

**Stone Gate Estates Improvement & Service District
Budget Hearing / Regular Meeting
MINUTES**

Monday, July 9, 2018, 7:00 p.m.

Office of Cathey Consulting, 400 South Gillette Avenue, Suite 106, Gillette

BOARD MEMBERS PRESENT: Dave Daigle, Bobby Schmitz, Charlotte Terry

OTHERS PRESENT: Helenanne Cathey, Alison Brady, Zane Brady

BUDGET HEARING

President Dave Daigle called the budget hearing to order at 7:00 p.m. The budget was reviewed and discussed. The numbers were updated to include the road project and grant that will be submitted pending approval of the budget. A couple of landowners were at the meeting and asked some questions about the budget. The District used quite a bit of reserves in the past few years for major water well repairs. Those repairs were really the last straw for the District at the current rate. The District no longer receives \$5,000 per year from the methane company so revenues have decreased. The District's expenses have increased 30%. Dust control goes up about 5% each year. Reserves decreased 25%, but that decrease was limited due to no expenditures on roads this past year. The regional fee will be \$78 per year per lot. One of the two wells is in really bad shape and may not even make it through this summer. The other well is pretty good. The regional water supply will be used if the well cannot meet the demand, so regional water is most likely going to be used mainly in the summer months. If the District uses the regional water system, the City will bill the District for usage above the \$6.50 per lot. The \$6.50 per lot per month is a base fee just for having the service. There is no water included in that amount. The Board is trying to come up with a method to pass the City's bill on to landowners based on each lot's usage. This year's road project is one of the biggest projects the District has done. The crown will be put in where the road has lost the crown. A reclaimer will be used on the road (it's basically a big rototiller for roads) – the County frequently uses a reclaimer. It should help to mitigate some of the "muddy" roads that people are complaining about. You can't just put clean rock on top or it will roll off. It has to be mixed in with the fines, thus the reclaimer. The County in the past has provided some assistance, but they don't have the personnel to do that anymore. The District now needs to pay for more services. The road that will be addressed this year is Stone Place. If this process works on Stone Place, then it will be used in the future on other roads. There are some spots on other roads that are not crowned properly that will be addressed in this project. Stone Lake has 3 or 4 spots that are "soft spots" that need to be fixed. Stone Trail has some issues as well. There are about 700' of road that will be repaired. The District will continue to do a road project each year.

Bobby Schmitz moved to end the budget hearing and start the regular meeting. Charlotte Terry seconded. Motion carried unanimously. The budget hearing adjourned at 7:34 p.m.

REGULAR MEETING

President Dave Daigle called the regular meeting to order at 7:34 p.m.

Charlotte Terry moved to approve the 2017-2018 budget as presented for \$313,450. Bobby Schmitz seconded. Motion carried unanimously. The budget is attached to these minutes. The resolution to assess and list of assessments will be submitted to the County as approved in the budget.

- I. Water System Update** – The water system information was reviewed and discussed. There is a list of people who did not provide a setup form for the Reverse Dial 911 system. The consensus of the Board is to have Charlotte Terry go ahead and set up the system for those who have responded. The main point of this emergency contact system is to get a notice out to people as quickly as possible in the event of a water emergency to prevent having to haul water. If people continue to water when a well is down, it quickly drains the tank, and then we have to haul water, which is expensive.
- II. Minutes / Treasurer's Report** – Bobby Schmitz moved to accept the minutes for the May 14, 2018, regular meeting as presented. Charlotte Terry seconded. Motion carried unanimously.
- III. Treasurer's Report** – Charlotte Terry moved to accept the Treasurer's Report as presented and pay bills and transfer \$4,300 from the money market account to the checking account. Bobby Schmitz seconded. Motion carried unanimously.

Money Market Account Balance end of last meeting:

\$131,356.24

05/31/18	Interest	\$28.20	
06/11/18	Deposit – Assessments	\$7,696.10	
06/11/18	Ck# 9012 – Transfer to Checking:	\$2,322.00	
06/30/18	Deposit – Assessments	\$1,501.08	
07/05/18	Deposit – Water	\$123.00	
07/09/18	Deposit – Water	\$95.00	
06/30/18	Interest	\$32.28	
Balance in Account Prior to Meeting:			\$138,509.90
07/09/18	Ck# 9013 – Xfer to checking	\$4,300.00	
Ending Money Market Balance:			\$134,209.90

