



BOARD DIRECTORS MEETING
6 PM JANUARY 12, 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 Bob Phillips, Diana Nelson, Jennifer Battles, Shirley Haines, Connie Olson, Carrie Wheeler, and Eric Krebs. Tim Roth was absent. Also in attendance was Attorney Talbot Wiczorek, General Manager Rusty Schmidt, and Office Manager Sara Bender

APPROVAL OF AGENDA: made a motion by Connie Olson to approve the agenda. Eric Krebs seconded the motion. Motion carried unanimously.

APPROVAL OF MINUTES: Bob Phillips made a motion to approve the minutes from the December meeting. Carrie Wheeler 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. Shirley Haines seconded the motion. Motion carried unanimously.

ITEMS FROM THE PUBLIC: Donald and Alice Pike in attendance and given 3 minutes to address the board.

PRESIDENT'S REPORT:

1. Drinking Water Surcharge Revenue Bond 2023 28th Invoice for Engineering Services: The 28th invoice for engineering services is \$28,500.80 This consists of \$4,021.50 for negotiations \$87.72 for transportation, \$8,283.30 for post construction services and construction services for \$16,108.25. The remaining balance on the contract is \$163,281.23

MANAGERS REPORT

2. Monthly Water Loss and Leak Detection: Daily Production for November was 597,457 with water loss of 5.56% for the month. Line loss for 2025 was the best year in history for line loss (5.68%) for the district. The service team repaired a leak on Pluto St and also found a .7gpm leak on Meteor St. Leak detection with the new leak trailer has been successful in 2025.

PROJECTS AND FUTURE DEVELOPMENT

3. Apple Valley Phase 2A & 2B: Home construction has started for the homes in phase 2A and the contractor is currently installing utilities in phase 2B. The extension fees were recently paid for phase 2B.

4. **Ennen Housing:** The contractor has completed the sewer installation on phase 2B on Traverse. The contractor has been going back and forth between phase 2A and 2B as the smaller homes in phase 2A have dropped in sales.

5. **Homestead St. Extension:** The plans have been approved and the contractor has been invoiced for the extension fees for a total of \$50,400. This project contains 36 lots which will make 68 homes on the Diamond Ridge booster.

6. **County and State ARPA 2 MG Storage Reservoir:** Pay application 13 has been received in the amount of \$92,862.13. This project is complete other than a few minor things to complete. The remaining amount on the contract is \$307,211.36 which consists mostly of retainage.

7. **County and State ARPA Madison Well, Well House and Generator Project:** Pay applications 2 and 3 from RCS have been received. Pay application 2 was for \$51,393.86 and pay application 3 was for \$78,446.95. The framing on the well house is complete. A contingency on our ARPA contract is that we have at least 50% of the funds for this project expended by 6/1/2026 which totals 1.4 million. The engineering team will be monitoring the expenditures to ensure the district does not lose any grant funds. Hydro Resources will be invoicing us directly for the pitless adapter. The contractor is projecting August for startup for the well.

OTHER TOPICS

8. **1mg Tank Exterior Painting:** Carr Coating will be starting on the exterior painting in June. We will not need to drain the tank for the exterior painting. This project is projected to be complete in 3 weeks. The tank will be light gray with a white top, the same as the new 2mg tank.

9. **Compressor Room Addition:** The exterior of the addition is framed and backfilled. The cost of the building is \$25,500, the cost for the electrical is \$5,600.00 and the cost for WREA to move the 3-phase power was \$4,300. This project should be completed by February.

10. **Western Dakota Tech Scholarship:** The manager contacted Western Dakota Tech (WDT) after the last meeting in regard to scholarships and they sent over the list of criteria. Some discussion was had about the various criteria expected of applicants and the amount to be given. The consensus of the group was to do a \$1,000 scholarship in the fall of 2026 and a \$1,000 the following spring semester. The WDT scholarship committee will make the selection, the applicant must have a GPA of at least 3.0, be a fulltime student, not already receiving a full-ride scholarship, and if applicable preference would be given to students from the district or students from the local area or western SD.

11. **Cyber Security Secure SD:** We were contacted by the DSU representatives after submitting a request to participate in the Secure SD program. They submitted a memorandum of understanding (MOU) that needs to be approved by the board in order to proceed. DSU does not provide any funding for this program but will justify approval of any vouchers submitted for payment to the Office of Attorney General (OAG) as per SB187. DSU uses Project Boundary Fence for the assessment which is at no cost to the district. A motion was made by Connie Olson to approve the MOU. Jenny Battles seconded the motion. Motion carried unanimously.

12. **Cellular Lease Proposal:** Legal reviewed the offer from Symphany Towers to purchase the Verizon lease and did not recommend accepting the offer because similar situations often turn into a loss of control of the structure. In addition, the district would earn substantially more under the current contract. The manager informed Harmoni Towers that the board was not interested in the \$1,000 per month offer, but that if they have other offers the board would be open to future discussion. A motion was made by Connie Olson to reject the offer from Symphany Towers to purchase the Verizon lease. Carrie Wheeler

seconded the motion. Motion carried unanimously.

13. Valley Heights Subdivision: A meeting was requested by Jay Wickman, the Chairman of Valley Heights, the subdivision along Radar Hill Rd, which is currently supplied water by Box Elder. He has asked if the District would be open to providing water to this development. The manager has reached out to SDDANR to see if there is any assistance with helping Valley Heights. The board mentioned it would like to look at the study that was conducted a few years ago regarding their infrastructure. The consensus of the group was that they would be open to provide water for the Valley Heights subdivision, preferably via a bulk meter pit but other options could be explored. A motion was made by Connie Olson to move forward with looking at potential options to help provide water to Valley Heights. Eric Krebs seconded the motion. Motion carried unanimously.

MISC. INFO:

- ATC January 13-15, 2026 anyone else attending
- Future use permit should be approved by the end of January.
- 2025 Inventory in packet
- 2025 vehicle maintenance report included in packet
- 2025 utility recap reports included in packet
- The policy committee usually meets in February, the manager will send a couple of date options to the committee for that meeting.

There being no further business, the meeting was adjourned at 7:40pm.