**Deer Mountain Sanitary District Meeting**
201 W. Main Street Suite 301 & via Zoom
October 13, 2023

President Oz Enderby called the meeting to order at 5:00 p.m. Trustees Enderby, Dan O'Connor, Joe Kosel, Marty Fabens & John Bailey were present at the district office. Attorney Talbot Wieczorek, AE2S Joe Noble, and Secretary Shari Kosel appeared via Zoom.

Enderby asked for a motion to approve the agenda. Motion by O'Connor to approve the agenda & format, second by Kosel. Motion approved 5-0.

Approval of Minutes of meeting 9/5/2023 & 9/8/2023. Kosel moved to approve the minutes of 9/5/23, Fabens second. All approved 5-0. Kosel moved to approve the minutes of 9/8/23, Fabens second. All approved 5-0.

Approval of Treasurer's Report/Accounts Receivables/Payable. Enderby presented the report on behalf of C. Enderby. Total balance of $291,816.47. Motion by O'Connor, second by Bailey to approve the treasurer's report.

Mainline Construction Update/Meter/Meter Pit Installation. Enderby included invoices that we are to pay and are not part of our construction contract. These are for those households where we've had to add or replace the curb stop for the meter and meter pit. As of today, we have replaced or added 11 curb stops. Each one costs $1,835. Enderby reminded the trustees that new curb stops were included in the original bid, but had to be eliminated once the bid came in higher than our approved loan. Enderby suggests we continue with the project and re-evaluate whether to charge the properties any portion when it is complete. Enderby concluded that each curb stop/meter and meter pit installation had been a different scenario. Fabens inquired that the curb stop is considered pre-meter and essentially the district's responsibility, and the homeowners pay for everything beyond the meter, to which Enderby agreed. This system is over 42 years old and was built in different ways by different developers, but it is now all being documented at each location.

Mainline Progress Billing #2 Discussion/Storage/AE2S. Enderby provided a letter from AE2S approving the billing pay application #2, and we now have 6" and 12" PVC pipes stored on-site, and a deposit has been made on the storage tanks with the next payment due upon delivery. Homeowner Crisp has graciously allowed us to use his lot for storage. Once we get the application, it goes to AE2S for approval, then DMSD forwards it to BH Council of Governments, and they submit it to DANR SRF Funding for payment. It takes about 2 weeks to receive payment. Enderby inquired about the installation of meter/meter pits, and Noble replied that the quantity is a running total, so as of now, the total number completed is 40, with 25 showing in the new billing. Since we started in 2022, we have spent $995,655.00 of our SRF funds.

Mainline Construction Schedule Update/AE2S. Enderby stated the schedule has been dramatically changed because we're dealing with the main pumphouse and the booster pump station, which are long lead items, and it looks like we're still 50 weeks out. Noble said this is the schedule the contractor has provided, and they haven't had a chance to sit down and chat about specifics, but they do have a meeting scheduled next week. In general, the booster station and pump house are long lead items. However, submittals have been coming in very slowly, and we have outlined specifications of all the requirements the contractor must provide they will then submit shop drawings that will show the exact items they are purchasing, which AE2S then reviews. Noble said he does have questions that will need to be addressed with the contractor. O'Connor asked if any of the numbers could change, and Noble said yes, he does believe they could. Kosel inquired about the difference between submittals and procurement, and why the delay. Noble said it's standard practice as we don't want contractors to

purchase materials before they have been approved. Kosel inquired why the time between submittal and purchase is so long. Noble said procurement shouldn't be the correct term on their schedule document, but rather when the item will arrive on-site.

Annexation Request/KR DMV/AE2S. Kosel inquired why Enderby was presenting the request. Enderby informed him that Keating shared this with him and that the purchase of the new property by Keating is contingent upon the sanitary district annexing the property. Kosel asked that a member of the Keating team present this to the board for consideration, and we can discuss it at that time. When they are ready to present, the item can then be placed on the agenda.

