

**THE WARDWELL WATER & SEWER DISTRICT'S DISSOLUTION  
PURSUANT TO WYO. STAT. ANN. § 22-29-401—408**

**FINDINGS OF FACTS, PLAN FOR DISSOLUTION AND LIQUIDATION  
OF THE WARDWELL WATER & SEWER DISTRICT, AND PLAN FOR  
ASSUMPTION OF OPERATION OF THE WARDWELL WATER &  
SEWER DISTRICT BY THE TOWN OF BAR NUNN, WYOMING**

The Wardwell Water & Sewer District, through its Board of Directors, together with the Town of Bar Nunn, Wyoming, through the Town Council of the Town of Bar Nunn, Wyoming, hereby present the following Findings of Fact and Plan of Dissolution and Liquidation for the Wardwell Water & Sewer District, and the assumption of operations of the Wardwell Water & Sewer District by the Town of Bar Nunn, Wyoming.

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**RESOLUTION No. 1, 2023**

After proper Notice of Resolution No. 1, 2023, was published in the newspaper of general circulation for two consecutive weeks, the Resolution was brought before the Board of Directors, and given an opportunity for public comment. On **DATE**, the Wardwell Water & Sewer District Board of Directors unanimously voted to pass Resolution No. 1, 2023, a Resolution to voluntarily dissolve the Wardwell Water & Sewer District and transfer ownership and operation of the Wardwell Water & Sewer District, in its entirety, to the Town of Bar Nunn, wherein the Town of Bar Nunn shall provide water and sanitary sewer services to all residents currently located within the Wardwell Water & Sewer District.

**PART ONE. W.S. § 22-29-402 Findings of Fact by District Directors**

**REPRESENTATION OF THE ONGOING PROVISION OF WATER TO RESIDENTS  
OF THE DISTRICT, REASONS FOR THE DISSOLUTION, THE LAW OF  
DISSOLUTION, AND DETAILED DISCUSSION OF PLAN**

**I. INTRODUCTION**

The Wardwell Water & Sewer District (“Wardwell” or the “District”) is a water and sewer district located in Natrona County, Wyoming which services both the entire Town of Bar Nunn (“Bar Nunn” or the “municipality”) as well as an unincorporated area to the south of the municipality. The District was formed in 1969 in order to serve a rural area located northwest of the City of Casper which had experienced recent residential development. Subsequent to that, in 1982, the Town of Bar Nunn was formed, which was located within the District. Bar Nunn originated as a county subdivision. Prior to becoming a municipality, the territory, now making up the municipality received its water and sewer utilities from Wardwell. By the time of Bar Nunn’s incorporation, the majority of Wardwell’s customers were residents of Bar Nunn.

While it is typical for municipalities to take over the operation of water and sewer districts when they incorporate, in the case of Bar Nunn, the municipality only developed its own

sewer system while water service remained with Wardwell. Currently, approximately 65% of Wardwell's water taps and 80% of Wardwell's population are located within the Town of Bar Nunn.

Since 1982, the Town of Bar Nunn has significantly expanded. After due consideration, the current Board of Directors of the Wardwell Water & Sewer District, and the Town Council for the Town of Bar Nunn came to a joint understanding that it would be in the best interests of the District's customers for Bar Nunn to take over the operation of Wardwell's system, in its entirety, and provide the water utility services to all customers serviced by Wardwell through Bar Nunn's system. Given the expense of operating water systems, as well as the mill levy taxes included in the provision of water utilities by the District, it is a goal of both the District and the municipality for costs for residents of Wardwell to go down if the system is transferred to Bar Nunn. Bar Nunn's operation of the water and sewer system will simplify and streamline the provision of utilities to its current residents, and the residents outside of the municipal boundary.

