

Apple Springs Sanitary District

Meeting Minutes of July 17, 2024

Started at 8:00 to 9:00AM July 17, 2024 – Google Video Meeting

Members Present: Dan Carlson, Chris Vinich, John Miller

Review of Budget Letter to County Auditor

Motion made and approved to Approved email draft email send earlier this week. See below draft:

Brenda, Kim

Attached is the District Board approved budget for the Apple Springs Waterworks and Sanitary District. We realized this is a significant increase from 2024. The District had 2 unbudgeted expenses that decreased our operating reserves. These 2 items are associated with the EPA Climate Control Application.

1. EPA Grant Engineering \$18,450
2. Treatment Capacity Study \$8,500

The board is very aware of the increase and are planning for the budget to be adjusted lower in 2026. Our goal in 2025 is to recoup those unplanned expenses and return to a more typical budget. The district has managed the budget and for the last 4 years our mill rates have decreased. We are hoping the growth in Apple Springs will help maintain the mill rate to be within historical levels.

<i>2023 Levy Rate</i>	<i>0.473</i>
<i>2022 Levy Rate</i>	<i>0.61</i>
<i>2021 Levy Rate</i>	<i>0.756</i>
<i>2020 Levy Rate</i>	<i>0.778</i>

We realize we are submitting the budget well in advance of the Sept 1 deadline assuming that we may need some discussions on the amount of request.

Best Regards,

*Dan Carlson - President
John Miller - Treasurer.
Chris Vinich - Secretary*

Review of Grant Project Plan.

1. Deadwood Trolley will not leverage bus stop. Confirmed by the city of Deadwood manager of trolley system. I added Prairie Hills Transit as they are more likely.
2. We have no signed letter of support from Golf Course as of yet. I have heard positive things from Mike about what Dean saw while walking in the area with Mike but no official letter yet. Marlon/Camile have signed our common signature table. Concerned about the 4 acres for solar array and at what cost/lease rate. Hoping that the Golf Course works with us on a good rate/deal because we are giving them water to reuse on the golf course, demoing their existing facility for \$100 k budget) and will be a user of the sewer system. I am hearing the visual impact of the array is minimal.
Action Item: Chris is now working with Dean.

Footnote: Do we have an estimated GPD usage rate to the sewer for a typical golf course clubhouse to make sure we have them in our treatment rate. Huge summer load and zero winter load.

3. The club house is owned by the golf course / not the community.
4. Need more clarification on this workforce development plan. District is not planning on involving any resources to Workforce development other than what SDSMT is gaining during the grant period. LOU/MOU with SDSMT has no scope documented in reference to workforce development and is not budgeted for the SDSMT time commitment.
6. Want to remove all comments on future water expansion at this time. This current board has not discussed getting an SRF loan with the state. The previous application was done before any of the current trustees were active on the board. The situation has completely changed with the potential of this grant. We feel the district board of trustees needs to focus on the execution of the grant and not add any workload on the water system. In our discussions with Mike as owner of H2O Clear Solutions he plans to leverage the sale of existing sewer underground infrastructure from the grant, selling of idle equipment to payoff loan (approximately \$1,000,000?) expand the water system infrastructure such as new well, pumps, elevated tank. and etc. The elevated tank is required to provide water service to future lots developed at the higher elevation. Based on the \$2.6 Mio payoff in the grant and sale of IDLE equipment this leaves approximately \$2.0 mio for H2O Clear Solutions to invest in the water infrastructure for future sales on the lots by the developer. Since the initial purchase of the development at a much below market price due to the bankruptcy of the original developer zero to minimal investment (only repairs) has been required in the water system. The LOU between the district and H2O Clear Solutions states that it is the responsibility of H2O Clears Solutions for future capital expenditures of water and management. The board could evaluate purchasing the water assets but that is yet to be determined based on the proposed sale price taken into account the above factors

Really do not want to expand the outreach of the Road District or water service outside its current mapped district at this time

7. Reviewed 5 Attachments.

8. It was motioned and approved for Dan to meet on Monday morning with Anthony to review comments.

Minutes Approved by Dan Carlson 7/30/24