

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

MEETING PROCEEDINGS

May 21, 2024

A public meeting of the Central Wyoming Regional Water System Joint Powers Board (Board) was held Tuesday, May 21, 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, and Board Members Aars, and Pollock. Treasurer Cathey and Board Members Bond and Sabrosky were absent.

City of Casper – Bertoglio, Pollock, Tom Brauer, Bruce Martin, Pete Meyers, Jolene Martinez, Mark Anderson, Janette Brown

Natrona County – North

Salt Creek Joint Powers Board – Aars

Wardwell Water & Sewer District –

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.; Frank Schwarzrock and Patrick Holscher – Town of Bar Nunn; George Moser – Wyoming Water Development Commission; T.C. Dinkins – FlyWater, Inc.

The Board meeting was called to order at 11:48 a.m.

1. In Announcements:

- a. Mr. Martin informed the Board that a new Administrative Assistant for the WTP had been hired and introduced Ms. Cheryl Walker to the Board.
2. Chairman Bertoglio asked for a motion to approve the minutes from the April 16, 2024, Regular meeting. A motion was made by Vice-Chairman North and seconded by Board Member Pollock to approve the minutes from the April 16, 2024, Regular meeting. Motion put and carried.
3. Mr. Martin stated that no additional vouchers were added to the listing that was sent out in the agenda packet. Mr. Martin asked the Board to reference the voucher listing on the screen.

Mr. Martin stated that vouchers 8682 for Layne Christensen Co. in the amount of \$208,050.00 and 8683 for Engineering Associates in the amount of \$1,780.13 are for the ARPA funded Caisson Rehabilitation Project No. 21-040.

Mr. Martin stated that voucher 8685 for West Plains Engineering in the amount of \$2,000.00 is for the WTP Chiller Replacement Project No. 20-30. Mr. Martin stated that this project is wrapping up, they are just waiting on a few warm days to put a test on the system.

Mr. Martin stated that voucher 8686 for Titan Plumbing, LLC in the amount of \$7,355.84 is for the Ammonia system piping replacement. Mr. Martin stated that the surface water side of the system was done previously, and this is for the groundwater side of the system and was done while the groundwater 42-inch pipe replacement was taking place. Mr. Martin stated that this project is now complete.

Mr. Martin stated that voucher 8687 for Ferguson Waterworks #116 in the amount of \$31,365.00 is for 16-inch Wafer Butterfly Valves for the Gravity Filter Valves Replacement Project.

Mr. Martin stated that voucher 8688 for Crown Construction in the amount of \$132,240.00 is for the WTP 42" Steel Waterline Replacement Project No. 21-45.

Mr. Martin stated that the vouchers are in good order and recommended approval of vouchers 8680 through 8688 in the amount of \$703,686.18.

A motion was made by Secretary Waters and seconded by Board Member Aars to approve the May 2024 voucher listing to include voucher numbers 8680 through 8688 in the amount of \$703,686.18. 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 181 MG of water produced in April, which is 16 MG above the five-year average of 166 MG.

Mr. Martin stated that the fiscal year-to-date water production was 2.85 BG, which is approximately 112 MG below the five-year average of 2.96 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 \$6,578,421, compared to \$6,889,071 last year, which is approximately \$310,650 less than last fiscal year and correlates with the below average water sales.

Mr. Martin stated that Reimbursable Contract Expense is \$3,051,962, which includes April expenses. Mr. Martin stated that this line item is approximately \$135,695 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 April 2024 Financial Report as presented. A motion was made by Vice-Chairman North and seconded by Secretary Waters to approve the April 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 water production has been running between 5 MGD and 8 MGD. Mr. Martin stated that with the well rehabilitation that has been completed so far, and the increase in the level of the river, production from the wellfield is right at 8 MGD. Mr. Martin stated that the surface water plant has been turned on as needed.

Mr. Martin stated that the WWDC Wellfield Management Plan Project continues. Mr. Martin stated that they are still working on some well rehab, and Mr. Moser will discuss this in more detail in just a few minutes.

Mr. Martin stated that the Caisson Rehabilitation Project continues as well. Mr. Martin showed a video that was taken of one of the laterals on Caisson No. 2. Mr. Martin stated that the video shows a lot of tuberculation on the pipe. Mr. Martin stated that 65-feet into the pipe the slots in the screen are not apparent, and at 104-feet it is difficult to see anything. Mr. Martin stated that the laterals are definitely in bad shape, they indicated that they could clean up fairly well. Mr. Martin stated that they have already done high-pressure jet cleaning and are now working on the chemical treatment, which will be followed by another high-pressure jetting. Mr. Martin stated that in the debris pulled from the lateral, you can see bits of rust and sand, which is pretty normal. Mr. Martin stated that after the first pass, they could see slots in the screens, so it is definitely a good improvement there.