Bar Nunn and Wardwell, by and through their respective Town Council and Board of Directors, have agreed to this plan in advance of this document and have entered into a Memorandum of Understanding regarding the plan for dissolution and liquidation. As of the date of this plan, Bar Nunn has already begun learning the physical operation Wardwell's system, and is working with Wardwell by providing Water Operators to Wardwell. This plan of dissolution and liquidation completes what is already effectively taking place between the entities, and complies with the statutory requirements regarding dissolution of a special district.

## II. DISCUSSION

### A. *Dissolution Procedure.*

This plan of dissolution arises under the procedure set forth by Wyo. Stat. Ann. §. 22-29-401(a)(ii). That provision provides in relevant part:

#### **Wyo. Stat. Ann. § 22-29-401. Dissolution procedure.**

(a) Dissolution of a district may be initiated:

**(ii) By resolution of the district directors filed with the county commissioners when the district directors determine that it is in the best interest of the inhabitants of the district that the district be dissolved and liquidated;**

The Board of Directors of the Wardwell Water and Sewer District has resolved that it is in the best interests of the District and its residents that it be dissolved as set forth in this plan of dissolution. On **DATE**, Notice of Resolution No. 1, 2023 regarding the dissolution and liquidation of the District was published pursuant to statute. On **DATE**, Resolution No. 1, 2023 was brought before the Board for discussion, public comment and vote. The Board of Directors voted unanimously to pass the resolution and dissolve and liquidate the District. Resolution No. 1, 2023 was filed with the Natrona County Commissioners on **DATE**.

Significantly, the Municipal Council of the Bar Nunn has likewise resolved that it is in the best interest of the residents Bar Nunn, and it has further resolved to take over the operations and system of the Wardwell, as set forth in this plan of dissolution. Bar Nunn warrants that it understands that, under this plan, its obligations shall extend outside of the municipal boundaries of the town, to those residents who currently receive water and sewer utility services as provided by Wardwell.

Additionally, pursuant to Wyo. Stat. Ann. § 22-29-401(a)(iii)(B), stated in pertinent part below, the Natrona County Commissioners may independently dissolve a district. To the extent it is necessary and favored, the Wardwell Water & Sewer District, by and through its Board of Directors, consents to the dissolution of the District and is in accord with the proposed liquidation.

**Wyo. Stat. Ann. §22-29-401. Dissolution procedure.**

(a) Dissolution of a district may be initiated:

\* \* \*

**(iii) By resolution of the county commissioners if:**

(B) The county commissioners determine that it is in the best interest of the people of the county that the district be dissolved and liquidated.

Both Wardwell and Bar Nunn submit that the members of the Board of Directors of the District have resolved to dissolve the District, and that it is in the best interests of the people of Natrona County that the District be dissolved in accordance with the plain set forth below.

In order to complete this process, a plan for dissolution must be drafted and submitted for the County Commissioners to consider. Pursuant to Wyo. Stat. Ann § 22-29-402, the following procedure must be followed:

**Wyo. Stat. Ann. § 22-29-402. Findings of fact by district directors.**

(a) When dissolution proceedings have been initiated, the district directors shall make findings of fact which shall include:

(i) The amount of each outstanding bond, coupon and other indebtedness, with a general description of the indebtedness and the name of the holder and owner of each, if known;

(ii) A description of each parcel of real property and interest in real property and, if the property was acquired for delinquent taxes or assessments, the amount of those taxes and assessments on each parcel of property;

(iii) Uncollected taxes, assessments and charges levied by the district and the amount upon each lot or tract of land;

(iv) A description of the personal property and of all other assets of the district;

(v) The estimated cost of dissolution.

(b) The district directors shall propose a plan of dissolution and liquidation.

(c) Within thirty (30) days after initiation of the dissolution proceeding, the findings of fact and the proposed plan of dissolution and liquidation shall be filed in the office of the county clerk and shall be available for inspection by any interested person.

Wyo. Stat. Ann. § 22-29-403 further provides:

**Wyo. Stat. Ann. § 22-29-403. Plan for dissolution and liquidation.**

The plan of dissolution and liquidation may include provisions for transfer and conveyance of all assets of the district to any other district or to the county or counties where the district is located which have the authority and agree to assume the outstanding indebtedness of the dissolving district, if any, and to continue to furnish similar services to the inhabitants of the district.