Operator Report/Maintenance/Repairs/DMV/DRM. Enderby updated the maintenance expense to date since the sanitary district took over the operation of the system in March of 2022, we acquired the system in January of 2022. To date, we have spent $57,369.05, and we budget $3,500/month for maintenance and repairs. To date, this comes out to about $2,500/month. Enderby included the current water consumption for September was 2.8 million gallons, and Steve's report shows 2.6 million. We look at this report to see that it is going down, part of which is due to the time of year, and the other part is that we are finding and fixing these leaks and correcting them. The difference from 2022 to now is down almost 300,000 gallons. Enderby added that Rec Springs is a major water user on our system. Ryan has seen a peak of as much as 20,000 gallons per day in the summertime. Ryan stated Keating is looking to us to cap the line at the ski lodge. Ryan will locate it, and Mainline will cap it and put a blow line in. Kosel asked about the water system evaluation from DMV, why we have it, and who did it. Enderby stated that AE2S did the evaluation at the request of Keating. Kosel asked why the evaluation included 320 single-family lots. Enderby corrected him that the number includes the sanitary district lots. The plan has been cut back from 200 to 185. Kosel stated we cannot rely on any oral discussion, and everything should be in writing as the plans change. Noble says the evaluation was back in June when there was a request for a lodge. It was a high-level review, and these are planning numbers. Noble further stated these are just preliminary numbers of what a single-family, duplex, or pool could use for planning purposes only. Noble believes the duplexes have since been removed, but he can't confirm that at this time. Enderby said they have a new plan that does not include townhouses or condominiums, and it is a scaled-down version that does include a clubhouse and pool. Kosel said we still have a contract that states 200 single-family homes, and we will stick to that contract, and we don't need to entertain any preliminary planning numbers until they request to revise the contract. Noble clarified that he would not do anything more without full approval from the board.

Easement Access/Skivcalo Agreement. Enderby said this is where our main pumphouse is located, and Mr. Skivcalo has asked for a confirmation of our agreement in writing. Enderby and Wieczorek have worked through the agreement and provided a copy for approval to the trustees. Kosel wants to make sure the perpetual easement is in place. Fabens would like to confirm that the extra two plots are for residential use only.

SJL Tract Update. Enderby reminded everyone that this is the 30 acres on Birch. Enderby informed the trustees that there is a new buyer interested, and realtor John Keene wanted confirmation that the land is in the sanitary district, which it is, but any lines, curb stops meter/meter pits are the responsibility of the land owner. The sanitary district will provide water. Enderby further updated that they are proposing 6 five-acre homes. Enderby informed Keene that there will be an issue with the road district, which is more critical. Keene stated he would make the sale contingent upon working with the road district to work through the issues. Enderby informed Keene that before they complete the road district access application, they need to present a plat of the proposal and how they will access Birch and the properties, and there can be no access to DMV through this property. Kosel stated his big concern is the construction issues through Birch and the traffic to build there. Kosel would like to know who the owner will be.

Aberle Complaint/Interrogatory Response/Update. Wieczorek does not have any updates at this time, as he isn't the lead. Kosel asked what the district can do to move this along as he is concerned it could drag on through next year and would like a Summary Judgment Hearing as soon as possible. Wieczorek said there has been movement. Enderby asked about the Summary Judgment and they will check with Attorney Arndt.

Items from the public. A resident stated that Mainline did a great job, and the leak was on the main line, not on his property. Enderby added that Raymond Lee, the foreman for Mainline, is doing a fantastic job, and everything we're finding is not what we expected. A resident inquired if the meter pit freezes this winter and there is a leak, who is responsible. Enderby noted that they are buried 7 feet underground, and this shouldn't be an issue. Noble stated they are buried 7 feet deep, and they are insulated for this reason. A resident inquired about Midco, and if there was an update. Enderby said they've almost completed the foundation lines, but we have not been updated on installation at residences.

Items from the trustees. Kosel thanked Joe Noble and Talbot Wieczorek for their excellent work. He further added that we have an excellent team, and Mainline Contracting has done a nice job.

Next meeting is November 17, and every second Friday of the month thereafter while construction is going on.

Adjourn to Executive Session to discuss contractual/legal issues. O'Connor moved to go into Executive Session at 5:59 p.m., second by Kosel. All approved 5-0. Motion by O'Connor, second by Kosel, to go out of Executive Session at 6:16 p.m. All approved 5-0.

Motion by Kosel, second by Bailey to adjourn the meeting at 6:16 p.m. All approved 5-0.

ADJOURN

Posted October 17, 2023
Approved November 17, 2023

Shari Kosel
Secretary/Clerk