWS service area expansion, and the map showing the expanded area was presented to the Board with an explanation of how staff arrived at the revisions. Mr. Martin stated that Board Member Aars brought up some revisions that Salt Creek is proposing.

Mr. Martin showed the service area map on the screen. Mr. Martin stated that the information provided by Board Member Aars shows the area from Sitting Bull to Navaho Trail. Board Member Aars stated that is the area that is proposed to be included in the service area, and the people in that area want to potentially form a water district in the future for that area.

Mr. Martin stated that in the meeting last month, the proposed increased service area map was sent to the Water Rights Consultant, and they are working on putting together the new map with the legal description that will be submitted to the State Engineer's Office. Mr. Martin stated that they are getting close to being ready to submit that, they're just holding off to see if the Board wants to add any

more area before it is finalized.

Secretary Waters asked if the growth boundary that is shown on the screen is Casper's growth boundary. Mr. Martin stated that it is the Regional Water Service Area.

Board Member Aars stated that Salt Creek is discussing putting in a water fill station in that area as well. Board Member Aars stated that the area becomes so big just for potential in the future.

Chairman Bertoglio stated that all the Board is talking about is service area, not who's going to run the water or how.

Mr. Martin stated that as a reminder to the Board, the hatched area on the map is existing Regional Water service area, and then the tan color is proposed area to add that the Board approved last month, and now this little piece would be added to the north area if that is the Board's direction.

Treasurer Cathey stated that the service area to the south was based on tank elevations and being able to service that area. Treasurer Cathey asked if the Board has the tank elevations to service the proposed area. Chairman Bertoglio stated that the Salt Creek waterline has high pressure, and if they install a water fill station, they will have to install a pressure reducer. Mr. Anderson stated that at the Salt Creek Booster, the pressure is 240 psi. Chairman Bertoglio stated that the area is halfway up to 20 Mile. Treasurer Cathey stated that he just didn't want to expand the service area where there wasn't any pressure, and then someone try to force the Board to build a tank to be able to service them. Treasurer Cathey stated that was his concern.

Chairman Bertoglio stated that back in the day, no one wanted to draw the service area up there because they didn't want anyone to start putting subdivisions there.

Chairman Bertoglio asked the Board their pleasure on this and stated that there is no obligation for any party to do anything. Board Member Aars stated that this is just expanding the service area for potential service in the future.

Chairman Bertoglio asked Mr. Brauer if he saw any issues with expanding the service area to include this area. Mr. Brauer stated that he remembers back when the Antelope Hills area wanted water and petitioned Midwest and the Salt Creek Joint Powers Board, and there wasn't a real desire to serve them. Mr. Brauer stated that he thinks Chairman Bertoglio's statement is exactly correct, this is a service area for the State Engineer's Office showing where we can serve water, it's not a commitment from this Board or any of the entities on this Board to provide water to them. Mr. Brauer stated that he recently had a discussion about some people over in Elkhorn that is at the top of Wyoming Blvd., where all the high dollar homes are. Mr. Brauer stated that they are all concerned because Elkhorn Creek is dry, as it is fully utilized by different sources. Mr. Brauer stated that the idea is they could form a district, the City of Casper would have no

interest in providing them with water, but if they wanted to be a wholesale customer, there may be an option.

Mr. Brauer stated that with this area, this is not saying that the Board would service this area, just that they could.

Chairman Bertoglio asked if there is a certain spot that the Board wants to draw the lines for this area. Mr. Martin stated that in the email Board Member Aars sent, it mentioned Sitting Bull as the east/west line and Navaho Trail as the north/south line. Secretary Waters asked if it would make sense to use section lines. Chairman Bertoglio stated that section lines would be used for the map and legal description. Mr. Martin stated that is what is being done with the rest of the service area map.

Chairman Bertoglio asked Ms. Brown if a motion will be needed for this. Ms. Brown stated that because the Board, by motion, approved the expanded service area map, they will need a motion to amend it. Mr. Martin stated that a motion would be best so it will be on record.

Chairman Bertoglio asked for a motion to approve an amendment to the already approved expanded service area to encompass the prescribed area north and east of the Interstate.

A motion was made by Secretary Waters and seconded by Vice-Chairman North to approve an amendment to the already approved expanded service area to encompass the described area north and east of the Interstate. Motion put and carried.

d. There was no Other Old Business.