While the statute provides for transfer to other districts, or to counties, it does not expressly state the ability to transfer to cities or towns. However, W.S. § 22-29-407, makes it clear that a plan for dissolution of a district, does include transferring the district to a municipality. The Parties to this plan believe, that the omission of a reference to municipalities in W.S. § 22-29-403 is likely due to it simply being the case that it was anticipated that a district would voluntarily work to transfer its system to a municipality.

Following the plan of dissolution and liquidation being filed with the county commissioners, Wyo. Stat. Ann. § 22-29-404 generally requires the decision to be voted on by the residents of the District. An election shall be required in this matter, and the District shall call an election within the statutorily prescribed timeline.

**Wyo. Stat. Ann. § 22-29-404. Election on dissolution; consent of creditors; content of notice.**

(a) Within ten (10) business days after the district directors file the plan of dissolution and liquidation required by W.S. 22-29-402, the district directors shall call an election to be held not less than ninety (90) days nor more than one hundred twenty (120) days after the filing of the plan of dissolution or liquidation for the purpose of submitting to the voters of the district the question of whether the district shall be dissolved, its indebtedness liquidated and its assets disposed of in accordance with the plan proposed. No election shall be called until the

consent of all known holders of valid indebtedness against the district is obtained or provision is made in the plan for payment of the nonconsenting holders. The notice of the election shall contain a brief summary of the plan of dissolution and liquidation, and state that the plan of dissolution is available for examination at the office of the county clerk.

(b) This election shall be conducted in accordance with W.S. 22-29-113 through 22-29-117.

If voters approve the dissolution, the next step is for the District's Board of Directors to be appointed as a Board of Trustees, and operate under the supervision of the county commissioners for the winding up of the District. The specific provision states, in relevant part:

**Wyo. Stat. Ann. § 22-29-405. Trustees for dissolved district; records to county clerk; limitation on further elections.**

(a) Upon canvassing the vote after the election, if it appears that a majority or more of the votes on the proposition approve dissolution, the district directors shall declare the district dissolved. The directors shall thereupon constitute a board of trustees under the supervision of county commissioners, who shall pay the debts or procure releases thereof and dispose of the property of the district. If the dissolved district was located wholly within the limits of one (1) county, the board of the dissolving district may designate the county commissioners as the board of trustees for the purpose of winding up the affairs of the district. If a majority of the votes cast on the proposition is against dissolution, the district directors shall declare the proposal defeated and cause the result of the vote to be made a part of the records of the district. In either case, the results of the election shall be certified to the county commissioners immediately after the canvass of the vote.

(b) If dissolution is approved after the affairs of the district have been fully settled all books and records of the district shall be deposited by the board of trustees in the office of the county clerk of the county in which the greatest area of the district was located. At the same time, the board of trustees shall execute under oath and file with the county commissioners a statement that the district has been dissolved and its affairs liquidated. From the date of the statement, the corporate existence of the district is terminated for all purposes.

During the winding up and transfer of the district's assets and infrastructure, the Trustees have the power to convey assets of the district being dissolved. In fact, pursuant to statute, the Trustees must specifically address the assets that are to be transferred:

**Wyo. Stat. Ann. § 22-29-406. Power of trustees to convey assets.**

(a) The board of trustees may convey to another district all assets of the dissolving district: (i) If the other district assumes all debts and obligations of the dissolving district and undertakes to continue to furnish the service provided by the

dissolving district pursuant to the plan of dissolution and liquidation; and (ii) If the written consent of all the known holders of valid indebtedness against the district has been obtained, or provision has been made in the plan for payment of the nonconsenting holders.

