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RAPID VALLEY SANITARY DISTRICT OF TRUSTEES MEETING

April 9, 2018

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Chairman Dwight Peterson called the meeting to order at 7:05 p.m. Present at roll call were Clyde Elwood, Andy Fitzgerald, Shirley Haines, Rick Hensley, Diana Nelson, Connie Olson, Dwight Peterson, Robert Phillips and Jack Tomac. Also in attendance were Rusty Schmidt, Manager; Dustin Dale, AE2S; and Marty Garwood.

APPROVAL OF AGENDA: A motion was made by Connie Olson to approve the agenda. Bob Phillips seconded the motion. Motion carried.

APPROVAL OF MINUTES: A motion was made by Jack Tomac to approve the minutes from the February meeting. The motion was seconded by Andy Fitzgerald. Motion carried.

APPROVAL OF FINANCE REPORT: The financial reports were distributed to the Trustees for their review prior to the meeting. A motion was made by Connie Olson to approve the Finance Report. Bob Phillips seconded the motion. Motion carried.

ITEMS FROM THE PUBLIC:

PRESIDENT'S REPORT

1. Ketel Thorstenson Presentation of Audit: It was anticipated that a representative from Ketel Thorstenson would be present at the meeting to present the 2017 financial audit. However, that did not happen. Draft copies of the audit were distributed to the trustees prior to the meeting for their review. A motion was made by Connie Olson to approve the 2017 audit and to authorize the auditor to submit the audit to the Department of Legislative Audit. The motion was seconded by Diana Nelson. Motion carried. The auditor will be asked to be present at the May meeting to discuss the audit.
2. Policy & Ordinance Updates: Connie Olson presented the changes to the policies and ordinances as recommended by the Committee. They are all small changes being recommended for the sake of continuity and clarification and are in accordance with current practice. The changes recommended are as follows:

**Water Ordinance 14-1**

ARTICLE V

SERVICE CONNECTION REQUIREMENTS

E. All contractors, sub-contractors, developers, realtors or individuals building new construction will be allowed to use the water service for construction purposes, excluding watering for sod, grass seed, shrubs, trees or anything for landscaping improvements. The individuals requesting water for such purposes will be required to set up an account for metered water.

ARTICLE VI

DISTRICT'S RESPONSIBILITY AND LIABILITY

G. The District will repair any damaged or non-functioning consumers water service lines from the water main to the curb box at no cost to the Rapid Valley Sanitary District only, single family property owner. (Commercial properties are not included). Repair shall include replacement of said damaged or dysfunctional water line in accordance

tion of fill dirt, concrete or asphalt needed to remove the old water line and replace it with a new functioning service line accordingly. The District shall not be responsible for settling or replacement of the water line trench (without charge) after the expiration of ninety (90) days from the date of completion of the new installation. Not included, nor shall the District be responsible for cost of replacing or the reclamation of sod, grass, shrubs, trees other landscaping, decks, patios, concrete or other structures if their removal is required for installation/repair.

H. The District at their discretion may replace or repair non-functioning or damaged water service lines that are a maximum of 16 inch in diameter from curb stop to the meter for Rapid Valley Sanitary District only, single family property owner. (Commercial properties are not included). The property owner or consumer is required to sign a repair/replacement authorization form (Water Ordinance No. 14-2 Attachment C) in order for the District to perform this service.

The replacement and/or repair will be done in accordance with established District criteria and the location of the meter inside the home or within the meter pit will be at the discretion of authorized personnel of the District. This may require relocating the meter. If homeowner requests for alternate location, this additional cost and responsibility for this work will be borne by homeowner. The District will replace up to a maximum of one hundred (100) feet of service line, if replacement of service line is required. The District will not be responsible for the repair or replacement of a meter pit. The plumbing on the effluent side of the meter will be the responsibility of the property owner. The consumer is responsible for proper protection of the service line up to and including the Districts meter to keep from freezing.

The District shall not be responsible for settling of the surface over the consumer's water line (without charge to property owner) after the expiration of ninety (90) days from date of completion of new installation. Not included, nor shall the District be responsible for cost of replacing sod, grass, shrubs, trees or the reclamation of other landscaping, decks, patios, driveways, concrete or any structures if removal of such is required for installation, or be held responsible for any damage to property in accordance with Article VI, Section E.

