Deer Mountain Sanitary District Meeting
201 W. Main Street Suite 301 & via Zoom
June 9, 2023

President Oz Enderby called the meeting to order at 5.00 p.m. Trustees Enderby, Dan O'Connor, Joe Kosel, Attorney Talbot Wieczorek, and Joe Noble (AE2S) were present at the district office. Secretary Shari Kosel, Gerard Keating and Alec Keating with KRDM and Eirik Heikes with TerraSite Design 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 4.28.23. 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 $320,769.30. Motion by Kosel to approve the report, second by O'Connor. Motion approved 3-0.

DANR Approval of Change Order. Enderby updated it was executed and the support document of the new bid.

DANR Request for Verification of Tax Assessment. The state requested a letter from the county auditor indicating what our assessment will be and how we will repay the loan. Enderby forwarded the auditor's email to the parties involved. Enderby has answered all questions asked by bond council. The state would like to close the loan by June 25th.

Authorization to sign DMSD/Mainline Contract. Enderby noted the contract was prepared by AE2S. Wieczorek said he has read the contract and it's standard and agrees to the pricing. Noble added that he waited until we had the change order approved. Noble further noted that the pre-construction meeting will happen quickly as soon as all documents are ready. Kosel inquired if we should sign the contract before the closing on June 25th? Noble replied that we have one loan that has already closed. There is language in the contact that allows for termination from either party but there are potential penalties. Wieczorek noted that these do happen pretty close together. Kosel expressed his concern of signing a contract before full monies are secured from the state. Enderby suggested we approved the signing of the contract pending the approval letter from the county auditor to satisfy the request from DANR. Wieczorek agreed this is a good way to approach it. Kosel motioned to authorize Enderby to sign the contract pending DANR approves funding. O'Connor second. All approved 3-0.

Notice of Service of Aberle complaint/June 3, 2023/UFG Notice of Defense of Aberle Complaint/DMSD Counter Claim. . Enderby noted he was served on June 3 at 9:30AM. He notified the law firm representing us. They now have thirty days to file their response to the complaint. Were were notified that our attorney will also represent us in the counter-claim of past due receivables. Kosel asked if we have all documents to prove the amount due. Enderby replied, yes, we can prove all debts owed. Kosel asked if we could establish what Mr. Morris owes the district as he's claimed 50% ownership. Enderby noted this will be addressed in court.

DANR Safe Water Drinking Award/Update on System Operation/Steve. DMSD and water operator Steve Ryan received a safe drinking award from DANR. This will be posted on the website.

AE2S Water Usage Estimated for District including the Current DMV Plan. Enderby has some questions on our water usage and is wondering if we should replace the water meter that LD Sanitary reads to determine our usage. Our current meter is very old and he is questioning the accuracy and if we should look to request a new one. Noble would like to take a look and will do a check. Noble added that we could request it be flow-tested to make sure it's accurately reading usage. Noble provided the trustees with a variation of the capacity of the future system provided an update. The future conservative capacity is 96,000 gallons/day that the future pumphouse will be able to produce. This is based on 100 gpm from the LD Sanitary District. There is potential fore reevaluation after the new system is online. Noble stated The Village plan with a club pool do not genuinely pull a high daily usage after initial fill. The final calculated sheet shows 320 single-family units, which consists of the existing 120 in the original DMSD district plus proposed 200 single family units by Keating Resources and 7 duplexes and clubhouse/pool. Their calculations show an average demand during summer/peak season as 85,400 gallons per day. O'Connor inquired if this is with pumps running at full capacity? Noble said no, they will cycle every 90 minutes which is very low stress on the pump system. Kosel noted this is based on summer, high demand time and that he wants to be clear that most will be vacation homes with more than 2.5 individuals/household. Kosel added that this doesn't include a hotel, employee housing, spa or food preparation and he refers back to our purchase agreement. Kosel then read a portion of the purchase agreement that states water for 200 homes for KRDM and nowhere in the agreement does it state we provide water for a hotel, clubhouse, duplexes & multi-family residences. The issue is we were never approached about this and read about it in the paper. Kosel further stated that there have been rumors of offers to give water to those that live on Terry Summit Road. Wieczorek noted that Noble's discussion was about what could you serve and that he agrees with Kosel on our agreement of 200 homes. At this time DMSD doesn't have an obligation. He further added that the county does look for a long-term committment to allow the development to move forward and those discussions should take place before it is submitted to the county. Gerard Keating clarified that the only thing they've contracted for is 200 single family homes. He further clarified that what was in the paper is what they hope to do someday and noted Wieczorek was correct, when and if they decide to build a hotel, they will first come to DMSD to ask for water capacity. They have not approached the county about building a hotel and they are not building duplexes, although they are in the plan. Keating added the clubhouse will be built and is about the same size or smaller than the previous ski resort building. If and when they want more capacity, they will request as much from DMSD. The clubhouse will not serve food and will only have two bathrooms. So far they have followed everything by the book. Enderby asked if these homes will also be short-term vacation rentals or long-term rentals? Keating replied that they are not focused on being a rental community, but they will not restrict people but do plan to have a minimum of 2 to 6 day rentals. Keating said KRDM is about family. Enderby said communication is key and we need to work together. Keating said he is here every day and is open to any communication, call him with any questions or concerns. Kosel appreciates the communication. O'Connor asked about skiing and tubing. Keating said yes, skiing and tubing are part of the plan, but they don't know if they will make snow as of today. Enderby noted that we have a current commercial user and that wasn't taken into account on the daily usage calculations so we need to keep that in mind moving forward. Keating did add that the plan that was in the paper was just a concept plan and they will not do any other construction until they have water from DMSD. Keating then stated that as far as other owners wanting water on Terry Peak Summit, he told the owners they will need to talk to DMSD to be added to the district. Keating apologized for the story in the paper and the future plan that was shown.

Discussion of June 27 LC Commission Meeting/DMV Updated Plan. Enderby said the most current plan from KRDM will go in front of the county commission on June 27. Planning and Zoning had requested that both parties get together to make sure everyone was on the same page. Kosel said we are having a good conversation but we have only approved the 200 single-family homes at this time.

Discussion only items:
Items from the public. Heikes commented that he is here for questions.

Items from the trustees. Kosel thanked Mr. Keating for attending the meeting and his willingness to work with the board. Enderby noted at our next meeting we will need to do a second reading of the Wastewater ordinance.

Next meeting TBD.

Adjourn to Executive Session to discuss contractual/legal issues. Motion by O'Connor, second by Kosel to go into Executive Session with Wieczorek at 6:06PM. All approved 3-0. Motion by Kosel, second by O'Connor to go out of Executive Session at 6:52PM. All approved 3-0.

Motion by O'Connor, second by Kosel to adjourn the meeting at 6:53 p.m. All approved 3-0.

ADJOURN

Posted 6.15.23
Approved 8.11.23

Shari Kosel
Secretary/Clerk