



Sheridan Area Water Supply Joint Powers Board

MEETING MINUTES

May 9, 2007



A meeting of the Sheridan Area Water Supply - Joint Powers Board (SAWS-JPB) was called to order at the Sheridan County Commissioners Board Room at 5:02 pm. Chairman David Kinskey presided. A quorum of board members was present including: Vice Chairman Stephen Maier, Commissioner Terry Cram, Commissioner Robert Rolston, and Councilor Robert Webster. Others present were: SAWS Administrator Jay Stender, Mike Cole (City of Sheridan), Dayton Alsaker (HKM), and members of the media and public.

I. CALL TO ORDER

- A. Chairman David Kinskey called the meeting to order at 5:02 pm.
- B. The meeting was recorded for transcription purposes.

II. APPROVAL OF AGENDA

Motion made to approve the meeting agenda as amended.

Motion made by: Stephen Maier

Motion seconded by: Robert Webster

Vote for approval: 5-0, motion carries

Discussion: Chairman Kinskey would like to add an item C under New Business to discuss the Big Goose Water Tank expansion project - WWDC.

III. REVIEW AND APPROVE MEETING MINUTES

Motion made to approve the April 11, 2007 meeting minutes as written.

Motion made by: Robert Rolston

Motion seconded by: Robert Webster

Vote for approval: 5-0, motion carries

Discussion: None.

IV. TREASURER'S REPORT

Motion made to accept the treasurer's report as presented.

Motion made by: Robert Webster

Motion seconded by: Robert Rolston

Vote for approval: 5-0, motion carries

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Discussion: None.

V. PUBLIC COMMENTS

A. John Best

Mr. Best is a former member of the Big Horn water district advisory board. This advisory board was disbanded a few years ago, and Mr. Best would like the SAWS board to consider reinstating this board. The board consists of 1 person from each water district. The board did not vote at SAWS meetings, but they did offer advice and input for the SAWS board.

Discussion: The board members agreed that after more research the board would consider discussing the possibility of a new advisory board at a board workshop in the future. The board would like to have the description of the previous districts.

B. Aleta Dow

Ms. Dow is a property owner in Big Horn and currently has 3 SAWS taps. She has a vacant lot in Big Horn that she would like develop and wants to defer her base payment until the lot is developed. Ms. Dow is also concerned that she will not always have water. She wants some assurance that as an original tap owner she will always have access to SAWS water.

Discussion: The board told her that she must pay the base fee every two months to keep her taps active, and because the original tap is a binding contract and the SAWS system did come to fruition she should always have SAWS water.

VI. OLD BUSINESS

A. Administrator's Report

Jay Stender presented his administrator's report to the board. He made note of the \$ 100,000.00 payment to depreciation account, the SRF #15 payment for the 20" water line project, and the two companies who have sent in a proposal to do the Twin Lakes monitoring. Jay suggested that the board hire Habitat Management, Inc. to do the monitoring this year.

Discussion: The board agreed to hire Habitat Management, Inc to do the Twin Lakes monitoring this year. Jay and the City of Sheridan will do the hydrology portion of the testing and HMI will do the soil, vegetation and final report.

Motion made to hire Habitat Management, Inc. to perform the 2007 Twin Lakes monitoring.

Motion made by: Robert Rolston

Motion seconded by: Stephen Maier

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Vote for approval: 5-0, motion carries

1. Fiscal Year 2008 Budget:

The board briefly discussed the SAWS 2008 budget. Councilor Webster asked if SAWS must comply with and GASB 34 regulations. Jay was not certain and will ask Mr. Rucki. If any of the board members would like to help with the budget they are more than welcome.

2. Big Goose Water Treatment Plant Tank Project:

Jay reviewed the information Mike Cole provided him on the Big Goose Water Tank project and gave his response to Chairman Kinskey's questions. To his understanding the funding is still not worked out. The WWDC will have the funding agreement ready by June or July.

Discussion: Chairman Kinskey told the board that the City would pass the money from the WWDC to SAWS and Jay to complete this project if they would like to proceed with it. He thinks that the goal of tonight's meeting should be to decide if they should proceed with the project this year and how should the fund the remaining 1/3 of the cost of the project. If the SAWS board wants the City to help then now is the time to say so as the budgets are being constructed now. The board threw around funding ideas, but Terry Cram and Steve Maier said that SAWS can't really afford it right now. Steve Maier asked what would happen if SAWS decided not to go through with the project until they were in a better financial position. Chairman Kinskey said that he has reviewed with the engineers and doesn't think the new tank is necessary at this time. Mike Cole, Asst Public Works Director, told the board that the City doesn't need it immediately, but SAWS does in his opinion. He is uncomfortable right now approving some permits, especially at the airport business park, because of fire protection. He (Cole) said that there is not enough water storage at the business park for prolonged fire protection. Mike Cole said the area in question, that would be addressed by this tank storage, area affect includes SAWS, the airport business park, the South Hill area (City of Sheridan), and 1/3 of the city service area as well. T Cram asked Mr. Cole to describe the service area again. His (Cole) recommendation is to find the money to fund this project. It will alleviate his (Cole) worries related to fire protection. Chairman Kinskey asked if SAWS will lose the money if they don't use it now. Mike Cole said that usually the agreements are for 4-5 years and can easily be extended. Chairman Kinskey asked if SAWS missed this fiscal year would they still be okay to use the money. Mike Cole said yes, they can wait a year to start the project without losing funding, though there is a minimum time frame to begin drawing down the funds. He (Cole) suggested that maybe they fund a portion of the project now, such as design. Terry Cram said that he is still concerned about taking on more debt to SAWS for any project.

