

South Douglas Highway Water & Sewer District
Regular Meeting Minutes
Wednesday, January 24, 2018, 12:00 p.m.
Conference Room / K2 Technologies – 400 South Gillette Avenue, Gillette, Wyoming

Board Members Present: Dan King, Arlyn Magnuson, Dan McKillop, David Riley
Board Members Not Present: Bill Edenfield
Others Present: Helenanne Cathey, Dave Engels

Dan King called the meeting to order at 12:20 p.m.

Meeting Minutes

The minutes were reviewed. The next meeting date in the minutes was listed as January 24, 2017 and it should have been January 24, 2018. It was moved by David Riley and seconded by Arlyn Magnuson to approve the minutes for the regular meeting on November 22, 2017, as corrected. Motion carried unanimously. There was no meeting in December.

Financial Information / Treasurer's Report / Bill Payments / Quarterly Reports

The financial information was reviewed, including the Treasurer's Report and List of Bills and Claims. It was moved by Dan McKillop and seconded by David Riley to accept the Treasurer's Report and pay the bills and claims as presented. Motion carried unanimously. The Quarterly Reports for September 30, 2017, were available for review.

Unfinished Business

a. Loan Review – Dave Engels reviewed the two remaining loan balances and provided a report on the assessments and loan payment amortization schedules. Dave's analysis of the loans identified that the larger loan would be short after assessments stop to make the final 2 years of payments. If the District were to use about \$220,000 from general savings to pay an additional principal payment now or in July, the loan could be paid off a year early. Doing nothing, however, reveals a shortfall. The reason for this shortfall is due to additional expenses on the project in the beginning, the timing of the loan, and the drop in interest rates on WyoStar funds. Recommendations were discussed. Dave Engels recommends waiting until July to do any early payments – basically waiting until the City has officially taken over the sewer system and for the repair to be discussed today is paid for. It is anticipated that the City will take over the sewer system within a couple of months. After the City takes over the system, any repairs or maintenance on the sewer system will be the responsibility of the City instead of the District which will leave the District with only District management / operations costs and not sewer system operations and repairs costs. There was discussion on making sure that the use of the general savings to make early principal payments on the loans is equitable to all of the properties in the District. The industrial area (smaller loan) would be on track to be paid off in August, 2022 (about 6 years early), with an additional principal payment this year. The larger loan would be on track to be paid off in 2025. Using this amount from the general savings account would then leave about \$160,000 in funds left to manage the District from July of 2018 to August of 2025. There is some concern about whether or not this is enough. No decisions were made at this time. This will be discussed further after the City has taken over the sewer system.

New Business

a. Dave Engels provided a report and explained the damage to the main sewer line located in front of 7791 Rimrock in Antelope Valley Subdivision. The City found the damage when a homeowner requested tapping onto the sewer system. The City found roots have grown into the main there causing a break, and the repair needs to be done by the District since the District still owns the system. Dave Engels is gathering quotes for the repair. This will be discussed at the February meeting.

Adjourn

It was moved by David Riley and seconded by Dan McKillop to adjourn the meeting. The meeting adjourned at 1:10 p.m.