Secretary Waters asked where this line is located. Mr. Martin stated that this is one of the lateral lines off the Caisson No. 2 well. Mr. Martin stated that the Caissons were believed to have two laterals that go under the river. Mr. Martin stated that this Caisson has three laterals, and the other ones may have five or six laterals. Mr. Martin stated that they won't know for sure until they get down in there.

Mr. Martin stated that crews have replaced two of the old groundwater high service suction side valves with newly purchased valves.

Mr. Martin stated that the 42-inch Groundwater Pipe Replacement Project consists of replacing the groundwater line after the De-Gas Tower before it goes into the backwash tanks. Mr. Martin showed a picture of the pipe that was removed. Mr. Martin stated that the pipe was in rough shape with a lot of corrosion. Mr. Martin stated that during the replacement of this pipe, the groundwater was off for seven days. Mr. Martin stated that the whole vault is not completed, but the line needed to be put back in service. Mr. Martin stated that it worked out nicely to have this replacement done in the spring before there is a huge increase in the water demand.

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 as expected, the residual looks good in the system for this time of year.

Mr. Anderson stated that staff started getting the boosters ready for the summer season.

Mr. Anderson stated that staff has started mowing and spraying weeds in the tank and booster yards.

Mr. Anderson stated that staff did a lift in the wellfield to install a new well pump.

Mr. Anderson stated that staff completed the dirt work for the new fence at the Wardwell Tank. Mr. Anderson stated that installation of the new fence is next on the list.

Chairman Bertoglio asked if the surface water plant is currently running. Mr. Martin stated that it is off right now with the wet weather as the wells are able to meet demand. Mr. Martin stated that production has jumped up a little bit as people are starting to irrigate.

Chairman Bertoglio asked if there has been any headway in hiring Operators. Mr. Martin stated that one Operator was hired about a month ago and he is working out very well. Mr. Martin stated that he is really picking things up fast both on the groundwater and surface water. Mr. Martin stated that he will be a good Operator. Mr. Martin stated that another Operator will be hired after July 1st. Mr. Martin stated that one of the Operators has been out for the last month due to military service but is expected back this week.

6. There was no Public Comment.

7. In Old Business:

a. Mr. Martin stated that the Board discussed a potential \$250,000 contribution for the River Restoration Project at the last meeting during budget discussions. Mr. Martin stated that the Board gave \$250,000 for the Morad stretch of the River Restoration Project. Mr. Martin stated that T.C. Dinkins, with FlyWater, Inc., and Jolene Martinez, with the City of Casper, are participating in today's meeting

virtually and turned the time over to them for an update on the River Restoration Project.

Mr. Dinkins stated that he used to work for Stantec, but now works for FlyWater, which is a river restoration firm in Fort Collins. Mr. Dinkins stated that he has been involved in the North Platte River Restoration Project since about 2012, since the Master Plan.

Mr. Dinkins stated that recently he has developed a Lessons Learned Study, looking back on watershed characteristics on previously completed projects. Mr. Dinkins stated that it is looking to provide recommendations for the remaining projects that are on the Master Plan list.

Mr. Dinkins asked the Board to reference his presentation on the screen that has been adapted from a more comprehensive summary of the findings. Mr. Dinkins stated that he is going to go over the deep dive into the hydrology and geomorphic characteristics of this river reach, and key take aways from the study, and acute observations over the last year, and some review of the treatment projects, and a snapshot of the Izaak Walton Reach that is on the docket for the next project.

Mr. Dinkins stated that when he dug deep into the hydrology of the river, it was fascinating because the Platte River is a highly regulated flow regime with all the Bureau of Reclamation inline reservoirs and dams and the way they are operated. Mr. Dinkins stated that what that means is that the quantity, timing, and duration of river flows have changed drastically over the last one hundred years. Mr. Dinkins presented graphics that showed the difference in the flow regimes of the unregulated and regulated flows over the last one hundred years. Mr. Dinkins stated that from a river management/river restoration design perspective this throws a wrench in the traditional methods that are used to estimate channel capacity and channel size for design.

Mr. Dinkins presented annual peak flows from all the gauges that he could find from Pathfinder, Alcova, and Casper in the last one hundred years. Mr. Dinkins stated that this information shows that as the reservoirs were built and came online, the annual peak flows drastically decreased over time. Mr. Dinkins stated that once Glendo was established and put into operation, there was a baseline flattening, or more consistent flow regimes. Mr. Dinkins stated that he found a study from 1978 for the USGS where they did a study of the North Platte down in Nebraska. Mr. Dinkins stated that the name of the study is "The Case of the Shrinking Channels of the North Platte and Platte Rivers of Nebraska". Mr. Dinkins stated that what that study showed was this has been observed even downstream that there is a similar change in the way the flow is regulated from historical conditions. Mr. Dinkins stated that it is a kind of validation of some of the information he saw in Casper. Mr. Dinkins stated that the annual peak discharges potentially have been reduced by 86% compared to historical conditions. Mr. Dinkins stated that another way to look at this is estimating what historical peaks could have been through Casper based on scaling about the drainage area compared to a high flow event in 1905 in Pathfinder, and you scale

that with the additional drainage area to Casper. Mr. Dinkins stated that the peak flows through Casper in the last century, prior to all these projects, could have been as high as 14,000 cfs on an annual basis, which compared to the flushing flows that the Bureau releases in March for a couple of days at 4,000 to 4,500 cfs, that is a huge change in average peak flows.

