



Sheridan Area Water Supply Joint Powers Board



SPECIAL MEETING MINUTES

SHERIDAN COUNTY COMMISSIONERS MEETING ROOM

Wednesday September 18, 2014
5:00 P.M.

A meeting of the Sheridan Area Water Supply Joint Powers Board was held in the Sheridan County Commissioners Meeting Room on Wednesday, September 18, 2014 at 5:00 p.m. Chairman John Heath convened the meeting. A quorum of board members was present, including: Tom Ringley, Bob Rolston, and Steve Maier. Jesus Rios and Alex Lee were not present. Others present were: Dan Coughlin, Tony Wendtland, Dan Roberts, Andrea Garrett, Nikole Velikaneye, and Sheridan Media.

CALL TO ORDER

Chairman John Heath called the meeting to order at 5:00 p.m

- A. Joint Resolution No. 14-09-033 and Agreement authorizing submittal of an application to the Wyoming Water Development Commission for a Level III Grant for funding the purchase of up to \$8,400,000 in existing water shares for the City of Sheridan and Sheridan Area Water Supply Joint Powers Board as recommended in the Sheridan Supplemental Storage Level II Phase II Study and to specifically allocate purchased new water supplies for sharing between SAWSJPB and the City of Sheridan.


Motion made to approve by: Tom Ringley
Motion seconded by: Steve Maier
Vote for approval: 4-0

ADJOURNMENT

The meeting was adjourned at 5:01p.m. by Chairman Heath.

PRESENTED BY: 
SAWSJPB Administrator

APPROVED BY: 
SAWSJPB Chairman

ATTESTED BY: 



Sheridan Area Water Supply Joint Powers Board



PUBLIC MEETING NOTES
PUBLIC MEETING TO OFFER THE PUBLIC THE OPPORTUNITY TO REVIEW AND
COMMENT ON SHERIDAN AREA WATER SUPPLY JOINT POWERS BOARD'S
REQUEST FOR ADDITIONAL FUNDING FOR ALTERNATIVE POWER TO BOOSTER
STATIONS AND SCADA (SUPERVISORY CONTROL AND DATA ACQUISITION)
SYSTEM

DATE: SEPTEMBER 10, 2014

TIME: 5:07 P.M.

SHERIDAN COUNTY COMMISSIONERS MEETING ROOM

224 S. MAIN, 2ND FLOOR

SHERIDAN, WY 82801

NOTES:

The public meeting was held during the September 10, 2014 Regular Sheridan Area Water Supply Joint Powers Board meeting.

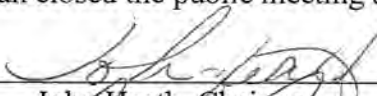
The Chairman opened the public meeting at 5:07 P.M. to offer the public the opportunity to review and comment on Sheridan Area Water Supply Joint Powers Board's request for additional funding for Alternative Power to Booster Stations and SCADA (Supervisory Control and Data Acquisition) System.

The Chairman asked if anyone was present who wished to comment. No one present wished to comment.

There were no written comments submitted to the Board.

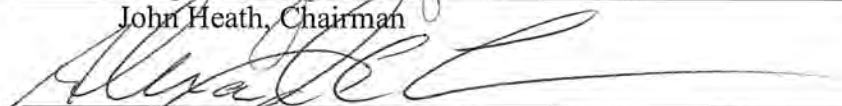
The Chairman closed the public meeting at 5:16 P.M.

Signed:



John Heath, Chairman

Attest:



Alex Lee, Secretary



Sheridan Area Water Supply Joint Powers Board



Special Meeting
Sheridan County Commissioners Meeting Room
Thursday, September 18, 2014
5:00 P.M.
MEETING AGENDA

CALL TO ORDER

BUSINESS

- A. Joint Resolution No. 14-09-033 and Agreement authorizing submittal of an application to the Wyoming Water Development Commission for a Level III Grant for funding the purchase of up to \$8,400,000 in existing water shares for the City of Sheridan and Sheridan Area Water Supply Joint Powers Board as recommended in the Sheridan Supplemental Storage Level II Phase II Study and to specifically allocate purchased new water supplies for sharing between SAWSJPB and the City of Sheridan

