BIG PLAINS WATER AND SEWER SPECIAL SERVICE DISTRICT MEETING

BOARD OF DIRECTORS, REGULAR MEETING
1777 N Meadowlark Dr, Apple Valley
Wednesday, May 05, 2021 at 5:00 PM

MINUTES

CALL TO ORDER- Chairman Merrit called the meeting to order at 5:00 p.m.
PLEDGE OF ALLEGIANCE
ROLL CALL
PRESENT
Chairman Harold Merritt
Board Member (Treasurer) Ross Gregerson
Board Member Dale Beddo
Board Member Jerry Jorgensen

FINANCIAL REPORT

1. Fraud Risk Assessment FY21.

   Chairman Merritt introduced a financial report highlighting concerns about the computer system and discussed them briefly with Town Clerk Taylor Pledger. Merritt noted that neither the board nor the service district has access to the system and emphasized the need to meet with the IT provider, Pelorus, to resolve access issues before the next meeting.

MOTION: Chairman Merritt moved that we table the Risk Assessment to our next regular meeting.
SECOND: The motion was seconded by Board Member Gregerson.
VOTE: Chairman Merritt called for a vote:

Board Member Gregerson - Aye
Chairman Merritt - Aye
Board Member Beddo - Aye
Board Member Jorgensen - Aye

The vote was unanimous and the motion carried.

2. April Check Register.

   Chairman Merritt introduced the April check register, noting a $13,000 discrepancy involving a voided customer check for an impact fee. Dale Harris explained ongoing efforts with Town Clerk Taylor Pledger to resolve the issue, requesting bank records from the customer for clarification.

   Board Member Beddo expressed frustration over the SSD's reliance on residents to address financial discrepancies. Merritt detailed the SSD's loss of financial control since 2018, including the removal of its computer and accountant, which led to significant management challenges. They stressed the need for an interlocal agreement to improve oversight and accountability.

   Board Member Gregerson highlighted the SSD's lack of direct access to its financial records since the town took over bookkeeping in 2018, raising concerns about the accuracy of the financial data provided.

Harris raised concerns over $25,000 in delinquent accounts due to insufficient oversight. They outlined plans to reconcile accounts, notify delinquent customers, and improve collection processes. Merritt emphasized the importance of the SSD having direct access to financial systems to ensure transparency and proper fund management.

MOTION: Chairman Merritt moved that we table the April Check Register.
SECOND: The motion was seconded by Board Member Gregerson.
VOTE: Chairman Merritt called for a vote:

Board Member Gregerson - Aye
Chairman Merritt - Aye
Board Member Beddo - Nay
Board Member Jorgensen - Aye

The vote was three aye and one nay and the motion carried.

3. Financial Statement

Chairman Merritt commended Town Clerk Taylor Pledger for managing tasks effectively despite personnel changes and emphasized the need to reconcile financial discrepancies, including account balance issues and undocumented fund transfers. Merritt clarified that no deeper financial problems were suspected but stressed accurate reconciliation as critical.

Board Member Beddo noted that an independent accountant was addressing the reconciliation process, which was about 50-75% complete, with an updated financial report expected soon. Merritt acknowledged progress while highlighting the need to resolve remaining issues.

MOTION: Chairman Merrit moved that we table the Financial Statement until the next regular meeting on the third of June.
SECOND: The motion was seconded by Board Member Beddo.
VOTE: Chairman Merritt called for a vote:

Board Member Gregerson - Aye
Chairman Merritt - Aye
Board Member Beddo - Aye
Board Member Jorgensen - Aye

The vote was unanimous and the motion carried.

WATER SUPERINTENDENT REPORT

Dale Harris provided updates on SSD water system projects:

1. **Canaan Water Tank Rehabilitation**: The 50,000-gallon tank has been sandblasted and is curing. It will undergo testing and be integrated into the system. Harris thanked Ross and Harold for their assistance.
2. **Cedar Point Water Supply**: Increased water usage was noted, with ongoing challenges clearing iron algae in the 1259 well. Flushing is planned to address algae before summer.

