

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

MEETING PROCEEDINGS

June 20, 2023

A public meeting of the Central Wyoming Regional Water System Joint Powers Board (Board) was held Tuesday, June 20, 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 - Vice-Chairman Bertoglio, Secretary Waters, Treasurer Cathey and Board Members Knell, North and Sabrosky. Chairman King and Board Member Pollock were absent.

City of Casper – Bertoglio, Cathey, Knell, Bruce Martin, Jill Johnson, Tom Edwards, Mark Anderson, Janette Brown

Natrona County – North

Salt Creek Joint Powers Board –

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.; Peter Boyer and Liz Grill – Town of Bar Nunn; Tom Brauer – Technical Mediation Solutions; George Moser – Wyoming Water Development Commission

The Board meeting was called to order at 11:30 a.m.

1. There were no Announcements.

2. Vice-Chairman Bertoglio asked for a motion to approve the minutes from the May 16, 2023, Regular meeting. A motion was made by Board Member Knell and seconded by Board Member North to approve the minutes from the May 16, 2023, Regular meeting. Motion put and carried.
3. Mr. Martin informed the Board there were no additional vouchers added to the voucher listing that was sent out in the agenda packet.

Mr. Martin stated that voucher 8584 for Carr Coatings, LLC in the amount of \$121,894.50 is for the WTP Raw Water Intake Pipe Recoating Project No. 22-075.

Mr. Martin stated that voucher 8585 for Waters & Son Construction, Inc. in the amount of \$31,864.87 is for upgrades to the front gate. Mr. Martin stated that this project has been completed.

Mr. Martin stated that voucher 8586 for Salt Creek Welding, Inc. in the amount of \$520.00 is for inspection of the 42-inch pipe in vault. Mr. Martin stated that this project has been on hold as no one can get a price for 42-inch pipe. Mr. Martin stated that the inspection showed that this pipe is in bad shape and needs to be replaced.

Mr. Martin stated that voucher 8589 for Montana Seals and Packing in the amount of \$32,191.70 is for Pioneer Booster pump replacements.

Mr. Martin stated that the vouchers are in good order and recommended approval of vouchers 8582 through 8590 in the amount of \$700,071.06.

Vice-Chairman Bertoglio asked for a motion to approve the June 2023 vouchers. A motion was made by Board Member Knell and seconded by Board Member North to approve the June 2023 voucher listing to include voucher numbers 8582 through 8590 in the amount of \$700,071.06. Motion put and carried with Secretary Waters abstaining from voucher 8585 for Waters & Son Construction, Inc.

4. Mr. Martin asked the Board to reference the Water Production chart on the screen. Mr. Martin stated that there were 288 MG of water produced in May, which is 25 MG above the five-year average of 264 MG.

Mr. Martin stated that year to date water production for May was 3.38 BG, which is 203 MG above the five-year average of 3.17 BG. Mr. Martin stated that it continues to be a very good year for water production, however it is not anticipated that June will be a good production month with all the rain that has been received.

Mr. Martin stated that Interest Earned is a total of \$207,411 for the fiscal year. Mr. Martin stated that this is due to the WYOStar I and II investment accounts.

Mr. Martin stated that Water Utility Charges for FY23 is \$7,531,802, which is approximately \$1 M more than last year at the same time. Mr. Martin stated that the increase is due to the rate increase for FY23, and the above average water sales.

Mr. Martin stated that Reimbursable Contract Expense is \$3,388,571. Mr. Martin stated that the current figure also includes the May Operations Reimbursement. Mr. Martin stated that this line item is on track for where it was expected to be at this point in the fiscal year. Mr. Martin stated that chemical purchases are higher than expected due to the increased water production.

Board Member Knell stated that it is amazing to see the difference between Interest Earned from last year to this year all because Ms. Johnson brought WyoStar Investments to the Board's attention. Board Member Knell thanked Ms. Johnson for bringing WyoStar Investments to the Board's attention.

Vice-Chairman Bertoglio asked about the System Investment Charge revenue being low. Mr. Martin stated that it is lower than it has been the last couple of years. Mr. Martin stated that the bigger projects, like apartment building complexes, have not been seen this fiscal year.

Vice-Chairman Bertoglio asked for a motion to approve the May 2023 Financial Report as presented. A motion was made by Board Member Sabrosky and seconded by Board Member North to approve the May 2023 Financial Report as presented. Motion put and carried.

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

Mr. Edwards stated that production is 9.1 MGD, which is down from 15.7 MGD last year due to the rain and cool weather. Mr. Edwards stated that the Surface Water Plant is currently being operated intermittently as needed. Mr. Edwards stated that he expects the warmer weather will show up any day.

Mr. Edwards stated that the heavy rain and storms impacted some of the runoff. Mr. Edwards stated that the river sediment was high, which made it difficult to treat the water.

Mr. Edwards stated that Maintenance staff rebuilt the Ground Water High Service Pump No. 5.

Mr. Edwards stated that Maintenance staff disinfected, tested, and put back in service the 2.6 MG Tank after the tank inspection and minor repairs were made by the contractor.

Mr. Edwards stated that the turbidimeters on Morad 4 and 10 were replaced.

Mr. Edwards stated that the gear box for the actuator on Filter No. 5 was replaced.

Mr. Edwards stated that the level transducer on Tower Tank was worked on.

Mr. Edwards stated that the drain valve on the Ferric containment was replaced.

Mr. Edwards stated that there was a lightning strike in the Caspar Wellfield that affected Caspar Wells 14, 15, and 19, as well as the recharge pump. Mr. Edwards stated that

motor savers had to be replaced on all of those.

Mr. Edwards stated that belts were replaced on the HVAC system and fan motors inside the WTP.

Mr. Edwards stated that all the air filters in the air handlers in the WTP were also replaced.

Mr. Edwards stated that the only contractor work that was done this past month was by Waters & Son to replace the main gate operators and install some new safety features on the main gate.

Board Member Knell asked how the Well Rehab Project is going. Mr. Edwards stated that it is still in progress, and still working out the design details for what will be done. Mr. Edwards stated that hopefully, it will start soon. Mr. Martin stated that the Caisson No. 2 Rehab Project will be using the ARPA funding. Mr. Martin stated that the design is just being completed, and the project should be going out to bid any day. Board Member Knell asked if it will start before the end of summer. Mr. Martin stated that is the hope, as there are only a couple of contractors that can work on the Ranney wells, and it depends on their availability.

