

RAPID VALLEY SANITARY DISTRICT
BOARD OF TRUSTEES MEETING
May 13, 2019

Chairman Dwight Peterson called the meeting to order at 7:00 p.m. Present at roll call were Clyde Elwood, Andy Fitzgerald, Shirley Haines, Rick Hensley, Diana Nelson, Connie Olson, Dwight Peterson, Bob Phillips and Jack Tomac. Also, in attendance were Rusty Schmidt, Manager; Dustin Dale, AE2S, Marty Garwood.

APPROVAL OF AGENDA: A motion was made by Rick Hensley to approve the agenda. Clyde Elwood seconded the motion to approve the agenda. Motion carried.

APPROVAL OF MINUTES: A motion was made by Clyde Elwood to approve the minutes from the April meeting. The motion was seconded by Diana Nelson. Connie Olson requested that it be noted that the new Medicare Option for qualifying employees is optional. 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. Connie Olson seconded the motion. Motion carried.

ITEMS FROM THE PUBLIC: None.

PRESIDENT'S REPORT:

1. **Audit Presentation:** Tracy Hanson, with Ketel Thorstenson LLC, presented the results of the 2018 financial audit. Both the assets and the liabilities for the District were up slightly from 2017. There were no significant accounting standard changes. It was a successful audit. A motion was made by Connie Olson to approve the audit as presented. The motion was seconded by Andy Fitzgerald. Motion carried. Ketel Thorstenson will submit the audit to the Department of Legislative Audit for final approval.

MANAGER'S REPORT:

2. **Water Loss:** Line loss has improved significantly since last year. The 2018 line loss was 3.8mg but in 2019 it is 2.7mg. A fire hydrant on Bonita was leaking and that has been repaired. The area in Trailwood that was picked up by the satellite imaging has all been checked and there were no major leaks. Leak detection will now concentrate on the "blue zones" which indicate low probability. The satellite imaging paid for itself within three months as we were able to find and repair large leaks that had been leaking for a long time.
3. **Johnson Ranch Rd. Phase 3:** Installation of the water and sewer mains for 16 new residential lots on Hutt Ct. has been completed. The mains will be televised this week. Phase 4 will be south of Hutt Ct. During Phase 4 the developer will be required to connect water and sewer to the mains on Garden Ln.
4. **Orchard Meadows Lift Station:** The developer is getting ready to start building 80 townhomes in the next phase. The plans have been reviewed by District staff and changes have been requested but the plans have not yet been approved. The lift station will have SCADA controls which will integrate with the rest of the automated system.

5. Diamond Ridge Development: Plans are completed for the 12" water main from the 1mg tank to Valley Dr. Construction is expected to start by the end of June. The proposed booster station will be part of Phase 2.
6. Murphy Ranch Phase 6: The construction bond is no longer required on this project as the development is now owned by Jim Scull. The construction of the water and sewer mains is complete. However, they still need to be pressure-tested and televised. The contractor will begin work on the water main by the fire hall shortly. That will take approx. three weeks to complete.
7. RVFD/Murphy: This is a small project to extend the water main to approx. three homes. The project will be completed in July or August. Total cost of the project will be \$20,000 - \$23,000. The engineer is in the process of acquiring the necessary easements.
8. Homestead Phase V: Phase V will include 40 single family dwellings. The plans have been red-lined and returned to the developer. This phase will have a water main loop to Meadowridge Dr. Homestead St. will connect to Reservoir Rd. allowing for better access for area residents.
9. Amko Advisors: The Manager informed the BOT that there may be a possibility of refinancing two of the Rural Development loans at a lower interest rate which would result in a substantial savings to the District. The \$2.8m and \$2m loans obtained in 2008 are currently financed at 4.375 and 4.125%. It may be possible to refinance those two loans at 3.2% which is a potential savings of approx. \$800,000. The District would keep the other \$2.8m loan which matures in 2050 in order to keep the 1926b protection. The Manager has submitted some preliminary financial information to Amko Advisors so that they determine whether or not the District may qualify for an A rating. If it appears that the District could qualify, there would be a charge of approx. \$27,000 to obtain that rating. If the BOT does decide to go to market for obtaining municipal bonds, a resolution would be required in order to go to bid. Once a bid is obtained, the District would have the choice of whether or not to accept. A motion was made by Connie Olson to direct the Manager to provide all necessary financial information to Amko Advisors and, if favorable for an A rating, to spend up to \$30,000 to have the rating completed. The motion was seconded by Clyde Elwood. Motion carried.

MISC. ITEMS:

1. The Manager informed the Board that there may be another project coming up in the near future on Avenue A. This proposed project would be in the pressure zone. This is very preliminary at the present time.

There being no further business, the meeting was adjourned at 8:15 p.m.

Respectfully Submitted,
Marty Garwood