## ARTICLE VII CONSUMER'S RESPONSIBILITY

A. Service lines on the consumer's property must be so arranged that the connections are conveniently located relative to the District's lines or water mains. All materials used for water and/or sewer service lines must meet all Rapid Valley Sanitary District's current design and construction standards for water and waste-water piping and appurtenances. (Unplatted agricultural lots, 40 acres or larger, if approved by the District, will be allowed to install service lines with a metering pit as according to the Districts current design criteria and regulations.) The applicant shall supply such information as the District may request.

I. All curb stops will be in accordance of the Districts Design and Construction Standards. ( Attachment B). The top of each box installed shall be placed level with the ground and kept in working order. In the case of neglect or refusal of the owner to provide or repair the curb box within a reasonable amount of time, after being notified in writing, the District shall have the necessary repairs made and the cost of repairs billed to the property owner. The repair bill is to be paid within thirty days of the date on the invoice. If monthly payments are approved by the District, the owner will be billed for the cost of the repair plus ten percent (10%). The repair bill must be paid according to monthly payment schedule established or service will be disconnected.

Ja. The property owner shall be responsible for the cost of any and all repairs, replacements or damages arising out of the settling of the water line or sewer line trench located on owner's property after installation of same, or any ancillary or adjacent structures, including sidewalks, driveways, concrete, landscaping or other damage as a result of the settling of the location or any area around the location that is settling as a result of such installation.

K. The Manager or Trustees of the District shall have the right to adjust the water and/or sewer billing because of leaking fixtures or leaking service lines.

## ARTICLE VIII ACCESS TO CONSUMER'S PREMISES: LOCATION OF METERS

C. The property owner is responsible for all costs in providing metering pits and the costs of valves and connections necessary for meter installation. Water meters may be installed on the inside of the building or residence in a location

on the outside of the building, residence, or metering pit. The property owner or consumer on the premises is responsible for assuring that the water meter is safe from damage due to freezing, hot water, steam, or other damaging elements. Any damage to a meter from any cause other than mechanical wear and tear will be paid for by the consumer or owner of the property. In case of neglect or refusal to pay for the meter damage, the water service will be disconnected. Service will be disconnected if the meter is damaged a second time due to freezing or other causes and will not be turned on until meter is properly protected and inspected by authorized representative of the District. Before service is restored, all fees incurred will have to be paid

## ARTICLE XII COMPLAINTS - ADJUSTMENTS

- E. Conflicts related to water and sewer billing will be resolved by the Manager.

### *Attachment "B" to Water Ordinance 14-1*

Design and Construction Standards For Water and Wastewater Piping and Appurtenances

#### PART 1 - WASTEWATER PIPING AND APPURTENANCES

##### 2.1 Sewer Mains and Services

- A. Minimum sewer main size is 8". If larger diameter pipe is required or is shown in the RVSD Master Plan, the Developer/Contractor will incur the cost of up-sizing. Pipe material shall be ASTM D-3034, SDR-35 or SDR-26 gasket sewer pipe. All sewer mains will have access downstream by means of a manhole at all connection points to city trunk sewers.

##### 3.2 Water Service Lines

###### **Polyethylene Water Service Lines:**

- A. Minimum service line size is 1".
- B. Tapping saddles and corporation stops are required. Tapping and all materials are the responsibility of the Contractor. RVSD shall observe all water main taps. The Contractor shall contact and schedule the proposed tap with RVSD 2 working days prior to anticipated tap.
- C. Tapping saddles shall be solid band 304 stainless steel construction with stainless steel nuts and bolts. Tapered Buna-N ASTM D-2000 rubber gasketed (Ford FS303 or equal).
- D. One inch (1ø) through two inch (2ø) diameter shall be copper tube size (CTS) poly SDR 9, 200 psi minimum rating; with stiffener inserts at each curb stop, fittings, and corporation stop. Tubing shall meet the requirements of AWWA C901, NSF Standards 14 and 61, and shall have the material designation of PE3608 by the Plastic Pipe Institute.
- E. Compression type connections with inserts are required. (No yellow brass allowed. Red brass only).
- F. No service line splices on any section of the line.
- G. Piping over 2" and less than 4ø shall be PVC service line pipe and shall comply with ASTM D-2241, 200 psi minimum rating, SDR 21. 4ø and larger shall be C-900 PVC per specifications.
- H. Tracer wire shall be installed at each service line and exposed at the curb box. A ¼ø hole will be drilled in the lid of the curb box and tracer wire ran through. Do not cut the tracer wire when continuing to house. On new construction of service lines to the house a tracer wire is required from the curb box to the water meter or valve inside the house with a tracer wire exposed at the curb box lid through the ¼ø hole or holes that are drilled in the curb box lid.
- I. Curb stops with boxes shall be placed on each new service line at the property line or as shown on the plans.
- J. Curb boxes shall be placed behind the sidewalk and marked with a steel fence post.
- K. All curb boxes shall be adjustable and installed to finish grade. Finished grade is defined as the top of finished and graded topsoil. All curb boxes will be wrapped in 8mil plastic.
- L. Curb boxes shall be Minneapolis pattern No. 5622 (1-1/2") or Buffalo style 100E curb box with bushings added to curb stop.
- M. Water services shall be bedded with fines according to bedding specifications for crusher fines with a minimum 3ø below the pipe and 3ø above the pipe.