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 tri-annual lead and copper testing was completed.

Mr. Anderson stated that the Mountain View Tank roof was inspected by Salt Creek Welding and determined that it needs quite a bit of work. Mr. Anderson stated that Mr. Martin will be talking more about that coming up in the meeting. Mr. Anderson stated that the tank is back online for now until a plan is in place to work on it.

Mr. Anderson stated that a couple of hot taps were completed on RWS waterlines; one at 1619 Platte Street in Wardwell, and one at 1101 Tall Grass Road in Pioneer.

Mr. Anderson stated that staff mowed and cut down weeds at all the tank and booster sites and sprayed as needed.

Mr. Anderson stated that a pilot valve on Pump No. 1 at Airport Booster failed. Mr. Anderson stated that the pilot valve was replaced and is working properly.

Mr. Anderson stated that two very large bird nests were removed from the Wardwell Tank catwalks a couple of weeks ago. Secretary Cathey asked how often there are bird issues at that water tank. Mr. Anderson stated that the Wardwell Tank attracts the birds. Mr. Anderson stated that there really hasn't been any bird issues in the last couple of years. Mr. Anderson stated that ever since the bird mitigation took place, there hasn't really been a lot of issues. Mr. Martin stated that the bird mitigation efforts employed a few years ago seems to have scared them off.

6. In Public Comment, Mr. Tom Brauer stated that he is with Technical Mediation Solutions and attending with him are Peter Boyer and Liz Grill with the Town of Bar Nunn. Mr. Brauer stated that they are here to give the Board information and an update on Wardwell Water and Sewer District (Wardwell) dissolution, and to answer any questions the Board might have on this process.

Mr. Brauer stated that the dissolution of Wardwell started almost a year ago in September 2022, and he offered to mediate between Wardwell and the Town of Bar Nunn (Bar Nunn) for free. Mr. Brauer stated that Bar Nunn and Wardwell both agreed to pursue mediation. Mr. Brauer stated that he is looking for a customer-based solution, what the best thing is for the customers.

Mr. Brauer stated that the issues between Bar Nunn and Wardwell started in 2000 due to the new growth that Bar Nunn was seeing.

Mr. Brauer stated that mediation has been a positive process as everyone is trying to do their best for the customers/rate payers.

Mr. Brauer stated that a Memorandum of Understanding (MOU) between the two Parties was approved in November 2022, with an Addendum to the MOU approved in March 2023.

Mr. Brauer stated that Wardwell prepared the Plan for Dissolution of District and considered a Resolution to Approve Dissolution on April 14, 2023, with the plan to turn the entire Wardwell system over to Bar Nunn. Mr. Brauer stated that it is important for the Board to understand that the Wardwell system is not being split up, Bar Nunn is taking over the entire Wardwell Water and Sewer District. Mr. Brauer stated that everything that was owned and operated by Wardwell will now be owned and operated by the Town of Bar Nunn.

Board Member Knell stated that he doesn't think that legally they can do that. Mr. Brauer stated that after he finishes his presentation, there are attorneys present that can answer the legality of it.

Mr. Brauer stated that the next step was to prepare a Dissolution Plan, which is statutorily step by step how they legally dissolve. Mr. Brauer stated that this plan was drafted by Alia Scott, was reviewed, and approved by Pat Holscher, and was approved by the Wardwell Board on May 10, 2023.

Mr. Brauer stated that Wardwell filed the findings of fact and Plan for Dissolution with the Natrona County Clerk on May 10, 2023. Mr. Brauer stated that according to State Statutes, a Notice of Public Election must be published within ten days of filing with the County Clerk, and the election must take place between 90 and 120 days after filing with the County Clerk. Mr. Brauer stated that the election will take place between August 8, 2023, and September 7, 2023. Mr. Brauer stated that every resident in the Wardwell Water and Sewer District, which includes the Town of Bar Nunn, will have the opportunity to vote and if 51% of the votes are in favor of the dissolution, the dissolution goes forth with the assets transferred to Bar Nunn.

Mr. Brauer stated that the interesting thing in this process is that when the MOU was drafted, he came to the Board in October and at that point he gave the same rundown. Mr. Brauer stated that something he misspoke about then was that the County Commissioners have to review the Dissolution Plan, and that is not the case, it just goes on file with the County.

Mr. Brauer stated that almost a month ago, he was called to a meeting with Mr. Chapin, Vice-Chairman Bertoglio and Mr. Martin and discussed this whole process. Mr. Brauer stated that he gave them a rundown of the process and emailed them some documents that were completed. Mr. Brauer stated that he was unsure why they were getting the documents from him, as there is a representative of Wardwell on the Board, and Ms. Scott works in the same law office as Mr. Chapin. Mr. Brauer stated that he felt the meeting was more looking for problems than solutions. Mr. Brauer stated that his involvement in this process as a volunteer mediator has been to look for solutions, not to look for problems.

Mr. Brauer stated that the other benefit on his side is that he was involved as a spectator for the formation of the Joint Powers Board. Mr. Brauer stated that he has been involved in the Regional Water System since its inception. Mr. Brauer stated that he helped draft the Level II Study that was basically the document that led down the road to the formation of the Regional Water System. Mr. Brauer stated that he does have some historical knowledge of the Regional Water System, how it's operated, and what has taken place.

Mr. Brauer stated that he is here to address questions from the Board, and the first one is the question from Board Member Knell as to whether the process is legal or not. Mr. Brauer stated that the Dissolution Plan went statute by statute regarding how the process takes place and how they were addressing it. Mr. Brauer stated that both attorneys drafted the Plan and believe it is a legal document.

Board Member Knell stated that for clarity, for the Board's sake, he has no issue with the dissolution process; whether Bar Nunn can take over and serve customers in the Casper growth boundary, and outside the Bar Nunn boundaries is where the legal questions are going to come in. Board Member Knell stated that is probably not something that can be answered today, but he wants the Board to be aware of protections in place, so just because Bar Nunn says they want it, doesn't mean they will get it, or that they can legally service outside their area. Board Member Knell stated that those are questions that will probably be answered down the road. Board Member Sabrosky stated that there are communities throughout the State that do that so the answer should be fairly quick. Mr. Chapin stated that it could be.