8. In New Business:

a. Mr. Martin stated that this is the time of year when the Preliminary FY2025 budgets are reviewed. Mr. Martin stated that the discussion today will not include approving the budget, it will not be approved until June. Mr. Martin stated that last month the Board reviewed the proposed capital projects, this month the Board will review the Operations Budgets, and next month the Board will review the wholesale water rate, and then everything will be brought back to the Board in June for final approvals.

Mr. Martin stated that he will be following the budget memo on the screen and if anyone has any questions, feel free to interrupt him.

Mr. Martin stated that the Water Treatment Plant (WTP) Operations Budget and the Regional Water System Agency Budget (Agency Budget) will be reviewed. Mr. Martin stated that the Operations Budget is used for day-to-day operations of the regional water system, including personnel costs. Mr. Martin stated that this break-even budget is approved by both the Board and the City Council and is

reimbursed from the Agency Budget. Mr. Martin stated that the Agency Budget, approved by the Board only, includes direct Board expenses, debt service, reimbursable contract expenses, and capital expenses. Mr. Martin stated that the Agency Budget receives revenue primarily from water sales, interest earnings, and system investment charges. Mr. Martin stated that the expenditures in this budget are largely driven by new and replacement capital projects.

Water Treatment Plant Operations Budget

Personnel Services

- a. Personnel Costs - \$1,282,967 – This represents a decrease of \$7,698 over the FY24 budget. The decrease is due to cost reductions seen in workers compensation rates and health insurance. These reductions offset increases in salaries and wages and overtime.

Chairman Bertoglio asked if this includes the additional Operator that was discussed at a previous meeting. Mr. Martin stated that it does.

Materials and Supplies

- a) General Supplies and Materials - \$194,500 – This is a decrease of \$11,300 from the FY24 budget. This includes the following:
 - \$ 5,000 – Office supplies (\$7,000 decrease – moved to Building Supplies)
 - \$ 4,000 – Other Materials and Supplies (\$500 increase)
 - \$ 8,000 – Safety Equipment and Supplies (\$500 decrease)
 - \$ 6,000 – Pump and Lubricant Supplies (\$2,000 increase)
 - \$30,000 – Machinery Supplies (\$5,000 increase – for pumps and motors)
 - \$30,000 – Laboratory Supplies (\$5,000 decrease – reviewed historical data)
 - \$20,000 – Well Supplies (\$12,000 increase)
 - \$ 8,000 – Vehicle Supplies (no change)
 - \$ 8,000 – Building Supplies (\$6,500 increase – moved from Office Supplies)
 - \$ 8,000 – Water Line Materials (\$1,000 increase)
 - \$32,000 – Booster Supplies (no change)
 - \$10,000 – Small Tools and Supplies (no change)
 - \$ 2,500 – Equipment Storage Shelving (no change – this will drop off in out years)
 - \$15,000 – Hydrocyclone Wear Parts (no change)
 - \$ 3,000 – Polymer Scale (\$200 increase – replace one polymer scale per year for the next couple of years)
 - \$ 5,000 – Well House Flushing Line and Hoses (no change)

Mr. Martin stated that the following projects were completed and removed from the budget:

- Watson Marlow Pumps for Turbidimeter Meters - \$6,000
 - Peristaltic Pumps - \$5,000
 - Sand Pump Soft Starts - \$15,000
- b) Chemicals - \$1,400,000 – This is an increase of \$100,000 from the FY24 budget. The increase covers an increase in material costs as well as fuel and trucking charges.
- c) Postage and Printing - \$1,700 – This amount is an increase of \$200 from the FY24 budget.
- d) Electricity - \$910,000 - This amount is an increase of \$30,000 from the FY24 budget. Electricity usage is greatly dependent upon summertime water sales.
- e) Natural Gas - \$80,000 – This amount is unchanged from the FY24 budget.
- f) Bulk Fuel - \$10,000 – This amount is unchanged from the FY24 budget. This is for fuel for vehicles and emergency generators.
- g) Technology Supplies - \$3,000 – This amount is a decrease of \$5,500 from the FY24 budget. The decrease is due to the purchase of SCADA computers last year.
- h) Maintenance/Repair (non-contract) - \$211,000 – This is an increase of \$126,000 from the FY24 budget. The line item includes the following expenses:
- \$90,000 – Maintenance Repair (non-contract)
 - \$50,000 – Mountain View Booster Roof Replacement – typically a capital expense, but Finance says it is a repair, so it belongs in the Operations budget.
 - \$15,000 – Wardwell Tank Roof Inspection and Sealant
 - \$50,000 – Sandy Lakes Booster Blast and Paint – maintenance item so was put in the Operations budget.
 - \$ 6,000 – VT SCADA Updates – license updates, cyber security upgrades
- i) Employee Uniforms - \$4,000 – This amount is unchanged from the FY24 budget.

