

SPRING CREEK / COW CREEK SANITARY
DISTRICT MEETING MINUTES
MONTHLY MEETING
Wednesday, August 9, 2023

The regular monthly meeting of the Spring Creek/Cow Creek Sanitary District was held at the Boat House Bar & Grill on Wednesday, August 9, 2023. Chairman Schuh called the meeting to order at 6:00 p.m.

Chairmen Schuh, Bacon, Wiseman, Konda, Schneider, Superintendent Zuber, and Clerk Anderson were in attendance, along with 8 residents and 2 guests. Attorney Miller attended via Zoom videoconference.

Wiseman made a motion to approve the agenda as presented. Konda seconded. All voted in favor. Motion carried.

Schuh asked the Board to declare any Conflicts of Interest. Konda and Wiseman announced for the record that they each gave an easement to Codgers Castaway Development. Neither expected this to create a conflict of interest, but wanted the record to reflect these transactions.

Schuh made a motion to approve the 07/12/2023 meeting minutes. Bacon seconded. All voted in favor. Motion carried.

Superintendent Zuber presented his report to the Board. He reported that total gallons of water used in July was just over 2 million, or roughly 65,000 gals per day. This included the 4th of July holiday weekend, which always reflects a higher-than-normal average. Sewer loss ratio was negative 24% for July. Zuber attributed this to a sticking pump, a capacitor failure and a bad relay switch during July. Zuber reiterated to the Board the importance of having a SCADA monitoring system in place to help identify problems when they occur, and not wait for the issues to be discovered. Wiseman reported to the Board that the monitoring system is becoming more important, especially with the growth of the District. Zuber noted the cost of this system is approximately \$35,000 to implement. Wiseman responded that the District will try to work this expense into the 2024 budget.

Zuber reported that Schuh reported a sink hole in their yard. He thought this was the result of a pressure test performed by a contractor. The contractor has been working to repair the damages and Zuber is in contact with the City of Pierre and Wheelhouse to jet the lines to clear debris.

Zuber told the Board that he is currently working with the billing office to create a report showing how much water was used per MDRWS versus how much water was billed to consumers. He will continue to work on finding a solution to this request.

Konda commented that the District needs to invest in maintenance equipment, specifically a weed eater and mower, as it was brought to his attention that Zuber is currently using his personal equipment for the District's maintenance. Wiseman responded that he knows the District will need to invest in equipment next year. Schuh brought up a tractor and mower that is listed as District property on the insurance renewal application. Zuber reported that he doesn't know if it runs. Wiseman asked if we can surplus it. Konda responded that we can, but it should be advertised as surplus for the next meeting and subsequently sold.

A resident asked to present information to the Board regarding grant monies available by the SD Housing Authority. He encouraged the Board to contact them to see if any of the items mentioned by Zuber would qualify for a grant or low-interest loans.

Wiseman presented the Treasurer's Report for month-ending July. He reported that the financials were trending as planned. He also reported on the publications expenses due to Bid Advertisements and Ordinance No. 9. Wiseman also questioned Clerk Anderson on the Bartlett & West invoicing for July, stating we will need to pay

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the Lagoon improvement invoice, but will pend the Water improvement invoices until the end of August when the loan is scheduled to close. Schuh made a motion to approve the Treasurer's report. Schneider seconded. All voted in favor. Motion carried.

Clerk Anderson presented the monthly Accounts Payable to the Board. ACMS Group, Inc - \$3,780.00; Anderson Nill & Associates - \$4,121.35; AT&T Mobility - \$90.37; Bartlett & West - \$55,743.00; Capital Journal - \$730.81; Dakota Pump & Control - \$988.22; Envirotech Waste Services - \$23.97; Forrest Zuber - \$450.00; Mid Dakota RWS - \$5,234.44; Midcontinent Communications - \$40.45; SD Public Health Lab - \$15.00; South Dakota 811 - \$25.20. Wiseman made a motion to approve the bills as presented, including only the Bartlett & West Sewer Lagoon invoice \$9,543.00. Schuh seconded. All voted in favor. Motion carried.

Schuh addressed the open Clerk position, stating that she had received 2 applications. Anderson Nill & Associates, Inc. has submitted a proposal to renew its contract for another year with 2 options. One option is to renew under the same duties, including Clerking for the District, and the other option is to handle all financial activity and provide office and equipment use to the District. Clerk Anderson responded that her proposal does not necessarily include herself, but her entire staff would handle specific aspects of the contract. One individual has submitted a resume expressing interest in the position as a part-time employee. The Board discussed the Anderson Nill contract expires on August 31st, so they would go into Executive Session at the end of the meeting to discuss their options.

Wiseman asked the individual applicant if she would like to come forward and ask any questions of the Board. Applicant came forward to introduce herself as a weekend resident of the District. She asked if the advertised hours per month was accurate. Wiseman responded that the winter months were not as busy as the spring & summer months, but stated she could plan for 20-25 hours per month on average. Applicant asked for confirmation that her position would be an employee position and not a subcontracted position. She also asked how the Board planned to handle office equipment. If she is required to use her own, will there be a per diem or reimbursement for personal use? Wiseman stated they would most likely purchase any equipment she would need. As a final question, she asked who would be available as back-up if she was not able to attend a meeting. The Board indicated arrangements could be made if needed. A brief discussion was held regarding the applicant's work history and experience.

