

MINUTES OF THE
COLONIAL PINE HILLS SANITARY DISTRICT
September 17, 2024

The Board of Trustees of the Colonial Pine Hills Sanitary District met on September 17, 2024 at the CPHSD Office Building. President Mills called the meeting to order at 7:00 PM. Trustees present included Edward Mills, President; LeRoy Draine, Trustee; Ron Colerick, Trustee; and Peter Rausch, Trustee. Don Nolting, Vice President was absent. Present also was Jim Martin, Manager; Mike Riker, Operator; and Steve Burgad, Maintenance. Also present was Traci Hansen from Ketel, Thorstenson LLP.

AGENDA:

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

AUDIT REPORT:

Traci Hansen, from the auditing firm of Ketel, Thorstenson, LLP, presented the results of the bi-annual audit of financial years 2022 and 2023. She began by explaining some of the technical aspects of what the auditors were to observe, then she went into some detail pertaining to the financial reports of the audit itself. Lastly, she spent some time on the three audit findings that have been on all of our past reports: 1) The auditor was requested to draft the financial statements. This is not unusual for an organization of our size, in fact, KT does this for most of the firms they audit. 2) During the course of the audit KT proposed material audit adjustments that were not identified as a result of the District's existing internal controls. These included depreciation and expenses/income that were recorded during the period following the period earned. Again, this is not unusual for an organization of this size. And 3) The District has a general lack of segregation of duties due to the limited number of staff. This, again, is not uncommon for an organization of our size. She further stated that our District maintains good oversight of our financial structure. She opened the floor to questions/comments. Colerick asked the question if auditing using the accrual method versus the cash method resulted in different numbers. The answer was that there is not a concern between the two if the organization is consistent. There being no further comments, Mills asked for a motion to approve the report. Draine made a motion, seconded by Rausch, to approve the Auditor's report as written. The motion passed by a unanimous voice vote.

MINUTES:

Draine made motion to approve the minutes of the August 20, 2024 as written. A second was given by Rausch. The motion passed with a unanimous voice vote.

FINANCIAL REPORT:

The financial report for August was presented. Martin stated that water sales revenue recorded in August was over \$51,000 as a result of July being hot and dry. Billing for August appears to follow July as well. Mills asked if anyone had other questions concerning the

financial aspect. No one did so Rausch made motion, seconded by Draine, to approve the financial report. It passed by unanimous voice vote.

MANAGER'S REPORT:

Martin reported the repair of two service line leaks. One was near the saddle at 8411 Mittenwald Court. Two new lines were pulled thru the cul-de-sac from the main to the curb stops. The second was also a service line problem at 8403 Alberta Drive. A new line was installed from new tapping saddles to the curb stop. The total cost of the two repairs was \$13,464.00. Martin reported having a meeting with Kathy Donhiser to discuss granting the district an easement to extend an 8-inch water main across her property to connect with a current pipeline. This second pipeline would provide water to the new Falcon Crest II subdivision. She agreed to the easement providing the easement is just between her and the Sanitary District. Martin attended the annual meeting of the Western Dakota Regional Water System in Box Elder on the 5th. At that meeting one of the speakers was the commander of Ellsworth AFB and he spoke about the construction that is going on and will be going on concerning the new aircraft that will be assigned to the base. The base is expected to grow about 4,000 more people, including families, to be in place by 2030-32. Martin was also re-elected to a three-year term as a director of the WDRWS. There being no further discussion Draine made a motion seconded by Colerick to approve the Manager's report. The motion passed by unanimous voice vote.

OPERATOR'S REPORT:

Mike Riker gave the Operator's report. It consisted of production information and testing status. All systems are working nominally. Also, an updated Cellular based SCADA system is on order that should improve our system. We are also on the schedule to have Midco Diving clean our tank later this fall and Riker is going to check to see if they might be able to replace the anodes in the tank at the same time. There being no questions or comments, Rausch made motion, seconded by Colerick to approve the Operator's report as written. The motion passed by unanimous voice vote.

OLD BUSINESS:

1. *SCADA System Upgrade*: New parts are on order. No further discussion
2. *WDRWS Annual Meeting*. Discussed in Manager's Report, above.
3. *Falcon Crest II Subdivision*: Update given during Manager's Report, above.

NEW BUSINESS

1. *Western Dakota Regional Water System*: Update given during Manager's Report, above.

Mills asked for any additional comments: There was none.

There being no other business before the Board, Mills reminded us that we will meet again October 15, 2024 and asked for a motion to adjourn. At 7:25 PM, Rausch made motion to adjourn, seconded by Draine. The motion passed by voice vote.

Respectfully submitted,
Jim Martin, Manager/Clerk