

SPRING CREEK / COW CREEK SANITARY  
DISTRICT MEETING MINUTES  
MONTHLY MEETING  
Wednesday, May 8, 2024

The regular monthly meeting of the Spring Creek/Cow Creek Sanitary District was held at the Boat House Bar & Grill on Wednesday, May 8, 2024. Chairman Schuh called the meeting to order at 6:00 p.m.

Chairmen Schuh, Bacon, Konda, Schneider, Wiseman, Superintendent Zuber, and Clerk Linn were in attendance, along with 10 residents and 1 guest. Attorney Miller, 1 resident and 6 guests attended via Zoom videoconference.

Schuh noted 9a) addition to the agenda: ArcGIS Online Information/Costs. Schuh requested a motion to approve the agenda as amended. Schneider made a motion to approve the agenda as amended. Konda seconded. All voted in favor. Motion carried.

Schuh asked the Board to declare any Conflicts of Interest. None noted at this time.

Schuh noted the following items in the President's message:

-Thank you for no wind today.

-Public comments will occur at the end of the meeting, so please wait until the public comment portion of the meeting for questions.

-Schuh read the notice of vacancy: Notice is hereby given that one (1) vacancy for the office of Trustee for a three (3) year term will exist by virtue of the termination of the term of the present holder of that office on the 2<sup>nd</sup> day of July 2024. Nominating positions for such position may be filed with the Clerk of the District not later than June 12<sup>th</sup>, 2024, but not before May 23<sup>rd</sup>, 2024.

Schuh requested action on the 4/10/2024 meeting minutes. Konda made a motion to approve the 4/10/2024 meeting minutes. Schneider seconded. All voted in favor. Motion carried.

Schuh requested Superintendent Zuber present his report to the Board. Zuber reported that total gallons of water used in April were approximately 866,000, or roughly 28,000 gallons per day. Usage growing as the summer kicks off and trending the same as previous year.

Other items noted:

1. No issues to report on any lift stations except for normal maintenance items.
2. Three applications came through for service.
3. City of Pierre is changing brands of meters and reached out to Zuber to see if the District would be interested in purchasing their current inventory. Zuber mentioned the District will consider purchasing some of the 1-inch meters as the current demand for 1-inch is putting delivery dates backed up to August. Zuber noted his concern for the meter battery life will be considered when making the decision on purchasing the 1-inch meters and the number of meters to be purchased.
4. Zuber noted Tanner would be assisting him on upcoming maintenance conducted in pits. Schuh stated the Board is in agreement.

Schuh requested Wiseman present the Treasurer's Report for month-ending March. Wiseman noted:

1. The financials have been reviewed by the Treasurer.
2. Current monthly revenues are comparable to all winter long.
3. Approximately 16-18% going back into the general fund each month to be expensed as future overhead.
4. Recommendation to pay the invoice for Bartlett and West as the invoice has been outstanding from 31-60 days.

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Schuh requested action on the Treasurer's report. Konda made a motion to approve the Treasurer's report. Bacon seconded. All voted in favor. Motion carried.

Schuh requested Clerk Linn to present the monthly Accounts Payable to the Board. Anderson Nill & Associates - \$4,271.91; AT&T Mobility - \$90.46; Bartlett & West - \$197,990.00; Envirotech Waste Services - \$50.94; Lammers, Kliebacker & Dawson, LLP - \$2,400.00; Maguire Iron, Inc. - \$258,215.34; Mid Dakota RWS - \$5,002.42; Quality Quick Print - \$189.04; SD Public Health Lab - \$30.00; South Dakota 811 - \$17.85. Wiseman made the motion to approve the bills as presented and to pay Bartlett & West invoice in the amount of \$98,000. Konda seconded. All voted in favor. Motion carried.

Schuh requested Jim Ross to update the District on the sewer facilities plan. Bartlett & West (B&W) has a meeting with the Corp of Engineers (Corp) on 5/13/24. B&W has issued the RFP for equipment selection. The lift station portion of the RFP has been intentionally removed so the lift station and controls are consistent with existing units utilized by the District. Konda made a motion to approve B&W to issue an RFP for the lift station. Schneider seconded. All voted in favor. Motion carried.

Schuh read Resolution 2024-2. **RESOLUTION GIVING APPROVAL TO CERTAIN CLEAN WATER FACILITIES IMPROVEMENTS; GIVING APPROVAL TO THE ISSUANCE AND SALE OF A REVENUE BOND TO FINANCE, DIRECTLY OR INDIRECTLY, THE IMPROVEMENTS TO THE FACILITIES; APPROVING THE FORM OF THE LOAN AGREEMENT AND THE REVENUE BOND AND PLEDGING REVENUES AND COLLATERAL TO SECURE THE PAYMENT OF THE REVENUE BOND; AND CREATING SPECIAL FUNDS AND ACCOUNTS FOR THE ADMINISTRATION OF FUNDS FOR OPERATION OF THE SYSTEM AND RETIREMENT OF THE REVENUE BOND AND PROVIDING FOR A SEGREGATED SPECIAL CHARGE OR SURCHARGE FOR THE PAYMENT OF THE BONDS.** Konda made a motion to approve SRF Resolution 2024-2. Bacon Seconded. All voted in favor. Motion carried.