Ms. Grill stated that she agrees and doesn't think this is the proper forum for those questions to be addressed. Ms. Grill stated that Wardwell is represented by the same firm that Mr. Chapin is in so there is some cohesiveness and should be some consistency in opinion. Ms. Grill stated that Mr. Chapin is the Board's attorney, and it is his charge to advise the Board properly and how his interpretation is. Ms. Grill stated that as far as their interpretation, along with Ms. Scott, is that all the steps to dissolve are properly

being taken according to the statutes.

Vice-Chairman Bertoglio stated that the meeting that was had was not to look for problems; it was to look for the unintended consequences. Vice-Chairman Bertoglio stated that the Board does not have issues with what has been done internally to dissolve Wardwell, it is the unintended things that the Board sees that are going to potentially impact the Regional Water System, the City, and the County. Vice-Chairman Bertoglio stated that for example, once Wardwell is dissolved, Bar Nunn, as a municipality, has no control over what goes on in the unincorporated area, that goes back to the County. Vice-Chairman Bertoglio stated that Wardwell had a lot of control over what was happening with growth there. Vice-Chairman Bertoglio stated that the Board was just trying to point out things that would affect Regional Water. Vice-Chairman Bertoglio stated that he believes the asset transfer has to be approved by this Board, as well as the State under Regional Water's Operating Agreement because a lot of the assets are collateral for loans, so they do have an impact on Regional Water. Vice-Chairman Bertoglio stated that the Board is not looking at the dissolution part, just the impacts on Regional Water.

Mr. Brauer stated that within the same week he met with this Board, he also met with Mr. Beamer and Mr. Martin, and he told them he wanted to start this discussion about Bar Nunn serving customers within the City of Casper growth boundary. Mr. Brauer stated that the conversation lasted 30 or 40 minutes, was very cordial, and they said they didn't see a problem with that. Mr. Brauer stated that he informed them if they want to take over the water system in that area, they could. Mr. Brauer stated that Mr. Martin and Mr. Beamer stated that they did not want to take it over, but they said what they will require is something that they do right now, and that is they will have to have an agreement with Bar Nunn that says should the City ever choose to take over and operate that area, that Bar Nunn will turn over those assets to the City of Casper. Mr. Brauer stated that what was discussed in that meeting was captured in the MOU.

Mr. Brauer stated that a few months later he was in a meeting about the YMCA with Mr. Napier, City Manager, and he had the same discussion. Mr. Brauer stated that every time this process has been discussed everyone has said how happy they are that Bar Nunn is going to take over, as it's just been a fight with Wardwell, and the battle has been going on a long time, and this will make the process much smoother. Mr. Brauer stated that from Bar Nunn's and Wardwell's position, they are solution-oriented people just looking to help serve the customers in the community the best way they can.

Mr. Brauer stated that there are two issues that were brought up by Board Member Knell that he thinks are important; 1) the no-man's land in the middle that is in the City of Casper growth boundary, where the agreement is signed with the City of Casper where Bar Nunn will not object to the City of Casper taking that over; and 2) the area on the southside of the Interchange off the By-Pass that is included in the City of Mills town limits. Mr. Brauer stated that the intent there is not to sell water to the City of Mills, it's to continue to sell water to the same customers that Wardwell sold water to that happen to be in the City of Mills. Mr. Brauer stated that is not an anomaly as the City of Casper sells water to customers that live inside of the City of Mills, and people that live in Pioneer. Mr. Brauer stated that he assumes the same agreements are in place that should the City of Mills have the ability to serve those customers in Mills, the City of Casper

would no longer serve them and the City of Mills would. Mr. Brauer stated that they tried to cover everything that was there, and not have anything that was a surprise.

Mr. Brauer stated that the water rates for all the people in the Wardwell service area will go down because they will no longer have the 6-mill property tax assessed against their properties. Mr. Brauer stated that the solution is really a win-win solution if ways can be found to address these little nuance issues. Mr. Brauer stated that their biggest reason for being in attendance today is to say that they are here to help out and not continue the age-old war that has been going on between different municipalities in this community. Mr. Brauer stated that they want to work together so the rate payers get the benefits.

Mr. Brauer stated that the people of Bar Nunn have been drinking Regional water since it came into existence, it was one of the first projects that was done that provided water to Wardwell from Regional as they were getting their water from Mills and their well. Mr. Brauer stated that Bar Nunn has been a rate paying asset to the Regional Water System all along, it just happened that Bar Nunn was encompassed inside the Wardwell Water and Sewer District, which is what created the challenging relationship between Wardwell and Bar Nunn.

Board Member Knell stated that he wanted to be clear, that he is a good neighbor, and he is not opposed to any of this, there are just little nuances that have to be taken care of. Board Member Knell stated that as the Mayor of the City of Casper, his main objective is to make sure the City is protected, and as a Board Member, his other main objective is to make sure Regional Water is protected. Board Member Knell stated that he is not opposed to Bar Nunn, he just wants to make sure the law is being followed because how he understands it, it is not, but it will all come out and he is sure it will all be very clear by the end of it.

Board Member Sabrosky stated that point of view can be appreciated, as that is the same point of view that Wardwell has out there. Board Member Sabrosky stated that he has lived out there for twenty years and with the kind of behavior that has gone on out there, the time has come and it is time to allow that District to dissolve and be turned over to Bar Nunn.

Board Member Knell stated that he was a victim of it himself, and he understands what was going on out there, but as long as Regional Water and the City of Casper are protected in all of this, he is good with it. Board Member Knell stated that Vice-Chairman Bertoglio is correct, he is not looking for problems, he is looking for fallout from what could happen to make sure it doesn't create unnecessary problems.

Board Member Sabrosky stated that he is sure that any agreements that come up to take care of the nuances will be widely accepted. Board Member Knell stated that he thinks that is what everyone wants, that everyone has good water, and everyone gets along. Board Member Knell stated that all the age-old fights in the communities are going away as we have good leadership in all the communities that are working together very well on a multitude of things, not just water. Board Member Knell stated that as long as everyone is willing to come to the table and protect each other, it will be fine.