Mr. Dinkins stated that in looking into what flows the river sees during the summer months of the year, it helped to home in on what the appropriate channel forming discharge is of the river to maintain the appropriate depth ratio, the habitat, and the vegetation that is being established on the riparian fringes. Mr. Dinkins stated that when he looked at the records of the Casper gauge at the Railroad Bridge off of First Street, it's really showing that during the summer months there is much more consistent flows that occur over a longer period of time. Mr. Dinkins stated that what that has ended up causing is a change in the vegetation community at a lower bench elevation compared to historical conditions.

Mr. Dinkins stated that another deep dive that he looked at was the overall geomorphic context of the river and how it has changed over time. Mr. Dinkins stated that historically, when the settlers were crossing the plains, the river was a mile wide and very deep. Mr. Dinkins stated that there has been a drastic change in geomorphology in the last one hundred years, especially from 1909 to 1960. Mr. Dinkins stated that this is looking at the North Platte Park and Knife River Reach that is downstream and shows how wide and how great the system was in historical context. Mr. Dinkins stated that one of the most interesting points of this reach in particular is that it has some of the highest erosion rates that have been observed throughout the reach from Alcova down. Mr. Dinkins stated that one of things that he discovered is that some of the erosion could be attributed to the gravel mining operations and the high flow that occurred in 1984, where the gravel mining operations built a large gravel pit east of the river, and during the high flow event, the river flowed into the gravel pit, which initiated a head cut that moved upstream and created some unstable banks that you see in the North Platte Park Reach.

Mr. Dinkins stated that one of the things they are trying to understand is how to get better revegetation following these projects and enhancing the riparian corridors. Mr. Dinkins stated that one of the indicators that he looked at and measured last year was the relative elevation of water source elevation to where the riparian bench or vegetation is, or where things are starting to establish. Mr. Dinkins stated that when he validated that with hydraulic modeling looking at the flows, it showed a similar correlation with the annual high summer flow peaks with the range of 2,800 cfs to 3,200 cfs. Mr. Dinkins stated that this is an indicator that we need to have higher weight in the design considerations. Mr. Dinkins stated that another thing that came from this study is the idea of a bathtub ring effect that is caused by hydrology. Mr. Dinkins stated that below a certain elevation, no vegetation will establish because it is inundated underwater levels during the summer growing months. Mr. Dinkins stated that can also help to inform vegetation plans, as below that elevation it wouldn't make sense to plant

anything because it won't grow. Mr. Dinkins stated that future projects will be able to save some money in planting plans because we have a better idea of where the lowest areas are that we should be planting.

Mr. Dinkins stated that some of the conclusions from previously completed projects are as follows:

- 1) The Lessons Learned Study was a great opportunity to reevaluate the underlying design assumptions and assess their response to restoration.
- 2) The hydrology analysis shows the typical approach for design discharge determination in that you look at return intervals for annual peaks, it does not tell the story of systems that have highly regulated flow regimes, and especially ones that have changed over the last period of time on record. If you don't parse out the river conditions prior to Glendo completion, it skews the data too high.
- 3) The original design assumptions determine the transport and supply. We were more conservative than necessary because we were worried about a lot of these areas that were promoting bank scouring, we were worried about not getting the right channel size to transport the sediment, we could have the same problems in the future. We are seeing that when we arrest localized bank erosion, those have been the source of a lot of instabilities. When you shut this off, you don't see the type of channel migration potential. There is more flexibility in designing and allowing for channel complexity.
- 4) One of the biggest lessons learned from the Wyoming Blvd. site was we need to be very cautious when considering the fill to build up edges. If you are trying to address some really unstable bank that requires filling that bank with materials to build it up to the vegetation bank, to be very cautious with cut fill estimates because we have found that some of these areas are just a big hole that you are trying to fill. The actual versus estimated fill volumes could be two to three times higher than estimated.
- 5) Wood-toe has proven to be a very good performing bank stabilization measure. We have learned that we can improve this and make it cheaper in the future. This is still using the materials that have been harvested, it creates a great habitat, it creates that food source for the macroinvertebrate food web. There are ways that we can improve the structures.

Mr. Dinkins stated that the synopsis of the Game and Fish monitoring reports is that overall, the riverbanks and channels are achieving the primary goals and functioning as intended. Mr. Dinkins stated that with three years of data, they do see a positive trend. Mr. Dinkins stated that in 2020, some Northern Leopard Frogs, which are a species of concern, were observed in the Morad Park wetlands that were constructed as part of the project.