Money Market Account – Infrastructure Fund end of last meeting:		\$134,080.60	
05/31/18	Interest	\$29.61	
06/30/18	Interest	\$31.97	
Ending Money Market – Infrastructure Fund Balance:			\$134,142.18

Money Market Account – Pump Replacement end of last meeting:		\$5,274.76	
05/31/18	Interest	\$0.67	
06/30/18	Interest	\$0.72	
Ending Money Market – Pump Replacement Account Balance:			\$5,276.15

Checking Account Balance end of last meeting:		\$7,574.35	
06/11/18	Ck# 9012 – Stone Gate – Deposit	\$2,322.00	
<u>Check #</u>	<u>Payee</u>	<u>Purpose</u>	<u>Amount</u>
AUTO PAY	Powder River Energy	3126125 4/29-5/29/18	\$674.98
AUTO PAY	Powder River Energy	8443000 4/29-5/29/18	\$118.12
2241	Cathey Consulting	Inv. 4452 – May Admin/Books/postage	\$439.50
2242	Energy Laboratories	Inv. 158420 – CCR	\$75.00
2243	Hawkins, Inc.	Inv. 4287951 – Chlorine	\$10.00
2244	Water Guy, LLC	Inv. 2018-448 – May Oper./Meters	\$938.50
		Inv. 2018-477 – March locates	\$65.00
TOTAL:			\$2,321.10

Checking Account Balance Prior to Current Meeting:		\$7,575.25	
Bills Paid at Current meeting:			
<u>Check #</u>	<u>Payee</u>	<u>Purpose</u>	<u>Amount</u>
AUTO PAY	Powder River Energy	3126125 5/29-6/29/18	NO BILL YET
AUTO PAY	Powder River Energy	8443000 5/29-6/29/18	NO BILL YET
2245	Cathey Consulting	Inv. 4497 – June Admin/Books/postage	\$432.50
		Inv. 4460 – Postcards / CCR	\$99.00
2246	Gillette News-Record	Ad 00341726 – Budget hearing ad	\$58.56
2247	HUB International	Inv. 10588657 – insurance	\$2,438.00
2248	One-Call of Wyoming	Inv. 49092 – Locates April, May, June	\$32.25
2249	Water Guy, LLC	Inv. 2018-549 – June Oper./Meters	\$938.50
		Inv. 2018-575 – June locates	\$325.00
TOTAL:			\$4,323.81
07/09/18	Ck# 9013 – Stone Gate – Deposit	\$4,300.00	
Checking Account Balance End of Meeting:			\$7,551.44

Receivables were reviewed and discussed. There are two accounts with past due amounts that are older than 90 days that will be assessed.

IV. Unfinished Business

- a. Review customer / construction issues
 - i. For minutes: Project Actions: None at this time.
- b. Road Connecting to Red Hills – The District will be applying for the one time only 50% reimbursement for Stone Place with this project.

- c. Road Work – The road project proposal and County grant application were reviewed. Bobby Schmitz moved to move forward with this year’s road upgrade project (after the grant is approved) as presented and approve the grant application as presented. The project is explained below. Charlotte Terry seconded. There was discussion. Dave Daigle expressed a thank you to Bobby Schmitz for all of his work on the road project and grant application. Motion carried unanimously.

The Stone Gate I&S 2018 road upgrade project will include 5 specific tasks: 1) Use of road grader to provide a minimum 3% crown to 4.85 miles of I&S roads, 2) Addition of 1200 tons of 5/8” minus clean crushed limestone to Stone Place Ave., 3) Repairs to numerous soft spots located on Stone Lake and Stone Trail with the addition of approximately 200 tons of similar material 4) Utilization of a road reclaimer for 1.04 miles of Stone Place Ave. to allow recovery of existing road base material as well as blending of the new material being applied this year and 5) An application of magnesium chloride dust control product to the entire 4.85 miles of Stone Gate I&S road system

The process of utilizing a reclaimer for gravel roads is an accepted practice used by the Campbell County Road and Bridge department. Kevin Geis with the Campbell County Road and Bridge department was consulted and supports the scope of this year’s road upgrades. Only one contractor in the Gillette area was identified that has a road reclaimer available. Therefore only one estimate was obtained for the combined road base reclaimer, water and roller activities.

The work should be completed after the Commissioners approve the Campbell County District Support Grant application, anticipating mid-August to mid-September.

Total 2018 estimated project cost \$72,950.
Campbell County Support Grant amount \$31,672.

- d. Budget – The budget was approved earlier in the meeting.

