

RESOLUTION NO. _____

A RESOLUTION TO ESTABLISH A SEPARATE MADISON WATER ACCOUNT WITHIN
THE WATER FUND FOR PURPOSES OF RESERVING FUNDS FOR DEPRECIATION,
REPAIR, AND MAINTENANCE

WHEREAS, on or about January 4, 2011 the Gillette Regional Water Supply System Joint Powers Agreement was approved by all parties, including the Attorney General of the State of Wyoming; and

WHEREAS, on May 3, 2011 a Special Election was held, wherein an additional one percent (1%) specific purpose excise tax was approved by the voters of Campbell County, Wyoming for purposes including the establishment of the Gillette Regional Water Supply Project; and

WHEREAS, the State of Wyoming has also provided both loans and grants to the City of Gillette for purposes of establishing the Gillette Regional Water Supply Project; and

WHEREAS, under the terms of the Special Election Ballot, any excess funds obtained through the May 3, 2011 Special Election are to be used for operation, maintenance and connection to the Gillette Regional Water Supply Project; and

WHEREAS, through the competitive bidding process on the project, certain savings have been had in the construction process resulting in funds being available for future repair and maintenance of the Gillette Regional Water Supply System; and

WHEREAS, under the terms of the Gillette Regional Water Supply System Joint Powers Agreement (Exhibit D, Section 1.3 Reserve Funds), the City's water utility shall strive to maintain adequate fund balances (reserves) in order to provide sufficient cash flows to meet operating and capital expenses for normal and ordinary operations as well as to address economic downturns and system emergencies; and

WHEREAS, under the terms of the Gillette Regional Water Supply System Joint Powers Agreement, the water rate setting methodology relies on a cash-basis method with a focus on the ability to adequately fund operations, but also renewal and replacement costs of the existing water facility assets; and

WHEREAS, prudent fiscal policy, and generally approved accounting methods require a separate account be established for purposes of accounting for reserve funds to be set aside for depreciation, repair and maintenance.

NOW, THEREFORE, BE IT RESOLVED by the City of Gillette, a separate account shall be established within the water fund for purposes of reserving funds for depreciation, repair and maintenance of the Gillette Regional Water Supply System; and

BE IT FURTHER RESOLED that any excess funds obtained through the May 3, 2011 Special Election are to be set over into this reserve account for purposes of depreciation, repair and maintenance of the Gillette Regional Water Supply System; and

BE IT FURTHER RESOLVED that any funds arising from savings on construction projects within the Gillette Regional Water Supply System are to be set over into this reserve account for purposes of depreciation, repair and maintenance of the Gillette Regional Water Supply System.

PASSED, APPROVED AND ADOPTED this 7th day of March, 2017.

Louise Carter-King, Mayor

(S E A L)
ATTEST:

Karlene Abelseth, City Clerk