

MINUTES OF THE
COLONIAL PINE HILLS SANITARY DISTRICT
November 21, 2023

The Board of Trustees of the Colonial Pine Hills Sanitary District met on November 21, 2023 at the CPHSD Office Building. President Mills called the meeting to order at 7:00 PM. Trustees present included Edward Mills, President; Don Nolting, Vice President; LeRoy Draine, Trustee; Ron Colerick, Trustee; and Peter Rausch, Trustee. Present also was Jim Martin, Manager.

AGENDA:

Nolting made motion, seconded by Rausch to approve tonight's agenda as written. The motion passed with a unanimous voice vote.

MINUTES:

Nolting made motion to approve the minutes of October 17, 2023 as written. A second was given by Rausch. The motion passed with a unanimous voice vote.

FINANCIAL REPORT:

The financial report for October was presented. Mills opened the floor for discussion and/or comments. There was no discussion so Rausch made motion, seconded by Draine, to approve the financial report. It passed by unanimous voice vote.

MANAGER'S REPORT:

Martin reported he has changed over the 48-month Water Meter Deposits Certificate of Deposit to a 12-month CD so that the account can earn 5.12% rather than 2.26%. This will be re-evaluated next November when the CD matures. He also reported that there have been four water leaks since last meeting; one on Katrina Court (service line split from rock sitting on top) and three leaks on Kerry Drive. For one leak we replaced two service lines from tapping saddles to curb-stops. The other two were repaired by replacing a portion of a damaged service line and using compression fittings to secure the lines. We do not yet have a cost for these three repairs but the asphalt repair for the street was \$5,088 and has been completed. There being no further discussion Draine made a Nolting seconded by Draine to approve the Manager's report. The motion passed by unanimous voice vote.

OPERATOR'S REPORT:

In absence of Mike Riker, Martin presented the Operator's Report for October. He made comparisons for water produced during October and early November. All systems are operating normally. All samples taken were either within normal parameters or, as in the case of bacterial samples, absent. There being no questions Draine made motion, seconded by Nolting to accept the Operator's report. The motion passed by unanimous voice vote.

OLD BUSINESS:

1. *Replacement of 4 Inch Pipelines:* There was a lengthy discussion about replacing some or all of our 4-inch pipelines and how this should be prioritized. The Board

looked at the number of repairs per street and thought Kerry Drive should be the first since it is a pipeline that does not feed from nor feed to another four-inch pipeline. After further discussion, Nolting made a motion, seconded by Rausch, to hire Foth Engineering to begin a design of a new eight-inch pipeline and new services to replace the entire four-inch line. This design would be sufficient to get on the State Water Board meeting schedule toward a future State Revolving Loan. Additional discussion followed before Mills asked for a vote. The vote was unanimous 5-0 in favor of proceeding.

2. *Falcon Crest 2 Development*: The County Commissioners, meeting as the Board of Adjustment, met this morning to discuss the application by the developer of Falcon Crest II of a variance to waive the County requirement that no more than 40 dwelling units may exist on a dead-end road (Countryside Blvd.). Based on the non-recommendation of the Rapid City Fire Department, Whispering Pines Volunteer Fire Department and the Pennington County Emergency Management Unit, the Board of Adjustment denied the application without prejudice. This means the applicant can refile without having to wait a year. During this meeting it was mentioned numerous times that the variance would not be needed should Countryside Blvd and Dunsmore Road be connected. This connection currently is being prevented because a landowner does not wish to have this connection made and has the support of most of the neighbors. So, for the time being, this development is on hold. Another option that was mentioned by the Rapid City Fire Department was to equip each home with a self-contained fire suppression system. These would require either a high-volume water service or a large volume water storage container and pump. This option does not appear to be practical. Martin sent an email to the developer today that the District would not approve a water service line any larger than one-inch.

NEW BUSINESS

1. *BHFCU Certificate of Deposit*: In his report, Martin stated he has changed the term of the Meter Deposit CD to reap the benefits of a better dividend. In this light he has also consolidated three of the Money Market accounts into a single account and moved \$151,000 into two 12-month Certificates of Deposit that will earn 5.12% rather than 1.94%.
2. *Use Ordinances and Design Criteria Rules*: The Board approved at its September 2023 a “Water Services Handbook” that addresses the daily use of our system; including connection fees, meter deposit fees, septic systems, billings, etc. We have two stand-alone documents that derive some of their information from the Water Services Handbook. These two documents have been revised and need to be adopted by the Board. Nolting made a motion, seconded by Rausch, to adopt both the Use Ordinance and the Design Criteria revisions. This motion passed by a unanimous voice vote.
3. *FY2024 Budget Proposal*: The draft budget proposal was passed out at the October meeting. To-night the discussion pertaining the proposal commenced. Martin has provided a summary as to how the numbers are derived. There was a discussion pertaining to the percent of expenses compared to revenue, a discussion pertaining to payroll and a look at things different from last year. The most notable is our bi-annual audit will happen in 2024 and is estimated to cost some \$17,750. The budget provides 4.985% rate increase for 2024. The base rate will go from \$52.50 per month

to \$55.00 and the cost of volume usage will also increase. It was suggested that there be another increase for 2025 to keep up with inflation. Payroll expenses also was increased by three percent for all employees. Nolting made motion, seconded by Colerick, to provide a modest Christmas bonus for all employees. This motion passed by unanimous voice vote. After additional discussion, Nolting made motion to adopt the budget with the changes made during discussion (rates and wages). The motion was seconded by Rausch. This budget motion passed 5-0.

There being no other business before the Board, Mills reminded us that the next meeting will be on December 19, 2023 and asked for a motion to adjourn. At 8:45 PM, Rausch made motion to adjourn, seconded by Draine. The motion passed by voice vote.

Respectfully submitted,
Jim Martin, Manager/Clerk