Mr. Dinkins stated that quick synopsis of the study looking at the effect of the Russian Olive removal efforts that have gone on, and looking specifically at the Casper Wellfield, over 1,400 Russian Olive trees were removed as part of that effort. Mr. Dinkins stated one of the reports that he came upon stated that a mature Russian Olive tree can consume up to 75 gallons of water per day. Mr.

Dinkins stated that if half the trees that were removed were mature, that could be up to 50,000 gallons a day reduction in transpiration associated with those trees.

Mr. Dinkins stated that subsequent observations show that the tree removal effort have been successful, but there is still 92% of the subsections that still have the Russian Olive trees.

Mr. Dinkins stated that areas in the Izzak Walton area have been evaluated and identifying where pools are already starting to form and designing features to enhance those and identifying areas with the most unstable banks. Mr. Dinkins stated that he believes they can go in with a lighter touch in this area and have a more cost-effective project and maintain some of the character of the river and enhance the habitat.

Mr. Dinkins stated that one of the really important things for this site is the coordination and collaboration with the City of Mills as they have big plans for their side of the river. Mr. Dinkins stated that he has been in communication with the lady at the City of Mills and talked to her about what Casper is thinking, and he thinks there is a win for both Cities where habitat quality can be increased while also working within their grand plan.

Mr. Dinkins offered to answer questions. There being no questions from the Board, Chairman Bertoglio thanked Mr. Dinkins for his presentation.

Mr. Brauer stated that the City of Casper has approximately \$3 Million in grants from the Bureau of Reclamation for this portion of the River Project. Mr. Brauer stated that the City of Casper has matching monies set aside and is requesting that the Board honor the previous commitment of \$250,000 to help support this \$3 Million project. Mr. Brauer stated that the Game and Fish really supported this Lessons Learned to try to understand where we had these wins and how to maintain, support, and preserve the Platte River. Mr. Brauer stated that again, the request from the River Fund is \$250,000 from the Regional Water System to help with matching funds for the Bureau of Reclamation grant.

Chairman Bertoglio asked if the City of Mills is putting in any money for the project. Mr. Brauer stated that the City of Mills has a big bank stabilization project that they are doing in October of this year. Mr. Brauer stated that they are spending money on the river, but as far as putting in money for this project, no, because when this project was envisioned, it was going to stop short of Mills. Mr. Brauer stated that it was with the Lessons Learned that it was realized that the project could be extended down farther.

Chairman Bertoglio stated that he asked because if the City starts doing their project and Mills starts doing something different, it seems like there might be overlap or conflictions. Mr. Brauer stated that is why they have been diligently working hand-in-hand with Sabrina at the City of Mills. Mr. Brauer stated that the work that Mills will be doing in October will be up out of the river channel, to provide access to pedestrians and some retaining walls. Mr. Brauer stated that

ultimately the City of Mills supports and protects the river, but it's not as focused as this project, which is in the river and the riparian habitat, they are up out of that zone. Mr. Brauer stated that the City of Mills is investing a lot of money on their side of the bank, which is in general above the level where the River Restoration work is taking place.

- b. 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 they are in the midst of experimentation with different techniques for the rehabilitation of the wells. Mr. Moser stated that the idea there is to build up some recommendations for how the Board might be able to pursue rehab of wells in the future.

Mr. Moser stated that they did the first three wells, which he reported on to the Board last time. Mr. Moser stated that they have done one well using an enhanced technique, that is some miniature explosions that create sound waves. Mr. Moser stated that the goal with that is to reach out a little bit further away from the screen of the well itself, and reach out into the gravel pack, out into the aquifer a little bit, and try to break up any of the material that might be consolidated around the well and increase the production rate. Mr. Moser stated that the first well has come back really good, as we saw better recovery of production rates than we saw under any of the previous three wells that were done.

Mr. Moser stated that just this morning, we got a little bit of concern that made us jump to the side a bit. Mr. Moser stated that they thought that one of the wells was looking like it had collapsed a little bit at the bottom. Mr. Moser stated that the contractor managed to clean that up, rerun the camera, and at this point is seeing a little bit of void space in the gravel pack behind there, so some sand production should hopefully taper off as that gets pumped and developed a little bit more. Mr. Moser stated that they are going to proceed forward with using that enhanced technique on this well.

Mr. Moser stated that at the next meeting, he should have a good comparison for the Board as far as whether Option 1 or Option 2 works better, particularly considering whether those wells have seen either moderate declines or really significant declines. Mr. Moser stated that they have interspersed ages of those wells. Mr. Moser stated that he should have something for the next meeting that is more definitive on rehab techniques.

Mr. Moser stated that at the last meeting, he also spoke about the preliminary groundwater modeling effort. Mr. Moser stated that he and Mr. Martin followed up with the team and provided some suggestions for how they might be able to refine and enhance that groundwater model, particularly with some of their treatment on the recharge and the amount and volume of water coming into the recharge. Mr. Moser stated that Mr. Martin offered up records of how much water is being supplied to those recharge areas, so he thinks they will be able to

home in a little bit better and get some realistic numbers.

