

Deer Mountain Sanitary District Meeting

DMSD office, 201 W. Main, Suite 301, Lead, SD & via Zoom
March 11, 2022

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

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

Enderby asked for a motion to approve the minutes of 1.27.22. Motion by O'Connor to approve the minutes, second by Enderby. Kosel Nay. Motion approved 2-1.

Enderby asked for a motion to approve the minutes of the 2.11.22 Executive meeting. Motion by Kosel, second by O'Connor. Motion approved 3-0.

Enderby asked for a motion to approve the Treasurers report/account Receivables/Payable. Account balance of \$193,208.11. Motion by O'Connor to approve the report, second by Kosel. Motion approved 3-0.

Status of Resolution 2021-10/Amended Resolution. Wieczorek updated that he has received a map from Mr. Deibert and he has drafted a supplemental resolution of the annexation clarifying the legal description so it can be properly recorded. Once confirmed, it can be approved at the next meeting. Kosel asked if this should be prepared by both parties since the situation is very fluid right now and any new lots have not been approved at this point. Wieczorek stated the map does not extend beyond current boundaries previously approved by the board. Enderby noted we have been keeping track of the expense of this amended resolution and Keating will be responsible for compensating the sanitary district for this change.

Status of agreement with Sugarloaf Development. Enderby stated the sanitary district has entered into an interim agreement through the end of May and the fees have been paid up through March. We will see at the end of May if they will enter into a permanent agreement or look for another source for water.

Review of Revised DMSD Water Policy/Draft/Discussion. Enderby stated this is a revised draft and is open for discussion. He added that what we're trying to do is address what we'll need with the new system when we have meters and meter pits. Enderby asked Wieczorek if we really need a meter deposit as stated in section 2. The meters and meter pits are paid for by the sanitary district. Any meters and meter pits in the new Keating development will be paid for by them. Wieczorek stated traditionally you don't need to hold a deposit and the district will own the meters and meter pits. If one gets damaged, the district can charge the resident to repair it. This works well with smaller districts that don't have a full-time paid bookkeeper. O'Connor added that he likes the idea of the sanitary district maintaining ownership so there's no questions down the road. Kosel asked about section 17 that talks about damage to the system. He asked if we should put in language about "if a person damages the meter, meter pit...". Enderby asked about section 4 that refers to properties within the original boundaries and a water tap fee. He stated there are 7 undeveloped properties and that we originally proposed a \$2,000 tap fee. Enderby asked what we want to charge for the water tap fee. Kosel said he likes the lower amounts and that they must use our road district maintenance crew if they need to go under the roads. Enderby agreed and that they must contact the sanitary district before they do any digging. Ryan suggested a required deposit that is held until the district is confident the road has been repaired and in good working order. Enderby

added that it currently states it must be installed by a licensed plumber and must be inspected. Enderby moved on to section 23 and unmetered usage. The rates will remain the same for the time being and we'll see how the summer tourism season goes and will reevaluate usage at that time. Enderby discussed how the district is billed by LD Sanitary at an annual rate of usage. O'Connor inquired if LD Sanitary will review the usage once we get the new system built. Enderby added the district will hopefully renegotiate the contract at that time. Kosel noted that in section 13 bypassing the water system is prohibited. Kosel asked if we should add language that if they do bypass, we would seek a criminal referral for theft in addition to the \$500 fee. Enderby said we will add in the edits that were discussed during the meeting and we will then look at the final draft and then post it to the website for adoption at the next meeting.

Review of Revised/Edited DMSD Wastewater Policy/Draft/Discussion. Enderby stated there have been no changes made at this time and it is still in the draft status. We have received no additional comments to date. We hope to have the final draft at the same time as the water policy and will adopt both at the next meeting after the final draft has been posted and approved by the trustees.

Update of contract with AE2S. Wieczorek gave an overview on the contract and that the master agreement has been executed. Joe Noble with AE2S clarified some of the contract language with attorney Wieczorek. He further stated he feels it's ready to be executed. Enderby asked for a motion authorizing him to execute task order 2. O'Connor motioned to approve, second by Kosel. All approved 3-0.

Update of AE2S design and planning/site visits. Enderby updated that there have been many site visits done including tank location. Noble said their final recommendation based on their calculations for the total needed storage broken out between the two entities. He added they have a geotechnical engineer lined up ready to conduct his borings of the site. They are predicting they will have this conducted in early April with a report available a few weeks after. Noble thanked everyone that has returned their surveys.

Update AE2S water service line survey.

Status of placing order for meters/meter pits/storage/Bid documents. Enderby stated we've worked out a location for storage and insurance does cover this private location. Noble added we wanted to make sure these were delivered to an owner-controlled building. Enderby asked when we can place orders for meters and meter pits. Noble added that they have submitted the meter and meter pit procurement to DANR for their review.

Discussion only items:

Items from the public. Brent Eslinger asked about the Sugarloaf rate. Enderby noted they are a bulk user outside of the sanitary district boundaries and their rate is based on usage in addition to a fee to cover the mill levy those inside the boundaries currently pay. He further inquired about the size of the meter. Enderby said that will be determined when he meets with AE2S. S. Kosel asked a question from the chat. *Will there be a first and second reading of the revised draft for wastewater/water ordinance before adoption? What is the minimum amount of time for publication of the draft to residents/owners before adoption?* Wieczorek noted under the sanitary district statutory regulations, it states simply that the board can adopt and then publish or mail a copy of the rules and regulations. There is not a requirement in the statute to do two readings but he often recommends to a board they follow the municipal approach and do the two readings since that's what everyone is familiar with. He recommends this is the procedure to follow even though it is not required. Ryan Winter asked the board about the water lines and leakage. What would this do to the pressure? Water operator Ryan said no, it would not affect the pressure changes to the house. Winter asked if the water will be segmented and about down time. Noble said they will outline a phase approach for the project that will set parameters for the contractor that outages have to be kept to a minimum and prior coordinated. They plan to install the new water main without interrupting the existing system. Wayne & Tami Moore asked about the current leakage amounts. Enderby

noted he's estimating it around 20-25%. Sandy Ruvolo inquired about the mil levy and when it will be discontinued. Enderby stated the mil levy is based on a fixed rate to pay back the SRF loan to the state.

Items from the trustees. Kosel appreciates the comments and the meeting format tonight was very informative but he'd like to have public comment before each issue we vote on. Wieczorek said we could ask people on Zoom if they have a comment on a certain item. Kosel thanked Wieczorek and Ryan for attending and Noble for being available online.

Enderby asked for a motion to go into Executive Session with the Trustees and district attorney Wieczorek to discuss contractual and legal issues. O'Connor motioned to go into Executive Session pursuant to SDCL 1-25-2(3) for the purposes of consulting with legal counsel at 6:32 p.m. Kosel second. All approved 3-0.

Kosel moved to go out of Executive Session at 6:49 p.m. O'Connor second. All approved 3-0.

Next Meeting is pending for April.

Kosel moved to adjourn the meeting at 6:49 p.m., second by O'Connor. All approved 3-0.

Posted 3.14.22
Approved 4.1.22

Shari Kosel
Secretary/Clerk