Board Member Sabrosky stated that he regrets missing the last meeting as he was caught up in an emergency, because when he read the minutes, he could have answered so many of the questions. Board Member Sabrosky stated that reaching out to him, Ms. Scott, or Bar Nunn would have answered many of those questions.

Mr. Brauer stated that he is just there as an asset with his history of Regional Water and trying to mediate this to try and fill in the gaps to make sure everything is covered, and all the attorneys are involved. Mr. Brauer stated that it sounds like there needs to be a meeting of the minds, where the City of Casper and Natrona County attorneys, Mr. Chapin, Ms. Grill, and Ms. Scott can sit down and say what the issues are and figure out how to resolve them. Board Member Knell stated that he thinks that would be wise.

Mr. Brauer stated that the last thing he knew was that the Board was looking for an executed copy of the Joint Powers Agreement, and asked if one was found. Ms. Grill stated that she wasn't sure it was the Joint Powers Agreement, she thought it was the Operating Agreement, as she had just gone through all their files and they don't have a copy of it, or the Joint Powers Agreement.

Vice-Chairman Bertoglio stated that there is the Operating Agreement and then a separate Joint Powers Agreement that goes through and addresses how changes are made and how they have to happen. Vice-Chairman Bertoglio stated that it is just little things. Vice-Chairman Bertoglio stated that he is not here to make problems, if we have to make a change to the Agreement, the State has to approve it. Vice-Chairman Bertoglio stated that he wants to make sure it goes smoothly, and not all the sudden get into a hiccup. Vice-Chairman Bertoglio stated that there isn't anything that is insurmountable in any of it.

Mr. Brauer stated that at the October meeting Mr. Chapin brought up that there was some concern about the stability of it. Mr. Brauer stated that he thought about that and one of the most stable entities you can deal with is a municipality because he has seen districts that became defunct. Mr. Brauer stated that to him, Regional Water is more stable with the Town of Bar Nunn than with Wardwell.

Board Member Sabrosky stated that Bar Nunn has been taking care of field operations since last fall and the feedback over the last few months, the customers have called and gone to Wardwell board meetings, and they are so thankful for the professionalism and the ease of moving forward with whatever it is they are trying to do. Board Member Sabrosky stated that they are not hitting roadblocks or getting attitude. Board Member Sabrosky stated that he has heard from the guys maintaining the system now that there was a large amount of neglect that is getting corrected as they go. Board Member Sabrosky stated that the time has come and there are only going to be benefits from the dissolution. Board Member Sabrosky stated that he believes everyone is open to agreements to cover all the little nuances.

Board Member Knell stated that he thinks that where all the confusion is coming from is there is a clear-cut concise way for when someone wants to dissolve and there is someone that wants to take it over. Board Member Knell stated that the Operating Agreement is a guide on how to dissolve an entity and turn it over to another entity. Board Member

Knell stated that there are steps to take, and it should take care of all the questions. Ms. Grill stated that she has not seen the Operating Agreement, as she does not have a copy, but they are going by the State Statutes for dissolving. Board Member Sabrosky requested a copy of the Operating Agreement.

Mr. Brauer stated that part of his frustration is that in October, part of the discussion was that Mr. Chapin was going to look into the Operating Agreement, and fast forward seven months to another meeting, he asked for a copy of the Operating Agreement, but still has not seen it. Mr. Brauer stated that the Attorney for Bar Nunn is here, but this is really a Wardwell issue, and there are two attorneys in the same office, but no one has seen the Operating Agreement. Mr. Brauer stated that he would request that a copy of the Operating Agreement be sent to him as well.

Board Member Sabrosky stated that he has had some Board Members at past meetings ask how things were going with the dissolution, but not once did anyone say to be sure to follow the guidelines in the Operating Agreement. Board Member Sabrosky stated that this was the first time that he even heard there was an Operating Agreement. Board Member Sabrosky stated that the attorneys picked the State Statutes apart and there was meeting after meeting to make sure the statutes were being followed. Board Member Sabrosky stated that there was nothing in the statutes saying to adhere to your suppliers' agreements. Board Member Sabrosky stated that this is now on everyone's minds and will be followed.

Vice-Chairman Bertoglio stated that he thinks most of the requirements can be handled with a letter stating that Bar Nunn is assuming all Wardwell's assets, debt, etc. Vice-Chairman Bertoglio stated that one of the items is debt, an entity cannot be dissolved without assumption of debt, which includes the portion of Regional Water's debt. Board Member Sabrosky stated that he believes that the wording states that any agreements in effect stay in effect.

Ms. Grill stated that the agreement is very similar to a purchase agreement for any type of business. Ms. Grill stated that essentially, in this instance, Bar Nunn is taking over the liabilities and the assets. Ms. Grill stated that the assumption of debt is already addressed in the statutes.

Vice-Chairman Bertoglio stated that it is specifically addressed in the Operating Agreement, that if something changes, and there is a change in the Operating Agreement, the Board has to go through a process with the State, because the Board has so much debt with the State, and it is just something that needs addressed. Vice-Chairman Bertoglio stated that it is just making sure that the Board doesn't miss anything.

Board Member Knell asked if the State must approve them as having the ability to carry the debt, and it is more debt than they probably think it is. Board Member Knell stated that there are just some steps that must be taken. Board Member Knell stated that in all fairness to this Board, the dissolution happened very quickly, and no one anticipated it to be a seven-month process.

Mr. Boyer stated that they were not prepared for it to be a seven-month process either. Mr. Boyer stated that the talks were started in October or November, and then a couple of

Water Operators who were not doing their job well, up and quit. Mr. Boyer stated that the Wardwell Board looked to Bar Nunn and asked if they had anyone that could help them out. Mr. Boyer stated that at that time they had one gentleman that was going through the process of getting his Water Operator license, so they agreed to see what they could do. Mr. Boyer stated that Mr. Ford was the Bar Nunn Mayor at the time, and they were able to come up with a couple of guys and took over the water operations. Mr. Boyer stated that then Ms. Brainard announced that she was retiring as her husband was very ill. Mr. Boyer stated that Ms. Brainard did all the paperwork and billing, and Bar Nunn then took it over. Mr. Boyer stated that it was a domino effect that was happening with Bar Nunn assuming responsibilities. Mr. Boyer stated that they did want the dissolution to happen for the rate payers, but it was also a kind of confluence of two different things where they were trying to do the dissolution, but it was happening way quicker than they were expecting because of the simple fact that people were retiring or quitting. Mr. Boyer stated that they were making MOUs as fast as they could in order to get the whole process done.