Mr. Moser stated that they are going to try to play with what would reactivation of some of the Infiltration Gallery Recharge look like. Mr. Moser stated that they are looking at where they might be able to get a little bit of additional recharge in that wellfield area and see what that would mean for increasing production. Mr. Moser stated that they are still trying to figure out exactly how that would work, the pump for those recharge channels is located off of a gravity feed. Mr. Moser stated that he is particularly interested in some of the river channel restoration stuff; just trying to think about what scenarios that might mean for whether that natural gravity-fed channel might need to have a pump at some point in time to help recharge in that area. Mr. Moser stated that there will be more to come on that.

Mr. Moser stated that if the Board had any questions, he would be happy to answer them.

Chairman Bertoglio asked what kind of tool is being used to put a sonic quake down. Mr. Moser stated that it is a type of sonar jet that creates a series of three different miniature explosions all timed to be a really close sequence apart and try to get that to blast out radially from the well. Mr. Moser stated that it's not like a shape charge, they aren't taking an explosive charge and blowing a hole through the side of the casing. Mr. Moser stated that they are using some enhanced sound techniques to break that stuff up. Chairman Bertoglio stated that there are lots of different tools out there to do that. Mr. Moser stated that this tool costs a little bit more to use, but whether or not the enhanced yields make up for that or not is probably what will become really important. Mr. Moser stated that they will see more yield increase but is it worth the \$10,000 per well that it roughly costs to use that sort of tool.

- c. Mr. Martin stated that as the Board is aware, we have been working on the updated Regional Water Agreement with the dissolution of Wardwell and Bar Nunn coming onboard. Mr. Martin stated that the Chairman, Vice-Chairman, and Secretary met with Mr. Chapin and himself and went over some different options and opted to re-do the most recent agreement using the same format. Mr. Martin stated that Ms. Brown sent off an email to all the Board Members a week or so ago for review. Mr. Martin stated that we are looking for feedback on that. Mr. Martin stated that we are at the point where we need the feedback to move forward.

Chairman Bertoglio asked that page 10 of the RWS Agreement, the top paragraph, be put on the screen. Chairman Bertoglio stated that when the five of them met, regarding service area changes, that's where they said they would no longer provide water into non-member municipalities going forward, and none of that is included in the draft agreement. Chairman Bertoglio stated that was the only thing that he saw. Chairman Bertoglio stated that there is concern that Mills has a whole lot of projects coming in and they are going to expect water to come out off Regional for them. Chairman Bertoglio stated that other than that, he

thinks it reads really well simply by inputting Bar Nunn in there, and it is a nice clean copy.

Mr. Martin stated that after his discussion with the Chairman, he sent an email, and wasn't sure if that captured what they discussed. Chairman Bertoglio stated that he did see the email, and it was close, the only thing was that the City had, pre-Regional Water, serviced areas that Mills had annexed before Regional came into being. Chairman Bertoglio stated that it is a question of once Regional came into being, should annexed areas continue to be serviced, because annexed areas should be serviced by the annexing entity and not rely on Regional Water for that. Chairman Bertoglio stated that he thinks that has always been one of the rubs of late, and that's what the committee was struggling with.

Mr. Martin showed on the screen some language for the agreement. Mr. Martin stated that the RWS JPB Agreement might need to be tweaked a bit more.

Chairman Bertoglio stated that they should wait to vote on the Agreement until Treasurer Cathey is in attendance, as he has been tied in tight with all the discussions. Chairman Bertoglio stated that he would hate to vote on this without Treasurer Cathey's input. Secretary Waters stated that he agrees with waiting on Treasurer Cathey's input. Secretary Waters stated that he hates to delay, but he really needs to be involved with it.

Chairman Bertoglio asked if Mr. Chapin or Mr. Martin had any other thoughts on revisions to the Agreement. Neither had further comments. Chairman Bertoglio stated that reading through the Agreement now is easy as it is so clean. Chairman Bertoglio asked that Mr. Chapin and Mr. Martin focus on the area that was discussed, and if some kind of general language that the Board can make comments on, then put it back on the agenda for the next meeting.

Chairman Bertoglio asked if Ms. Scott sent all this stuff to the State at this point. Mr. Martin stated that this draft has not been sent to the State. Chairman Bertoglio stated that he thought all the previous stuff had been sent to the State so that they would be able to quickly turn the updated Agreement around. Chairman Bertoglio stated that Ms. Scott was talking about sending it to the State.