V. New Business

- a. A landowner had requested that they be added to the agenda to amend the District’s covenants to not allow any firearms. There was discussion on the covenants. There are 5 phases in Stone Gate with 5 sets of covenants (one for each phase). Each set of covenants is the same. It takes 75% of the landowners agreeing to an amendment. The landowner that made this request was not at the meeting to discuss the issue. Bobby Schmitz moved to table this homeowner request to amend covenants to not allow firearms. Charlotte Terry seconded. Motion carried unanimously.

A suggestion was made to amend the covenants to require 75% of landowners to authorize any rate increase. A comment was made that this would require all phases because you can’t do just one phase.

- b. A homeowner raised a concern regarding the issue with Crook County residents and the regional water system and agricultural use. Bobby Schmitz researched the issue. The Crook County issue is different than Stone Gate’s. There are no concerns with Stone Gate using regional water for watering horses or dogs or cattle, etc. The issues in Crook County are commercial agriculture, and their situation is completely different.
- c. A homeowner called a Board member to complain that a business is being run out of a District residence. A reminder to landowners that the covenants for each phase state the following:

Article III – Use of Residential Lots

Section 4 – Commercial Use

No part of the residential lots shall be used or caused to be used for any business, commercial, manufacturing, mercantile, storing, vending or such other non-residential purposes including, but not limited to, stores, shops, repair shops, storage or repair garage, restaurant, dance hall, pipe yard, oil field business, construction yard, livestock or agricultural enterprise, or other public place of amusement.

The consensus is to send a letter to the landowner that is thought to be running a business from their home. Charlotte Terry and Helenanne Cathey will work on a letter to send this month.

- d. Official Depository – Charlotte Terry moved to designate First National Bank as the official depository for Stone Gate Estates ISD for 7/1/18-6/30/19. Bobby Schmitz seconded. Motion carried unanimously.
- e. Public Records Notice – Dave Daigle completed the form to submit to the County indicating that the District’s records are stored at the office of Cathey Consulting.

VI. **Date for next regular meeting** – Monday, September 10, 2018, 7:00 p.m. (Regular Meeting)

VII. **Meeting adjourn** – Charlotte Terry moved to adjourn the meeting. Bobby Schmitz seconded. The meeting adjourned at 7:55 p.m.

***MEETINGS ARE NORMALLY HELD ON THE 2ND MONDAY OF EVERY OTHER MONTH
UPCOMING MEETINGS:***

BUDGET HEARING / REGULAR MEETING: MONDAY, SEPTEMBER 10, 2018, 7:00 P.M.

***Location: Office of Cathey Consulting, 400 South Gillette Avenue, Suite 106 (K² Technologies Building, Suite 106) –
Entrance is on 4th Street***

NOTES: The board reminds homeowners of the following:

- a. Water meter repair costs are to be split equally between the District and the homeowner.
- b. Only authorized people are to be opening water meter pits. Any damages that occur because of an unauthorized person entering the meter pit will be 100% the homeowner’s responsibility.
- c. Keep the area mowed and/or free of debris around meter pits and readouts. If necessary, the District will hire someone to mow and/or clean it up and the homeowner will be billed.
- d. If you see the red light flashing on the water tank, please call Water Guy at 307-299-9911.
- e. **Check out Water Guy’s Facebook page for information regarding water system issues. They will post information there when they are working on projects and when they are having issues with water systems. Go to www.wateryuywyoming.com for a link and for other information.**

Respectfully submitted,

Helennane Cathey, Assistant to the Board of Directors, Stone Gate Estates Improvement & Service District

Dave Daigle, President (687-1785)

Charlotte Terry, Treasurer (406-586-6456)

Robert (Bobby) Schmitz, Secretary (686-0991)