Wiseman reported on the Bid Opening held on July 26, 2023. He noted they all came in close to each other, at the current pricing estimates. Because the original loan funding application was approved in 2021, the cost will exceed the original loan funding. Wiseman stated that the low bidder for a 4-legged structure was Phoenix Fabricators and the low bidder for a spheroid structure was Maguire Iron. Phoenix Fabricators' bid did have a math error, which was confirmed via email to the company and remained the low bidder for the 4-legged structure. The Board will need to decide which type of structure they want to build. Wiseman mentioned that each bid included a 6' security fence. The spheroid structure would not require a fence because all access is inside the structure. This would save the District over \$20,000 in construction costs. Bartlett & West also gathered long-term maintenance information including painting costs. Their report shows that the spheroid structure would save another \$55,000 – \$82,000 in long-term maintenance. Wiseman and Schuh both recommended the spheroid structure as bid by Maguire Iron.

Wiseman reported that the District is scheduled to close on the original loan funding on August 22, 2023. The funding short-fall of approximately \$800,000 will go forward to the DANR Loan Committee, which meets in January, 2024. At this time, Wiseman introduced Paul Mehlhaff with the Central SD Enhancement District and asked him to come forward to discuss the short-fall funding process. As they were instrumental in the application process for the original Water and Sewer Loan Funding application process, they are also helping the District apply for another round of funding. The District will hold a public hearing at its September 13, 2023

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meeting. The target date for application submission is October 1, 2023, for a loan committee review in January, 2024. After discussion with DANR, it is highly unlikely that the District will receive any grant money to finish this project. The current loan rates are almost 1% higher than the original loan, but still very reasonable.

Lyle with Bartlett & West asked to address the construction cost increase as shown on the bids. He noted that the cost has increased 38% over the original application. If you look at increased materials costs often 100-200% higher, the cost increase seems moderate in comparison.

Wiseman made a motion to award the spheroid structure bid to Maguire Iron for a total of \$2,136,800, subject to DANR review and approval. Schneider seconded the motion. All voted in favor. Motion carried.

Wiseman stated he has received questions on what the lettering is going to look like. He knows it may be 2024 before the issue comes up, but thought maybe the District can run a contest for the best design.

Schneider asked for clarification on the additional funding needed. He was told that this covered all contingencies, including expenses and engineering that the District has already paid for.

Wiseman updated the Board on the Sewer Facilities Plan. Wiseman, Konda and representatives from Bartlett & West asked for a formal meeting with SD GF&P to discuss a possible relocation of the Sewer project to GF&P land. The GF&P denied the request, stating the proposed location is under USACE oversight and under restrictions of use. Therefore, the Sewer project will stay in the current location with an additional \$400,000 cost to the project due to another lift station requirement.

Wiseman reported that the Facilities Plan application has been submitted to the DANR and we have no update on their response.

Konda asked for Board discussion on the Developer Fees and intended usage of funds. As per Ordinance No. 9, Developer Fees are set at \$4,000 per lot. He noted that if we are charging those fees, the Board should have a policy in place to restrict the use of the developer fees for only long-term capital development and not for day-to-day operational expenses. This will help guarantee to the developer they will have access to adequate sewer and water facilities. Schneider offered a clause to include that any emergency or other large expenditures outside of a long-term improvement or capital asset would require Board action to use these funds. Bacon added that the Board would also need to thoroughly define the terms and parameters. Clerk Anderson reported that the District has the ability to restrict assets, but it will take Board action to develop a policy and move funds to restricted assets. Further discussion was held on details and different scenarios regarding specific uses and allocation of funds (a separate savings account, etc.) Konda made a motion to table this item until the September meeting, to give Trustees time to develop a policy. Bacon seconded the motion. All voted in favor. Motion carried.

Konda also asked for an update on Nystrom's Development. During the past month, he discovered that the District does not have signed, sealed plans on this development, not do we have a letter of completion from this developer. Konda asked whose responsibility it is to make sure these are completed and received. Wiseman responded that this falls under the Superintendent's authority. Current owners in that development have been trying to get these for several months to no avail. Wiseman asked for Attorney Miller to send a letter to the developer requesting action to complete the project.

Mr. Utech was invited to come forward with an update on Codger's Castaway Development. He stated that he does not have a signed set of plans yet. He asked if the Board will still consider a special meeting to approve the plans if they are received more than 10 days prior to the next meeting. The Board agreed. Wiseman advised Utech he was made aware that the development's current plans show that the District is responsible for placing meter pits on each lot. Utech is aware of this error and thought it had been corrected. He will correct it with his engineer.

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With no further business, Schuh opened the floor to public comment. One resident came forward on behalf of a developer to ask permission to move a water line on the development. It currently runs through the middle of a lot, and they would like to move it in line with the existing sewer line on that lot. Konda asked if the current easement was a public or private easement. If a private easement, the District is not responsible and does not need to take action. Konda also recommended they relocate with a Sch-40 type pipe and traceable wire. Lyle with Bartlett & West also reminded Superintendent Zuber he would need to update the master map with the change.

With no further public comment, Schuh made a motion to move into Executive Session at 7:36 p.m. pursuant to SDCL 1-25-2 (4). Wiseman seconded. All voted in favor. Motion carried.

Schuh made a motion to move back into Regular Session at 8:27 p.m. Wiseman seconded. All voted in favor. Motion carried.

Schuh announced that they wanted to renew the contract with Anderson Nill & Associates, Inc., to include Clerking duties for another year. Wiseman made a motion to approve the contract with Anderson Nill & Associates with the option to outsource the clerking duties, if needed. Schuh seconded. All voted in favor. Motion carried.

With no further business to discuss, Schuh made a motion to adjourn the meeting at 8:33 p.m. Konda seconded. All voted in favor. Motion carried.

Kathleen Schuh, Board Chairman

ATTEST:

Jennifer Anderson, Clerk