Mr. Holscher stated that he inquired of Ms. Scott if she had sent the agreement to the State, and she informed him that she did and received feedback from the State Attorney General's Office that they were all good to go, so she has done everything that she was asked to do. Mr. Holscher stated that Ms. Scott also issued a communication venturing an opinion that a Bar Nunn Member was ready to be seated presently. Chairman Bertoglio stated that once the Board approves the updated Agreement, the Bar Nunn representative could sit on the Board, as he doesn't think that they would need to wait on the State at that point. Mr. Holscher stated that was Ms. Scott's opinion as well, and in fact, it was her opinion that it could be done now. Mr. Holscher introduced Mr. Frank Schwarzrock as the Bar Nunn representative. Chairman Bertoglio stated that the Board will get the updated Agreement approved soon. Mr. Schwarzrock stated that he is patient.

d. There was no Other Old Business.

8. In New Business:

a. Mr. Martin stated that he will go through the rate model memo and then the rate pro forma will be put on the screen for the Board to review. Mr. Martin stated that Mr. Pete Meyers from City Finance is in attendance to assist with the pro forma.

Mr. Martin stated that the Board approves the rate model every year, and today the preliminary model is being presented, and the final product will be brought to the meeting next month for approval for the rate increase to go into effect on July 1st.

Mr. Martin stated that the Water Treatment Plant (WTP) Operations Budget is 9.5% higher than the FY24 Operations budget. Mr. Martin stated that the preliminary budgets are included in the rate mode. Mr. Martin stated that one thing he wants to talk to the Board about at this time is that the Operations budget increase of 9.5% is a little bit different than what was presented to the Board at the last meeting. Mr. Martin stated that there is a bit of a change in how salaries are allocated. Mr. Martin stated that Mr. Napier has approved a restructuring in Public Utilities and how Public Utilities oversees Water Treatment, Water Distribution, Wastewater Collection, Wastewater Treatment, and Stormwater. Mr. Martin stated that starting July 1st, there will be a split and there will be a Water Section and a Wastewater Section. Mr. Martin stated that he will stay on with similar duties as he does now as the Water Manager, and a new position will be created for a Wastewater Manager. Mr. Martin stated that his salary and Ms. Brown's salary right now are split amongst all these funds, and with the restructuring, his salary will be fully from Water, and Ms. Brown's will mostly be under Water with a small percentage under Wastewater. Mr. Martin stated that a portion of his salary has been moved from the Water Distribution Fund to the RWS WTP Fund, as well as a portion of Ms. Brown's salary.

Mr. Martin stated that there is a bit of an increase from what was previously presented to the Board last month. Mr. Martin stated that it comes from a couple of different areas, one is the restructure that was proposed to Mr. Napier and approved, and a portion has to do with the number of capital projects that we have been doing. Mr. Martin stated that there has been a high number of capital projects in the last couple of years, and it is only going to get more intensive in the next few years as we get through the Disinfection System Upgrade, more improvements in the wellfield, and additional improvements at the WTP. Mr. Martin stated that capital projects are becoming much more intensive.

Mr. Martin turned the time over to Mr. Brauer to add anything additional to this change.

Mr. Brauer stated that when he came into his position he realized that there are a lot deferred capital projects, a lot of work that had been kicked down the road and

needed to be done. Mr. Brauer stated that included Wastewater Collection from a regional standpoint, the Wastewater Treatment Plant, the Water Treatment Plant, and Water Distribution. Mr. Brauer stated that his impetus has been to push the deferred capital improvements projects up and get the work moving ahead because we need to plan for the future, and we need to have these essential services. Mr. Brauer stated that another obstacle is funding. Mr. Brauer stated that we had Mr. Martin spread very, very thin, and he thinks too thin. Mr. Brauer stated that a quarter of Mr. Martin's time went to Wastewater, a quarter to Wastewater Treatment, a quarter to Water Distribution, and a quarter to the Water Treatment Plant. Mr. Brauer stated that with a dozen capital improvement projects and the need to try finding all the grant money that we can, along with additional funding for the projects, it was more work than one person can do. Mr. Brauer stated that he has been working collaboratively with Mr. Martin on this for the last couple of months trying to set it up. Mr. Brauer stated that this is tentative, as it needs to be approved by Council, but tentatively there will be a Wastewater Manager to oversee the Wastewater side, with Mr. Martin overseeing the Water Distribution and Water Treatment side. Mr. Brauer stated that they will be addressing all the capital improvement projects that are needed, and really focusing on finding grant funding for all the projects that need to be built. Mr. Brauer stated that if the Board had any questions on the restructure proposal, he would be happy to address them.

Mr. Martin stated that the following assumptions were made in the development of the wholesale water rate model:

1. Starting fund balance information obtained from the FY23 audit.
2. The model assumes a 3.5% rate increase effective July 1, 2024. Mr. Martin stated that last month the Board discussed a 5% increase, but as he and Mr. Meyers worked on the rate model, a 3.5% increase is now proposed.
3. The model assumes 0.5% rate of growth in the RWS over the next five years. This amount is recommended in the WTP Facilities Plan.
4. The model assumes a 5% rate of inflation for FY25, 4% for FY26 and FY27, and 3% for years FY28 to FY33.
5. The model uses a five-year average for projected water production. Annual water production varies based on climatic conditions and any required water restrictions.
6. The recommended minimum RWS fund reserves are calculated in accordance with the RWS Fund Reserves Policy as adopted by the Board in February of 2021. That policy recommends the reserves be the sum of: 1) Operating Reserves – 90 days of budgeted operating expense as calculated from the most recent Board approved annual budget; b) Debt Service Reserves – the greater of one-year annual principal payments or as mandated through negotiated contractual agreements and/or terms of debt issuance agreements; and c)

Capital Reserves – one-year annual depreciation expense as taken from the most recent annual audit.

