



Sheridan Area Water Supply
Joint Powers Board



REGULAR MEETING MINUTES
WEDNESDAY, AUGUST 10, 2016 - 5:00 PM
SHERIDAN COUNTY COURTHOUSE, COMMISSIONERS BOARD ROOM #220

The regular meeting of the Sheridan Area Water Supply Joint Powers Board was called to order at 5:00 p.m. with Chair Shelleen Smith presiding. All members were present including; Steve Maier, Tom Ringley, Alex Lee, Mike Nickel, and John Heath. Others present were; Dan Coughlin, SAWSJPB Project Manager, Angie Burton, Sheridan County Administrative Assistant, Andrea Garrett, Sheridan County Planning Assistant, Tony Wendtland of Wendtland & Wendtland LLP, Mike Peacock, City of Sheridan Utility Services/SAWS Coordinator, Dan Roberts, City of Sheridan Utilities Director, and Sheridan Media.

I. CONSENT AGENDA

- A. Approval of Minutes of the June 8, 2016 Regular Meeting
- B. Approval of Minutes of the July 13, 2016 Budget Hearing Meeting
- C. Acceptance of the July 13, 2016 and August 10, 2016 Treasurer's Reports
 - a. Bills
 - b. Account Status
 - c. Investment Accounts
 - d. Budget vs. Actual
- D. Approval of DWSRF 126 Booster Station Loan Draft Request #17
- E. Request to return tap at 13 Brinton Rd.

Motion by John Heath to approve consent agenda with removal of item "E. Request to return tap at 13 Brinton Road" from Consent Agenda to New Business.

Second by Steve Maier.

Vote for approval: 6-0

II. REVIEW AND APPROVAL OF AGENDA

Motion by Alex Lee to approve the agenda as adjusted.

Second by Steve Maier.

Vote for approval: 6-0

III. COMMENTS FROM PUBLIC: NON AGENDA ITEMS

None

IV. OLD BUSINESS

None

V. PROJECT PROGRESS REPORTS

- A. Conventional Treatment Upgrades to Big Goose & Sheridan Water Treatment Plants – Update by Dan Coughlin.
- B. Booster Station Upgrades – Update by Dan Coughlin.
- C. Meter Replacement Project - Update by Dan Coughlin.

VI. NEW BUSINESS

- A. Change Order # 4 to Windcreek Services Inc. Contract and authorize use of additional funds available under DWSRF for mutually beneficial projects allowable by the State of Wyoming.

Motion by Tom Ringley to postpone any approval until next regularly scheduled meeting.

Second by John Heath.

Vote for approval: 6-0

- B. Request to return tap at 13 Brinton Road - Update given by Dan Coughlin. Customer has withdrawn request to return tap at this point. No action required.



Sheridan Area Water Supply
Joint Powers Board



- C. Draft Resolution to amend Resolution No. 10-12-01 and authorizing the Administrator to conduct certain routine business and to make interim payment of certain routine invoices within specific limitations and subject to ratification approval at the next regular board meeting.

Tony Wendtland explained the draft version and requested that Board members closely review for any changes and/or updates, particularly to sections A. and B., which the Board would need to handle to conduct quarterly meetings. Tony stated that anyone with questions or discussion should contact him so that a more final form could be presented or adopted at the next meeting.

- D. Recommendation to Combining Capital Reserve Fund with the Depreciation Sinking Fund and eliminating the Repair and Maintenance Sinking Fund and Tap Fee Fund – Memorandum

Motion by Tom Ringley to combine the Capital Reserve Fund with the Depreciation Sinking Fund and eliminate the Repair and Maintenance Sinking Fund and Tap Fee Fund.

Second by Steve Maier.

Vote for approval: 6-0

- E. SAWS Administration – A general discussion was held to determine if the Board supported the idea of the City of Sheridan handling the administrative functions of the SAWSJPB.

Chair Smith: The final item on the agenda tonight is the SAWSJPB Administration change. I am going to turn the time over to Commissioner Maier

