



BOARD DIRECTORS MEETING
6 PM FEBRUARY 9, 2026
4611 TEAK DR RAPID CITY SD, 57703

Chairman Andy Fitzgerald called the meeting to order at 6:00 p.m. Present at roll call were Bob Phillips, Diana Nelson, Jennifer Battles, Shirley Haines, Connie Olson, Carrie Wheeler, and Eric Krebs and Tim Roth. Also in attendance was General Manager Rusty Schmidt, and Office Manager Sara Bender

APPROVAL OF AGENDA: made a motion by Jennifer Battles to approve the agenda. Eric Krebs seconded the motion. Motion carried unanimously.

APPROVAL OF MINUTES: Connie Olson made a motion to approve the minutes from the January meeting. Bob Phillips seconded the motion. Motion carried unanimously.

APPROVAL OF FINANCE REPORT: The financial reports were distributed to the Trustees for their review prior to the meeting. Diana Nelson made a motion to approve the Finance Report. Shirley Haines seconded the motion. Motion carried unanimously.

ITEMS FROM THE PUBLIC: No one from the public was in attendance.

PRESIDENT'S REPORT:

1. Drinking Water Surcharge Revenue Bond 2023 29th Invoice for Engineering Services: The 29th invoice for engineering services was \$16,897.25 which consisted of \$16,121.5 for construction services, \$607.00 for subcontractors and \$168.75 for transportation.

MANAGERS REPORT

2. Monthly Water Loss and Leak Detection: Daily Production for the month was 650,000 gallons per day and water loss was 9.18%. A 25-year water loss trending graph was presented, and the district has improved with water loss trending down over the years due to a diligent detection program and advances in equipment from gauges to satellite imaging, to the new leak detection trailer. There were some points in time where water loss was anywhere from 40% all the way up to 50%. The service team also repaired some inoperable curb stops in the Meadowland area while performing routine meter replacement.

PROJECTS AND FUTURE DEVELOPMENT

3. Apple Valley Phase 2A & 2B: There are 10 homes under construction currently in phase 2A. The contractor is working on water installation on phase 2B and the main ended up having to be lowered to go underneath the storm sewer.

4. Ennen Housing: The contractor is going to start working on water installation on 2B on Traverse and

the sewer installation in this phase is complete. There will be 26 lots in this phase, then they will likely go back to phase 2A.

5. Homestead St. Extension: The contractor has started on this project and there is approximately 320 feet of existing water main in the low zone that had to be lowered to allow for 6 feet of bury depth, so it was also replaced.

6. North Valley Dr. Segment 1: This segment will go from Moonlight Apartments south to the intersection of highway 44. The materials for this project will be between \$90-\$100,000.00 and the installation will be \$97,161.33. Dennis with ANCO will be doing the work and will start in April.

7. County and State ARPA 2 MG Storage Reservoir: We have not received pay application 14 yet and the remaining balance on the contract is \$307,211.36. The contractor will be back sometime in the summer to finish the last punch list items. The warranty will not start until those items are complete.

8. County and State ARPA Madison Well, Well House and Generator Project: Pay application 4 was received today in the amount \$55,877.00, this is for framing, roof, siding, and insulation for the well house. There is a June 1, 2026, deadline to have at least 50% of the contract expended. The contractor and engineers have been notified and asked to ensure this deadline is met as we will lose the funds if it is not.

OTHER TOPICS

9. Compressor Room Addition: The building is almost complete and should be finished up in the next week. The electrician has been contacted and said they will begin the electrical and heat next week or the following. The addition should be completed by the end of February.

10. Wells Fargo Sweep Account: In November 2024 we switched our Wells Fargo checking into a sweep account where funds were swept into the open market and interest is accrued. Once that was implemented, we started seeing a client analysis charge on our statements. So far, the sweep has generated \$32,143 in interest, but the client analysis fees total \$21,972 which is about 68% of the total dividends earned by the sweep. A request was made to see if there was a balance that could be left in the account and not be swept to offset the fees, and they indicated that is not a possibility. A meeting was held with Pioneer bank to look at switching our checking to them and they provided a comparison of fees and sweep interest. Overall, their fee structure was about half of what Wells Fargo charges for not only their client analysis fees but their merchant services fees as well. In addition, they indicated that if we held a \$250,000.00 balance in the account and only swept the rest it would offset the equivalent client analysis fee in its entirety. The sweep with Pioneer Bank also seemed more secure as it is just swept into our existing high yield money market account rather than the open market. Pioneer Bank also pledges all public funds and are local so an overall better fit. A motion was made by Connie Olson to move our checking account from Wells Fargo to Pioneer Bank and Trust. Carrie Wheeler seconded the motion. Motion carried unanimously.

11. Financial Overview: A chart overview of the districts financial overview was presented and in the last decade the district has decreased debt services by 17% and has increased revenue by over 300% while also completing over \$16 million in capital improvements projects. This financial growth is beneficial to future known and unknow projects that could arise and will help to minimize future long-term loans.

12. Valley Heights Subdivision: I met with Andy Bruels and Mark Mayer with SD DANR while in Pierre at the ATC to discuss Valley Heights water concerns. There is a meeting scheduled for this week with Box Elder and Valley Heights to discuss the potential options. An update will be provided to the board after the meeting.

13. HB 1103: House Bill 1103 would remove the Greenhorn Exception for well drilling. To remove this exception would require the systems to prove the recharge is more than the well permit and would require

a groundwater study to be completed. If this were to pass it would add millions to projects and cause years-long delays on projects and would increase water rates substantially. The bill passed in the House by a 9-4 vote but was defeated in the senate by a 16-49 vote.

MISC. INFO:

- Scholarship submitted to Western Dakota Tech
- Contacted Symphany lease.
- Cyber Security MOU submitted.
- Nanostone Gen2 modules installed on backwash skid.
- Cleaning/Linen services
- 2026 Election terms expiring – Andy, Shirley, Diana
- Feb 24th policy meeting 6 pm

There being no further business, the meeting was adjourned at 6:40pm.