**Wyo. Stat. Ann. § 22-29-407. Disposition of assets.**

(a) Any surplus funds remaining to the credit of the district, after payment of the indebtedness of the district, shall be transferred to the county treasurer. If the assets of the district are insufficient to pay the indebtedness, the board of trustees shall levy taxes, within the limits of the authority of the district, for the liquidation of the indebtedness.

**(b) Notwithstanding subsection (a) of this section, if the property of a district is located within the corporate limits of a city, the property shall, upon dissolution of the district, vest in the city in which located and the property of the district lying outside the corporate limits of any city shall vest in the county until the formation of a city embracing the territory, at which time it shall vest in the city.**

(c) In each year that the county receives surplus funds to the credit of the district under subsection (a) of this section, any funds in the account of the district on June 30, in excess of six thousand dollars (\$6,000.00) retained by the county for administration, shall be certified to the county assessor and shall be disposed of as provided under one (1) of the following procedures, as selected by the county assessor:

(i) The funds may be offset against that portion of the levies of taxing units levied against the property values of property within the dissolved district. If the funds are offset as provided under this paragraph, the funds shall be distributed to each taxing unit in the amount of that taxing unit's offset;

(ii) The amount may be credited to each property appearing on the tax roll for the year for which the credit applies within the dissolved district on the basis of current assessed value. If the surplus funds are distributed under this paragraph, the surplus funds shall be deposited in the unsegregated tax collections account established and distributed in the same manner as other funds in that account.

*B. The Role of Natrona County*

As described above, most of the customers of Wardwell live in Bar Nunn, but the territory covered by the District which lies outside of Bar Nunn is physically as large as that which lies inside of Bar Nunn. Both Wardwell and Bar Nunn recognize that the system is a single system and properly operated accordingly.

It is well established that a municipality may provide water to individuals who are outside of their corporate boundaries. Wyo. Stat. Ann. §15-7-602 provides:

**Wyo. Stat. Ann. § 15-7-602. Extension of system; outside corporate limits; rates; existing contracts; controversies; appeal.**

(a) All cities and towns owning their municipal water system or plant may enter into agreements with customers whose lands lie outside the corporate limits to supply water for their use and needs. The water system may be extended and maintained beyond the corporate limits only if it is economically feasible in the opinion of the governing body. The governing body may finance the extension and maintenance of the water system through revenue bonds or other means granted by law for financing of its water system and improvements. A one-time connection fee reasonably calculated to permit recovery of a proportionate share of the municipality's infrastructure cost necessary to treat and convey the water may be charged. A one-time fee may also be charged to recover reasonable expenses incurred by the public entity in determining the actual costs of treating and delivering water to the point of connection. Any charges for special services such as customer's line maintenance shall be in addition to the water rate. The rate established for use of water pursuant to this section is as follows:

(i) Notwithstanding any other provision of this section, a city or town whose water supply system is funded in whole or in part by state grants or loans which at any time after April 1, 1999 or later, enters into a new contract or extends an existing contract to supply water to customers outside its corporate limits shall in establishing rates be limited to the actual costs of providing and delivering water as defined by paragraph (ii) of this subsection, except as otherwise provided by W.S. 15-7-407;

(ii) For customers outside their corporate limits beginning April 1, 1999, where the city or town is a recipient of state grants or loans, and except as otherwise provided in W.S. 15-7-407, the established water rate shall not exceed the actual costs of providing and delivering water to the point of connection to the city's or town's water system. Prior to December 1, 1998, or where the city or town is not a recipient of state grants or loans and except as otherwise provided in W.S. 15-7-407, the established rate shall be applied uniformly and shall not exceed two (2) times the established rate within the corporate limits. The governing body of the city or town may establish one (1) or more unincorporated service areas in each of which an average water rate may be used for all customers. As used in this paragraph, "actual costs of providing and delivering water" shall include a proportionate share of the following costs related to the water system:

(A) Fees, interest charges and principal payments on all bonds issued and other indebtedness incurred to construct, purchase or improve the utility;

(B) Salaries and wages of employees;

(C) The cost of materials, supplies, utilities and outside services;

(D) Other costs directly related to the delivery system;

(E) The cost for providing and maintaining a depreciation fund, a fund for emergencies and a fund for acquisition and development of new water rights and water sources;

(F) Administrative and overhead expenses; and

(G) The cost of acquiring, transporting, processing and treating water.

