

Stone Gate Estates Improvement & Service District
Regular Meeting
MINUTES
Monday, May 8, 2023, 9:00 a.m.
Office of Cathey Consulting, 400 South Gillette Avenue, Suite 106, Gillette
Revised 5/8/23

BOARD MEMBERS PRESENT: Travis Given, Jodi Schilling, Bobby Schmitz
 OTHERS PRESENT: Helenanne Cathey, Tim Volk, Duaine Faucett

Bobby Schmitz called the meeting to order at 9:03 a.m.

I. Water System Update – The water system information was reviewed. There was discussion on the monthly water loss. It has been higher since last fall. Duaine Faucett reported on the water tanks – the interiors of the tanks need to be recoated. Duaine Faucett has talked to a couple of contractors for quotes, and they want to know if the District is going to do one or both tanks. Water Guy has a temporary tank and a temporary pump house that can be tied in where the distribution meter is and shut the valves off to the District’s tank while the work is being done. He estimates about \$3,000 for temporary hook up for power. The City can increase flow while the project is being done. The project would likely be done in September or October. The cost estimate is \$65,000 to \$75,000 per tank (\$31,570 per tank for interior and \$29,342 per tank for exterior). There was discussion on only doing the interior. The external can be done without taking the tank out of service. Temporary services would be needed for a month for the work to be done. Duaine Faucett will ask the company to provide an updated quote with doing just the interior and also updating external work to do external pressure wash and repainted rather than sandblasted and repainted. The Board would like to see a quote for one tank a year versus both at once. The Board would also like to see a quote for the tank rental and temporary setup if both tanks are done at once.

There was discussion on the well that has been shut off and what it would cost to refurbish the well. Duaine Faucett didn’t recommend trying to refurbish it because of the cost and risk of the work not solving the problems. He advised that the District would probably want to drill a new well rather than try to refurbish the old one, and he advised that Heritage Village drilled a new well for about \$270,000 a few years ago (before inflation). There was discussion on whether or not it made economic sense to drill a well or not.

Duaine Faucett reported on the lead and copper rule. Water Guy sent a letter out in Antelope Valley asking people to send in pictures of their water connection, and about 7% of residents responded. Stone Gate was built in the 90’s, so it may be a simple procedure for Stone Gate as lead was outlawed for use in water pipes in the late 80’s (88 or 89). There was discussion on the water mains and service lines and what material they were made from. There was discussion on the lead and copper testing that involves filling about 5 bottles one after another from inside the house – like the kitchen sink – first thing in the morning. Water Guy had a difficult time getting enough people to participate and then accurately collecting samples in Stone Gate last year.

II. Tim Volk, 5300 Stone Place, is putting up a greenhouse and loafing barn/equipment shed (3-sided shed). Homeowners in their phase signed the petition as required. Travis Given moved to acknowledge and approve receipt of the completed requirements for the construction project and send a letter to the County. Jodi Schilling seconded. Motion carried unanimously.

III. Minutes / Treasurer’s Report – Travis Given moved to approve the March 27, 2023, regular meeting minutes as presented. Jodi Schilling seconded. Motion carried unanimously.

IV. Treasurer’s Report – The financial information was reviewed. Travis Given moved to accept the Treasurer’s Report, pay bills, and transfer \$10,000.00 from the money market to checking account. Jodi Schilling seconded. Motion carried unanimously.

WyoStar I Account – Balance End of Last Meeting:	\$48,202.78
04/30/23 Interest	\$149.92
Ending WyoStar Account Balance:	\$48,352.70

WyoStar II Account – Balance End of Last Meeting:	\$250,658.56
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03/31/23	Interest	\$332.50	
04/30/23	Interest	No statement yet.	
Ending WyoStar II Account Balance:			\$250,991.06
Money Market Account Balance end of last meeting:			\$113,517.66
03/31/23	Interest	\$105.16	
04/14/23	Deposit – Water	\$11.80	
04/30/23	Interest	\$98.10	
Balance in Account Prior to Meeting:			\$113,732.72
Ck# 9057 Transfer to Checking:		\$10,000.00	
Balance in Account End of Meeting:			\$103,732.72*

***Balance does not reflect any water overage payments since the end of the prior month
Except for Xpress bill pay deposit (if applicable)**

