

Hisega Meadows Water Inc.
Minutes of Board of Directors Meeting
May 5th, 2014
Johnson Siding Fire Station

Members present: Ron Brown (343-2999)
Larry Deibert (343-3942)
Norm Tschetter (348-3003)
Randy Smart (341-3994)
Craig Fischer (343-9074)
Guest: Byron Schulz

Operators/Managers/Bookkeeper: Scot Licht, Keith Lau, Lona Lau

Scot stated that he spent a day recently replacing a check valve in the pit, he said he already had a spare to use. Randy asked Scot about overtime pay for the extra time spent on the check valve; Scot stated that would not be necessary. Filter replacement is more frequent because of the heavy creek flow, everything else seems to be working fine.

Keith told us about a customer with a running toilet that could have accounted for as much as 45k gallon of water being used. Scot was sent over to check and told the owner what the problem was. They have oriented three new customers lately in our billing procedures. Only a handful of customers are late in their payments; it seems to be the same ones who pay their late fees when pressed for payment, nothing unusual.

Lona gave the financial report and it was moved by Ron and seconded by Randy to accept. We talked about putting some of our reserves in an interest bearing account, several members will check rates but since we use First Interstate Bank for the system account, they will be given preferential treatment to keep everything on one statement. The \$ 5000.00 shown on the p/l is actually a check drawn that will not be cashed for 2 years by Pennington County Highway Dept; it represents a bond for the Phase I work during the system upgrades.

The minutes of the last meeting were approved on a motion by Craig and second by Randy.

A spreadsheet of estimated costs and payback for Phase 1 and the 3 options for Phase 2 was handed out by Larry. After much discussion, it was moved by Randy and seconded by Norm to move forward with the application requesting funding from SDDENR for all 3 options of phase 2. The application will be considered by DENR at their August meeting; if approved, the drawings could go to bid later this fall.

A motion was made by Randy and seconded by Ron to increase water rates to a base of \$85 monthly and increase the water use rates by 10 cents per 100 gallons beginning July 1st (all gallons less than 15,000 are at the rate of \$0.40 per hundred gallons used; more than 15,000 gallons are at the rate of \$0.50 per hundred gallons used up to 45,000 gallons; more than 45,000 gallons are at the rate of \$0.60 per hundred gallons). Keith and Lona will prepare a packet for the annual meeting consisting of new rate cards, payment books, address labels, the Presidents report and the annual meeting agenda that will be sent to all members before June 5.

Because of a scheduling conflict with Rimrock Church, the annual meeting will be moved to June 17th at 6:30 PM in the basement of the Rimrock Church. Several potential new board members were discussed and several board members will be contacting prospective members. Craig has agreed to being nominated for a full 3-year term after filling out the remaining 1-year of Chris Hanson's 3-year term. Randy stated he will not be available to serve as a board member after his term expires in June. The contract for Phase I will be awarded to Quinn Construction in the amount of \$378,396 with acceptance of their Base Bid and Alternate 1 but rejection of Alternates 3 and 3A on a motion by Randy and second by Norm, passed unanimously. The motion read:

Motion of intent to award the Hisega Meadows Water Project Phase I to Quinn Construction. Base Bid with Alternate 1 accepted, alternates 3 and 3a not accepted. The Base Bid in the amount of \$ 394,596 with a deduction of \$ 16,200.00 for alternate I. Total cost of the project \$378,396.

Award is pending review and approval by SDDENR.

Outstanding Phase 1 invoices: it was moved by Craig and seconded by Norm to pay Advance Engineering \$4086.16. It was moved by Craig and seconded by Norm to pay Bangs, et.al. \$ 711.26.

The cluster box idea was briefly discussed and tabled until after the annual meeting.

Randy will check with Black Hills Electric to see if demand savings can be realized with a demand controller but after discussion with Scot and Keith concerning the hours the pumps run, the urgency of a change is not evident.

The MIDCO tower and dishes will be moved shortly, MIDCO did not accept our offer to allow the tower to stay.

Ron had not heard from WOW or MIDCO concerning possible service to our area.

Being no further business, the meeting was adjourned at 8:16 PM, the next meeting to be Monday, June 2 at 6:30 PM, same place.

Respectfully submitted,

Ron Brown