Mr. Boyer stated that as far as having a member on the Regional Water Board, they are not trying to hurt anyone's feelings, or step on toes, it's just switching hats, going from Wardwell being represented on the Board, to it being Bar Nunn. Mr. Boyer stated that he gets the nuances, if Casper wants to take over the part of the system in their growth boundary, that is fine. Mr. Boyer stated that looking at all the things they have to do to get everything up to code and get it to where it's supposed to be, they can have it. Mr. Boyer stated that they are only trying to do what they feel is right and he hopes the Board can be on the same page as they have thousands of hours in this. Mr. Boyer stated that their Town Clerk has been working endlessly to get the billing and meter reading set up, and it has not been without hiccups.

Board Member Sabrosky stated that before the final plan was filed, a Town Hall meeting was held so if there were customers that wanted changes made to the plan they could be considered. Board Member Sabrosky stated that nearly 100 people showed up for the Town Hall, which shocked them. Board Member Sabrosky stated that there was not one dissenting comment about the dissolution. Board Member Sabrosky stated that there were a few that were frustrated with some of the hiccups when the billing was transferred, but that was it, and their last comments were to please move forward with the dissolution. Board Member Sabrosky stated that some things have been carved out for the unincorporated areas so that they're covered if they are not happy with the service they are getting from Bar Nunn, they have the opportunity to come back and demand taking the system back over and forming a water district with the help of Bar Nunn. Board Member Sabrosky stated that he thinks it will be a win-win situation.

Vice-Chairman Bertoglio stated that the Board is supportive of the dissolution, they just want to be sure they don't get caught in a mess, as the Board depends on the State to get so many loans and the last thing they want to do is do something that will create a problem for the Board. Vice-Chairman Bertoglio stated that the Board just wants to make sure nothing gets missed that is the Board's obligation, or Wardwell/Bar Nunn's obligation to the Board to go to the State.

Ms. Grill stated that she thinks in the end if the Board's costs are covered and Bar Nunn

is paying to cover those costs, that is the end goal.

Vice-Chairman Bertoglio stated that is most of it, but he thinks there is a notification process that the Board has to do with the State.

Ms. Grill stated that in the end the State has to make sure that the funds that they provide get repaid, and the Board has a statutory obligation to repay the funds. Ms. Grill stated that is the end goal of all of this. Ms. Grill stated that the customers are benefiting from the lower rates. Ms. Grill stated that as far as the Bar Nunn side for Board Member Sabrosky's seat on the Board, she hopes it is covered by the Operating Agreement as to how the Members and Chairs are done.

Vice-Chairman Bertoglio stated that it covers adding members, subtracting members, it has all of it in there.

Vice-Chairman Bertoglio stated that the Board will get copies of the agreements to Wardwell and Bar Nunn. Vice-Chairman Bertoglio stated that the Board does not want to be an impediment, and asked that they don't get that wrong, that the Board just wants to make sure this goes through, and they just want to make sure there isn't a hiccup at the last minute. Vice-Chairman Bertoglio stated that we can get the attorneys together and discuss what agreements will be needed between the City and Bar Nunn. Vice-Chairman Bertoglio stated that Wardwell used to get into stuff that was really the County's responsibility for code enforcement, building inspections, and permits. Vice-Chairman Bertoglio stated that this will have an impact on the County, but at the same time, the customers out there will be very grateful they only have to go to one entity and not have to figure out what they have to do.

Ms. Grill stated that they don't want to create any overstepping, as they know how difficult the overstepping is.

Vice-Chairman Bertoglio stated that the lines of communication will be kept open.

Mr. Brauer stated that when the Water Development Commission (WWDC) funds projects, they write mortgages on all the assets, so there is a mortgage on the WTP. Mr. Brauer stated that just like when a divorce happens, the names have to be changed on the mortgage. Mr. Brauer stated that this will not be the first time that the WWDC has been through this as this isn't the only regional water system in the State.

Mr. Brauer stated that Mr. Chapin has his number if any other issues come up, he would like to stay on top of things.

Vice-Chairman Bertoglio thanked Mr. Brauer and the representatives from Bar Nunn for coming to talk to the Board.

7. There was no Old Business.
 - a. There was no Other Old Business.

8. In New Business:

- a. Mr. Martin stated that the Board entered into an agreement with Sheet Metal Specialties in October 2022 for the WTP HVAC Chiller Replacement. Mr. Martin stated that all the submittals were submitted right away, and the chiller was ordered in November 2022. Mr. Martin stated that Sheet Metal Specialties informed the engineer of expected delays from the manufacturer in April 2023. Mr. Martin stated that the equipment is now not expected to arrive until mid-September or October.

Mr. Martin stated that due to the manufacturer delays, Sheet Metal Specialties has requested the contract time be extended 320 days to allow for equipment delivery, installation, and testing. Mr. Martin stated that with the approval of Change Order No. 1, the substantial completion date would now be May 15, 2024.

A motion was made by Secretary Waters and seconded by Treasurer Cathey to approve Change Order No. 1 with Sheet Metal Specialties, Inc. for the WTP HVAC Chiller Replacement, Project No. 20-030 for a time extension of three hundred twenty (320) days. Motion put and carried.

- b. In FY2023 Budget Amendments:

- i. Mr. Martin stated that it has been discussed a couple of times that a budget amendment for chemical purchases might be needed due to increased water sales and significant price increases. Mr. Martin stated that the WTP Operations Budget Amendment No. 2 in the amount of \$350,000 is for chemicals. Mr. Martin stated that the Original FY23 Operations Budget amount was \$3,830,789; Amendment No. 1 increased it by \$18,346; Amendment No. 2 is \$350,000; which brings the Amended FY2023 Operations Budget total to \$4,199,135. Mr. Martin stated that this budget amendment is for the WTP Operations Budget in the amount of \$350,000.

Board Member Knell asked if this \$350,000 includes the additional charges from getting ferric when there were all the issues. Mr. Martin stated that the price of ferric went up during those issues, and that is what is being seen now.