Motion made to not proceed with the Big Goose water tank project for this fiscal year (FY 2007-2008).

Motion made by: Stephen Maier

Motion seconded by: Terry Cram

Vote for approval: no action

Further Discussion: Steve Maier said that he doesn't want lose the grant, and would be open to spending a minor amount on engineering work to keep the funds. Dayton Alsaker (HKM) said that there is some valuable, inexpensive preliminary work that could be done this year. Land acquisition issues, geotechnical drilling, preliminary design, and planning for future expansion all could be done this fiscal year. Commissioner Cram asked how much the preliminary work would cost. Dayton Alsaker said it would cost about \$ 25,000 for the geotechnical drilling and \$ 25,000 for the planning.

Amended Motion: motion made to have Jay Stender and Dayton Alsaker come up with the cost for preliminary design for layout and geotechnical investigation. The board will act upon the Administrator's recommendation at the next meeting.

Motion made by: Terry Cram

Motion seconded by: Stephen Maier

Vote for approval: 5-0, motion carries

3. Potential Water Line Recoups

Jay Stender presented the board with line extension options, brought forward by the landowners. This is an option recoup costs of a larger SAWS line at certain area. The three Projects are Garber Subdivision, Tyler Diefenderfer at Arab Acres, and John Addlesperger at Weeping Willow Lane. The concept is to make the line larger to recognize system demand in future. Stender used Arab Acres as an example of how this should/could be used. Arab Acres is currently limited due to a 4" line. Likely and Potential development areas would be benefited by appropriate pipe sizing.

Discussion: Steve Maier asked if the upsizing of the line would give SAWS an obligation to serve. Jay said it does not; they will only be obligated to serve if the developer comes forward and is granted a water service agreement. Mr. Stender asked that the board to look down the road and do some planning for future growth. Chairman Kinskey wanted to make sure that the board realized that they are not a planning board. Jay told the board that he brought this to the board to see if there was any interest. He asked if they would like to move forward with these recoups. Tony Wendtland would like to look at this closer. He wants to make sure that under Joint Powers statutes a recoup agreement is okay. The board decided not to take any action at this time due to the legal issues raised.

4. Water Development Commission

Jay told the board that Chris Abernathy will be Sheridan May or 22nd to answer any questions on the Lake DeSmet Level I Study. He provided the board with the scope of work and invites them to attend the meeting with Chris.

B. Rate Adjustments

Jay presented the board with two resolutions for a rate increase and a water tap installation fee increase.

Discussion: The board is not comfortable with the resolutions at this time. They would like to see more options, such as a tiered water rate table, and some more research on the Plant Investment Fund (PIF). Jay will continue to work on a rate schedule and the board will have a rate making workshop to continue this discussion. The workshop will be held on May 22, 2007, time 4:00.

C. 20" Construction Update

Dayton Alsaker presented the construction update to the board. 75% of the PVC pipe is in the ground and 60% of the steel pipe has been installed. They continue to have landowner, weather and creek issues.

Discussion: The board agreed to approve the HKM contract amendment for the additional cost of the 20" construction project.

Motion made to accept the HKM contract amendment for the 20" line project.

Motion made by: Robert Webster

Motion seconded by: Robert Rolston

Vote for approval: 5-0, motion carries

VII. NEW BUSINESS

A. Brammwell

Dianne Brammwell has a delinquent SAWS account. She has not paid her bill for the base fee every two months. She presented the board with the options she and Mr. Stender have discussed.

Discussion: The board went over the options with Ms. Brammwell and decided to hold off Collection Professionals and make a decision after she received some financial advice.

Motion made to table Diane Brammwell's tap dispute until the next meeting.

Motion made by: Terry Cram

Motion seconded by: Robert Rolston

Vote for approval: 5-0, motion carries

B. Gwathway

Mr. Gwathway bought a tap in 2004 and has had difficulties getting it installed. He claims his neighbors will not allow him to cross their property. He would like the board to refund his money.

Discussion: The board decided that they would refund Mr. Gwathway’s money as long as he came in and signed a statement.

Motion made to accept refund Mr. Gwathway for the amount he paid for his water tap installation fee.

Motion made by: Robert Webster

Motion seconded by: Stephen Maier

Vote for approval: 5-0, motion carries

VIII. EXECUTIVE SESSION

Motion made to enter into executive session

Motion made by: Stephen Maier

Motion seconded by: Robert Rolston

Vote for approval: 5-0, motion carries

Motion made to reconvene into general session.

Motion made by: David Kinskey

Motion seconded by: Stephen Maier

Vote for approval: 5-0, motion carries

Motion made to authorize the Administrator to execute and close two property purchases as described in the Executive Session.

Motion made by: Robert Rolston

Motion seconded by: Stephen Maier

Vote for approval: 5-0, motion carries.

X. ADJOURNMENT

A. The meeting was adjourned at 7:30 pm by Chairman Kinskey.

APPROVED BY: _____

ATTESTED BY: _____