Budget - Stone Gate Estates I & S District - 7/1/18 - 6/30/19				
Budget Hearing July 9, 2018, 7:00 p.m. at office of Cathey Consulting / PO Box 992, Gillette, WY 82717				
	Actual	Budget	Actual - EST	Budget
	7/1/16 - 6/30/17	7/1/17 - 6/30/18	7/1/17 - 6/30/18	7/1/18 - 6/30/19
Revenue				
Assessments	63,360	63,360	63,360	84,348
Assessments - Interest	128	50	133	50
Other Property Assessments		1,248	1,248	1,560
Water Overages from prior FY - Assessed				37
Water Overages from prior FY - Credited				-37
Grant - County - Roads	11,460	3,000	0	31,672
Grant - Count- Dist. Meter (33%)	2,891		0	
Interest	317	200	539	200
Methane Company Surface Use Payment		5,000		
Other Fees (Late, Coll., Tap, etc.)	1,195	2,000	1,003	
Water Overages	8,494	10,000	24,304	24,304
From Reserves				20,000
Receivables End of Prior Yr				4,656
TOTAL REVENUE	87,845	84,858	90,587	166,790
CASH CARRYOVER	162,407	107,682	107,682	146,660
TOTAL REVENUE PLUS CASH CARRYOVER	250,252	192,540	198,269	313,450
Expenditures				
Administrative				
Contract Admin./Bookkeeping	5,850	6,000	6,175	6,000
Contract Legal	167	300	0	300
Office / Postage / Advertising / Other	421	250	760	800
Travel	69	75	0	75
TOTAL ADMINISTRATIVE	6,507	6,625	6,935	7,175
Indirect				
Insurance - Liab., Bonding	105	105	105	105
Insurance - Property	3,008	3,250	2,438	3,250
TOTAL INDIRECT COSTS	3,113	3,355	2,543	3,355
Operations				
Misc (Cash Carryover less reserves)		107,682		146,660
Regional Water				5,148
Water Operator / Meter Reading	12,175	17,350	11,250	12,000
Water Purchases				
Water System Chemicals (Chlorine)	1,400	1,500	1,444	1,500
Water System Electricity	10,882	13,500	13,196	13,500
Water System Repairs & Maintenance	52,098	3,650	1,207	3,650
Water System Maintenance/Upgrades	8,760	7,240		9,799
Water System Testing	2,015	1,600	1,881	1,200
Water Tank Cleaning & Inspection	1,500	1,500	0	1,061
Water System - Other Items	2,475	2,000	638	5,031
Roads	45,846	12,000	0	72,950
Payables End of Prior Yr				6,117
TOTAL OPERATIONS COSTS	137,151	168,022	29,616	278,616
TOTAL EXPENDITURES	146,771	178,002	39,094	289,146
Capital Improvements / Reserves				
Deposits into Reserves	23,070	14,538	8,494	24,304
Payments from Reserves	20,000		0	20,000
TOTAL DEPOSITS TO RESERVES	3,070	14,538	8,494	4,304
TOTAL EXP. PLUS NET RESERVES	149,841	192,540	47,588	313,450
Receivables Start of FY	3,652		947	
Payables Balance Start of FY	1,363		14,648	
	7/1/2016	7/1/2017	7/1/2017	7/1/2018
BEGINNING OF FISCAL YEAR BALANCES				
GENERAL FUNDS	162,407	107,682	107,682	146,660
RESERVES BALANCES	127,355	130,618	130,618	139,418
RESTRICTED FUND BALANCES				
TOTAL FUNDS BEGINNING OF YEAR	289,762	238,300	238,300	286,078
Receivables Balance End of FY	9,473		4,656	
Payables Balance End of FY (ESTIMATED)	14,648		6,117	
End of Year Bank Balance	238,300		277,553	
	6/30/2016	6/30/2017	6/30/2017	6/30/2018
END OF YEAR PROJECTED AMOUNT				
GENERAL FUNDS				
RESERVES BALANCES	130,425	145,156	139,112	143,722
TOTAL FUNDS END OF YEAR	130,425	145,156	139,112	143,722

Net per yr (Revenue minus Expenses - to Reser) -58,926 14,538 51,493 0
Net (including cash carryover) 100,411 0 150,681 0

Budget Message: The District manages the roads and water and covenants. Rates will increase this year at a rate of 1.7% over the last 14 years (rates haven't increased since 2005) to \$1,200 plus the regional monthly fee of \$6.50 per month (\$78 per year) making the annual assessment \$1,278 per year per lot. Homeowners have indicated they want more money spent on roads so the road budget increased to \$50,000. The District transfers the amount billed for meter readings to reserves. The methane company has not been paying the surface use agreement amount, so that amount will be removed from the budget. \$20,000 is budgeted from reserves if needed for well repairs or hauling water this year.

Board Member Signature _____

Board Member Signature _____

Directors: Dave Daigle (Pres.) and Bobby Schmitz (Secretary) terms end March, 2022 / Charlotte Terry (Treasurer) term ends March, 2020.
Meetings are held on the second Monday of every other odd month at 400 S Gillette Ave., Suite 106, Gillette, at 7:00 p.m.
Records are stored at 400 S Gillette Ae, Suite 106, Gillette.