Schuh requested Nathan Danner to update the District on the water facilities plan. B&W noted the foundation for the tank is in the ground. The next step will be shop fabrication for the pieces of the tank that they are working on at their Sioux Falls facility. The shop fabrication and onsite priming will occur at that location throughout most of the summer. Steel is scheduled to be shipped to the site around September. Remaining onsite work is scheduled for June.

Schuh read Resolution 2024-3. **RESOLUTION AMENDING THE SPRING CREEK COW CREEK SANITARY DISTRICT (SCCSD) RATE STRUCTURE, PROVIDING FOR A SURCHARGE FOR IMPROVEMENTS TO THE WATER SYSTEM, FOR PAYMENT OF A REVENUE BORROWER BOND AND YEARLY REVIEW OF RATE.** Schneider made a motion to approve Resolution 2024-3. Konda Seconded. All voted in favor. Motion carried.

Schuh requested the surcharge committee update the District on the surcharge proposal. Bacon noted the Board is in initial consideration and would recommend the community provide input at a meeting to assist the committee in presenting a proposal for Board consideration. Wiseman noted the approved surcharges will become part of the budget due for remittance to DANR in September. Schuh opened Board discussion in regard to a surcharge proposal. Konda noted the precedent for billing lots which do not currently have an active account and that the Board may consider this option when allocating the surcharges. Wiseman stated when DANR handed out funding for this demand was calculated as 275 users plus campgrounds, future use of vacant lots and a growth rate into the future. The Board concluded the community input will be received at the scheduled June District meeting.

Schuh requested Wiseman update the Board on the proposed GIS system. Wiseman and Danner updated the Board on the proposed system and levels of cost. The Board discussed multiple options for utilizing the proposed system or public systems available to the public at no additional cost. Wiseman made a motion to purchase the

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ERSI system creator license - \$550/yr. and the viewer license - \$110/yr. Schuh requested a second. Hearing none the motion died.

Schuh inquired to Jim Ross as to the As-Built draft letter status regarding Codger's Castaway Development. Jim asked Attorney Miller as to the status of the easement on lot 1. Miller noted the quit claim deed from Milt Morris to Codger's Castaway put the lot in proper ownership, so the only question was the effectiveness of the easement. Miller believes there is prior case law supporting easements received prior to the proper change in ownership become effective once the ownership is gained. Miller stated if all the easements have been provided then the Board is good to go. Ross agreed with Miller. Schneider inquired if the Board should issue a variance for the lack of depth compaction testing of which was required as referenced in the letter 11/22/23 regarding variances. Miller stated the Board could have that special documentation if you wish to go that route. Miller also mentioned the board could grant a variance, yet if you are going to provide an approval based on "as-built" that in itself would act as a variance. Schneider asked Ross if that would be appropriate. Ross stated any issue that came up is addressed by the requirement the developer maintain any issues for the next year. Konda inquired as to the outstanding electrical items. Ross has not put eyes on it, yet they have documentation that was accomplished. Schuh stated the electrical will be part of the conditional approval letter until confirmation is received. Schuh inquired to Miller as to the need for a resolution for approval. Miller didn't believe a resolution is needed as the Board is authorized by the Ordinance already as long as the proper steps have been followed by the developer and the proper As-Built has been blessed by the Engineer. With those items completed the Board is able to issue the Certificate of Substantial Completion (Certificate). Miller also noted the Certificate should contain explicit verbiage as to being adopted under Ordinance 9. Wiseman inquired as to the start time of the one-year warranty. Ross noted the warranty starts on the date the Certificate is issued. Miller noted the Certificate is specifically for the phase 1 group and should specifically note Codger's Castaway lots not included in phase 1. Konda made a motion to approve the As-Built, authorize Schuh to sign the Certificate of Substantial Completion, and approve the system pending the draft letter. Bacon seconded. All voted in favor. Motion carried.

Schuh requested Vic Utech come forward to discuss the As-Built draft letter.

-Electrical – Utech stated the electrician informed him the South Dakota state inspector adhered a green final sticker on the panel just before the meeting.

-Pig Port – Utech sent photos to Zuber.

-Force Main – Utech stated there will be settling and he will address as items become apparent as they have plenty of black dirt.