(Adopt)

ADJOURNMENT

RESOLUTION 14-09-033 AND AGREEMENT

A JOINT RESOLUTION AND AGREEMENT AUTHORIZING SUBMITTAL OF AN APPLICATION TO THE WYOMING WATER DEVELOPMENT COMMISSION FOR A LEVEL III GRANT FOR FUNDING THE PURCHASE OF UP TO \$8,400,000 IN EXISTING WATER SHARES FOR THE CITY OF SHERIDAN AND SHERIDAN AREA WATER SUPPLY JOINT POWERS BOARD AS RECOMMENDED IN THE SHERIDAN SUPPLEMENTAL STORAGE LEVEL II PHASE II STUDY AND TO SPECIFICALLY ALLOCATE PURCHASED NEW WATER SUPPLIES FOR SHARING BETWEEN SAWSJPB AND THE CITY OF SHERIDAN

WHEREAS, the City of Sheridan ("City") and the Sheridan Area Water Supply Joint Powers Board ("SAWSJPB") have, through a Capital Facilities Tax, created a long term water supply fund for the purpose of purchasing water supplies for the City and the SAWSJPB under the terms of the Ownership Agreement among the SAWSJPB, the City, and the Sheridan County Commission ("County") dated May 15, 1990; and

WHEREAS, SAWSJB maintains a "Future Water Supply" account pursuant to specific terms of the May 15, 1990 SAWSJPB Ownership Agreement and subparagraph I.A.9. at page 7 of that Ownership Agreement expressly provides that:

"9. Future Water Supply. As new water supplies are acquired over and above those specifically mentioned in this Agreement, ownership of those supplies to be purchased using \$3,000,000 from the Optional Capital Facilities Tax identified for this purpose shall be shared between the JPB and the City on a ratio of 33% to 67% respectively. Ownership of those water supply purchases over and above the \$3,000,000 allocation shall be proportionate to the ratio of investment in these new water supplies by the City and the JPB."

At this time, the amount of \$4,100,000 exists in the SAWSJPB account by virtue of this provision in the Ownership Agreement.

WHEREAS, the City and SAWSJPB have sponsored several Level I and II studies performed for the Wyoming Water Development Commission ("WWDC") with a goal of determining the best available long-term water supplies for the City and SAWSJPB; and

WHEREAS, the most recent study performed for the WWDC, that being the Sheridan Supplemental Storage, Level II, Phase II Study ("SSS LII PHII") dated December, 2013, has recommended the purchase of shares of existing mountain storage rights in specified reservoirs as the best available long-term water supplies; and

WHEREAS, the City and SAWSJPB wish to apply for a WWDC Level III grant in the amount of \$5,628,000 for the purpose of funding 67% of the cost to purchase existing water shares as they become available; and, the City and SAWSJPB intend to fund their 33% share of the total cost (\$1,857,240 will be the City's share and \$914,760 will be the JPB share) to purchase shares by utilizing a portion of their long-term water supply reserve funds which are currently available in the Future Water Supply account for this purpose; and

WHEREAS, the City and SAWSJPB would utilize the \$5,628,000 in combination with the \$2,772,000 to purchase up to \$8,400,000 in existing water shares in accordance with the Recommended Plan contained in the SSS LII PHII (a copy of which is attached as Appendix A),

NOW, THEREFORE, BE IT JOINTLY RESOLVED by the City and SAWSJPB to authorize the submittal of an application to the WWDC for the purpose of obtaining a Level III grant in the amount of \$5,628,000 for the purpose of paying 67% of the cost to purchase existing water shares as recommended in the Sheridan Supplemental Storage Level II Phase II Study.

