

Resolution No. 2258

WHEREAS, the City of Gillette received a \$4.6 million grant from the Environmental Protection Agency Region 8 in 1987 for construction of various wastewater treatment works components; and

WHEREAS, as a condition of receiving said construction grant, the City of Gillette was required to establish a user charge system that would adequately produce sufficient revenue to pay for operation, maintenance and replacement for the useful life of these assets; and


WHEREAS, the City of Gillette has funded a Restricted Reserve account since 1987 as a means of meeting the replacement portion of this requirement, with the balance of this Restricted Reserve account reaching \$1,145,672.53 plus accrued interest as of May 31, 2009; and

WHEREAS, the City of Gillette has been informed by the Environmental Protection Agency (EPA) that since the treatment works assets constructed with EPA funding are still in use, a reserve is still required, but that the City can determine what is an appropriate balance in this reserve account relative to other reserves and the current condition of the treatment works assets funded from the 1987 EPA grant; and

WHEREAS, upon the adoption of this Resolution, the City of Gillette projects having \$3.380 million in other Designated/Restricted Reserve investments for the Wastewater Treatment Plant and Sewer Fund, \$750,000 in operating and capital reserves, and \$4.150 million in Unrestricted Reserves as of June 30, 2010;

NOW, THEREFORE, BE IT RESOLVED by the City of Gillette, to reduce the Restricted Reserves relating to the wastewater treatment works constructed with the 1987 EPA grant to \$250,000.


Passed, Approved and Adopted this 15th day of June, 2009.



Mayor Duane Evenson

(S E A L)

ATTEST:



Karlene Abelseth, City Clerk