Commissioner Maier: Thank you Madam Chair. We talked - spent quite a bit of time looking at the consolidation of SAWSJPB and the City in terms of the entire structure and decided to back off from that, but on the other hand, we have had since SAWSJPB was created since 1988 or 89 an operating agreement that basically says that the City is responsible for the administration and management and operation of system. And in looking at how we might become more efficient in our operations it seems to me and I know that the City staff has been working on this as well, that we might be able to consolidate the operations portion of that freeing up and saving significant money to SAWSJPB, over a hundred thousand dollars a year in the operations side. And again, the city has been, the city staff, at least, has been working on some proposals, fairly general, at this point, and the County Commissioners have taken a quick look at that. I think it is important that we bring this to the SAWSJPB. The reason that I asked that it be put on the agenda that we have a general discussion at the SAWSJPB as well. And all of us here together to see if we are in support of this effort before we get into the detail, because that's the next step if we were to go forward. I think that it has a lot of merit. I talked to Tony (Wendtland) briefly. So, I didn't give him much warning, but I think there may be ways to amend the operating agreement. We certainly have policies and procedures for SAWSJPB and I don't really want to lose, although we may find we want to fine tune those, but I think those could be incorporated in an agreement with the City along with the operating agreement. Those things would have to be worked through in some detail. I really think that the City staff, again, I am not speaking for the Council, has been receptive and very positive about taking over these things because they already have the staff in place to do virtually everything that's being done and the additional costs would be minimal, if any. I suspect there might wind up being some slight additional cost but we could save SAWSJPB a significant amount of money. So, my purpose tonight is to see if we have some consensus to move forward. And if we do to begin directing the staff and probably asking Tony to start looking into how we might actually structure this thing. I don't know the best way. Again, I'm suggesting using the current operating agreement that it may need to be brought to speed a little bit. I don't think that's been touched for a while. In looking at it recently it looks like there ought to be some changes anyway. And, then, not forgetting our policies and procedures and how we deal with our customers which may or may not be different from how the City does some things. Those are two big issues that somehow need to be looked at. I'd like to see us move forward.

Chair Smith: Thank you Commissioner Maier. I am aware that the City staff has been in talks with the County folks.

Commissioner Maier: Well, with our administrator.

Chair Smith: We are certainly receptive to this proposal.

Commissioner Ringley: I totally support what Commissioner Maier's said. In some way, I think, it may have been where we were trying to get when we were talking about the SAWSJPB consolidation as far as the ultimate effect. I totally support this. It was a good memo, and I just want to make it totally clear, especially to the media, we are not talking about resuming our talks for consolidation. We are talking about amending our operating agreement to the City to take over the administrative function. SAWSJPB would remain intact. Got that? I just think that's important for the public to know that distinction, Pat (Pat Blair), if you don't mind. Thank you very much. Thank you Madam Chair.

Chair Smith: Thank you for pointing out that very important distinction. Anyone else care to comment?

Commissioner Nickel: I agree, also, it's worth exploring anytime we can be a little more efficient we need to look into it, so looked like a good plan to start with but we start looking at detail, dissect it a little bit and move forward.

Chair Smith: Thank you



Sheridan Area Water Supply
Joint Powers Board



Mayor Heath: I concur with the assessment of the board and let's look at the operations agreement and see where we can fine tune and look for efficiencies throughout our operations.

Commissioner Maier: Assuming- it looks like we have, I haven't heard from Councilor Lee, I believe, a consensus. I would ask that both Dan and Tony, maybe, and the appropriate City staff take a look- particularly Tony who is familiar with these agreements we already have. The operating agreement in particular as well as SAWSJPB policies and procedures- if we can mold those somehow so we don't lose the some of the ability SAWSJPB has with dealing with our own customers but also allowing the City to do a very efficient and effective job in taking over the functions. This will take some time. It's not going to happen tomorrow or anything. If that's alright, Tony and Dan if you guys can work on that to develop a strategy perhaps to move forward.

Attorney Wendtland: Yeah, I can do that. First I'd say a couple of things. The last proposal, I never totally understood. As you heard from me, I didn't view that as a consolidation. It wasn't. It was a transfer of everything to the City and dissolution of SAWSJPB. And that's what really caused some of the structural legal issues that ended up tipping it over. This is a very different, kind of less radical idea to just take the present structure and work with it. I would encourage you, I think it would help everybody to get out the operating agreement and read it because nobody ever looks at that. And Commissioner Maier is right. If you look at pages 2 thru the top of 7 in the operating agreement a lot of what we need to make another change this way is probably there. And a lot of that does not need, any really heavy duty amending, some of it wouldn't need to be touched. A lot of the things you want are there. The place, I think, we'll end up having discussions goes back to some of the issues that sort of came up at the tail end of the last discussion about dissolution of SAWSJPB which was "How do the two entities relate to each other and how do their customers both get treated fairly with an interconnected system. And the place in the operating agreement that really is going to get the tweak, I think, the primary place, is article five, pages 7 & 8 that talk about the facility usage. And if you read that, the way it is right now, it's just this vague we'll get along thing that doesn't protect either sides interests or availability of the system. It just prohibits anybody from treating each other badly. And I have a little institutional memory about trying to get at these sort of problems because the last time we tried to get at something like this it was trying to get at the annexation requirement in the Ownership Agreement. And there were a lot of different people at the table then, but I was there and I remember that it didn't matter what we did we couldn't get the City and the County and SAWS to ever agree on making a simple adjustment to some of these things. When the City had already annexed two or three years prior to that, because somebody had some other agenda cooking. And so, here we are again, you know, my sense is if either Dan and I or Dan Roberts and Greg Von Krosigk. Sit down and try to redraft article five all of a sudden every bodies good intentions aren't going to be the same details anymore and so the trick in this is going to be to, I think, to try to get at basic things there that we can adjust that will work really the way they have and try to not change that and just give everybody comfort there and try to go with that. And that would my idea of what we try to do. In those things you're going to get at those issues of how many taps of the total tap inventory should be available in the County vs how many are available in the City and how do you adjust that for development and how does that relate to development in the donut. Those are the sorts of things that are important to SAWS customers and property owners on the system in the County and those are the sorts of things that were at risk when if you'd have dissolved SAWS they were effectively disenfranchised. And so to me that article five-I would appreciate it if you would all take a look at and when you read what's there you'll see what I'm talking about. The other thing to remember is anytime we monkey with the Operating Agreement, if we make a change that conflicts with the Ownership Agreement it's not effective because Article 8 of the Operating Agreement says that. So think about that too.

