Deer Mountain Sanitary District Meeting
201 W. Main Street Suite 301 & via Zoom
December 13, 2024

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

Approval of Business Agenda. Motion by Fabens second by O'Connor to approve the agenda. All approved.

Motion by O'Connor, second by Fabens to approve the November 25 meeting minutes. All approved.

Approve Treasures Report. Enderby updated with a balance of $134,023.21. Motion by Bailey, second by O'Connor to approve the Treasurers Report. All approved.

Discussion and Approval of AE2S and Mainline Progress Billing. Motion by Fabens, second by Bailey to approve the AE2S billing. All approved. Motion by OConnor, second by Bailey to approve the Mainline billing. All approved.

Discussion and Approval of Change Order #5/AE2S. Enderby notified the trustees he is not ready to approve the change order and will meet with AE2S and Mainline to discuss. DMSD expressed concerns about a $83,211 invoice for gravel, stating that the material initially brought in was incorrect and should not be the district's responsibility to pay for. DMSD also discussed the installation of meter pits, the fencing and gate, and the pipe payout. There was a consensus that the wrong material was used and that the district should not be responsible for the cost. DMSD suggested that more documentation and discussion were needed before agreeing to the invoice. Joe Noble confirmed that the contract specified a specific type of gravel. DMSD also mentioned that Keating should compensate for the additional fence and gate, as it was required by them. The conversation ended with DMSD mentioning that they received payment from Keating Resources for half of the power requirement.

Substantial Completion/Final Completion/Contract Defined. Enderby discussed the substantial completion of a project, which was extended due to delays in the energization of the tank site by Black Hills Energy. The final completion date was agreed to be in August, with the team monitoring the progress and ensuring the work is completed.

Update on System Operation/Training/AE2S/Mainline/Steve. Enderby & Noble discussed the ongoing process of filling and flushing the water tank. They mentioned that they had already done a flush and were planning to do another one, with the water being redirected to a nearby property for irrigation. The team also discussed the setting of pressure reducing valves (PRVs) to ensure minimal impact on the existing system. They clarified that the new system would be brought online slowly to avoid any issues. S. Kosel raised a concern about the water pressure in her area, which was attributed to the ongoing process of filling the new tank. The team assured her that once the new system is fully operational, the pressure issues should be resolved. Ryan was unable to attend this meeting.

Status BHE Installation for Power to Water Tank/Keating Payment. Enderby discussed the status of the BHE project, which has been completed with Keating making his payment. However, the check has not been received yet, and the team will check again on Monday. The operating budget was also discussed, with some items still pending due to lack of data. The team agreed to wait until more data is available before finalizing the budget.

2025 Operating Budget/Raw Water Rate from L-D Sanitary Effective 1/2025. The meeting involved discussions about the district's water system, including the proposed shutoff date of July 1st and the need for upgrades. The trustees discussed the potential for metering and the establishment of different rates for residential, commercial, and bulk services.

Aberle/Morris Legal Update/Adjourn to Executive Session if needed. The Aberle Morris legal update was also discussed, with a summary judgment hearing set for February 28th and a request for a preliminary injunction. The team agreed to monitor the situation and provide updates as necessary.

Discussion only items:
Items from the public. A question was raised by a resident about the ongoing discussion and litigation with the Sugarloaf Group, to which DMSD and Talbot responded that it had not been discussed but might be considered. The conversation ended with the mention of summary judgment motions filed by both Morris and Aberle, and Aberle's threat to initiate an injunction.

Items from the trustees. Enderby The meeting involved discussions about the upcoming South Dakota Association Rural Water Systems conference, where DMSD would be attending. DMSD also mentioned ongoing work to identify the total number of curb stops and meter pits installed, with 65 installed, 32 identified, and 18 unknown. Kosel also inquired about the Booster station's light, which was deemed too bright and suggested to be covered. The trustees also discussed the possibility of a future meeting in February, contingent on the outcome of the ongoing litigation. The conversation ended with a motion to adjourn.

• DMSD to set up a meeting with mainline and AE2S to discuss change order #5.
• Brooke to investigate the light at the booster station on Whitetail and consider options to reduce light pollution.
• DMSD to check on the status of the payment sent to BHE that has not been received.
• DMSD to continue monitoring power usage and costs for the new system.
• DMSD to finalize the operating budget once more data is available on power costs.
• DMSD to review insurance coverage for the new buildings.
• DMSD to distribute recent legal documents to trustees for review.
• AE2S to complete the final punch list for substantial completion.

Motion by O’Connor to adjourn, second by Fabens. All approved at 5:58 p.m.

Next Regular Meeting TBD
ADJOURN

Approved January 3, 2025

Shari Kosel
Secretary/Clerk/Notary