

November 21, 2022

**Terry Trojan Water Project District Board of Directors Meeting Minutes
Deadwood Chamber Conference Room**

The meeting was called to order by Janell Berg at 4:00 pm, and a roll call was taken.

Present: Board of Directors; Janell Berg, Mike Hale, Jon Torgerson, Peder Torgerson, Mike Ryan, Executive Director - Linda Derosier

Absent: Board of Directors, Matt Zietlow, Bill London, Secretary-Treasurer, Shanon Morrison,

Guests: Dustin Dale (AE2S), Lysann Zellner- (BH Council of Small Government)

Minutes: A review of the minutes from the October 24, 2022, meeting was presented.

*A motion was made by Mike Hale to accept the minutes as written with the correction to the spelling of Jon Torgerson's name, 2nd by Janell Berg, 5 voted yes, 0 voted no.

Financials: Financials were presented and reviewed.

*A motion was made by Janell Berg to accept the financials as presented, 2nd by Peder Torgerson, 5 voted yes, 0 voted no.

Lysann Zellner- (BH Council of Small Government):

Lysann presented a detailed itemization of the financials with the Meter Pit Project and Storage Tank Project. She provided three options for a rate increase, showing the details of each. These various option evaluations show the potential financial future that the district could expect with the rate increase option that is implemented. This evaluation provides valuable information to assist the board in deciding the rate increase structure. It is important to maintain a 3% increase each year just to keep up with inflation. And the additional rate increase depends on what the board wants to maintain financially.

Option 1 – \$0 increase + 3%

Option 2 - \$13 increase + 3%

Option 3 - \$33 increase + 3%

The rate increase can be a combination of the base rate and usage fee, and the rate structure could also be changed. The outlined options are simply to provide the board with good information in making the decision. Lysann reminded everyone that a decision does not need to be made today regarding a rate increase, but to get approved for the loan a motion will need to be made by the board promising a rate increase that will offset the new debt load before approval which should be sometime in the spring. The rate increase will need to take effect before closing the loan which would likely occur at the end of the construction season in 2024. The board complimented and thanked Lysann for presenting such a thorough financial evaluation. The DANR will be meeting in Pierre on January 5, 2022.

Mike Hale expressed concern about the property owners that live up there, and how they are being pushed out with the rates. The rental property owners will just raise their rental rates. Rental properties do tend to use more water and are more problematic when they have a water issue.

System Operations:

The readings were pretty accurate this past month. The new tablet and radio are working better. There are still issues with the readings in Baynon. Shanon will continue to work on the issues.

Dylan Strible is requesting a motion to approve sending the media to Purolite for regeneration. The quote came back about \$1,000 more than last time for a total of \$10,067.80.

* A Motion was made by Mike Ryan to approve the Purolite quote and send the media for regeneration, 2nd by Mike Hale, 5 voted yes, 0 voted no.

Mike Hale asked Dustin if for whatever reason we could not deliver water due to a catastrophe would the district be liable? Dustin said, an act of God catastrophe would not hold us liable, however, if we knew of a problem and did nothing to correct it that could be seen as neglectful and then we could be held liable.

Linda said in the past there was an expressed understanding that if we did have a major catastrophe, Terry Peak and Wharf would help us get to the Two Johns Well in adverse situations. This was an unwritten understanding and at the time it was with a different ski area manager and different Wharf Mine manager. This may be something that the board should revisit with the two commercial entities at Terry Peak that could help us if needed. Linda will discuss this with Bill London and Matt Zieltow so at the next meeting we could have a discussion regarding the possibility of asking for their help in an emergency.

Dustin will provide information to become a part of the South Dakota Emergency Water Plan, in the event of a future emergency situation.

Plumbing Contract:

Linda submitted a revised Plumbing Contractor Agreement for Leroy Stuen.

*A motion was made by Janell Berg to let the current agreement with Plumbing Contractor Leroy Singer Construction expire on December 31, 2022, and to enter into the new service agreement, which has been presented by Linda and approved by the BOD, with Leroy Stuen Excavating Inc. beginning January 1, 2023. 2nd by Jon Torgerson, 5 voted yes, 0 voted no.

Miscellaneous:

Linda reported a problem with a customer who is terribly upset that his meter is not reading. We believe it is the ERT not working properly and we do not have any replacement ERTS at this time. They are on backorder. The customer will not accept the estimation of 5,000 gallons a month because he claims there is no way they would use more than 2,000 gallons a month (The property is a 5-bedroom 3-bathroom house with a small hot tub. The customer sent Linda a text stating negative threats. Linda will communicate the concern to Roger Tellinghuisen for the record. Linda will attempt to keep communication with this customer in writing.

Dustin Reported that our Water Rights permit gives us the right to pump up to 251 gallons per minute.

Meetings in 2023 will be scheduled, on January 23, April 24, June 26, August 28, and November 20.

Submitted by Linda Derosier

Meeting Adjourned 5:20