Contractual Services

- a) Professional Services - \$15,000 – This is an increase of \$3,000 from the FY24 budget. This line item, used for instrumentation and controls maintenance and repairs, has increased due to contractor price increases and the increased use of outside contractors as our Instrument Tech continues to gain expertise. Additionally, as plant equipment continues to age, repairs are becoming more and more frequent.

- b) Maintenance Agreements - \$65,000 – This is an increase of \$20,750 from the FY24 budget. This line item covers the following agreements:
- \$13,000 – HVAC Service (no change)
 - \$ 3,500 – Elevator Service (no change)
 - \$ 0 – Chiller Maintenance (no change – new chiller system with warranty)
 - \$ 6,500 – Chloramine Analyzer Service (\$1,000 increase)
 - \$ 1,000 – Fire Sprinkler System Inspection (no change – required testing)
 - \$ 2,500 – Work Order Software (no change)
 - \$35,000 – Ozone Monitor Service (\$20,000 increase – huge increase in parts and technical expertise as this is a highly specialized service and is required annually)
 - \$ 1,500 – Crane Inspections (\$1,250 decrease)
 - \$ 2,000 – LOX Telemetry (\$1,000 increase)
- c) Lab Testing - \$47,000 – This amount is an increase of \$500 from the FY24 budget. Outside laboratory for EPA required testing.
- d) Laundry and Towel Service - \$500 – This amount is unchanged from the FY24 budget.
- e) Interdepartmental Services - \$315,954 – This is an increase of \$21,581 from the FY24 budget. These costs are charged to Enterprise Funds for some of the services received from the General Fund accounts. These amounts are determined by the number of employees as a percentage, or by the number of work orders. This line item covers the following:
- \$ 27,988 – Information Technology (\$1,429 increase)
 - \$ 26,281 – Finance (\$5,715 increase)
 - \$ 27,895 – Human Resources (\$8,902 increase)
 - \$ 6,482 – City Council (\$1,205 increase)
 - \$ 13,475 – City Manager (\$2,904 decrease)
 - \$ 17,205 – City Attorney (\$1,507 increase)
 - \$196,628 – WDG Personnel (\$5,727 increase – average cost of a Utility Worker 2 and a Utility Worker 3 – 2 positions)

Other Costs

- a) Travel/Training - \$5,000 – This is a decrease of \$500 from the FY24 budget.
- b) Insurance & Bonds - \$19,205 – This is a decrease of \$6,118 from the FY24 budget. This line item covers liability insurance, etc. for the WTP staff who are City of Casper employees.
- c) Advertising - \$2,600 – This is an increase of \$500 from the FY24 budget. This line item is for advertising Board meetings, annual budget, etc.

- d) Dues and subscriptions - \$2,000 – This amount is an increase of \$300 from the FY24 budget. This is for memberships to AWWA and Rural Water which have decreased training costs for members.

Utility Costs

- a) Communication - \$2,500 – This amount is a \$300 increase from the FY24 budget.
- b) Refuse Collection - \$60,000 – This amount is unchanged from the FY24 budget. This line item is mainly for sludge disposal. The two backwash water ponds and the two Actiflo sludge ponds are cleaned yearly. Waste sludge capacity in these ponds is critical to the operations of the surface water treatment plant.
- c) Sewer - \$500 – This amount is unchanged from the FY24 budget.

Summary

The FY25 Operations Budget is 6.5% greater than the FY24 Operations Budget. In large part, the increases are attributable to increases in chemical costs, electricity costs, non-contract maintenance repair services, maintenance agreements, and internal service costs.

Board Member Sabrosky asked if the Electricity costs included the huge rate increase from Rocky Mountain Power. Mr. Martin stated that it does include the rate increase.

Central Wyoming Regional Water System Agency Budget

Revenue

- a) Water Rate Revenue - \$9,048,678 – This reflects an increase of \$362,847 over the FY24 budget. These revenues are proportioned to each wholesale entity based on the July 2022 – June 2023 percentage of RWS production based on a five-year average of total RWS production. This amount anticipates a 5% rate increase effective July 1, 2024. The rate increase is subject to change and will be discussed by the Board next month.
- b) Interest on Investments - \$210,100 – This is an increase of \$10,000 from the FY24 budget based on an analysis completed by City Finance.
- c) System Development Charges (SIC) - \$245,000 – This amount is unchanged from the FY24 budget.