-Lift Station – Utech is working on the lift station access road and will be installing the locking mechanism once received.

Ross inquired as to water standing inside of the lift station. Is this because manholes are submerged. Utech stated there is no ground water coming into the lift station through the sewer pipe. All agreed it may be a check valve issue.

Schuh noted the letter will come out with some of these items still. Utech inquired as to why the approval was conditional. Schuh noted there are outstanding items, and we will move on within 45 days as items are addressed. Konda inquired whether the locking mechanism currently in place on the lift station requires a tool to gain access. Zuber said yes.

Hegge inquired whether residents are able to utilize their service as of tomorrow with conditional approval. Schuh said correct.

Konda made a motion to authorize Schuh the ability to sign the Easements as presented. Bacon seconded. All voted in favor. Motion carried.

Utech inquired whether the board had any questions or comments on the finishing of the current approved development. The Board agreed the approved development will be finished under Ordinance 9.

Konda asked Utech on the status of the 22 lots. Utech thought he would sell some depending on demand. Wiseman inquired as to the status of platting the 22 lots. Utech stated they have already been platted. Wiseman

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asked how they were platted without sew and water on them. Utech stated they can be platted without sewer and water on them as people don't always need sewer and water. The Board noted their concern as they lots were calculated as part of the demand for the new system. The lots cannot be approved without being approved under the District ordinances. Utech stated a person can put up a shed out there that doesn't need water and sewer. Therefore, the lot does not require the blessing of the District. Additional discussion ensued which will be addressed at the June meeting when discussing surcharges. Utech stated he understands the Board's dilemma and noted individuals are going to be upset if they have to pay something just because they have a spare lot.

Schuh opened the floor for public comment.

-Mark McConnell inquired whether the new surcharge of \$67.20 is in addition to the surcharges the residents are already paying. Yes. McConnell asked if this was for the upgrade on the sewer/water system. Yes. McConnell stated he was of the understanding when he moved here that the new developers would have the burden of the cost for new developments. Wiseman stated this is exactly what the board is currently attempting to allocate. McConnell asked if the Board was going to require hookups on each individual lot. Wiseman stated we are not going to require hookups on anybody. Schneider stated they may be assessed a surcharge per lot though. That is what we are trying to work out. It has not been decided at this time. McConnell asked if he could still be assessed a surcharge on the vacant lot if he already combined his lots at the county. Konda explained the difference between changing it at the county and replatting your lots. In addition, you can still be assessed a surcharge on the vacant lot. Bacon noted some of the upgrades that are occurring are not just because of new developments. Konda noted the developer pays a fee per lot and the any new lot owner pays a fee to get service. -Utech stated in his opinion the District was mismanaged for 30 years. Years of fees were collected from the users and stolen from the District. Not by the doing of this Board. Now the current users are going to have to pay to upgrade the system because of the previous mismanagement.

- Bruce Peterson stated he has 3 lots and he intends on replatting them, so he will only be assessed one surcharge. He mentioned this could happen by multiple owners eliminating lots for the District to allocate the surcharges to. Schuh noted, in the scenario Peterson explained, the same amount due could be allocated over a smaller number of lots, yet the same total amount will be collected. Schneider noted the surcharge could possibly be allocated utilizing the total of original platted lots and assessed accordingly. Peterson mentioned McConnell came into tonight attempting to find out how he was going to be assessed. The Board mentioned there have been multiple open meetings to discuss the entire process of which many of the users have not taken the opportunity to attend. Peterson stated examples at the next meeting would be appreciated to assist the public in understanding the proposals. Peterson noted the Board should consider a discount for new lot purchasers to encourage development.

Konda asked Mehlhoff as to whether a surcharge can be assessed to a vacant lot. Mehlhoff stated yes. Mehlhoff also noted the current surcharge calculation may not be the exact amount assessed as additional information will be available at the time the loan closes.

Utech inquired as to how the current users will be notified of the upcoming meeting. The Board noted they can do an email blast for those individuals who have provided their emails for billing. In addition, signs can be displayed. Utech stated the Board should contact the counties to get a list of all lot owners for a letter. The Board asked Utech to contact any users he has contact information for.

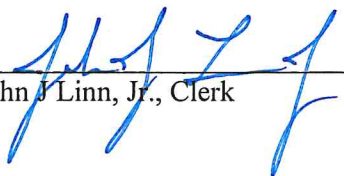
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Being no further business, Konda made a motion to adjourn the meeting at 8:06 p.m. Schneider seconded. All voted in favor. Motion carried.

\*\*\*SIGNATURES TO FOLLOW\*\*\*

  
Kathleen Schuh, Board Chairman

ATTEST:

  
John J Linn, Jr., Clerk