NOW, THEREFORE, BE IT FURTHER JOINTLY RESOLVED AND EXPRESSLY AGREED by the SAWSJPB, the City and the County, that in the event that any new water supplies are acquired over and above those originally and specifically mentioned in the May 15, 1990 Ownership Agreement using any of the funds currently held in the Future Water Supply account, such new water supplies shall be owned, shared and used between the JPB and the City on a ratio of 33% to 67% respectively. Similarly, to the extent that any new water supplies are acquired over and above those originally and specifically mentioned in the May 15, 1990 Ownership Agreement using any new funds provided under a Level III

grant from the State of Wyoming/Wyoming Water Development Commission of up to \$5,628,000, such new water supplies shall be owned, shared and used between the JPB and the City on a ratio of 33% to 67% respectively. To the extent necessary, this Joint Resolution and Agreement shall serve as an express intended and specific amendment to the May 15, 1990 Ownership Agreement for these purposes. This specific resolution and agreement concerning the respective ownership, sharing and use of new water supplies acquired using these specific funds shall not in any way govern any other future water supply purchases for the SAWSJPB system using different funds not specifically described in this resolution and agreement.

APPROVED, AGREED AND ADOPTED by the City of Sheridan, Wyoming this 24th day of SEPTEMBER, 2014:



CITY OF SHERIDAN, WYOMING

Alex Lee
John Heath, Chairman **ALEX LEE COUNCIL PRESIDENT**

Scott Badley
Scott Badley, City Clerk

State of Wyoming)
) ss
County of Sheridan)

The foregoing instrument was acknowledged before me by the ~~Mayor~~ ^{*Council President*} of the City of Sheridan, Wyoming and attested to by the City Clerk of the City of Sheridan, Wyoming this 24th day of September 2014.

Witness my hand and official seal.

Rebecca K. Barnhart
Notary Public
Feb 11, 2014

My Commission Expires:



APPROVED, AGREED AND ADOPTED by the Sheridan Area Water Supply Joint Power Board this

23rd day of September, 2014:

SHERIDAN AREA WATER SUPPLY
JOINT POWERS BOARD

[Signature]
John Heath, Chairman

ATTEST:
[Signature]
Alex Lee, Secretary

State of Wyoming)
) ss
County of Sheridan)

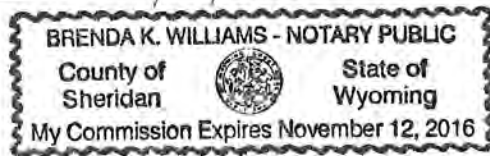
The foregoing instrument was acknowledged before me by the SAWSJPB Chairman, John Heath, and attested to by the SAWSJPB Secretary, Alex Lee, this 23rd day of September, 2014.

Witness my hand and official seal.

[Signature]
Notary Public

My Commission Expires:

11/12/2016



APPROVED, AGREED AND ADOPTED by Sheridan County, Wyoming this 16th day of September 2014:

SHERIDAN COUNTY, WYOMING

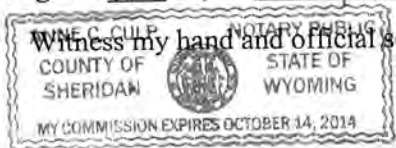
Terry Cram
Terry Cram, Chairman

ATTEST:

Eda Schunk Thompson
Eda Schunk Thompson, County Clerk

State of Wyoming)
) ss
County of Sheridan)

The foregoing instrument was acknowledged before me by the Chairman of the Board of County Commissioners, Sheridan County Wyoming and attested to by the County Clerk of Sheridan County, Wyoming this 16th day of September 2014.



My Commission Expires:

Anne C Culp
Notary Public
10/14/14

APPENDIX A

RECOMMENDED PLAN

Language in Wyoming statutes and the WWDC's Operating Criteria indicate that an allowed use of WWDC funds is the purchase of existing water storage. Some precedence in purchasing existing storage has recently been established by the WWDC via the State-funded improvements at Pathfinder Dam and Reservoir in order to secure existing storage space in that water supply facility owned and operated by the U.S. Bureau of Reclamation. Elements of a proposed plan for the WWDC and Sheridan to partner in addressing Sheridan's long-term water supply needs without pursuing a path of new dam and reservoir construction are outlined below.