A motion was made by Secretary Waters and seconded by Board Member Sabrosky to approve FY2023 WTP Operations Budget Amendment No. 2 in the amount of \$350,000. Motion put and carried.

- ii. Mr. Martin stated that now that the WTP Operations Budget Amendment for \$350,000 was approved, the Agency Budget Amendment shows the expense of \$350,000 in the Reimbursable Contract Expense line item.

A motion was made by Board Member North and seconded by Secretary Waters to approve the FY23 RWS Agency Budget Amendment No. 3 in the amount of \$350,000. Motion put and carried.

- c. Mr. Martin stated that the Board previously reviewed the FY24 WTP Operations and Agency Budgets, but significant changes have been made which will impact the rate model. Mr. Martin stated that he will only review the changes made to both proposed budgets.

Water Treatment Plant Operations Budget

Personnel Services

- a) Personnel Costs - \$1,274,037 – This represents an increase of \$92,808 over the FY23 budget. The increase is due to converting the part-time administrative assistant to full-time from part-time, proposed pay increases of 3.5%, and increased insurance costs.

Mr. Martin stated that at the last review of this budget this line item was anticipated to be increased by \$106,697.

Secretary Waters asked if the increase was for salary increases for everyone at the WTP. Mr. Martin stated that the City Council is considering a 3.5% pay raise for employees that are not at the top of their pay range. Mr. Martin stated that it is not a cost-of-living increase that would go to all employees.

Contractual Services

- e) Interdepartmental Services - \$294,373 – This is an increase of \$9,298 from the FY23 budget. This line item covers the following:

- \$ 26,559 – Information Technology (\$4,572 increase)
- \$ 20,566 – Finance (\$1,086 increase)
- \$ 18,993 – Human Resources (\$3,768 increase)
- \$ 5,277 – City Council (\$1,714 decrease)
- \$ 16,379 – City Manager (\$6,145 decrease)
- \$ 15,698 – City Attorney (\$1,443 increase)
- \$190,901 – WDG Personnel (\$6,288 increase)

Mr. Martin stated that when the Board reviewed the breakdown of Interdepartmental Services previously, it was an increase of ~\$40,000.

Other Costs

- b) Insurance & Bonds - \$25,323 – This is a decrease of \$11,508 from the FY23 budget. This line item covers liability insurance, etc. for the WTP staff who are City of Casper employees.

Mr. Martin stated that when this line item was reviewed previously, it was a decrease of \$11,030.

Summary

The FY24 Operations Budget is 13.4% greater than the FY23 Operations Budget. Mr. Martin stated that when this budget was reviewed previously, it was an increase of 14% over the FY23 budget.

CWRWS Agency Budget

Revenue

- a) Water Rate Revenue - \$8,685,831 – This reflects an increase of \$445,091 over the FY23 budget. This amount anticipates a 3.5% rate increase effective July 1, 2023.

Mr. Martin stated that when the rate model was brought to the Board previously, it was recommending a rate increase of 2.5%. Mr. Martin stated that the Board discussed the rate increase in detail at the last meeting and it was the consensus of the Board to go with a 1% rate increase. Mr. Martin stated that since then a major capital project came forth: the Mountain View Tank.

Capital – Replacement

- b) Improvements Other Than Buildings - \$3,185,000 – Mr. Martin stated that originally \$350,000 was included for a coating project for the Mountain View Tank. Mr. Martin stated that since the last Board meeting, an inspection was done on the tank by Salt Creek Steel Tank Technologies. Mr. Martin stated that they inspected the rafters where there was some concern. Mr. Martin stated that they used the AWWA D100, which gives specs for new tanks, which includes minimum thickness for metal. Mr. Martin stated that AWWA doesn't have anything in their specs for tanks that have been in service, so the contractor switched over to the API650 Standard, which gives minimum thickness on tanks; .094 inches on main structure, and .236 for columns. Mr. Martin stated that thickness testing was done on the tank. Mr. Martin showed pictures of the tank rafters which showed that some had rotted clear through. Mr. Martin showed pictures of the tank columns that do not meet the minimum requirements. Mr. Martin stated that the roof will have to be replaced, much like what was done on the 2.6 MG Tank at the WTP. Mr. Martin stated that now that the inspection report has been completed, it is known that this will be more than a coating project, the tank will require removing the roof and replace it, remove and replace the columns, coating inside and outside of the tank.

Mr. Martin apologized for springing this on the Board at the last minute, as he generally tries not to do that. Mr. Martin stated that he would rather do it this way and bring it up now and discuss it with the budget and rate then get everything approved and come back next month with a budget amendment of

\$1.2 M.

Vice-Chairman Bertoglio asked if the tank is at a point where it just needs to be replaced. Mr. Martin stated that it is just the columns and roof that need to be replaced as the floor and walls are in good shape. Mr. Martin stated that when the 2.6 MG Tank was looked at for the roof replacement, it was discussed to just replace it, but it was more cost affordable to just replace the roof as the structure was still good. Mr. Martin stated that when the design for the roof replacement is in progress for the Mountain View Tank, it will be looked at closer as to whether the roof and columns are the only things that will need to be replaced.

Secretary Waters asked if most of the corrosion in the tank was all above the water level. Mr. Martin stated that was correct. Mr. Martin stated that this is typically what is seen, as it is a moist area and the air gets to it. Mr. Martin stated that the last time the tank was inspected was 2015, and this time when staff entered the tank, there was rust and scale laying on the floor, which showed there was serious corrosion. Mr. Martin stated that this is why the tank was inspected.

Vice-Chairman Bertoglio asked if funds could be gotten from the State for this repair. Mr. Martin stated that they probably could, but staff is looking at SRF loans for the UV Disinfection Upgrade Project and for Raw Water projects. Mr. Martin stated that after reviewing the rate model staff feels that the tank project funding could be handled internally. Mr. Martin stated that the rate model will be reviewed shortly.

Mr. Martin stated that these are the changes that were made to the budgets, which will impact the rate model discussion. Mr. Martin stated that it is up to the Board if they want to approve the budget contingent on what is decided during the rate model discussion, or if they want to discuss the rate model and then approve the budget as they are tied closely together.

Vice-Chairman Bertoglio stated that the Board would review the rate model and then go back to approve the budgets.

