

TIMBER LAKE CITY BOARD
REGULAR MEETING
APRIL 10, 2023
6:00 PM
CITY FINANCE OFFICE

- 1) Board President Tom Hermes called the meeting to order at 6:02 PM.
 - Board Present: Tom Hermes, Jess Schlosser, Michael LaCompte, Sandra Koenig, and Brent Biegler
 - Council Absent: None
 - Employees Present: Karla Nordyke and Roger Hieb
 - Guests/Others Present: Kathy Nelson, Mitch Enright, and Sheriff Arpan

- 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:
Schlosser motioned to approve the agenda with no changes. Koenig seconded. Motion carried.

- 4) Public Forum and Visitors: None

- 5) Approval of Last Meeting Minutes:
Schlosser motioned to approve the minutes of March 6, 2023 with no corrections. Koenig seconded. Motion carried.

- 6) Financial Report:
 - A) Reconciliation Report – Checking Account (March)
Board reviewed and discussed the reconciliation summary, detail, and bank statement for the City’s checking account for the month of March 2023.
 - B) Reconciliation Report – Savings Account (First Quarter)
Board reviewed and discussed the reconciliation summary, detail, and bank statement for the City’s savings account for the months of January, February, and March 2023.
 - C) Cash Flow Report
Board reviewed and discussed the monthly financial report. Koenig motioned to approve the March 2023 Cash Flow Report. Schlosser seconded. Motion carried.

	GENERAL FUND	ENTERPRISE FUNDS WATER FUND	SEWER FUND	TOTAL
Beginning Balance (Checking Account) (As of 03/01/2023)	866,299.21	358,439.40	111,215.83	1,335,954.44
Total Receipts (Income)	41,326.03	12,375.82	7,849.17	61,551.02
Total Expenditures	34,320.11	37,374.52	2,609.49	74,304.12
Ending Balance (Checking Account) (As of 03/31/2023)	873,305.13	333,440.70	116,455.51	1,323,201.34
Savings Account Balance (As of 03/31/2023)	57,278.62			57,278.62
Cash Value of Certificate of Deposits (As of 03/31/2023)	28,000.00			28,000.00
Petty Cash (As of 03/31/2023)	150.00			150.00
TOTAL FUND BALANCES (As of 03/31/2023)	958,733.75	333,440.70	116,455.51	1,408,629.96

**Daily Ledger Balance (Bank) -- Checking Account
(As of 03/31/2023)** 1,324,007.16

- D) Quarterly Reports (January, February, and March 2023)
- i) Top 10 Revenue & Expense Accounts: Board reviewed the top 10 revenue and top 10 expense accounts for the first quarter of 2023 as compared to the first quarter of 2022. There were no unexpected outcomes.
 - ii) Fund Balance Trends Report: Board reviewed the first quarter-end fund balances for the Water and Sewer enterprise funds. Board also reviewed the first quarter-end fund balances for the Community Center, Solid Waste/Garbage Collection, and the Landfill/Restricted Use Site General fund accounts. There were no unexpected outcomes.

- iii) Taxable Sales: Board reviewed the SD Department of Revenue statistics showing taxable sales subject to the city tax rate for the months of January to February 2023 and calendar year 2022. There were no unexpected outcomes.
 - iv) Budget versus Actual Comparison Report: Tabled to the next regularly scheduled meeting.
 - E) Annual Report (2022)

Nordyke reported the 2022 annual report is completed with the exception of the narrative report. She also reported the external audit is almost completed and the audit financial findings validate her annual report. Schlosser motioned to table the Board's review of the 2022 Annual Report at the next regularly scheduled meeting. Koenig seconded. Motion carried.
- 7) Accounts/Claims Payable:
Biegler motioned to approve the claims presented for payment totaling \$57,529.61 and \$14,100.97 payroll expenses. Koenig seconded. Schlosser abstained. Motion carried. See Attachment 1.
- 8) OLD BUSINESS – None
- 9) NEW BUSINESS
- A) Permits (Timber Lake & Area Development Corporation)
 - i) Building Permit: Matter tabled pending further detail.
 - ii) Water Connection Permit: Matter tabled pending permit application and further detail.
 - iii) Sewer Connection Permit Matter tabled pending permit application and further detail.
 - B) Open Sealed Bids: Leasing of City Properties for Hay Grounds
Nordyke reported the City received one (1) sealed bid in response to the Notice to Bidders and Advertisement for Lease of City Properties for Hay Ground published in the *Timber Lake Topic* on March 16 and 23, 2023. Nordyke also reported the City rejected one (1) bid which was attempted to be delivered after the published deadline to submit. At 6:15 PM, the Board directed Nordyke to open the received bid. Mitch Enright bid \$825.00 for use of the properties listed on the hay ground lease bid proposal for the purpose of haying for 2023 haying season. He further agrees to all requirements and conditions and proof of liability insurance will be provided upon acceptance of bid and payment will be made at that time, as well. Discussion occurred. Schlosser motioned to accept Mitch Enright's bid. Koenig seconded. Motion carried.
 - C) Infrastructure Projects – Update: Trent Baumeister, IMEG Engineering