7. Rate developed by these models include rate adjustments needed for new and replacement capital facilities above that obtained from the system investment charges, reserves, grants and loans. The rate models are driven by new and replacement capital projects more than operational expenditures. The models use a Ten-Year Capital Improvement Plan with assumed expenses and revenues for new and replacement capital projects. The capital items on the Capital Improvement Plan (CIP) represent the best projections of needed improvements and/or studies. The projects and amounts are subject to change as more detailed information becomes available. New and replacement capital improvements after four to five years also tend to be uncertain due to future regulatory requirements, system growth, future water supply needs, and available financing, etc.
8. The model assumes that grant/loan funding will be secured in FY26 for the Disinfection Upgrade Project and the Raw Water Improvements Project.

Mr. Martin put the pro forma on the screen for the Board's review. Mr. Martin stated that the pro forma has changed a little bit, but all the same expenses are there. Mr. Martin stated that the blue line is the projected fund balance, the black line is the minimum required reserve requirement, and the green line is 10% above the reserve requirement and the target line so we don't keep riding below the minimum reserve requirement.

Mr. Martin stated that this will be a similar discussion to last year where we are starting out pretty good, and then into the out years you see the fund drop off. Mr. Martin stated that a big part of that has to do with debt repayment. Mr. Martin stated that happened when we started looking at an SRF loan for the Disinfection Upgrade Project as well as the Raw Water Project.

Mr. Martin went through several different rate scenarios with the Board so they could see the effect on the pro forma.

Secretary Waters asked to see 4% on the first year.

Vice-Chairman North asked to see 2.5% on the first year.

Secretary Waters stated that he liked the idea of a 4% increase this year, and then look at it next year to see if the reserves are falling off, or if it needs to be adjusted from the projected 3.5%.

Chairman Bertoglio asked what the special one-time expenses are versus the one-time revenues. Mr. Martin stated there is \$15 Million for the Disinfection UV Upgrade, and \$2.5 Million for Raw Water, both of which will be SRF loans. Mr. Martin stated that the \$245,000 in Revenue is System Investment Charges.

Mr. Meyers stated that \$250,000 is the River Project. Chairman Bertoglio asked what happens when that is removed. Chairman Bertoglio stated that he wanted to see how much current expenses makes against it.

Board Member Pollock asked if the target line is just an arbitrary 10% above. Mr. Martin stated that it is 10% above the required reserve amount.

Secretary Waters asked if the \$17 Million in revenue is received in one year, or will it be received in multiple years. Mr. Martin stated that it will be a SRF loan all upfront, but the capital project won't be completed in one fiscal year, it will be spread out over a couple of years by the time design and construction are complete.

Chairman Bertoglio asked to see what would happen if the \$17 Million was split between a couple of years. Chairman Bertoglio asked if payments to repay the loan start when the project is finished. Mr. Martin stated that is correct, repayment starts when the project is completed. Chairman Bertoglio asked if that payment is built into the Operations budget in the future years. Mr. Martin stated that it is.

Board Member Pollock asked if having the \$17.5 Million in the model as a one-time expense, is that in case we can't get the loan and have to come up with the funds. Board Member Pollock asked why we are anticipating needing that level of money in the fund as an outlet. Mr. Martin stated that we have to have the expense and the revenue shown in the budget. Mr. Martin stated that they offset each other, but we have to show that expense and revenue in the budget for the Board to approve.

Mr. Martin stated that if the expense is separated out into multiple years, you would have to do the same thing with the revenue side. Mr. Martin stated that as the project goes along and you make payments, the invoices are submitted for reimbursement.

Chairman Bertoglio asked what the timing was on the River Restoration Project, if it will be done in FY25 or FY26. Mr. Brauer stated that it is planned for FY26.

Board Member Pollock stated that her preference would be to leave the rate increase at 3.5% for this coming fiscal year since we don't see it dipping down to the minimum reserve line until approximately six or so years out, and then it is still between the target and the reserve line. Board Member Pollock stated that the target is just 10% above the reserve line and is an arbitrary number.

Vice-Chairman North stated that the dip is far enough down the road that the Board will have to look at things again anyway.

Mr. Brauer stated that the Board needs to understand that the expense and the offsetting funding is a pocket switch, you are adding something to one side of the balance sheet and taking it away from the other side.

