

TIMBER LAKE CITY BOARD  
SPECIAL MEETING  
NOVEMBER 1, 2024  
6:00 PM  
CITY FINANCE OFFICE

- 1) Board President Tom Hermes called the meeting to order at 6:03 PM.
  - Board Present: Tom Hermes, Michael LaCompte (by telephone), Brent Biegler, and Tanner Kraft
  - Board Absent: Jess Schlosser
  - Employees Present: Karla Nordyke and Jerimiah Garon
  - Guests/Others Present: Kathy Nelson and Rusty Gebhardt
  
- 2) Declaration of Conflict of Interest  
None of the Trustees self-disclosed a conflict of interest on any agenda item. No conflict of interest was identified by the Board.
  
- 3) Approval of Agenda:  
Biegler motioned to approve the agenda with no changes. Kraft seconded. Motion carried.
  
- 4) BUSINESS
  - A) Sanitary Sewer Improvements Project  
Garon presented a review of the Sanitary Sewer Improvements Project and explained the Base Bid, Alternate Bid A, and Alternate Bid B. Discussion occurred. Nordyke presented a funding report detailing the approved funding package, the engineer's estimated cost, and the contractor's cost by bid. Discussion occurred. The Board agreed it is in the City's best interest to complete the entire Sanitary Sewer Improvements Project. The Board agreed there is sufficient funding available to enter into the contracts with Dahme Construction (Total Bid) and with Municipal Pipe Tool (Base Bid). The Board agreed a respectful reserve remains available for contingencies and known additional expenses. The Board directed Nordyke to provide the engineer, Trent Baumeister, with this information. He will factor-in the Board's opinion when making his recommendation. Approving and signing contracts remains scheduled for November 7, 2024.
  
  - B) Water System Infrastructure and Storage Improvements Project  
Garon presented a review of the Water Infrastructure and Storage Improvements Project and explained the Base Bid, Alternate Bid A, and Alternate Bid B. Discussion occurred. Nordyke presented a funding report detailing the approved funding package,

the engineer's estimated costs, and the contractor's cost by bid. Her report also detailed scenarios of what the approved funding supports, scenarios of additional funding sources considered, and viable options. Much discussion occurred. It was noted the Board must show proof of sufficient funds to cover the costs of contractor bid(s); contracts cannot be signed without sufficient funding. The options discussed were:

- i) Water Tower, Base Bid, and Bid B – Much discussion occurred. It was agreed this option meets the City's needs the best; however, the approved funding package is not sufficient to cover the cost. An additional \$1,593,833 is needed. This option would require the City to commit a large sum of unapplied fund balances from both its Water Fund and General Fund. This option would also require the City to secure a promissory note from the local bank for a credit line sufficient to show funding to support the cost of contracts. This option also includes the submission of another funding application to SD Department of Agriculture and Natural Resources (SD-DANR). The Board discussed the pros, cons, and concerns involved with this option. Largely, the concerns involved additional debt which would result in an additional surcharge imposed on the users or the need to raise rates to cover the costs of a local loan.
- i) Wait on the Water Tower: This option positions the City to enter into a contract for completion of the Base Bid and Alternate Bid B. The Board agreed there is sufficient funding available to enter into the contract with Crow River Construction (Base Bid and Alternate Bid B). The Board agreed a minimal reserve remains available for contingencies and known additional expenses. This option involves pursuing funding through SD-DANR and/or Indian Health Services (IHS) for the construction of a new water tower. Much discussion occurred.
- ii) Renegotiate Bids: The Board discussed ways in which the bids could be trimmed and renegotiated. Considerations identified were to a) eliminate the old tower removal; b) eliminate blocks of water system improvements that have lower priority; and c) move from the Base Bid to the Alternate Bid B just what is necessary to construct main lines to the new water tower site (contract for the water tower and Alternate Bid B – modified). Much discussion occurred. It was agreed there are components of the Base Bid that are priority needs.

After much discussion, the Board agreed it is in the City's best interest to reject the bids for the new elevated water storage tank and to postpone the water tower construction pending funding being secured. The Board agreed there is sufficient funding available to enter into the contract with Crow River Construction (Base Bid and Alternate Bid B). The Board agreed a minimal reserve remains available for contingencies and known additional expenses. The Board also agreed it is necessary to schedule soon a special meeting with MniWaste' to discuss their/IHS funding of the new water tower and the

pros, cons, and concerns involved. The Board directed Nordyke to provide the engineer, Trent Baumeister, with this information. He will factor-in the Board's opinion when making his recommendation. Approving and signing contracts remains scheduled for November 7, 2024.

2) Adjourn:

At 7:20 PM, Kraft motioned the meeting be adjourned. Biegler seconded. Motion carried.



APPROVED: \_\_\_\_\_

*Tom Hermes*

Tom Hermes, Board President

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*Karla Nordyke*

Karla Nordyke, City Finance Officer

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