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num of 186 above the pipe and shall include no rocks 26 or larger in

## ***Attachment "A" Sewer Ordinance 14-2***

**Late Charges:** The sewer account will be charged a late charge (see Attachment B) which may be in addition to any charges made to the water account. The District's billing cycle consists of two billing areas (the first billing area and the second billing area). The water and sewer bills will be sent out on or about the 1st day of the month (first billing area) and on or about the 15th day of each month (second billing area) for amounts due from the preceding month. Payment shall be due on or before the 10<sup>th</sup> (first billing area) and the 25<sup>th</sup> (second billing area) days of each month. Those consumers in the first billing area: the water and sewer bills become delinquent after the 10th of the month. Payments received after the office opens on the first business day following the 10<sup>th</sup> day of the month will be assessed a late charge. However, notwithstanding the above, when the 10th day of the month falls on Saturday, Sunday, or a holiday, those payments received the morning of the next working day, from the drop box, will not be charged a late charge. Those consumers in the second billing area: the water and sewer bills become delinquent after the 25th of the month. Payments received after the office opens on the first business day following the 25<sup>th</sup> day of the month will be assessed a late charge. However, notwithstanding the above, when the 25th day of the month falls on Saturday, Sunday, or a holiday, those payments received the morning of the next working day, from the drop box, will not be charged a late charge. (late charge amount updated January 2015)

## ***Policy and Procedures Manual***

### ***3.17 Petty Cash Funds***

The petty cash fund has been established for authorized small expenditures that may be required from time to time. Office personnel will be responsible for maintaining the fund. To replenish the petty cash fund following expenditure, the cash receipt for the expenditure must be reviewed by the Manager. The office personnel will then issue a check for the necessary amount. Office personnel will cash the check and replenish the fund. The petty cash fund will be reconciled monthly by office personnel and reviewed by the Manager.

### **3.18.3 Disposal of vehicles, equipment and salvage materials:**

#### **3.18.3.b**

All proceeds from the sale of any and all district property determined to be surplus or no longer necessary for the operation of district business will be used to support the operation of the district, or gratuitous transfers to another political subdivision or nonprofit corporation are allowed as according to SDCL 6-5-2 with board approval.

### ***7.2 Standard Workday***

To best accommodate our clientele the operating hours for District are 7:00 AM to 5:00 PM, Monday through Friday.

### ***7.4 Pay Period and Pay Day***

Employees are encouraged to have direct deposit. This policy is utilized to establish a uniform payroll period policy and a mechanism for the distribution of paychecks, and to provide the District's employees with the convenience of authorizing voluntary deductions from their paychecks.

District's pay periods are defined as a two-week bi-weekly 14-day pay period which commences at 7:00 AM Monday and ends at 6:59 AM on Monday two weeks later. Paychecks will be distributed to employees on the Monday following the end of a pay period.



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If payday falls on a holiday, paychecks will be issued on the preceding day. On scheduled paydays, paychecks will be cut at the business office. Paychecks may either be picked up by the employees or mailed to their residence if they are not present at work on payday. There may be provisions made for an early paycheck if Management considers it an emergency. Any paychecks not cashed within sixty (60) days of issuance will be voided and destroyed. Employee will be reissued a new check after the 60 day period

#### **8.0.4 Disability Insurance**

Long-Term Disability District offers long-term disability coverage to regular full-time employees. Long-Term Disability insurance provides financial protection by paying a portion of an employee's income while that employee is disabled. Some disabilities may not be covered. The amount received is based on the amount of weekly pre-disability earnings before disability began. Long-term disability is activated once the short-term disability is no longer in effect. The period of payment is after 90 days (the elimination period). Please see the Summary Plan for more information

#### **8.1.1 Administrative Guidelines**

E. **Salary in Lieu of Vacation**— Employees who terminate, retire, or who are placed on a leave of absence may receive pay for earned but unused vacation. In the event of death, earned but unused vacation will be paid to that employee's estate.