Personnel Services

None.

Contractual Services

- a) Consulting Fees - \$15,000 – This amount for outside consulting work is unchanged from the FY24 budget. An example of this is the surveying work that was done in Izaak Walton.
- b) Legal Fees - \$30,000 – This amount is unchanged from the FY24 budget.
- c) Accounting & Auditing - \$40,000 – This is an increase of \$6,000 from the FY24 budget and is based on the five-year agreement with Ketel Thorstenson, LLP.
- d) Insurance & Bonds - \$127,000 – This is an increase of \$8,000 from the FY24 budget.
- e) Travel & Training - \$2,000 – This amount is unchanged from the FY24 budget.

Debt Service

- a) Principal Payments - \$794,524 – This reflects the principal amount for two WWDC loans, and four DWSRF loans per the amortization schedules:
 - WWDC (New Construction) - \$407,619
 - WWDC (Rehabilitation) - \$130,183
 - DWSRF Loan #115 (Emergency Power) - \$108,673
 - DWSRF Loan #129 (Zone IIB Imp.) - \$ 26,101
 - DWSRF Loan #153 (Backwash Tank) - \$ 75,364
 - DWSRF Loan #213 (PLC/SCADA) - \$ 46,584
- b) Interest Expense - \$221,615 – This reflects the interest expense for two WWDC loans, and four DWSRF loans per the amortization schedules:
 - WWDC (New Construction) - \$ 88,312
 - WWDC (Rehabilitation) - \$ 28,205
 - DWSRF Loan #115 (Emergency Power) - \$ 43,853
 - DWSRF Loan #129 (Zone IIB Imp.) - \$ 8,771
 - DWSRF Loan #153 (Backwash Tank) - \$ 30,412
 - DWSRF Loan #213 (PLC/SCADA) - \$ 22,062

These line items have decreased due to the pay off of the City of Casper loan in FY24.

Capital – New

None.

Capital – Replacement

- a) Buildings - \$650,000 – This includes:
- Pioneer Booster Electrical Upgrades - \$150,000 – This project replaces the MCC's and switch gear in the Pioneer Booster as the existing electrical equipment has reached the end of its life and replacement parts are not readily available.
 - Raw Water Building (design) - \$500,000 – This is for the design of the Raw Water Building Improvements Project. An SRF loan will be obtained for construction.
- b) Improvements Other Than Buildings - \$2,395,000 – These items were discussed last month, but some revisions have been made. This line item includes the following:
- Well Rehabilitation - \$1,000,000 – This project is part of a multi-year project to rehabilitate the groundwater wells. FY25 funding will be used to rehabilitate vertical wells and/or as funding to address recommendations that come from the WWDC Wellfield Management Plan.
 - Security Upgrades - \$40,000 – This funding is part of a multi-year effort to address security issues noted in vulnerability and security assessments. Some items to be upgraded include cameras, door access hardware, and perimeter fencing.
 - Filter Media Replacement - \$100,000 – This project is to rehabilitate one of six filters.
 - GW Ozone Contactor Pipe Lining - \$750,000 – This project is to line the ground water ozone contactors.
 - Gravity Filter Valve Replacement - \$150,000 – This project is to replace failing valves on the gravity filter piping.
 - Sodium Hypochlorite Tank Improvements - \$80,000 – This project is to line the sodium hypochlorite tanks.
 - Loading Dock Improvements - \$25,000 – This project is to increase the radius of the loading dock entrance, add asphalt, and replace the concrete curb. This entrance is very tight and truck drivers are having a difficult time getting in and out of it.
 - River Restoration Contribution - \$250,000 – These funds represent the second half of the original \$500,000 proposed for this project. A number of years ago the City approached Regional Water about contributing to the River Restoration Project and at that time the Board tentatively agreed to \$500,000 depending on where capital projects were at the time. \$250,000 was contributed for the first phase of the project through Morad Park and down to the first Caisson. Now the new phase of the project will pick up where they left off and go around the bend to the bridge. This is considering the other \$250,000 for this project.