- i) Sewer Project: Trent reported the loan will be closing on April 14, 2023 and the Board is in position to select a vendor for the project's first phase, which is jet-washing and televised inspection. He reported three (3) quotes were received and validated. Each quote was less than the bidding requirement.
- ii) Water Project: Trent reported there are some additional survey measurements needed which they plan to complete soon. He also said utility locations need to be more specific and he will be locating every water valve in the system. He intends to complete this work by the end of May. He reported he may be able to have the engineering study submitted to SD Department of Agriculture and Natural Resources (SD-DANR) by the end of August but will absolutely meet the planned target date of October.

10) Department Reports:

A) Custodial (Char Boysen)

Char was not present for discussion. Karla reported that Dustin Goldade has looked at the divider between the gym and meeting room. He has an idea and will present a quote. No other local contractors have examined it. Discussion occurred. The Board directed Karla to have Dustin, or someone, remove the divider. It is unsafe and needs to be removed. Replacement of the divider will be further considered pending a plan.

B) Maintenance (Jerimiah Garon)

Jerimiah was not present. Roger Hieb discussed the following matters with the Board.

- i) Streets: Roger reported he bladed today but he was not able to cut yet because the street is still frozen. He and Jerimiah are checking into the availability and cost of gravel to put on the streets. They are also checking into the availability and cost of regrind. Discussion also occurred about the need to shape the streets and reclaim ditches to promote run-off. The Board directed Jerimiah and Roger to get quotes for gravel and/or regrind and to consider the four (4) blocks of Main Street (from Community Center to the School) as a priority.

ii) Water

- (1) Maguire Iron Service Contract Renewal: The Board reviewed and discussed Maguire Iron's amended service contract. Schlosser motioned to accept their ten (10)-year contract for water tower inspection and cleaning at a total cost of \$10,875. Biegler seconded. Motion carried.
- (2) Training and Travel Request (SD Rural Water Association Annual EXPO), April 25-26-27, in Rapid City: Board reviewed and discussed the 2023 Rural Water EXPO agenda. Koenig motioned Jerimiah be approved to attend the conference at a cost of \$100 registration, lodging, and per diem. Schlosser seconded. Motion carried.

(3) 2022 Drinking Water Report: The Board reviewed and discussed the SD-DANR Drinking Water Report. The Report indicates the City serves more than 435 customers an average of 33,000 gallons of water per day. The water is groundwater that the City produces from local wells. The State has performed an assessment of the source water and has determined that the relative susceptibility rating for the Timber Lake public water supply is medium. The 2022 Drinking Water Report is available in the City Finance Office and online on the City of Timber Lake website (www.tlsd.us) or on the SD-DANR website.

iii) Sewer

(1) Phase 1 Project (Select Contractor Quote): Karla reported the City has received three (3) quotes for the completion of Phase 1 of the sewer project which involves jet-washing and televising approximately 18,235 linear feet of sewer main. Quotes were received from:

- A-1 Sewer and Drain, Inc. \$31,911.25
Quote includes itemized costs for cleaning and televising, root cutting, and protruding tap removal, and mobilization.
- HydroKlean, LLC \$43,150.82
Quote includes itemized costs for mobilization, cleaning, heavy cleaning, easement cleaning, televising, easement televising, lift-station, and heavy easement cleaning.
- Pipe Detectives, Inc. \$48,623.50
Quote includes itemized costs for mobilization, cleaning, televising, heavy cleaning, protruding taps, and cutter mobilization.

Schlosser motioned to accept the quote from A-1 Sewer and Drain. Biegler seconded. Motion carried.

iv) Landfill: No report nor discussion.

v) Park: No report nor discussion.

vi) Quarterly Reports (First Quarter 2023): The Board reviewed the Maintenance Department's quarterly reports for the months of January, February, and March 2023. Reports include: Water Consumption and Loss Ratio; Well-House Inspection Logs; Lift Station Inspection Logs; and Lagoon Inspection Logs.

vii) Other Matter(s) – Equipment: Hermes suggested the City consider purchasing a V-Plow or lift-group for the blade to more efficiently move snow. Discussion occurred. The Board directed Jeremiah to research the availability and cost of this equipment.

C) Law Enforcement Activity Report (Sheriff Arpan):

Sheriff Ashley Arpan presented the Sheriff Department's March 2023 activity report to the Board. Discussion occurred. Sheriff Arpan reported 90 hours patrolled and 44 responses. Activities involve intoxication; reckless driving; speeding; assault; disorderly

conduct; ambulance/medical assist; traffic hazard; welfare check; community policing; accidents; courtesy rides; warrant; animal control/bite; and domestic violence.

