

Deer Mountain Sanitary District Meeting

201 W. Main Street Suite 301 & via Zoom

February 3, 2023

President Oz Enderby called the meeting to order at 5:00 p.m. Trustees Enderby, Dan O'Connor, Joe Kosel and water operator Steve Ryan were present at the district office. Attorney Talbot J. Wieczorek, Joe Noble with AE2S, and Secretary Shari Kosel all appeared via Zoom.

Enderby asked for a motion to approve the agenda. Motion by O'Connor to approve the agenda & format, second by Enderby. Motion approved 3-0.

Enderby asked for a motion to approve the minutes of 12.16.22. Motion by Kosel to approve the minutes, second by O'Connor. Motion approved 3-0.

Enderby asked for a motion to approve the Treasurer's report/account Receivables/Payable. Account balance of \$270,547.02. Motion by Kosel to approve the report, second by O'Connor. Motion approved 3-0.

Water Rates effective 3/1/2023. Enderby mentioned that the Lead-Deadwood Sanitary District has raised their rates effective March 1, 2023, along with increases in our power rates and operations. We are proposing three different rate increases, residential will be raised from \$125/month to \$135/month, commercial water rate will be raised from \$975/month to \$1125/month, and bulk user rate will increase from \$1500/month to \$2000/month. Operations have also increased as well as an increase in the special assessment given Sugarloaf is not within the district boundaries and is not assessed the mill levy each year. The trustees have been given a copy of the operations costs that reflects these increases which shows our expenses at \$15,000/month leaving \$4,000/month in reserve. The reserve is intended to cover any special issues with our system including leaks, pump and motor replacements, and other emergencies. O'Connor inquired as to how much one pump costs. Ryan replied that our last replacement cost \$15,000 for the pump and motor and \$1,000 for installation. Leaks have cost anywhere from \$8,000-\$10,000 per leak. A resident inquired what the monthly power bill is, and Enderby noted it runs around \$1,700 through BH Electric Co-op. Enderby said we're still using around 3 million gallons of water per month. Ryan commented he estimates a 50-60% loss due to the undetected leaks. This is one of the benefits of getting our meters and pits installed as soon as we can. Wieczorek noted that the district needs reserves for operations and will eventually need to put more into reserves to back the note. O'Connor motioned to increase the commercial and bulk rates, Kosel second. All approved 3-0.

Cultural Resources Study Inventory/SHPO/AE2S. Noble stated nothing has been finalized to date. Some questions have been asked and answered. AE2S revised the drawings and the specs and are ready to go to bid at a moments notice from SHPO. We will need to advertise two weeks in a row for the bid openings.

Easement documentation completion Update/BH Properties/Recording. Enderby presented the easement documents to two parties that have not yet returned their signed agreement. Noble added that pending the approval from the county on the work on Brownsville Road, we'll be revising the easement document.

Permit with Lawrence County for Waterline installation at Brownsville Road/AE2S. Enderby stated we previously submitted an application in August, and was approved in October with several added stipulations. Enderby & Noble went in front of the commission again on January 24th, withdrawing their application due to the added stipulations. Two new applications have been submitted in accordance with Ordinance 07-01, with the new highway superintendent, one for the access and one to bore under the roads, eliminating some of their concerns. They will meet with the highway superintendent at the site to walk the area in our application to

address any concerns. It will be in front of the commission on February 14. O'Connor noted we just want to be treated like others that have submitted similar applications. Noble added we are going above and beyond to make the right-of-way better than it was.

Update of System-Wide Improvements/ Final Plans/Bidding/Timeline/DMV/AE2S. No updates given.

Status of agreement with Sugarloaf Development/Water rate. Wiczorek commented that he does not have an update and has not sent a notice notifying of the rate increase. Those letters will go out since the board just approved those increases. Sugarloaf Development is behind in their monthly payment.

Milt Morris/Odenbach letter/documents. Enderby has looked through the documents provided by his attorney, and in his opinion, they mean nothing as to any ownership he might claim. The easements he provided will be abandoned with the new water system, and the agreement he provided has no validity to DMSD operations. Wiczorek commented there doesn't appear to be any documents we haven't seen before. Enderby addressed an email received from Noble about bidding materials. A bid-alternate is a 2 inch poly-water main versus pvc. Noble's preference is the pvc as it's more common and available. It was brought to his attention that the poly-water main could be an alternative that could save some money. Enderby agreed it's a good plan as an alternative so we can compare pricing. O'Connor added that timing and availability is a concern of his, too.

Public Officials Insurance renewal. Enderby submitted the renewal information to our insurance agency.

Keating Resources/DMV. Enderby said we continue to get feedback from Keating about their progress. They are moving along and plan to have everything ready by August 2023. A resident inquired about internet, Enderby informed them that Blue Peak/VAST is laying lines now, and will eventually continue within our sanitary district when we lay water lines.

SRF Future Loan payment options. Enderby has been working with the county looking at our options for loan repayment. Enderby stated his opinion is that the rate will be subject to all current & future water users/curbstops they should be assessed the costs for these loans. Working with the county, we know Keating has platted 189 properties, we are obligated to provide service for up to 200 properties. Enderby is proposing getting rid of the mill levy and replace that with an annual special assessment. It will be a single, fixed assessment. We will attempt to address this with the county auditor. Enderby added that this is the fairest way with every curbstops/current & future owner paying the same assessment each year. Wiczorek commented they he would like to see how the assessments come together and the other concern is if you get rid of your mill levy, you can't recover it. Enderby inquired about a future opt-out need, where Wiczorek commented that would need to go to an election of the people.

Discussion only items:

Items from the public. There were no comments.

Items from the trustees. Kosel again thanked everyone for their hard work. Ryan commented the new poly pipe is very nice, but you have to temporarily shut-down if there are issues.

Next Meeting (TBD)

Motion by Kosel, second by O'Connor to adjourn to executive session at 5:44 p.m. All approved 3-0.

Motion by O'Connor, second by Kosel to go out of executive session at 6:12 p.m. All approved 3-0.

Motion by O'Connor, second by Kosel to adjourn the meeting. All approved 3-0.

ADJOURN

Posted 2.7.23
Approved 3.3.23

Shari Kosel
Secretary/Clerk