

**Hisega Meadows Water Inc.**  
**Board Meeting Minutes 07/10/12**

**Board Members In Attendance**

**Chris Hanson**  
**Denise Kohama**  
**Randy Smart**  
**Rick Schurger**  
**Dwight Mikkelsen**

**Also in Attendance**

**Keith Lau**  
**Lona Lau**  
**Larry Chilstrom**  
**Ron Bengs**

**Chris Hanson called the meeting to order.**

**Dwight Mikkelsen made a motion to approve the minutes from the June 26<sup>th</sup> 2012 meetings. Randy Smart seconded. Motion put up for vote. All ayes. Motion passed.**

**The board was informed that on Friday July 6<sup>th</sup>, 2012 the Board of Water and Natural Resources approved a Drinking Water State Revolving Fund loan to Hisega Meadows Water, Inc. The loan was for \$487,500.00 for twenty years at 3% interest, with up to 51.3% principal forgiveness, not to exceed \$250,00.00.**

**Chris Hanson asked Ron Bengs from Advanced Engineering what the next steps should be. Ron explained that the first step would be to have a survey done (because this is a busy time of year it could not be done for at least 3 to 4 weeks out and would likely be done by Dean Scot because of the knowledge he already has of the area). After the survey is complete it would be given to Ron to create the design (this will take approx. 2 weeks, putting us into September). After finishing the design it would have to be submitted to DENR for approval, the project would then be put out for bid. Per law the bid would have to be awarded within 30 days (which will put us into late fall too late to start).**

**Because of the length of time between surveying, designing and actual start of the project Chris asked Ron if it would be possible to take money from our repair fund to pay for the survey and design in order to keep from paying interest on the loan through the winter months. Then reimburse the fund when we close on the loan in**

the spring. Ron was not sure but suggested checking with Denise Livingston on how the contract was written or check directly with DENR. Chris said he would contact DENR directly and ask.

Chris then presented the board with the Loan Agreement, Appendix to the Loan, Mortgage, Security Agreement, Declaration of Business Purpose, Board Resolution and Parity Agreement.

Randy Smart made a motion to approve signing all documents listed above and continue pursuing funding. Seconded by Rick Schurger. Motion put up for vote. All ayes. Motion passed.

Rick Schurger made motion to approve Advanced Engineering to start on project once Chris had approval from DENR to reimburse repair fund for surveying and design expenses from loan when actual construction starts in the spring. Motion seconded by Dwight Mikkelson. Motion put up for vote. All ayes. Motion passed.

At this time Keith presented the Categorical Exclusion Determination (CATEX) that will be published in the Rapid City Journal as required by DENR (please see attached document).

Larry Chilstrom updated the board on Scot Licht. He said that Scot was doing an excellent job, but was reluctant to take any days off because of the way his hourly wage is set up. Chris Hanson encouraged the board members to consider giving Scot a raise to \$2,400.00 salaried per month with the understanding that Scot will take weekends off. Randy smart made the motion. Seconded by Rick Schurger. Motion put up for vote. All ayes. Motion passed.

Randy Smart also requested that in the future he would like Scot to report directly at the meetings. All members present agreed. Larry said he would let Scot know.

Chris Hanson asked at this time if there was any more business to be discussed. There was none.

Denise Kohama made motion to adjourn the meeting. Dwight Mikkelson seconded. Motion put up for vote. All ayes. Motion passed.