- d. Mr. Martin stated that the increase in capital is factored in the rate model which shows a 3.5% increase to the Wholesale Water Rate through FY27.

Board Member Knell asked that the rate model be put to a zero percent increase for FY24 to see what happens. Board Member Knell stated that the model takes a dive in FY25, so there is no choice now, the rate must be increased. Board Member Knell stated that last month the Board decided to do a 1% increase, which he was against. Board Member Knell stated that the Board has no choice but to do a larger increase because of the \$1.5 M needed for the tank.

Board Member Sabrosky asked what the 1% rate increase would have done. Board Member Knell stated that it would just carry the reserve balance on, but

now the rate model includes an additional \$1.5 M.

Secretary Waters stated that the 1% stayed just at the buffer line. Board Member Knell stated that it kept it just above the buffer line. Board Member Sabrosky asked if originally the Board was looking at a 1% rate increase before the big capital project was added to the budget, and now with a 3.5% increase, it keeps reserves even. Mr. Martin stated that originally last month staff recommended a 2.5% increase across the board, and through a lot of discussion, the rate increase was dropped to 1% for FY24. Board Member Knell stated that the 1% increase was not needed as it still kept the reserve balance above the buffer line. Board Member Knell stated that for whatever reason, the Board wanted the 1% increase, and he was adamantly against it. Board Member Sabrosky stated that he probably would have voted against the 1% increase last month.

Mr. Martin stated that everyone looks at rates differently, and staff looks at rates from the standpoint of the less you put in FY24, the more will have to be added in out years. Mr. Martin stated that staff was looking at the standpoint of keeping things at an even keel. Board Member Knell stated that the mentality of the Board was that if we don't do anything this year, then we hit them harder next year, which was a difference of 24 cents, it's better to keep it in their minds that there has to be a rate increase every year, and he doesn't agree with that mentality.

Board Member Knell asked how much the increase is with the 3.5%. Mr. Martin stated that the rate increases from \$2.24 per thousand to \$2.32 per thousand, a difference of 8 cents per thousand. Mr. Martin reminded the Board that they are setting the rate for FY24 only, as the rate model is reviewed annually.

Board Member Sabrosky asked if this will allow the Board to pay cash for the repairs to the tank instead of getting a loan. Mr. Martin stated that it will. Treasurer Cathey stated that the Board will use reserves to pay for the tank repairs and eliminate the debt of a loan.

Board Member Knell stated that he can agree with the 3.5% increase to pay for the \$1.5 M tank repairs. Board Member Knell stated that he couldn't agree to the rate increase at the meeting last month as he didn't think it was needed. Board Member Knell stated that in the out years, those numbers will increase anyway with inflation and the cost of inflation, and the upcoming capital projects.

Board Member Knell asked for the rate model to show what a 2.5% rate increase would look like. Board Member Knell stated that it would increase the rate 6 cents, which would still be alright for next year, as there will definitely need to be an increase next year. Board Member Knell stated that the City would probably add a couple of cents to their rates, so it would not be a carry through increase.

Board Member Sabrosky stated that with the rate increase last year, Wardwell did not pass it along to their customers. Board Member Sabrosky stated that it is easy for the entities to add on to the wholesale rate increase.

Board Member Knell stated that the difference between 2.5% and 3.5% is only 2 cents per thousand gallons. Board Member Knell stated that he didn't see the advantage of the additional 2 cents per thousand gallons for the Board because there is no effect this year. Vice-Chairman Bertoglio stated that if the Board gets hit with another large repair, then the 3.5% will be fine. Treasurer Cathey stated that it is a pay me now or pay me later situation, and it is up to the Board to make sure that it is taken care of.

Board Member Sabrosky asked if RWS does press releases for anything. Vice-Chairman Bertoglio stated that press releases are only done when there is bad news. Board Member Sabrosky stated that he hates the increases, but it is our job to look out for the Board and make sure it is good, but it compounds on the people because the other utilities are looking at increases.

Secretary Waters stated that it doesn't make sense to him to not put an increase, and then the following year make a larger increase, which makes the people that are paying the bills may have a slight dip and then make an increase the next year. Board Member Knell stated that is purely psychological because if you do 2.5% now, and 2.5% next year, you are still at 5%. Board Member Knell stated that if you do the whole 5% now, it is costing the customers more money. Board Member Knell stated that financially, it makes no difference other than does the Board want to give as much of a reprieve to the constituents as possible, or do we just go get it. Secretary Waters stated that after the meeting last month, he went and spoke to people about the water rate they are paying, if they had a choice of having a 2.5% increase this year, and for the next couple of years, or nothing this year, and a 3.5% increase and a 5% increase in following years. Secretary Waters stated that not one person said yes to nothing this year, and increase the following years with larger increases. Board Member Knell stated that it is purely psychological. Board Member Knell stated that the City of Casper subsidizes their water, sewer, and trash to their customers with One Cent funds, so they already pay near the lowest for water, sewer, and trash in the State of Wyoming and practically in the nation.

Board Member Sabrosky stated that that Board is the most efficient entity that he knows of, and it is tough not to vote for this stuff as it is obvious. Board Member Sabrosky stated that Mr. Martin does an excellent job of giving a presentation that shows the Board where they are, and makes it a no brainer. Board Member Sabrosky stated that he asked about press releases to have the information out there explaining why there is a rate increase. Board Member Sabrosky stated that he thinks people are okay with the rate increases on entities like this because this is the government's job to keep this facility running.

Board Member Knell stated that the Board is protected from fallback as the customers get the rate increase from their supplier. Board Member Knell asked if a memo will be sent out to the entities explaining the rate increase. Mr. Martin stated that a memo will be sent to the entities.

A motion was made by Board Member Knell and seconded by Treasurer Cathey

to approve a 3.5% wholesale water rate increase from \$2.24 per thousand gallons to \$2.32 per thousand gallons for FY2024 based on staff recommendation. Motion put and carried.

Board Member Sabrosky stated that the one thing that he appreciates of this Board with stuff like this is that it isn't a cart blanche grab for as much as you can get, because there are entities that do that. Board Member Sabrosky stated that this is well thought out and well looked at, and it is a bare minimum that the Board is comfortable with for rates, and he appreciates that. Mr. Martin stated that to that point, he, Mr. Edwards, Mr. Anderson, Ms. Brown, and Ms. Johnson put in a lot of time putting this information together for the Board.