#### **8.10 Family Medical Leave**

Please see Management for more information regarding Family Medical Leave Act and the National Defense Authorization Act. Anything not included in this policy that is covered by federal or state regulations will be adhered to according to the law.

## ***Financial Policy***

Correct heading on page 2:

### **Rapid Valley Sanitary District – Water Service Finance Policies and Procedures**

#### **1. Financial Policy for Designated Reserves**

It is the policy of the Board of Directors of Rapid Valley Sanitary District ó Water Service to designate unrestricted financial reserves in order to protect the District's investment in its various assets, satisfy its commitments under its numerous financial, regulatory and contractual obligations and to continue to offer economical rates for its customers.

Unrestricted reserves are designated by the Board of Directors for purposes such as funding new capital facilities, construction, repair, replacement or refurbishment of existing facilities, unexpected or emergency situations, and operating reserves. These funds can be utilized at the discretion of the District. The Board can change reserve designations at any time. Unrestricted reserves are different than restricted reserves, which are used strictly to meet requirements established by creditors, such as Rural Development and State Revolving Fund Loans, grant agencies or law, the District has no discretion as to the use of these funds.

#### **Operating Budget**

The purpose of the annual operating budget is to ensure adequate cash is available to pay the District's normal and recurring operating costs, and to improve capital reserves for short and long term projects, keeping consumer rates fair and equitable, while to maintain and improving RVSD - WS's infrastructure components for the benefit of the current rate payers . These funds are utilized throughout the year in order to meet the District's operating obligations.

come over expenditures for capital improvement projects annually and every 3-year will review and recommend allocating up to 100% of income over expenditures to capital improvement projects.

The 3-year rotation is designed to build up RVSD - WS's capital expenditure reserve funds, to cover for short and long term capital projects and other improvement and major refurbishments when required in conjunction with county and state road improvements.

### **Capital Expenditure Reserves/ Operating Reserves**

The purpose of the Capital Expenditure Reserves/Operating Reserves is to ensure that adequate funds are available to purchase new capital assets that benefit current ratepayers, to fund replacements, improvements and major refurbishments to existing capital assets. Reserves may be used to offset operating costs due to loss or reduction of revenues due to unexpected natural or manmade disasters or unexpected operating expenditures.

Use of Capital Expenditure Reserves funds are utilized in accordance with the annual recommendation of the Facilities Committee to the Board of Directors and then approved by the Board of Directors. Funding for projects will be determined by evaluating the water and sewer systems project plan, prioritizing project importance, and future projections to procure the long-term vitality of the District.

RVSD - WS recognizes the need to maintain reserves for emergency and/or unexpected projects. To this end, Rapid Valley Sanitary District ó Water Service strives to maintain a reserve fund of a minimum of \$1.8 million, in addition to funds that are restricted by loan or other agreements.

### **3. Bank Account Policy**

This policy defines the requirements for use of bank accounts, including opening, closing authorization, reconciliation of bank accounts and bank account transactions.

#### **Opening Bank Accounts**

Any new bank accounts to be opened for the business must have the authorization of the Manager and the Board of Trustees based on recommendations of the Finance Committee. For each new bank account opened, the financial system must be updated and the bank account registered by the Office Operations Clerk

#### **Bank Account Transactions**

Bank transactions will be reported to Board of Directors monthly with account detail and trial balances and sent in board packets.

The authorized persons for bank account payments are:

- Manager
- Office Operations Clerk
- Administrative Clerk

Each payment made must be supported by invoice, receipt or other appropriate documentation and approved by the Manager.

#### **Closing Bank Accounts**

Where it is decided that a bank account is no longer necessary, the Manager will authorize the closure of the bank account with prior approval of the Board of Trustees based on recommendation of the Finance Committee.

### ***Investment Policy***

1. Money Market Instruments
  - a. General Terms.

money market portfolio will be determined in concert with the overall asset/liability position of the bank.

- ii. All money market instruments may be utilized to meet liquidity needs
- iii. Cash balances are to be FDIC or SIPC Insured or bonded by the institutions as according to SDCL-4-6a

A motion was made by Connie Olson to approve the first reading of the Water Ordinance 14-1 and the Sewer Ordinance 14-2 including the attachments that pertain to the Ordinances. Jack Tomac seconded the motion. Motion carried. The second reading of the Ordinances will be at the May 14, 2018 meeting.