D) Finance (Karla Nordyke)

Karla discussed the following matters with the Board.

- i) Project(s) Funding and Next Steps – Update: Karla reported activities on the sewer/wastewater project. The State Revolving Fund (SRF) with the SD-DANR loan is closing April 14, 2023. She is expecting the documents to be signed. The environmental review notice has been published and the 15-day local comment period ends April 21, 2023. Then, the Governor’s Office on Economic Development (GOED) will publish their notice and an additional 15-day comment period is required. Once that process is completed, the GOED will release the CDBG grant monies. The Board has awarded the Phase 1 (jet-washing and televising) to the lowest contractor quote. That contractor will schedule for completion this spring/summer. Karla further reported that not a lot of activity happened on the water project. See also the engineer’s report above (New Business: Item C).
- ii) Sewer Rates & Processes (Discussion): At last month’s meeting, Karla reported she needed to complete additional research about required processes given potential options. Karla reported the City provides sewer services to 252 locations (45 commercial and 207 residential). The residential customer count includes apartment buildings by number of units. The City used a 252-count in the grant application so the sewer debt surcharge is based on that number of service recipients. The SD-DANR grant and loan specialist has advised that a surcharge can be required for anyone to pay who receives a benefit of the loan itself. Additionally, if the City has hookups that are not currently being paid, the City can charge because eventually that service may be turned on and the customer will receive the benefit. It is up to the City to charge those locations or not. SD-DANR further explained that a restructuring of rates is not a requirement. The only requirement is the total surcharge. SD-DANR does not need to approve the rate structure itself but SD-DENR does need to approve the rates and charges resolution to make sure the surcharge is presented in the resolution. Karla also reported she had the city attorney review the City’s current ordinances for charging. The current ordinance states each occupied household and business with accessibility to the system will be charged. Much discussion occurred about the definition of occupied/unoccupied; residential (by connection or number of units); and funds needed to maintain the system. The Board directed Karla to draft an ordinance revision to provide definition. The Board also directed Karla to develop a sewer system financial projection to assist with the Board’s goal of minimizing the necessary sewer service cost increase. The Board

also directed Karla to draft a resolution for sewer rates including assessing charges for sewer service, debt surcharge, and system maintenance.

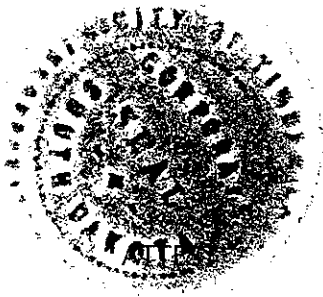
- iii) Delinquent Accounts: Karla reported the following information regarding customer accounts.
- (1) Late Payment Charges & Disconnect Warnings (31-60 days past due) – 1 account was assessed a \$10 late payment charge and 7 accounts were assessed a \$10.00 late payment charge and provided a disconnection warning.
 - (2) Disconnections – 2 service disconnections are scheduled.
 - (3) Due Process Notice(s) – 2 customers received a first notice. 2 customers received a second notice. 0 customer received a final notice.
 - (4) Financial Arrangements – 2 accounts have an approved financial arrangement. 1 account is in compliance.
 - (5) Legal Action Status – 2 account remains referred to CRST Small Claims Court and 1 account remain referred to CRST Civil Claims Court.
 - (6) Delinquent Account Status (61+ days past due) -- Overall, the delinquent account balance total shows a small decrease from last month (\$209.51).
- iv) Uncollectable Debt and Board Write-Off: None

11) Schedule Next Meeting:

The next regularly scheduled meeting is set for Monday, May 8, 2023 at its regularly scheduled time and place.

12) Adjourn:

At 7:37 PM, Schlosser motioned the meeting be adjourned. Koenig seconded. Motion carried.



