Deer Mountain Sanitary District Meeting
201 W. Main Street Suite 301 & via Zoom
November 25, 2024

President Oz Enderby called the meeting to order at 5:00 p.m. Trustees Enderby, Dan O'Connor, & Marty Fabens were present at the district office along with AE2S Joe Noble & water operator Steve Ryan. Trustee Joe Kosel, attorney Talbot Wieczorek, & Shari Kosel appeared via Zoom. John Bailey was absent.

Approval of Business Agenda. Motion by O'Connor, second by Fabens to approve the agenda. All approved.

Motion by Fabens, second by O'Connor to approve the November 8 meeting minutes. All approved.

Approve Treasures Report. Enderby updated with a balance of $1,313,812.56. Motion by O'Connor, second by Fabens to approve the Treasurers Report. All approved.

Adjourn to Executive Session/Contract/Legal. Motion by O'Connor, second by Fabens to adjourn to Executive Session. All approved at 4:05PM. Motion by Fabens, second by Bailey to go out of Exeucutive Session. All approved at 4:29PM.

Discussion Mainline RFI 35 and RFI36./Change Order Directive/AE2S. The meeting revolved around the discussion of the Mainline project, specifically the issues related to the RFI 35 & 36, and the substantial completion date. The team discussed the lack of justification for a 9-month extension and the financial impact on the district due to the delay in meter and meter pit installations. The team also discussed the potential loss of revenue due to the delay and the need for equitable billing once the meters are installed. The team agreed to a work stoppage until weather conditions were appropriate for the continuation of meter and meter pit installations. The conversation ended with a discussion on the final completion date and the contractual obligations.

Substantial Completion/Final Completion/Contract Defined. Noble provided a final email to the trustees that we do not authorize additional time and monies to Mainline that they requested. The substantial completion date was extended from November 22 to December 6. Contractually we declined to extend final completion to September 2025. Final completion date was to be February 28, but agreed to August 1, 2025, but only if all punchline item work is completed. At this point, the district has agreed to a work stoppage. Weather permitting, they will continue the meter & meter pit installation of the remaining 55 households. Enderby noted that the district has been impacted by the meter & meter pit installations that remain and has created a revenue loss for the district. Enderby read into the record an email to the trustees from AE2S Noble dated November 25. The last paragraph "*Please note that, as discussed at Monday's coordination meeting, DMSD is not seeking compensation for loss revenue ($8K - $10K per month) from the meter pits not being installed nor increased engineering fees due to the final punchlist items time extension, both being within its contractual rights. However, DMSD reserves the right to pursue these if the punchlist items are not completed by August 1, 2025. The District considers these items mentioned above as final and not looking to negotiate any further on them. We look forward to completing substantial completion and seeing the final punchlist items completed as soon as weather will permit in 2025.*"

Update on System Startup/Training/AE2S/Mainline/Steve. Enderby updated that they have done the startup process and have run the new system, filled the water storage to capacity and it's currently going through it's water tightness test. Water operators Ryan and Millard have started training for the new pump with Dakota

Pump. Noble added that there are two tanks to handle periods of low intake flow. The existing system will remain operational as a backup until the new system is up and running.

Status BHE Installation for Power to Water Tank/Keating Payment. Power should be completed prior to Thanksgiving. Keating Resources will reimburse for half the expense.

2025 Operating Budget/Raw Water Rate from L-D Sanitary Effective 1/2025. LD Sanitary has sent notice that our water rate will increase 12% January 2025. Enderby presented a proposed budget for 2025, with numbers in red yet to be confirmed. O'Connor motioned to accept this provisional budget, with final approval set for the December 13 meeting. Fabens second, All approved.

Aberle/Morris Legal Update/Adjourn to Executive Session if needed. Kosel noted the proposed letter and options available. He asked why we are allowing annexation to be an option at this point. Kosel feels that should be removed from the letter at this point. Enderby added that we will terminate service by July 2025 if we can't reach an agreement. Our responsibility is to provide water to all customers within DMSD, of which Sugarloaf is not within those boundaries. Enderby will revise the letter and send to the attorney and trustees for review.

Discussion only items:
Items from the public. A resident inquired about how many meter pits are yet to be installed and completion date of roads, yards, etc. Noble added most will be done early spring. 55 meters and meter pits have yet to be installed. Seeding and landscape will come in early spring so it has time to germinate. A substantial walkthrough will be done on December 4 for list of items yet to be completed.

Items from the trustees. Enderby provided an update about Keating Resources.

Motion by Kosel to adjourn, second by O'Connor. All approved at 5:49 p.m.

Next Regular Meeting December 13
ADJOURN

Approved 12.13.24

Shari Kosel
Secretary/Clerk/Notary