Commissioner Maier: Madam Chair, Tony, the other thing I didn't mention but I mentioned to you, the other aspect of this is the County Planning Office. And Mark Reid has been a little bit involved. I asked him for some thoughts and he has provide some (some word or two over sounded by other person speaking).

Attorney Wendtland: Yes, and I think that's article five and maybe a little bit at the bottom of article four.

Commissioner Maier: So I don't want to forget him. I mention him as well.

Attorney Wendtland: I think he (Mark Reid) and Dan (Dan Coughlin) and I need to be talking to Dan (Dan Roberts) and Greg (Greg Von Krosigk) and their planner. I think those, there is three or four kind of basic system use allocation issues there that SAWSJPB customers the SAWS board need to protect its customers on to some reasonable level so that if the City is operating everything and deciding who gets a tap, they know what is fair and the SAWS board knows what is fair and people get treated that way. And they can count on that.

Commissioner Maier: Thank you

Chair Smith: Thank you, tony, for that thorough explanation. That was great. Alright, so I think you guys have some directions on how to proceed with this. Is there any further discussion? Alright, with that I think we will go ahead and adjourn for the evening.

ADJOURNMENT

The meeting was adjourned at 5:37 p.m. by Chair Shelleen Smith.

PRESENTED BY: Dan Coughlin
Dan Coughlin, SAWSJPB Project Manager

APPROVED BY: [Signature]

ATTESTED BY: [Signature]



Sheridan Area Water Supply Joint Powers Board



Regular Meeting
Sheridan County Commissioners Meeting Room
Wednesday, August 10, 2016
5:00 P.M.
MEETING AGENDA

CALL TO ORDER

CONSENT AGENDA Motion to approve the Consent Agenda as published.

- A. Minutes of the June 8, 2016 Regular Meeting (Approval)
- B. Minutes of the July 13, 2016 Budget Hearing Meeting (Approval)
- C. Treasurer’s Reports - July 13, 2016 and August 10, 2016
 - a. Bills (Approval)
 - b. Account Status (Acceptance)
 - c. Investment Accounts (Acceptance)
 - d. Budget vs. Actual (Acceptance)
- D. DWSRF 126 Booster Station Loan Draft Request #17 (Approval)
- E. Request to return tap at 13 Brinton Rd. (Approval)

REVIEW AND APPROVAL OF AGENDA Move to approve the agenda as published (or amended).

COMMENTS FROM PUBLIC NON AGENDA ITEMS Ask if anyone from the public would like to comment on items not on the agenda.

OLD BUSINESS None

PROJECT PROGRESS REPORTS

- A. Conventional Treatment Upgrades to Big Goose and Sheridan Water Treatment
- B. Booster Station Upgrades
- C. Meter Replacement Project

NEW BUSINESS

- A. Change Order # 4 to Windcreek Services Inc. Contract and authorize use of additional funds available under DWSRF for mutually beneficial projects allowable by the State of Wyoming (Approval)
- B. Draft Resolution to amend Resolution No. 10-12-01 and authorizing the Administrator to conduct certain routine business and to make interim payment of certain routine invoices within specific limitations and subject to ratification approval at the next regular board meeting. (Review and discussion for possible adoption at September 14, 2016 meeting)
- C. Recommendation to Combining Capital Reserve Fund with the Depreciation Sinking Fund and eliminating the Repair and Maintenance Sinking Fund and Tap Fee Fund – Memorandum (Approval)
- D. SAWS Administration (Discussion)

ADJOURNMENT