Mr. Martin stated that with a 3.5% rate increase the rate will go from \$2.32/thousand gallons to \$2.40/thousand gallons.

Board Member Pollock stated that the model shows that there isn't a really sharp decline in reserves until FY30.

Chairman Bertoglio asked if there were any capital projects that could potentially be moved up faster. Chairman Bertoglio stated that there is still a lot of old equipment out there. Mr. Martin stated that as we start looking at capital projects more intensively there is no doubt that in the out years there will be additional capital projects that come up. Mr. Martin stated that right now the Disinfection Upgrade and the Raw Water Project are the big ones on the radar, but there is no question that there are other capital projects that need to be done.

Mr. Brauer stated that this just makes a really good point as to why he needs Mr. Martin to focus on the WTP. Mr. Brauer stated that he remembers when the WTP had the high service pumps switched from groundwater to surface water, and how it was all switched around. Mr. Brauer stated that there are a lot of pipes and pumps at the WTP that are originally from 1983 – 1984. Mr. Brauer stated that when Regional Water came into being, everything was not just replaced, Actiflo was added, filter media was added, and Ozone was added, and a lot of old stuff stayed there. Mr. Brauer stated that there are a lot of capital projects needing to be done and he is leaning heavily on Mr. Martin to work on a longer-range capital improvement plan because he knows there are a lot of deferred capital projects that need to be worked on. Mr. Brauer stated that they are pretty wired in for the next couple of years, but the out years need work to be more certain. Mr. Brauer stated that is one of the added benefits of having Mr. Martin focusing all his energy, expertise and experience on the WTP.

Mr. Martin stated that we will turn over every stone that we can looking for grant money, hopefully more ARPA funding comes out, or some Bi-Partisan Infrastructure Bill funding becomes available. Chairman Bertoglio asked if the Board qualifies for any WWDC funding. Mr. Martin stated that WWDC funding is not for the treatment side. Mr. Brauer stated that on the treatment side WWDC funding is not available but is for transmission lines. Mr. Brauer stated that he learned the other day that the budget that was established for the WWDC in the mid-1990's is still the same budget they are working with today. Mr. Brauer stated that construction costs have increased at least three-fold from the mid-1990's to today. Mr. Brauer stated that the WWDC cut their grants down from 67% to 50%. Mr. Brauer stated that they are looking really critically at oversizing, if you are planning on a bunch of growth, and you want a 5 MG tank, but you only need a 3 MG tank, they will pay for the 3 MG tank and you pay for the other 2 MG. Mr. Brauer stated that he believes there is funding out there from the Bi-Partisan Infrastructure Bill and he is working on figuring out where that Infrastructure money is coming from so we can tap into it both for the Water and Wastewater sides.

Chairman Bertoglio asked how the Board was able to get Capital Construction

Grants for the WTP. Mr. Brauer stated that there was a bond issuance for that. Chairman Bertoglio asked if all the Capital Construction Grants were for pipelines, storage, and boosters. Mr. Brauer and Ms. Brown confirmed this. Mr. Brauer stated that Bid Packages 1 – 4 were all WWDC, Bid Pack 5 was the WTP, and he believes that WWDC paid for the wells. Mr. Brauer stated that all the treatment work was bond funded. Chairman Bertoglio stated that he believes that the Board went to SRF and then to the bonds because the Board could get better rates through the bonds. Mr. Brauer stated that then ultimately the City of Casper bought the bonds out. Mr. Martin stated that for projects going forward, much like the wellfield stuff, there may be the opportunity for additional funding there.

Mr. Martin asked Mr. Meyers to scroll down to the capital project list. Mr. Martin stated that the Board can expect that this list will change as we move forward. Chairman Bertoglio stated that his fear is that an emergency one will pop up like there was last year. Chairman Bertoglio stated that even if one does, we still stay above and have the opportunity to catch up. Mr. Martin stated that is the beauty of looking at the rate model every year, if we see that things are going in the wrong direction, there is time to make an adjustment.

Mr. Martin stated that next month staff will bring back both budgets and the water rate for final approval by the Board.

Board Member Pollock asked if the Board will be looking at 3.5% or 4% for the rate increase. Chairman Bertoglio stated that Secretary Waters had recommended 4%, but he thinks 3.5% would be fine as it is still almost 10 years before crossing down below the buffer line. Secretary Waters stated that he would rather see small increases, so it doesn't hit people really hard. Secretary Waters stated that he could live with the 3.5% increase.

- b. Ms. Brown stated that with Board Member Bond not in attendance at the meeting today, he is unable to sign his Annual Financial Disclosure Letter.
 - c. There was no Other New Business.
9. In the Chairman's Report, Chairman Bertoglio stated that the next Regular Meeting will be held on June 18, 2024, and FY25 Budget and rate will be considered.

A motion was made by Vice-Chairman North and seconded by Secretary Waters to adjourn the meeting at 1:02 p.m. Motion put and carried.


Chairman


Secretary