(b) If requested by the party seeking water service from the city or town and upon approval of the city or town, subsection (a) of this section shall not apply if the ratio of the rate charged to customers outside the corporate limits of the city or town to the established rate within the corporate limits are less than one and one-quarter (1.25) to one (1).

(c) The provisions of this section are not subject to certificates of public convenience and necessity of the public service commission. However, if there is a controversy between the municipality and a consumer outside the corporate limits of the municipality with regard to the establishment of rates, maintenance or servicing in a manner other than as contracted for or as provided in this article, the public service commission may review the matter in controversy, hold hearings, take testimony and make recommendations. The commission's recommendations may be appealed to the district court pursuant to the provisions of the Wyoming Administrative Procedure Act. The ultimate prevailing party shall be awarded a just and reasonable attorneys fee.

Wardwell and Bar Nunn submit that pursuant to the authority conveyed in Wyo. Stat. Ann. §22-29-407 together with Wyo. Stat. Ann. §15-7-602 establish that, approval of the Plan of Dissolution through an election, will function as proper approval and consent from residents in the unincorporated territory becoming customers of Bar Nunn. In order to seamlessly make this transfer, Natrona County will accept the Wardwell system outside of Bar Nunn's corporate limits and then transfer them to Bar Nunn at the same time, thereby completing the transfer under the terms of the applicable statutes.

### *C. The Wardwell portion inside of Mills.*

A very small portion of Wardwell lies inside of the City of Mills. All of this area is downstream of the system such that none of the services provided to this area of Mills cross Mills and into other areas that are serviced by Wardwell. Therefore, this area may be considered as a compact area. This area will necessarily need ongoing services. Bar Nunn warrants that it



shall not disrupt service to this area at any point, and shall continue to treat it in the same fashion as other areas subject to this dissolution.

This plan contemplates that Mills will become a customer of Bar Nunn following this transfer, and Bar Nunn will enter into such arrangements with Mills so as to best reflect this change. An ongoing relationship with the water system, after it becomes Bar Nunn's water system, will be necessary as the area served is not independent of the overall water system. Various possibilities exist as to this area, but given its small size and the operation of Wyo. Stat. Ann. §22-29-407, nothing in this plan need be disrupted by this situation.

## **PART TWO. FINDINGS OF FACT**

The Board of Directors of the Wardwell Water & Sewer District, in compliance with the provisions of Wyo. Stat. Ann. § 22-29-402(a)(i)-(v); FINDS, as follows:

1. Wardwell was created in 1969 to serve unincorporated areas of Natrona County, Wyoming, including that which were incorporated as the municipality of the Town of Bar Nunn in 1982.
2. Approximately 80% of Wardwell's current customers reside in Bar Nunn.
3. Bar Nunn is capable of operating the water and sewer system presently operated by Wardwell, and has pledged to do so.
4. It is anticipated that Wardwell's current customers would experience some decrease in the cost of their utilities. Namely, it is Bar Nunn's goal to reduce taxes to customers, eliminate duplicative clerical staffing, and streamline the system by combining it with a municipality which has maintenance and other staff.
5. The taking over of the system by Bar Nunn would reduce confusion to the residents of Bar Nunn without creating the same for those living in the unincorporated areas of Bar Nunn.
6. The taking over of the system by Bar Nunn would serve the goal of reducing duplicative and multiple government entities burdening residents, property owners and taxpayers.
7. There are no substantial physical or system barriers to this plan of dissolution.
8. The District does not have any outstanding bonds, coupons, or any other indebtedness, as such the District Directors shall make no findings regarding indebtedness.
9. A description of each parcel of real property and interest in real property and, if the property was acquired for delinquent taxes or assessments, the amount of those taxes and assessments on each parcel of property, is appended hereto as **Exhibit A**.
10. Uncollected taxes, assessments and charges levied by the District and the amount upon each lot or tract of land is appended hereto as **Exhibit B**.
11. A description of the personal property and of all other assets of the District is appended hereto as **Exhibit C**.
12. The 2022 Depreciation Schedule for all assets of the Wardwell Water & Sewer District appended hereto as **Exhibit D**.
13. The estimated cost of dissolution is \$ \_\_\_\_\_.