- A. Sheridan would apply to the WWDC for funding in the amount of \$5,628,000, which is 67% of \$8,400,000. If approved by the Wyoming State Legislature, this money would be placed into a WWDC-managed account that would be utilized by Sheridan to match local monies for the purchase over time of reservoir shares in Park, which – with this allocation - would amount to \$2,772,000. Sheridan could utilize the money in the WWDC-managed account to purchase water in Park at a price of up to \$4,200/ac-ft (at the reservoir), which equates to \$5,040/share. In this way, Sheridan could move quickly to “lock up” water supplies through use of the fund as soon as they become available, vs. approaching the WWDC and Legislature each time that a prospective seller comes forward. Had this money been available in November 2013, Sheridan would have been able to act quickly on the offer presented by a Park Reservoir Company shareholder in November 2013 to sell approximately 160 ac-ft of Park water, which was ultimately and almost immediately sold to another party.
- B. Any proposed legislation would address W.S. 41-2-502(b) that currently requires prior approval by the Board of Control of any sale or transfer of ownership of water from Park to other than agricultural use.
- C. If Sheridan is successful in identifying prospective sellers for this price, Sheridan could purchase up to 2,000 ac-ft of Park Reservoir storage with the allocation discussed in a. The 2,000 ac-ft is a volume perceived to be small enough so as to have sufficient monies available from the WWDC, yet large enough to provide Sheridan with enough money to make substantial water purchases prior to having to reapply to the WWDC. Sheridan's 33% local match would likely come from its Long-Term Water Supply Fund, which derived its initial principal from a capital facilities tax passed by Sheridan County voters in 1989. The amount in that fund has now grown to over \$4.1 million.
- D. The purchase price per ac-ft discussed in a. that would be eligible for full 67% funding would remain effective until January 1, 2016, at which time this price would be adjusted for annual inflation based upon the change in the Consumer Price Index for All Urban Consumers (CPI-U) for the Denver-Boulder-Greeley, Colorado metropolitan area, as compiled by the U.S. Bureau of Labor Statistics. For instance, if the increase for CPI-U between January 1, 2015 and December 31, 2015 was 3%, the price that Sheridan could purchase water from this account at the full 67% WWDC-participation amount after December 31, 2015 could not exceed \$4,326/ac-ft (\$5,191/share), or 3% greater than \$4,200/ac-ft.
- E. Adjustments to the purchase price per ac-ft based upon the CPI-U would be made annually. The total amount in the WWDC account available for water purchases by Sheridan, however, would not increase until the account is fully depleted. Thus, with time, and assuming the CPI-U increases, the total amount of water that Sheridan would be able to purchase with the money from this funding allocation would diminish, as the total amount of \$5,628,000 available from the WWDC would not increase without further legislative authorization.
- F. Nothing would preclude Sheridan from purchasing water at a price greater than the then-current calculated cost per ac-ft figure. However, monies used from the drawdown of the WWDC account could not exceed the price per ac-ft price established for that particular year.
- G. All prospective contracts for purchase of Park Reservoir water would require approval by the WWDC staff.
- H. Should improvements eventually be required at Park as determined by the majority of shareholders within Park, Sheridan would participate in the cost for these improvements along with all shareholders in Park, and at the same percentage rate as the number of shares that are owned by Sheridan. It is unrealistic to assume that Sheridan, as a minority shareholder in this primarily agricultural reservoir, would decide when and how any improvements would be implemented.
- I. Once additional water has been purchased by Sheridan from Park Reservoir, it is recommended that Sheridan's Park Reservoir water be managed in the initial years similar to the manner that it is currently managed by City staff; i.e., all of Sheridan's Park (and Dome Lake) Reservoir water would be utilized first, prior to any Twin Lakes Reservoir water being used. In this way, Twin Lakes Reservoir water can be saved as long as possible into the irrigation season, thus providing Sheridan with the greatest flexibility to meet its customers' demands.
- J. Once the funding allocation provided by the Legislature nears the point of being fully drawn down, Sheridan would reapproach the WWDC to secure additional funding to continue with the water supply purchases.