

**MINUTES OF THE SPECIAL MEETING OF THE SALEM CITY COUNCIL HELD IN THE MCCOOK CENTRAL SCHOOL DDN ROOM IN SALEM SOUTH DAKOTA ON WEDNESDAY, NOVEMBER 16, 2022, AT 6:00 P.M.**

Mayor Glenda Blindert called the meeting to order with Council Members Doug Mokros, Ron Mayrose, Janet Karel and Dnyee Schierholz present. Foreman Dustin Weber; Trent Bruce, Jacob Morris, and Adam Norman of DGR Engineering; and Sheldon Jensen (SEDC) were also present. Council members Mitchell Rayman and Marc Harris were absent.

Motions made were unanimous of Council members present unless roll call identifies otherwise.

Declaration of conflicts: none.

Agenda was approved.

No one was present for public comment (SDCL 1-12.1)

The 2023 City health benefits were reviewed. The committee provided the Council five plans for discussion. It was narrowed down to three plans. The Council will have the city employees decide on a plan prior to the December 5<sup>th</sup> meeting.

The statement of values was discussed. The building values will be reviewed to account for new building costs on the newer facilities.

Motion Mokros, second Mayrose, carried, to approve the Topographic and Boundary Survey proposal form ISG for the new Public Works building – cost \$3,500.00.

Motion Mokros, second Mayrose, carried, to approve the McCook County Register of Deeds claim for the filing fee of four Quit Claim deeds.

Motion Karel, second Mokros, carried, to approve the \$2,500,000 Certificates of Participation Series 2022 bonds with First Bank & Trust: 22-year term at 4.8%; resets at years 10 & 15, at (5-year Treasury + 2.25% x .75) with a 2% cap. Annual payment average is \$197,490.00. Closing date December 1, 2022. Resolution 2022-20 authorized the execution of the bonds.

Motion Mayrose, second Schierholz, carried, to approve the First Reading of Ordinance No. 668 an ordinance supplementing the 2022 budget.

Motion Mokros, second Karel, carried, to approve the payment of issuance fees for the \$2.5 million Certificates of Participation bonds to Meierhenry Sargent LLP (Bond Counsel) - \$10,000.00; Colliers Securities LLC (Placement Agent) - \$44,833.25; and First Bank and Trust (Trustee) - \$7,000.00.

Trent Bruce, Jacob Morris, and Adam Norris of DGR presented a power point for discussion of Future Utility Projects and Capital Improvements Planning. The August 2020 Capital Improvements Plan has seven (7) total phases for full street & utility reconstruction projects; Industrial Area Street & Utility Improvements; Water Treatment Improvements; Drainage & Storm Sewer Improvements; and Shared Use Path Projects.

**Completed:** Phase I of Street & Utility Improvements (2018 Street and Utility Improvement Project); Phase One of the Salem Trail System; and Subbasin outfall (2021 Storm Sewer Project).

**Funded:** Industrial Area Improvements (Douglas & Hollister); Phase Two of the Salem Trail System.

**What's Next:** Phase 2 Street & Utility Improvements. Due to increased construction costs and a 30% addition to the Phase 2 area, Phase 2 will need to be split into two to three separate phases. This will hold true for all the phases moving forward if construction costs stay high.

Water Treatment Improvements: Norman reviewed the water treatment study's midway results. Water testing results and water pumping history was reviewed. Life of equipment is typically 20 years, so planning is needed to determine the direction of the city's water treatment plant. Facility went online in 2008 and inefficiencies in system have been ongoing but going Direct RO has resolved several issues with the plant.

Five alternates were discussed (costs estimates based on 2022 prices):

Alternative 1: Rehabilitate Existing WTP (Direct RO Treatment) Cost \$5.54M

Alternative 2: Rehabilitate Existing WTP (RO with Pretreatment) Cost \$6.79M

Alternative 3: New WTP (Direct RO Treatment) Cost \$12.175M

Alternative 4: Kingbrook Rural Water System (water supply) \$5.2M along with purchase of water.

Alternative 5: TM Rural Water District (water supply): formal request needed.

Cost of projects will likely cause the scale back of all phases of the Street & Utility Improvements (as with phase 2) in order for them to be affordable; water and sewer rates with future improvements will likely be \$70 a piece based on 5,000 gallons of water usage. The state rate requirement for grant dollars will be increased to \$70.00 for 5,000 gallons (for both water and sewer rates). Salem's 2023 rates for 5,000 gallons is \$65.60 Water; and \$40.00 Sewer.

Possible Timeline for projects:

Industrial Area Improvements: Funding secured 2022; 2023 Design, Bidding, Construction beginning 2023 finished 2024.

Phase 2 Shared Use Path: Funding secured 2022; 2023 Design; 2024 Construction.

Phase 2A Street & Utility Improvements: 2022 SRF Funding Application; 2023 Design; 2024 Bidding, Construction beginning 2024 finished 2025.

Water Treatment Improvements: 2023 SRF Funding Application; 2024 Design; 2025 Bidding, Construction beginning 2025 finished 2026.

Phase 2B/C Street & Utility Improvements: 2025 SRF Funding Application; 2026 Design; 2027 Bidding, Construction beginning 2027 finished 2028.

Council requests DGR make a formal request to TM Rural Water for an estimated cost to provide water to Salem. This information will be necessary for the funding portion of the Water Treatment Improvements.

A public hearing will be held on Monday, December 5<sup>th</sup> on the SRF Funding for Phase 2A Street & Utility Improvements. SRF Funding applications are due 12/31/2022.

The City Hall/Community Center and Public Works Building projects are awaiting their 2<sup>nd</sup> committee meeting. A design of the Public Works building was shared with the Council.

Next meeting is scheduled for Monday, December 5, 2022.

Motion Mokros, second Mayrose, carried, to adjourn at 8:30 PM.

Dated this 16<sup>th</sup> day of November 2022 at Salem, South Dakota.

(SEAL)

Glenda Blindert  
Mayor

ATTEST:

Lori Heumiller  
Finance Officer

Published once at the approximate cost of \_\_\_\_\_.