A motion was made by Board Member Knell and seconded by Board Member Sabrosky to approve the FY2024 WTP Operations and RWS Agency budgets. Motion put and carried.

e. In Other New Business:

- i. Mr. Martin turned the time over to Ms. Johnson to inform the Board of new required training for the Board members.

Ms. Johnson stated that the State is requiring Public Officer Training by the Department of Audit. Ms. Johnson stated that the training consists of different items that the State has decided that the Board, as a governing Board, should be aware of, and are trained by the Department of Audit to do this. Ms. Johnson stated that most of the Board will get this training through the organization that they are with, and City Council will work with City Finance to get the training, and she is sure the County will do the same. Ms. Johnson stated that for anyone that is not being trained through their organization, will be required to complete the training. Ms. Johnson stated that the training must be completed within a year, and as it is not effective until the 1st of July, Board Members will have until July 1, 2024, to complete the training. Ms. Johnson stated that once the training is completed, it does not have to be completed again, even if you move to other boards. Ms. Johnson stated that this is a five-hour training and will be provided by the State Department of Audit. Ms. Johnson stated that as she receives more information on training dates and times, she will forward the information to Mr. Martin and Ms. Brown to distribute to the Board.

Vice-Chairman Bertoglio asked if there will be an online training session. Ms. Johnson stated that there will be a Zoom type of structured training sessions.

Board Member Knell asked if they would allow self-training in organizations where one person is trained, then they can train others. Ms. Johnson stated that they have not stated that. Ms. Johnson stated that the State Department of Audit is the one who is managing the training. Ms.

Johnson stated that if the City were to train their members, they would have to submit a syllabus to the Department of Audit and get approval to be able to do that.

Vice-Chairman Bertoglio asked what they are training the Board members to do. Ms. Johnson stated that they are training the Board members on financial responsibilities, depositories, meeting minutes, it goes through a wide range of different topics that most people in this room already know most of. Ms. Johnson stated that they are trying to make sure that even the smallest of Wyoming communities are knowledgeable on what they need to know.

Board Member Knell stated that there have been complaints statewide about people who are in charge of spending taxpayer money who cannot balance their own personal checkbooks. Board Member Knell stated that this has required oversight of the government.

Treasurer Cathey asked what happens if you don't get the training. Ms. Johnson stated that they have the authority to remove, or request that you be removed from office by your government. Ms. Johnson stated that she does not think that is their first option, she thinks they would work with the government to make sure that people are trained. Treasurer Cathey stated that he is not sure that City Council, for example, can remove a member. Board Member Knell stated that the State Legislature can remove any elected official from office. Vice-Chairman Bertoglio stated that he isn't sure about that.

Ms. Johnson stated that within State Statutes there are instructions to the Public Officers and failure for the Officer to obey. Ms. Johnson stated that it is written in the State Statute what they would do.

Board Member Knell asked if someone already has a financial degree, do they still have to complete the training. Ms. Johnson stated that if someone has certain types of training already, they do not have to take the training. Ms. Johnson stated that if someone has a bachelor's degree in accounting or finance, master's degree in accounting or finance, a CPA, a certified internal auditor, or a certified government finance manager, they would not be required to take the training. Ms. Johnson stated that they would need to provide proof of any of these degrees or certifications to the Finance Director to have on file.

Ms. Johnson stated that information on this training will be provided to the Board as it becomes available.

- ii. Mr. Martin stated that there were a couple of well pumps that failed, one at Morad 3 and one at Casper 8. Mr. Martin stated that one quote was received for the new pumps which are \$18,335 each, which is approximately \$10,000 less than a rebuilt pump. Mr. Martin stated that by

Board Policy, the Chairman can approve purchases up to \$20,000. Mr. Martin stated that since this purchase request came up near the Board meeting date, he decided to bring it before the Board. Mr. Martin requested approval from the Board for the Acting Chairman to sign the pump purchase memos.

Board Member Knell asked if the total purchase is roughly \$37,000. Mr. Martin stated that was correct.

Vice-Chairman Bertoglio asked for a motion for the Acting Chairman to sign the purchase memos. Board Member Knell stated that it does not need to be by motion. Mr. Martin stated that by policy, the Chairman can approve purchases under \$20,000. It was the consensus of the Board that the Acting Chairman sign the pump purchase memos.

9. Mr. Chapin advised the Board that no Executive Session is needed at this time.
10. In the Chairman's Report, Vice-Chairman Bertoglio stated that the next meeting will be held on July 18, 2023, and asked if there was any update on Chairman King. Mr. Martin stated that he went and visited Chairman King last week and he is improving and in good spirits.

Vice-Chairman Bertoglio asked Mr. Chapin if he had any thoughts on how to proceed on getting all the attorneys involved with the Wardwell item together to get all the Board's questions answered. Mr. Chapin stated that Ms. Scott is living in Alaska. Board Member Sabrosky stated that Ms. Scott was the attorney for Wardwell, but when she moved to Alaska, Wardwell started using Joe Rubino, but he was called up to Chuck Gray's office. Board Member Sabrosky stated that since Ms. Scott already understood what Wardwell was doing, they had been doing a long-distance relationship with her.

Vice-Chairman Bertoglio asked if Ms. Scott is still a part of Mr. Chapin's firm. Mr. Chapin stated that she is.

Board Member Knell stated that he would like to think that everything could be fairly smooth if the nuances get worked out and the protections put in place.

Vice-Chairman Bertoglio stated that he thinks that a letter from Wardwell stating what they are doing, with a copy of the letter going to the State might do it.

Mr. Chapin stated that one of the major questions is who is going to take up the portion not covered by Bar Nunn corporate limits.

Vice-Chairman Bertoglio stated that if there are any questions on this from the Board Members, get the questions to Mr. Chapin and he can do the research. Vice-Chairman Bertoglio stated that from the County perspective, Wardwell may just need to sit down with them and explain what they are doing so the County is aware of what is going on.

A motion was made by Board Member Sabrosky and seconded by Treasurer Cathey to adjourn the meeting at 12:58 p.m. Motion put and carried.

W. H. 14
Chairman

Kenneth L. Waters
Secretary