Checking Account Balance end of last meeting:			\$8,997.70
03/30/23	Main Street Checks		\$274.40
04/11/23 Bills:			
<u>Check #</u>	<u>Payee</u>	<u>Purpose</u>	<u>Amount</u>
AUTO PAY	Powder River Energy	Acct 3126125 3/1-4/1/23	\$319.88
AUTO PAY	Powder River Energy	Acct 8443000 3/1-4/1/23	\$159.82
2536	Cathey Consulting	Inv. 7010 – Mar. Admin/Books/post.	\$600.00
2537	City of Gillette	Bill 1628695 – 3/2-4/3/23 Regional water/0 gal.	\$487.50
2538	C N A Surety	Bond / Board 5/12/23 – 5/12/24	\$105.00
2539	Energy Laboratories	Inv. 525397 – Water Testing	\$52.00
2540	Hawkins, Inc.	Inv. 6422991 – Chlorine	\$20.00
2541	One-Call of Wyo.	Inv. 66955 – Jan.-Mar., 2023 Locates & Annual Fee	\$28.00
2542	Water Guy	Inv. 2023-268 – Mar. Oper./Meters/Billing \$1,679.60 & shut off/turn on	\$2,535.45
		Inv. 2023-200 – Chlorine pump installed	\$855.85
TOTAL:			\$4,307.65
Checking Account Balance Prior to Meeting:			\$4,415.65
Bills Paid at This Meeting:			
<u>Check #</u>	<u>Payee</u>	<u>Purpose</u>	<u>Amount</u>
AUTO PAY	Powder River Energy	Acct 3126125 4/1/23-5/1/23	\$364.57
AUTO PAY	Powder River Energy	Acct 8443000 4/1/23-5/1/23	\$133.63
2543	Cathey Consulting	Inv. 7055 – April. Admin/Books/post.	\$600.00
2544	Hawkins, Inc.	Inv. 6447577 – Chlorine	\$20.00
2545	Water Guy	Inv. 2023-367 – Apr. Oper../Meters	\$1,679.60
2546	City of Gillette	Bill 1645888 – Regional water 4/3-5/2/23/23,000 gal.	\$558.57
TOTAL:			\$3,356.37
Transfer from Money Market:		\$10,000.00	
Checking Account Balance End of Meeting:			\$11,059.28

Monthly billing and receivables information were available for review for the month before last, but the billing from last month hasn't been received yet.

V. Unfinished Business

- a. Review customer / construction issues - This was discussed earlier in the meeting. Project for Volk's at 5300 Stone Place was reviewed and approved.
- b. Water Tank Coating – This was discussed earlier in the meeting.
- c. Lead and copper rule / service lines inventory – This was discussed earlier in the meeting.
- d. Road work – This year's road project – A grant application was submitted to the County and should be on the Commissioners' 5/16/23 meeting agenda. Project is 1,262 tons of crushed limestone (grade W) to .77 mile of Stone Gate Avenue and 95 tons of crushed limestone (grade W) for several soft spots located throughout the subdivision as well as blading and mag chloride on all of the roads in the District. Cost estimates total \$65,085 with a grant application request of \$16,271.25. Melgaard will do the blading, rock,

and spreading rock. Dustbusters will do the dust control. Travis Given moved to approve the road work as discussed and proceed with the project after the County has approved the grant application. Jodi Schilling seconded. Motion carried unanimously.

- e. Budget for 7/1/23 – 6/30/24 – The budget was reviewed and updated. The consensus of the Board is that the water billing rate needs to increase due to losses incurred under the new rate system that went into effect on 7/1/22 and the City Water increase. The City usage rate was \$3.09 per 1,000 gallons and just increased to \$3.40 on 5/1/23. The City is also increasing their rates by 10% next year and 5% the following year. The base gallons was discussed. The winter water usage rarely goes above 10,000 gallons per month per household for anyone. Summer watering is what drives the usage above 10,000 gallons. With the current cost as well as increasing costs, including increasing regional water costs, the District needs to increase rates to cover those costs. If something were to happen to the current water well, the cost estimate for a new well is \$300,000, and the District doesn't have that money. If the District has water leaks on the mains, as is suspected, that water is not being paid for and the cost to replace water mains at some point in the future will be significant.

PER MONTH BILLING FOR WATER USAGE:

	<u>Current</u>	<u>Proposed</u>
Base gallons –	20,000 gal.	10,000 gal.
Over 20,000 up to 50,000	\$3.09 per 1,000 gal.	--
Over 10,000 up to 50,000	--	\$4.00 per 1,000 gal.
Over 50,000 up to 100,000	\$5.00 per 1,000 gal.	\$6.00 per 1,000 gal.
Over 100,000	\$10.00 per 1,000 gal.	\$10.00 per 1,000 gal.