3. **Cook Well**: Adjustments and new equipment have improved water clarity and system reliability.
4. **Static Head Monitoring**: Plans are underway to monitor Cedar Point wells for baseline levels, emphasizing the importance of tracking static head losses.
5. **Recent Extensions**: Harris reported progress on extensions and approvals, including new meters and water lines, though some structures still require final testing.

The board discussed water management strategies, including enforcing limits based on water allocations and implementing a sliding scale rate increase to encourage conservation. They emphasized addressing overuse, with Chairman Merritt suggesting a 20% surcharge for exceeding usage thresholds.

The discussion concluded with plans to finalize conservation measures and tackle water system challenges.

DISCUSSION AND ACTION

4. Appreciation For Marty Lisonbee Regarding His Past Service On The Water Board.

   Chairman Merritt formally acknowledged Marty Lisonbee's contributions to the service district and announced that Marty has stepped down from his position. It was noted that the position is now being filled by Dale Beddo.

5. Discussion And Possible Action On The Hourly Pay For An SSD Employee.

   Board Member Gregerson expressed appreciation for Dale Harris's management of the town's three water systems, acknowledging the complexity and dedication required. Board Member Gregerson highlighted Harris's voluntary pay cut for two to three years, which was only recently restored, and proposed a $1.50 wage increase as further recognition of his contributions.

   Gregerson praised Harris's detailed work, particularly in maintaining high water quality standards, noting that there had been no violations during Harris's tenure compared to consistent violations in the past. They emphasized that Harris's role involves much more than visible tasks like driving around in a truck, recognizing his efforts in ensuring the systems operate efficiently and meet compliance standards.

MOTION: Board Member Gregerson motioned we increase Dale's pay by $1.50 an hour wage increase.
SECOND: The motion was seconded by Chairman Merritt.

Board Member Beddo commented that the proposed $1.50 wage increase for Dale Harris would not sufficiently cover the standard annual increase. Beddo suggested raising the amount to $2 to align with typical annual adjustments.

MOTION: Board Member Gregerson motioned remake that Water Superintendent's wage increase to $2 an hour, effective immediately.
SECOND: The motion was seconded by Chairman Merritt.
VOTE: Chairman Merritt called for vote:

Board Member Gregerson - Aye
Chairman Merritt - Aye
Board Member Beddo - Aye
Board Member Jorgensen - Aye

The vote was unanimous and the motion carried.

6. Discussion On the Tentative Budget For 2021

Chairman Merritt and the board reviewed the budget, emphasizing transparency and the need to reconcile financial discrepancies. Merritt noted grant funding for projects like the Canaan pipeline and acknowledged challenges in financial access since the SSD's bookkeeping shifted to the town in 2018. Board Member Beddo stressed that no loans are currently being sought and clarified ongoing efforts to address accounting concerns with an independent audit.

Dale Harris provided updates on water projects, including the Canaan tank rehabilitation, increased Cedar Point usage, and plans to monitor static levels. The board discussed overuse concerns, proposing rate changes to encourage conservation. Board Member Gregerson praised cost-saving measures, while Chairman Merritt highlighted ongoing efforts to secure grants for infrastructure projects.

Residents raised concerns about water management, delays in mailing bills, and transparency. Rich and Margie Ososki questioned standby fees and conservation measures, suggesting adopting stricter practices like those in Las Vegas. Audience members emphasized the SSD's purpose as a permanent entity and called for clarity on record access and water system development.

Council Member Kevin Sair highlighted his commitment to transparency, raising doubts about the town's water capacity for large-scale development while defending the SSD's dedication. The meeting concluded with plans to finalize conservation measures, improve financial oversight, and address ongoing water challenges.

Discussion only. No action taken.

ADJOURNMENT

MOTION: Chairman Merritt motioned to adjourn.
SECOND: The motion was seconded by Board Member Gregerson.
VOTE: Chairman Merritt called for a Roll Call vote:

Board Member Gregerson - Aye
Chairman Merritt - Aye
Board Member Beddo - Aye
Board Member Jorgensen - Aye

The vote was unanimous and the motion carried.

Date Approved: ____________________

Approved BY: _____________________
Chairman | Michael Farrar

Attest BY: ____________________
Clerk/Recorder | Jenna Vizcardo