Chairman Bertoglio asked where the City stands for funding for this

project. Mr. Brauer stated that the City was awarded a \$3 Million Bureau of Reclamation grant that requires a minimum 25% matching funds. Mr. Brauer stated that the City has a little over \$1 M of the matching funds. Mr. Brauer stated that there is a \$60,000 grant, \$125,000 in in-kind services, and then there is approximately \$600,000 left. Mr. Brauer stated that some of that is 16%, and the other piece would be this \$250,000 from the Board.

Mr. Brauer stated that as we sit right now, the grant has all been approved, the money is ready to go, and he is working actively with Ms. Martinez to get a professional under contract for design, and hopefully bidding and construction. Mr. Brauer stated that design work should be starting in the middle of the summer, and then bidding. Mr. Brauer stated that one of the lessons learned is that we can get more work done than the upstream work and hope to be able to stretch that \$3 Million. Mr. Brauer stated that everything is ready to roll on this project.

Board Member Sabrosky asked if this is a beautification project or for erosion mitigation. Mr. Brauer stated that this project is for overall river habitat improvements, and for the health and quality of the river.

Secretary Waters asked if the project will also include riverbank stabilization. Mr. Brauer stated that it does. Mr. Brauer stated that the City of Mills just put together a design for some riverbank stabilization. Mr. Brauer stated that the City's consultant has asked for a copy of the design just to make sure their bank stabilization works with our River Restoration Program. Mr. Brauer stated that they are actively involved with this, and trying to extend to Mills and trying to work together, because with the \$3 Million they could potentially go all the way down to the bridge. Mr. Brauer stated that they were going to stop at the bend, but they think there is enough money to go all the way down to the bridge and part of that was reaching out to Mills and trying to work collaboratively together to support and enhance the river as it flows through the community.

Chairman Bertoglio stated that this is just a budget item right now and asked that Ms. Martinez come talk to the Board about this new phase of the River Project. Mr. Brauer stated that they would be glad to come to the next meeting and speak in great detail about the project.

Board Member Pollock left the meeting at 12:25 p.m.

c) Light Equipment \$380,000 – This includes the following:

- Major Equipment and Valve Replacements - \$200,000 – This is for unanticipated equipment and valve replacements during the year. WTP and/or wellfield equipment will fail unexpectedly needing immediate

replacement or renovation.

- Turbidimeter Replacements - \$40,000 – The RWS has 43 turbidimeters that are required to meet regulatory requirements. The turbidimeters require periodic replacement as they fail and/or become unsupported by the vendor.
- Well Pump Replacements - \$140,000 – This project is to purchase replacement well pumps for pumps that have reached the end of their life and require replacement.

Summary

The FY25 Agency Budget is 2.2% less than the FY24 budget. The decrease is mainly the result of decreased debt service payments as the City Loan was paid off in FY24. The Agency budget anticipates an increase in revenues based on a wholesale water rate increase of 5%, which will be discussed in more detail at the next meeting, and an increase in earned interest on investments. The total amount budgeted for FY25 capital expenditures is \$3,425,000, a decrease of \$5,000 from FY24.

Staff considers the budgeted requests for both operational and capital to be responsible expenses for meeting the Regional Water System's public health and regulatory responsibilities to its customers for the present and for the future while minimizing the amount of wholesale rate increases.

Mr. Martin stated that is the preliminary look at the Operations and Agency budgets, and the wholesale water rate will be discussed next month. Mr. Martin stated that approval of the budget and wholesale water rate will take place in June.

Chairman Bertoglio asked if any major revisions to the budget are anticipated before then. Mr. Martin stated that he does not anticipate any at this time.

- b. Ms. Brown distributed the Financial Disclosure to Board Member Sabrosky. Ms. Brown stated that the Financial Disclosures are required every year and must be signed in open session. The Financial Disclosure was signed by Board Member Sabrosky at this meeting during open session.
- c. In Other New Business:
 - i) Mr. Brauer stated that he wanted to thank Mr. Moser and Mr. Martin for their great work on the Wellfield Study. Mr. Brauer stated that the WWDC is a huge asset to everyone that is in the Water business.
 - ii) Vice-Chairman North asked about the status of the Salt Creek waterline work. Board Member Aars stated that work is in progress. Board Member Aars stated that the engineer is working on expanding the design on a couple of areas as they are trying to move the waterline out of a draw that collects a lot of water.

9. In the Chairman's Report, Chairman Bertoglio stated that the next Regular Meeting will be held on May 21, 2024.

A motion was made by Secretary Waters and seconded by Vice-Chairman North to adjourn the meeting at 12:35 p.m. Motion put and carried.


Chairman


Secretary