APPROVED: Tom Hermes
Tom Hermes, Board President

Karla Nordyke
Karla Nordyke, City Finance Officer

Recorded: April 14, 2023

Published: April 20, 2023

Published at an approximate cost of _____

CITY OF TIMBER LAKE
ACCOUNTS/CLAIMS PAYABLE: MARCH 2023

APPROVED: APRIL 10, 2023

GENERAL GOVERNMENT

Postalia	400.00	Already Paid: 3/7/23; EFT	Postage
VISA	30.08	Already Paid: 3/24/23; Check #32030	Office Supplies; Microsoft & Adobe
SD Dept of Revenue	283.95	Already Paid: 3/10/23; EFT	Sales Tax Liability (February)
US Treasury (Internal Revenue Service)	1,020.55	Already Paid: 3/24/23; EFT	Payroll Liabilities & Employer Payroll Taxes (March)
SD Retirement System	317.84	Already Paid: 3/24/23; Check #32028	Employee Benefits: Retirement (Payroll Liabilities & Employer Match)
CRST Tribal Court	10.00	Already Paid: 3/28/23; Check #32032	Petition for Show-Cause Hearing
A&B Business Solutions	81.85		Printer Maintenance (March)
American Solutions for Business	288.88		Office Supplies
Association of Governmental Accountants	110.00		Professional Membership Dues
Century Link	135.36		Community Center & Library
Country Market	211.09		Telephone & Fax Lines
CRST LHWAP Program	15.98		General Supplies
CRST LHWAP Program	233.61		Refund LHWAP Balance
CRST Telephone Authority	186.29		Refund LHWAP Balance
Dakota Supply Group	146.90		Internet
Dewey County Treasurer	297.14		Maintenance: Community Center
Dewey County Treasurer	5,000.00		Law Enforcement Services (April)
ELO Prof., LLC	1,185.35		Contribution to Dewey County for 2023 CSDED Membership
G&O Paper and Supplies	80.00		Cloud Fees (February)
Health Pool of SD	69.95		Cleaning Supplies
Karia Nordlye	813.38		Employee Benefits: Health & Life Insurance
L&D Construction	90.00		Cell Phone Reimbursement (1st Quarter 2023)
Mobridge Gas	9,062.00		Community Center: Sky Lights
Moreau Grand Electric Coop.	1,134.00		Propane (Community Center)
Penfield Law	615.38		Electricity: Community Center, Fire Hall
Servall Uniform & Linen Supply	300.00		Legal Services (March)
Timber Lake Topic	140.48		Mats & Mops & Linens
	331.89		Publishing: Minutes & Public Notice
	<u>22,795.95</u>		

STREETS/PARKS/LANDFILL

VISA	1,058.93	Already Paid: 3/24/23; Check #32030	Fuel, Tools, Equipment Maintenance
US Treasury (Internal Revenue Service)	404.66	Already Paid: 3/24/23; EFT	Payroll Liabilities & Employer Payroll Taxes (March) 40%
SD Retirement System	232.98	Already Paid: 3/24/23; Check #32028	Employee Benefits: Retirement (Payroll Liabilities & Employer Match) 40%
AT&T Mobility	38.20		iPad Connectivity (40%)
Biegler Equipment	555.70		Supplies; Tools, Equipment Maintenance
Biegler's Timber Lake Service	574.60		Fuel: General & Snow Removal (February)
Health Pool of SD	326.19		Employee Benefits: Health & Life Insurance (40%)
Heartland Waste Management	4,380.00		Garbage Collection (March)
Jermiah Garon	36.00		Cell Phone Reimbursement (1st Quarter 2023) 40%
Mobridge Gas	529.20		Propane: City Shop
Moreau Grand Electric Coop.	1,556.63		Electricity: Airport, City Shop, Street Lights, Camper Site
RDO Equipment, Co.	629.59		Equipment Maintenance: Blade
Schlosser Ditching & Plumbing	619.89		Snow Removal
Titan Machinery	794.01		Equipment Maintenance: Payloader
Western Dakota Bank	1,605.35		Loan Payment #28/60 (blade); Principal (1,437.06) & Interest (168.29)
	<u>13,291.93</u>		

WATER/SEWER

VISA	115.91	Already Paid: 3/24/23; Check #32030	Lodging
US Treasury (Internal Revenue Service)	605.98	Already Paid: 3/24/23; EFT	Payroll Liabilities & Employer Payroll Taxes (March) 60%
SD Retirement System	349.48	Already Paid: 3/24/23; Check #32028	Employee Benefits: Retirement (Payroll Liabilities & Employer Match) 60%
AT&T Mobility	57.30		iPad Connectivity (60%)
Biegler Equipment	49.16		Materials: Water & Sewer
Biegler's Timber Lake Service	194.35		Fuel (February)
Briktany Shillingstad	125.00		Deposit Refund (minus final bill)
Dakota Pump & Control	1,467.35		Maintenance: Lift-Station
Health Pool of SD	489.29		Employee Benefits: Health & Life Insurance (60%)
IMEG	14,700.00		Engineering Fees: Water Project (to 3/6/23)
Jermiah Garon	54.00		Cell Phone Reimbursement (1st Quarter 2023) 60%
Locken Oil	359.90		Fuel: Lift-Station
Milbank Winwater Works	354.55		Materials
Moreau Grand Electric Coop.	1,147.22		Electricity: Well Houses & Lift Stations
ND Dept. of Health	27.00		Water Analysis
R8 Electric	1,169.75		Sentry/AMR Collector Installation
Shawn LeBeau	125.00		Deposit Refund (minus final bill)
Timber Lake Topic	49.48		Publishing: Environmental Review Notice
	<u>21,441.73</u>		
Grand Total	<u>57,529.61</u>		

