

Rapid Valley Sanitary Dist. Water Service

BOARD DIRECTORS MEETING
6 PM MAY 11, 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, Tim Roth, Bob Phillips, Carrie Wheeler, Connie Olson, and Jennifer Battles. Also in attendance was General Manager Rusty Schmidt, Office Manager Sara Bender, and Traci Hanson from Ketel Thorstenson.

APPROVAL OF AGENDA: Connie Olson made a motion to approve the agenda with the addition of gathering a consensus for agenda item 9. Shirley Haines seconded the motion. Motion carried unanimously.

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

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

PRESIDENT'S REPORT:

1. 2025 Audit Presentation: Traci Hanson with Ketel Thorstenson presented the 2025 audit report for the board. There were not any changes in 2025 to accounting standards. Total assets for the district increased by about \$5 million in 2025 and liabilities and debt decreased. Sewer treatment expense dropped in 2025, but about \$500,000.00. The district received more than one million in federal funds in 2025 triggering a compliance audit and there was no non-compliance found. The districts overall net position increased by 4.8 million in 2025. Connie Olson made a motion to accept the audit report and findings for 2025 presented by Ketel Thorstenson. Carrie Wheeler seconded the motion. Motion carried unanimously.

2. Drinking Water Surcharge Revenue Bond 2023 32nd Invoice for Engineering Services: The 32nd invoice for engineering services is \$17,607.14 which consists of \$406.64 for transportation services and \$17,200.50 for construction services.

3. Tax Levy Request: The estimated tax levy request for 2026 is \$396,376 to be paid in 2027. Diana Nelson made a motion to approve the 2026 tax levy request. Shirley Haines seconded the motion. Motion carried unanimously.

MANAGERS REPORT

4. Monthly Water Loss and Leak Detection: Daily production for April was 807,000 gallons per day. There was leak found on Cactus Dr during a meter replacement upgrade. The next area the team will be

leak detecting is the Basswood and Harwood St areas. Monthly water loss for April was 3%.

PROJECTS AND FUTURE DEVELOPMENT

5. **Apple Valley Phase 3A & 3B:** The extension fees for Apple Valley 3A were paid recently in the amount of \$56,000. This phase of infrastructure will take about 30-45 days to complete, then they will move on to phase 3B. The connection fees for phase 2B have been invoiced, they will be starting on those homes soon. There are plans for a phase 4 coming soon.

6. **Ennen Housing:** The water and sewer are complete on phase 2B, and home construction will begin soon. Connection fees of \$39,000 were paid by the builder today.

7. **Homestead St. Extension Project:** The water and sewer are complete for this project which consists of 36 lots. The connection fees for this project will be \$54,000.00.

8. **County and State ARPA Madison Well, Well House and Generator Project:** Pay application 7 from RCS is for \$319,764.92. This is mostly for HVAC, site prep and some other interior piping. The remaining amount on the contract is about \$1.6 million. The pitless adapter was installed last week and Hydro Resources will be back in 30-45 days to install the pump and discharge piping. The cost for the pitless the district will pay direct, this cost is \$64,375.08.

9. **N. Valley Dr Project Southern Phase:** The contractor is a little bit behind schedule due to some unforeseen issues. They ended up needing to hire some flaggers for the road closure and they also ended up having to get some concrete barriers, as well as some additional tees and valves. They are also requesting additional funds for the increase in diesel fuel. In addition, MDU recently installed a gas main right above where ours was supposed to go so there has had to be some alignment changes as well and some additional caution while working to safely maneuver around the gas main. Anco has submitted a change order asking for an additional \$9,000 for the flaggers, \$2500 for the concrete barriers and \$2000 additional for the tees and valves and \$5,760 for cost increase of diesel fuel. They are also requesting an additional \$40,000 in labor with an additional 10 days added to the finish date with the new finish date being June 9th. The consensus of the group was to allow for the extra charges for the flaggers, barriers, fuel and tee and valve installation. There are still 10 days remaining on the original contract and the consensus of the group was to see how far they are able to get in the remaining 10 days, and then from there, allow for \$4,000 daily for labor, not to exceed the \$40,000.

OTHER TOPICS

10. **Design and Construction Standards Revision:** To ensure continuity amongst contractors who are performing a closed circuit television (CCTV) the following changes are recommended under 2.2 Sewer testing and inspection section B:

2.2 Sewer Testing and Inspection

A. General:

1. A visual inspection and televising inspection test shall be performed by RVSD or an approved Contractor for all sewer mains and manholes as a condition of acceptance by RVSD. All tests shall be performed after backfill is complete but prior to any surface restoration. In addition, all new sewer main shall undergo a hydrostatic or air pressure test @ 7psi for 15 minutes minimum for pipe 8" or less and 20 minutes minimum for greater than 10" or as CORC specifications Sec.9 table 9-1. Manhole testing as per Sec 9 of CORC Sanitary Sewer Table 9-3, exception all tests will be 60 seconds minimum unless specified longer in Table 9-3.
2. Prior to pressure testing newly installed sewer pipe, an approved Contractor shall jet and remove all accumulated construction debris, rock, sand, gravel, silt, and other foreign matter from the sewer with an appropriately sized cleaning ball or jetting machine.

B. Closed Circuit Television (CCTV) Inspection.

1. The Contractor shall arrange and pay for internal CCTV inspection of the completed sewer mains. That shall include at a minimum GIS data of each service tap to be compatible with RVSD GIS database **and the format to be an approved equal to current uploads.**
2. The CCTV inspection shall be performed by an approved **NASSCO certified** contractor, and the GIS information delivered to RVSD.

MISC. INFO.

- 2026 Election terms expiring – Andy, Shirley, Diana
- Return petitions by May 20
- Future use permit 3-9-2026
- Public works
- Security scan

There being no further business, the meeting was adjourned at 6:50pm.