Deer Mountain Sanitary District Meeting
201 W. Main Street Suite 301 & via Zoom
January 12, 2024

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 along with water operator Steve Ryan. 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 11/17//2023. Kosel moved to approve the minutes, Bailey second. All approved 5-0.

Approval of Treasurer's Report/Accounts Receivables/Payable. Enderby presented the report on behalf of C. Enderby. The total balance of $305,680.49. Motion by Kosel, second by Fabens to approve the treasurer's report. All approved 5-0.

Presidents Report/Oz. Enderby highlighted a drop in water usage, likely due to leaks and a decrease in rental activities. The trustees also discussed the need to start looking at water rates for 2025 and the completion of a lead pipe survey as required by the State of South Dakota. Finally, the president mentioned attending the South Dakota Rural Water Association technical conference.

Review 2023 Annual Financial Report. DMSD discussed the existing vendors and potential new funding opportunities for their system. They reviewed their annual operations for 2023, which included a net revenue of $24,905 and detailed transactions that will be posted on their website. No significant questions or concerns were raised about the proposed budget.

Review Operations Budget for 2024. Enderby presented the projected budget for 2024, which included administrative fees, utility costs, and salaries for their operators and assistants. Total monthly expense is around $14,000. The estimated income from residential users was projected at $18,000 a month, which would result in a $4,000 monthly reserve which would give us $48,000/year in maintenance and repairs. Ryan commented that the hurricane style filters are more expensive. C. Enderby will check on those costs for the 2025 budget when the system is running. Motion by Fabens to approve the 2024 Operations Budget as presented, second by Kosel. All approved 5-0.

Approve Mainline/AE2S Progress Billing. Enderby provided a copy of the billing totalling $71,775.74. This will be submitted to BH Council of Local Governments and then to SRF for payment. This includes engineering and storage fees. Motion by O'Connor to approve the billing, second by Bailey. All approved 5-0.

Operations/Maintenance Report/Steve Ryan. Ryan updated that everything has been running and water usage is down. Enderby noted there was a leak at the top of the mountain that was discovered by Andy Holmes and was repaired. Enderby thanked Holmes for his help.

Skvicalo Easement Issue/Joe Noble. Noble updated the team on the progress of finalizing the Easement documentation for the Skvicalo property in collaboration with Wieczorek and Enderby. The team faced challenges in determining the exact location of existing easements, leading to additional review. There were also issues with the boundary survey in Lawrence County, specifically the discovery of a section line easement predating the wild west era in the 1800's, which complicates construction plans for the new pump house. Noble reported that they had initiated a process to vacate this section line, which involves compiling a petition and exhibit for review and approval by affected property owners. The team confirmed the involvement of the county and confirmed that the costs related would be covered by AE2S without any additional expense to the sanitary district. Enderby noted this is a slight delay, but will not impact our construction schedule. Wieczorek noted that there will be public hearings to approve the vacation and will need to be published in the paper. Kosel added that he would like to see the final language on the easement and agreement, which Enderby confirmed will be provided to all trustees.

Summary Judgment Hearing 1/22/2024. Enderby noted he just received the brief from our attorney and will share with the trustees. Wieczorek stated notice should be provided on the website that the trustees will be attending this non-working meeting.

Items from the public. A resident asked about property that was recently purchased near their lot on Unicorn that is around 60 acres. Enderby said he doesn't have any information on the sale of this property. Another resident inquired about the section line language and asks that we stay on top of it. Noble wanted to update about the schedule. Noble spoke with the project manager who resubmitted the schedule and the meter pits installation will start back up in September/October so they can focus on the big parts, tank site and supply line so things are in place before the motorcycle rally. Noble also mentioned that all components for the booster station have been released for procurement and construction, with the exception of a chemical feed part. The team agreed on the importance of staying on top of these critical components to ensure high-quality products.

Items from the trustees. Kosel asked if we need a meeting in February since we originally set the meetings to be during construction. S. Kosel stated she has a conflict on that date and will not be able to offer the Zoom option. Kosel thanked Any Holmes, Ryan and his team and Enderby for all their hard work. He continued to thank Noble for all his work and attention. Kosel noted that this project was really worth it and the efficiency we're seeing and the related costs. S. Kosel reminded those attending that there is a private Facebook group they can join as another avenue to receive information.

Next meeting is February 9, 2024, if needed.

Motion by O'Connor, second by Kosel to adjourn the meeting at 5:48 p.m. All approved 5-0.

ADJOURN

Posted January 18, 2024

Shari Kosel
Secretary/Clerk/Notary