



BOARD DIRECTORS MEETING
6 PM JULY 13, 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 Diana Nelson, Shirley Haines, Eric Krebs, Bob Phillips, Carrie Wheeler, Connie Olson, Jennifer Battles. Tim Roth and Connie Olson Also in attendance was General Manager Rusty Schmidt an Office Manager Sara Bender.

APPROVAL OF AGENDA: Bob Phillips made a motion to approve the agenda. Shirley Haines seconded the motion. Motion carried unanimously.

APPROVAL OF MINUTES: Connie Olson made a motion to approve the minutes from the June meeting. Diana Nelson seconded the motion. Motion carried unanimously.

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

ITEMS FROM THE PUBLIC: Kristin Conzet was in attendance.

PRESIDENT'S REPORT:

1. Resignation of Board Position: Eric Krebs has submitted his letter of resignation to the board for approval. Board chairman Andy Fitzgerald read Mr. Krebs letter stating he is proud of being a part of the board's accomplishments over the last 3 years. Mr. Krebs will be providing a different role in the district operations so he will not remain as a board member. Connie Olson made a motion to accept Eric Krebs resignation from the board. Diana Nelson seconded the motion. Motion carried unanimously.

2. West Dakota Regional Water System Update: Kristin Conzet, the executive director of West Dakota Regional Water System presented a progress update on this project. This project is currently in feasibility study of the 165 mile long six foot diameter watermain from the Missouri river to western South Dakota. With historical data going back 700 years by utilizing tree rings hydrologist were able to see every ~80 years a severe drought has occurred and we are currently in that time frame. Mrs. Conzet impressed upon us the importance of this project for the future of western South Dakota.

3. Election of Officers and Oath of Office: The returning directors signed their oath of office, and all directors signed the confidentiality agreement. Connie Olson made a motion to leave the current officers as is. The motion died for lack of second. Jennifer Battles made a motion to leave the officers as is except Shirley Haines will take over as treasurer. Carrie Wheeler seconded the motion. Motion carried unanimously.

4. Drinking Water Surcharge Revenue Bond 2023 34th Invoice for Engineering Services: The 34th invoice for engineering services was \$20019.24. This invoice was submitted with the 33rd invoice and were paid together this week. \$13,303.05. There is \$110,506.00 remaining on the contract.

MANAGERS REPORT

5. **Monthly Water Loss and Leak Detection:** Daily production for June was about 1.4 million gallons per day, but current production has been closer to 2 million gallons per day. Production for 2026 through the end of June is 17 million more gallons than at this point last year. Line loss for the month was 2.85% and total production for the month was 44.4 million gallons. The service team has been leak detecting in Murphy Ranch and found a leak on Flintlock on an undeveloped lot where the curb box had been damaged and was on slightly causing an 8gpm leak.

PROJECTS AND FUTURE DEVELOPMENT

6. **Apple Valley Phase 3A:** The sewer is complete for Apple Valley phase 3A. The water is mostly complete however, several of the services had to be redone because they were installed too far into the property or under future sidewalks.

7. **Ennen Housing Phase 3:** The plans for phase 3 are ready for construction and will consist of 34 lots. The sewer for this phase will go down Reservoir Rd but any future phases will have to flow toward Carlin St.

8. **Murphy Ranch Phase 10 D-1:** The plans for Murphy Ranch phase 10D-1 and 10D-2 have been redlined. Phase 10D-1 will have 12 lots and phase 10D-2 will have 28 lots.

9. **County and State ARPA Madison Well, Well House and Generator Project:** Pay applications for RCS are currently on hold due to a violation of Davis Bacon requirements. This is currently under review by BH Council but should be resolved by next week. Hydro Resources will be installing the pump and piping soon and the anticipated start-up is the end of summer. October 1st is the deadline to have 90% of funds expended and engineering is aware and will continue to press the contractor to submit pay applications to meet the deadline.

10. **N. Valley Dr Project Southern Phase:** This project is still on hold while the contractor is recovering from surgery, but there are only a couple weeks of work remaining. There is \$72,871.55 remaining on the contract.

OTHER TOPICS

11. **1 mg Tank Painting:** Carr Coatings will be starting on the tank this month. There will be a PSA to notify homes within 400'. The working hours will be from 7am to 6pm but no generators and other equipment running before 8am and after 5pm. The contractor indicated the same grey used on the concrete tank might look very dark on this tank, so the board selected a lighter color grey called Pillar white.

12. Managed IT and Security Service: The new firewall was installed at the office and the plant. The onboarding steps for the new managed IT service through KT Connections will be completed by the end of the month. There is a meeting scheduled for July 14th to review results from the project boundary fence scan with DSU.

13. First Reading of Proposed Change to Sewer Use Ordinance 14-2: Under Article III section 3 it is recommended to update our sewer service repair policy to clarify some of the language and reflect that sewer inspections due to sale or transfer of property are not covered for repair under the ordinance. The proposed changes are as follows:

Sec. 3 All costs and expenses incidental to the installation and connection of the building sewer shall be borne by the owner(s). The owner(s) shall indemnify the district from any loss or damage that may, directly or indirectly, be occasioned by the installation of the building sewer. The owners shall incur all costs for maintenance and repair or replacement of their entire sewer service from sewer main connection to the building or residence. Residential services are able to be repaired **at the district's discretion by the district** with no cost to the owner if service is collapsed or a **complete** physical separation is evident **which has caused a backup of sewage on the premises. From the** **The district will only repair such defect from the sewer main to the curb line or a maximum of 12' from the center line of the sewer main whichever is applicable. The District will only undertake such repairs upon** ~~This is property boundary~~ **after the resident verifies with providing the a District representative** video showing the location of defect **and the defect being located within the area encompassed from the sewer main to the curb line or a maximum of 12' from the center line of the sewer main, whichever is less.** This does not include plugged sewer services due to flushing materials or objects that create blockages, **belly's, cracks, indentations or roots. Inspections due to sale or transfer of properties are not covered under this ordinance. The District will not reimburse any cost for the video that is required for the inspection.** A repair authorization form is required to be signed by the owner of the property. ~~The owners shall indemnify the District and hold it harmless from any loss or damage from sewer main backups, unless the backup to be is a direct result of sole negligence of the District's part.~~

A motion was made by Tim Roth to approve the first reading of the proposed changes to sewer use ordinance 14-2. Carrie Wheeler seconded the motion. Motion carried unanimously.

General Information Updates from Manager and Board Members:

- Nominating committee meeting to interview potential replacement for the position held by Eric Krebs will be July 28th at 6pm.
- ATC Ramkota rooms. Each class 1 system will have 4 rooms reserved for ATC at the Ramkota. We have rooms reserved across the road for any additional rooms needed.

There being no further business, the meeting was adjourned at 7:17 pm.