A motion was made by Connie Olson to approve the recommended revisions to the Policy Manual, the Financial Policy, and the Investment Policy. The motion was seconded by Andy Fitzgerald. Motion carried.

3. Tank Damage: The tank on the north end of Reservoir Rd., which was built in 2014, recently sustained wind damage. The roof lifted about 6" on one side and separated from the flashing. There was only a one year warranty on the roof. Engineering America originally built the tank. They referred the Manager to Great Plains Structure for the repairs to the roof which were completed on April 8<sup>th</sup>. The cost of the repairs was \$19,631 which is covered by the District's insurance. There is a \$1,000 deductible. The tank has been re-filled and the service department is super-chlorinating for 24 hours before it is back in service.
4. Johnston Ranch Rd. in S. Valley Dr. Area: The Developer is currently working on Phase II which will have 6 - 8 residential lots and 3 - 4 commercial lots. The Developer was under the mistaken assumption that he was not required to tie into the water line on St. Patrick St. The Manager reiterated to the Board that the developer is required to connect to the water main on St. Patrick St. as well as connecting at the end of Garden Ln. when they get to that phase or as required by the Sanitary District. The original requirements are stated in the February 2017 Board minutes. The connections are necessary to provide loops on the distribution system. The Developer was given an exception to having to build a 12" water main along St. Patrick & S. Valley Dr. The Board of Trustees confirmed that, as per the original requirement, the developer must make a connection at St. Pat and a connection to the water main at the east end of Garden.
5. Water Loss: The Manager noted that the District still has higher loss in the pressure zone so the service department is focusing their efforts there. The satellite imaging from Utilis showed 12 possible leak locations where the potable water signature was detected underground. Utilis representatives will be here in mid-April to spend two days working with the service department and explaining how to read the data. The service department has already been looking in the identified areas. The Manager also noted that using the rented velocity meter to check the mag meters worked very well.
6. Legacy and Longview Projects: The Manager received the plans but has not had a chance to review them as of yet. Once the plans are final, the Manager will personally contact the property owners in the area to discuss where their individual metering pits will be located. It is anticipated that bid letting will be on May 3, 2018.

7. Nanostone Ceramic Filters: Originally the plan was to have the new skids operational the first week of April but the manifolds have been delayed. The Manager is hopeful that the manifolds will be here by April 16<sup>th</sup>. The Nanostone filters are scheduled to be delivered on April 10<sup>th</sup>. The programmer will start re-programming in preparation for the conversion. The Nanostone rep will be here on April 16<sup>th</sup>. The conversion should only take a couple of days.
8. Phase 6 Orchard Meadows: The Manager has not gotten the plans back yet. Phase 6 includes 33 residential lots adjacent to Jim St. After the Journey Church is built, there will not be any additional commercial lots approved until the crossing is completed across Highway 44 at Twilight Dr.
9. Lift Station @ Orchard Meadows: The Manager has reviewed the plans and returned them to the developer with comments. He has not received any updated plans back. The City of Rapid City will not commit as to when their gravity sewer main might be built.
10. Johnson Ranch Homestead Development: Preliminary plans have been submitted for approx. 55 residential lots west of the 1m gallon tank near Copperfield Sub. A portion of the project (25% - 30%) will not have adequate pressure as the elevation on those lots is the same as the elevation of the tank. A booster station would be needed to supply water to 15 - 20 homes which would be very expensive. The Manager said that the City may be willing to consider a land swap for residential development. The City would be able to supply water to those homes.

#### MISC. ITEMS:

- The Manager informed the Board that the attorney has requested that he comes to only those meetings when agenda items will require his legal expertise. Following discussion of the matter, it was decided to ask him to attend the next meeting to answer any questions the Board might have.
- Hensley, Phillips, and Tomac terms are expiring. Petitions may be picked up on May 10<sup>th</sup>.
- SDARWS Water Technology Expo will be held at the Rapid City Ramkota April 25<sup>th</sup> & 26<sup>th</sup>.
- The Engineer informed the Board that he has asked the Manager to do a presentation at the Surface Water Treatment Workshop during the bi-annual conference for MN, ND, and SD. The conference will be held in Fargo May 1 - 3.

There being no further business, the meeting was adjourned 8:45 p.m.

Respectfully Submitted,  
Marty Garwood