There was discussion on what happens if someone has a leak. The Board wondered if Water Guy has something in their system that would let people know if they had a leak or flag those high usages somehow.

Travis Given moved to approve the proposed budget with the rate changes as discussed starting with the July billing. Jodi Schilling seconded. Motion carried unanimously. The budget is attached to these minutes. The following legal ad will run in the Gillette News-Record on June 27, 2023:

**LEGAL NOTICE OF PUBLIC BUDGET HEARING
STONE GATE ESTATES IMPROVEMENT & SERVICE DISTRICT**

Stone Gate Estates Improvement and Service District will hold a public hearing to review the 7/1/23 – 6/30/24 budget followed by the regular District meeting to adopt the budget and conduct regular business at the office of Cathey Consulting at 400 South Gillette Avenue, Suite 106, Gillette, Wyoming, (City Hall Mall / K2 Technologies Building – entrance is on 4th Street across from Arrow Printing) on July 10, 2023, at 9:00 a.m. The budget is summarized below:

Administrative \$9,660 / Indirect \$3,355 / Operations & Tank Repair 337,177 / To Reserves: \$23,840
Revenue + From Reserves \$285,545 / Rollover \$88,487 / Reserves End of Year \$221,840

The annual assessment will stay at \$1,440 per lot. The monthly water billing rates will change as follows effective with the July billing:

PER MONTH BILLING FOR WATER USAGE:

	<u>Current</u>	<u>Proposed</u>
Base gallons –	20,000 gal.	10,000 gal.
Over 20,000 up to 50,000	\$3.09 per 1,000 gal.	--
Over 10,000 up to 50,000	--	\$4.00 per 1,000 gal.
Over 50,000 up to 100,000	\$5.00 per 1,000 gal.	\$6.00 per 1,000 gal.
Over 100,000	\$10.00 per 1,000 gal.	\$10.00 per 1,000 gal.

The complete proposed budget is available online at www.catheyconsulting.net – Stone Gate meeting minutes for 05/08/23. To contact the District or to request special accommodations for the hearing, call Cathey Consulting at 307-685-8235.

The consensus is to join the Wyoming Association of Special Districts. This will be included in the list of bills at the July meeting.

The current water loss rate is running about 10% between what leaves the tanks and what is used by the homeowners. The water mains are run in the ditches next to the roads. Please watch for any “Wet” areas along the roads that would identify a potential leak in the water main system and notify the board so that we can get the problem fixed.

VI. New Business

- a. Annual election of officers – Jodi Schilling moved to keep the same slate of officers for the year (Bobby Schmitz, President / Travis Given, Treasurer / Jodi Schilling, Secretary). Travis Given seconded. Motion carried unanimously.

VII. Upcoming Meetings – Monday, July 10, 2023, 9:00 a.m. (Budget Hearing and Regular Meeting)

2023 Meetings:

Mon., July 10, 2023, 9:00 a.m. / Mon., Sept. 11, 2023, 9:00 a.m. / Mon., Nov. 13, 2023, 9:00 a.m.

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

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

(K² Technologies Building, Suite 106) – Entrance is on 4th Street

VIII. Meeting adjourn – Bobby Schmitz adjourned the meeting at 10:55 a.m.

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. 3/27/23 – Any Board member authorized to call a contractor out to plow snow if needed.
- f. 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,
Helenanne Cathey, Assistant to the Board of Directors

Robert (Bobby) Schmitz, President (680-4920)