### **PART THREE. PLAN OF DISSOLUTION**

The Board of Directors of the Wardwell Water & Sewer District, in compliance with the provisions of Wyo. Stat. Ann. §§ 22-29-402 through 407 hereby adopts the following plan of dissolution and liquidation:

First, within ten (10) business days after the District Directors file this plan of dissolution and liquidation, the District Directors shall call an election to be held not less than ninety (90) days, nor more than one hundred twenty (120) days after the filing of this plan of dissolution. The purpose of the election will be to submit the question of whether the Wardwell Water & Sewer District should be dissolved, liquidated, its assets transferred to Bar Nunn and the operation of the District's system transferred to Bar Nunn, pursuant to this plan.

Second, during the pendency of the election, Wardwell and Bar Nunn shall work together to create a calendar of deadlines following the election results, and continue to work together diligently to operate the District.

Third, after the election results are canvassed, and assuming there is a majority vote approving the dissolution, the District Directors shall declare the Wardwell Water & Sewer District is dissolved.

Fourth, after the Wardwell Water & Sewer District is deemed dissolved, the following shall take place.

1. A Board of Trustees shall be appointed consisting of the current board of the Wardwell Water & Sewer District, which shall receive all cooperation from the Town Council and staff of the Town of Bar Nunn, and shall operate under the supervision of the county commissioners.
2. Bar Nunn and Wardwell shall fully cooperate with each other during the transition period.
3. Bar Nunn shall continue to supply water operators to Wardwell Water during the transition period.
4. Wardwell may turn all of its operations, including clerical and billing, over to Bar Nunn during the transition period at its convenience.
5. Wardwell will, within thirty (30) days of the approval of the plan of dissolution, provide a list of all assets to Bar Nunn.

6. Wardwell will, within thirty (30) days of the approval of this plan, provide such engineering, surveying and system information as in its possession, to Bar Nunn.
7. A calendar date reflecting the ninety (90) day period shall be set by Wardwell and Bar Nunn. This shall be the “transfer date.” This date shall be set within ten (10) days after the plan of dissolution is approved by a majority vote of the customers.
8. All infrastructure, including water lines and associated appurtenances, sewer lines and associated appurtenances, structures, and physical property belonging to or operated by the Wardwell shall be transferred to Bar Nunn on the Transfer Date.
9. Any property of any kind or description that falls outside of the corporate boundaries of Bar Nunn shall be transferred to Natrona County which shall, at the same time, transfer the same to the Bar Nunn.
10. All bank accounts, accounts receivable, accounts payable, debts, obligations, benefits and other assets shall likewise be transferred to Bar Nunn on the Transfer Date.
11. Upon transfer, all operation of the system shall be assumed by Bar Nunn.
12. Bar Nunn shall undertake to guaranty that, for a period of not less than five years, that the customers who reside outside of the municipal boundaries of Bar Nunn shall be charged for water and sewer usage at the same rate as the residents of Bar Nunn shall be and, further, that absent a good and substantial reason, equalization of costs shall continue on thereafter.

Dated and adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
 Larry Forsberg  
 President of the Board of Directors

ATTEST: SEAL:

\_\_\_\_\_  
 Venus Childress  
 Secretary of the Board of Directors

Reviewed and approved this \_\_\_\_\_ day of \_\_\_\_\_ 2023.

BAR NUNN TOWN COUNCIL INFORMATION.