

RAPID VALLEY SANITARY DISTRICT
BOARD OF TRUSTEES MEETING
December 9, 2019

Chairman Rick Hensley called the meeting to order at 7:00 p.m. Present at roll call were Clyde Elwood, Andy Fitzgerald, Shirley Haines, Dwight Peterson, Diana Nelson, Rick Hensley, Bob Phillips and Jack Tomac. Also, in attendance were Rusty Schmidt, Manager; Dustin Dale, and Sara Gregory. Connie Olson joined the meeting at 7:05pm

APPROVAL OF AGENDA: A motion was made by Dwight Peterson to approve the agenda. The motion was seconded by Bob Phillips. Motion carried.

APPROVAL OF MINUTES: A motion was made by Shirley Haines to approve the minutes from the November meeting. The motion was seconded by Dwight Peterson. 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 Clyde Elwood to approve the Finance Report. Diana Nelson seconded the motion. Motion carried.

ITEMS FROM THE PUBLIC: None.

PRESIDENT'S REPORT:

1. Second Reading of Water/Sewer Rate Ordinance Change: At the November meeting the board approved a rate ordinance change for water and sewer increasing the water minimum by 1% to \$17.71 and a 2% increase in the per/1,000 charge to \$4.20 and a 2% increase on the minimum for sewer to \$16.03 and a 2% increase on the per/1,000 charge to 4.93. A motion was made by Clyde Elwood to approve the rate ordinance change. The motion was seconded by Andy Fitzgerald. Motion carried.
2. Post Issuance Debt Compliance Policy: This policy is a requirement RVSD must accept, saying that we will maintain proper records and to be in compliance with the IRS. Amko will assist with the annual filing in order to keep us in compliance. A motion was made by Dwight Peterson to approve the resolution change. The motion was seconded by Diana Nelson. Motion carried.

MANAGER'S REPORT:

3. Water Loss: Water loss improved this month; it was down to 7.5% which is about 1.4 million gallons. The service team is still trying to locate the leak in Twilight Park. The high-pressure zone is maintaining at 140 gallons per house. Some water loss for November can be attributed to the 12" main that got hit last week on South Valley Dr.
4. Chet Dr: Plans for Chet Dr are complete and will consist of about 31 residential homes up above Avenue A. Construction should be starting mid-January or February. This will add another loop on Degeest to Big Sky and over to Avenue A.
5. Johnson Ranch Rd. Phase 4: Phase 4 sewer is complete and has passed testing. The water portion started December 6th, but was delayed slightly due to the 12" main being hit during construction. The main should be completed in about 2-3 weeks.

6. Orchard Meadows Lift Station/Gravity Sewer: The Manager was supposed to have a meeting today on the gravity sewer that is being rescheduled. The city seems open to the idea and is working on getting easements in place that will assist in their trunk sewer project which will in turn help in a gravity sewer option for Orchard Meadows.
7. Diamond Ridge Development: The 12" main was completed but hasn't not been tested yet. There is nothing new on the housing portion of the development. The engineer is working on booster station plans but bids are coming in higher than expected for other projects so we will plan to go out for bid possibly in March.
8. Intake Pump/Micro Strainer Upgrade: The service team is ready to remove the old pump, but DPI is not available to install the new pump for a couple of weeks so we will wait until a couple of days before they come to install the new one to remove the old one. Muellenberg Electric will work on the electrical for the new pump beginning end of this week or next so it is ready when the new pump is installed. The micro strainer will not arrive until beginning of February or later.
9. South Valley Dr: The Manager heard that the County and City are looking into road improvements from South Valley Dr. to Rapid Creek. This project is in its preliminary planning stages but there is a possibility water will need to be redone in that area. The city has not allocated funds for this project in 2020, and neither did we so it could potentially be a 2021-2023 project or later.
10. Homestead Phase V: Water and sewer are complete and the testing has been done and it is looped. There was a break on Braelyn that was within its 2-year warranty period and when tested it failed. Siteworks has repaired it under the warranty agreement.
11. Verizon Negotiations: The Manager received a letter from Verizon Wireless wanting to change the terms of their lease agreement to put the equipment on our towers. The current contract is good through April 2021. They would like to lower the lease amount from \$2731 per month to \$2391.40 per month. This would guarantee a contract for another 5 years and RVSD would get 15% after the 5-year period. They would also like to modify the agreement to include the ability to add or change equipment without prior approval from RVSD. The Manager is concerned about allowing them the ability to make those changes without our consent because structural integrity of the tanks could potentially be compromised. The board was in agreement to accept the monetary terms of the new proposed agreement. A motion was made by Jack Tomac to allow the Manager to negotiate the terms of the lease if possible, to accept the monetary change only. The motion was seconded by Diana Nelson. Motion carried.

Miscellaneous:

- The refinance was complete as of November 26th. Interest dropped saving RVSD an estimated 1.8 million dollars in interest, and the loan will be paid off in 2040, rather than 2048.
- The Avenue A project is complete and all testing has passed.

There being no further business, the meeting was adjourned

Respectfully Submitted,

Sara Gregory