Travis Given, Treasurer

Jodi Schilling, Secretary

Budget - Stone Gate Estates I & S District - 7/1/2023 - 6/30/2024				
Budget Hearing: Monday, July 10, 2023, 9:00 a.m. at office of Cathey Consulting / PO Box 992, Gillette, WY 82717				
	Actual - F32	Budget	Actual - EST	Budget
	7/1/21 - 6/30/22	7/1/22 - 6/30/23	7/1/22 - 6/30/23	7/1/23 - 6/30/24
Revenue				
Assessments	84,348	95,040	95,040	95,040
Assessments - Interest	183		10	
Water Overages from prior FY - Assessed	180		180	
Water Overages from prior FY - Credited	-180		-180	
Other Property Fees (Outside District)	1,560	1,755	1,755	1,755
Grant - County - Roads	4,447	16,250	16,271	16,250
Grant - County - Water System				20,000
Interest	2,827	4,000	3,109	4,000
Other Fees (Late, Coll., Tap, etc.)	196	500	2,912	500
Water Overages	27,655	33,068	23,840	48,000
Water Usage - City / Regional Water Billed	9,346		0	
From Reserves		20,000		100,000
Receivables End of Prior Yr				0
TOTAL REVENUE	130,562	170,613	142,937	285,545
CASH CARRYOVER	127,029	77,432	129,482	88,487
TOTAL BUDGET AMOUNT (ADD IN RESERVES)	257,591	248,045	272,419	374,032
Expenditures				
Administrative				
Contract Admin./Bookkeeping	7,700	7,700	7,700	8,060
Contract Legal	0	300	0	300
Office / Postage / Advertising / Other	1,335	800	1,200	1,300
Travel	0	75	0	0
TOTAL ADMINISTRATIVE	9,035	8,875	8,900	9,660
Indirect				
Insurance - Liab., Bonding	105	105	105	105
Insurance - Property	2,595	3,250	2,600	3,250
TOTAL INDIRECT COSTS	2,700	3,355	2,705	3,355
Operations				
Misc (Cash Carryover less reserves)		77,432		88,487
Regional Water Base	5,265	5,850	5,850	5,850
Regional Water Usage	9,831	9,270	11,250	10,200
Water Operator / Meter Reading / Billing	13,071	20,155	20,155	20,155
Water System Chemicals (Chlorine)	1,582	1,500	2,000	2,000
Water System Electricity	10,226	13,500	13,910	14,000
Water System Repairs & Maintenance	2,924	3,650	2,389	28,104
Water System Maintenance/Upgrades		11,077		100,000
Water System Testing	1,294	1,200	1,000	1,200
Water Tank Cleaning & Inspection	0	1,061	0	1,061
Water System - Other Items	132	1,120	615	1,120
Roads - blading, rock, dust control	17,787	65,000	68,125	65,000
Roads - fencing, signs				0
Payables End of Prior Yr				0
TOTAL OPERATIONS COSTS	62,112	210,815	125,294	337,177
TOTAL EXPENDITURES	73,847	223,045	136,899	350,192
Capital Improvements / Reserves				
Deposits into Reserves	23,102	25,000	27,655	23,840
Expenses paid from Reserves	0	20,000	0	100,000
TOTAL DEPOSITS TO RESERVES	23,102	5,000	27,655	-76,160
TOTAL EXP. PLUS NET RESERVES	96,949	248,045	164,554	374,032
Receivables Start of FY	24,699		5,412	
Payables Balance Start of FY	69,912		22,164	
	6/30/2021	6/30/2022 (EST)	6/30/2022	6/30/2023 (EST)
BEGINNING OF FISCAL YEAR BALANCES				
GENERAL FUNDS	127,029	77,432	129,482	88,487
RESERVES BALANCES	241,918	267,000	267,719	298,000
RESTRICTED FUND BALANCES				
TOTAL FUNDS BEGINNING OF YEAR	368,947	344,432	397,201	386,487
Receivables Balance End of FY	5,412			
Payables Balance End of FY (ESTIMATED)	22,164			
End of Year Bank Balance	397,201		386,487	
		6/30/2023		6/30/2024
END OF YEAR PROJECTED AMOUNT				
GENERAL FUNDS				
RESERVES BALANCES		272,000		221,840
TOTAL FUNDS END OF YEAR		272,000		221,840

Net per yr (Revenue minus Expenses - to Reser)	33,613	0	-21,617	0
Net (including cash carryover)	160,642	0	107,865	0

Budget Message: The District manages the roads and water and covenants. The amount billed for meter readings each fiscal year is transferred to reserves in July or September for capital improvements and major repairs. \$100,000 is budgeted from reserves this year for relining the water tank interiors and for a pump replacement or other emergency. The water usage rates will change to the following effective with the July billing.

	Current	Proposed
20,000 up to 50,000 gallons per month	\$3.09 per 1,000 gal.	--
10,000 up to 50,000 gallons per month	---	\$4.00 per 1,000 gal.
50,000 up to 100,000 gallons per month	\$5.00 per 1,000 gal.	\$6.00 per 1,000 gal.
Over 100,000 gallons per month	\$10.00 per 1,000 gal.	\$10.00 per 1,000 gal.

Board Member Signature _____

Board Member Signature _____

Directors: Bobby Schmitz (Pres.) and Travis Given (Treasurer) terms end Mar., 2026 / Jodi Schilling (Secretary) term ends 2024
 Meetings are held on the second Monday of every other odd month at 400 S Gillette Ave., Suite 106, Gillette, at 9:00 a.m.
 Records are stored at 400 S Gillette Ae, Suite 106, Gillette.