

REGULAR MEETING DE SMET COMMON COUNCIL
January 8, 2025

The De Smet Common Council met in regular session on January 8, 2025, at 5:00 p.m., with the following present: Council members, George Cavanaugh, Bret Jensen, Dustin McCune, Dane Coughlin arrived a little later, Lowell Hansen, Mayor Gary Wolkow, Finance Officer Tracey Larson, and City Attorney Todd Wilkinson. Absent: Council member Pam Spader.

Mayor Wolkow called the meeting to order at 5:00 PM.

PLEDGE OF ALLEGIANCE: The meeting started with the council and those from the public reciting the Pledge of Allegiance.

ANNOUNCEMENTS: Mayor Wolkow wished everyone a Happy New Year and welcomed them to the meeting.

MINUTES: Motion was made by Cavanaugh, seconded by McCune, to approve the minutes of December 11, 2024, Regular Meeting, December 16, 2024, Special Meeting, and December 30, 2024, Special Meeting, all voting aye, motion carried.

CLAIMS: Motion was made by Cavanaugh, seconded by McCune, to approve paying the claims as presented, all voting aye, motion carried. The claims are as follows: PAYROLL \$58,319.78; OASI Benefit 4,461.47; Aflac, ins. premium 187.98; Dearborn National, life insurance 123.20; Delta Dental of South Dakota 390.36; VSP 191.40; The Health Pool of SD, health insurance premium 9,115.88; SDRS, retirement benefit 4,524.70; Aaron Flegel, meter deposit refund 150.00; City of De Smet, utilities 565.82; Cook's Wastepaper & Recycling, utilities 286.06; Cook's Wastepaper & Recycling, repairs & maintenance 7,634.93; DANR - Fiscal Office, travel & conference 50.00; De Smet Development Corp, contributions 1,000.00; De Smet Chamber, dues 125.00; De Smet Development Corp., supplies 769.00; Kingsbury Electric Cooperative, repairs & maintenance 220.00; Kingsbury County Auditor, services 6,933.33; Kingsbury Journal, publishing 47.57; Northwestern, utilities 1,805.37; Office Peeps, supplies, 259.05; Ottertail Power Company, utilities 5,395.17; Postmaster, supplies 353.00; Richard Close, repairs & maintenance 350.00; SD Airport Management Assoc., dues 50.00; SD Dept of Revenue, Sales tax 633.52; SD Dept of Revenue, sanitation sales tax 519.04; SD Governmental Finance, dues 40.00; SD Governmental Human Resource, dues 25.00; SD Municipal Street Maintenance, dues 35.00; SDML, dues 1,443.00; SDML Workers Compensation Fund, work comp insurance 13,306.00; Valley Fibercom, utilities 494.97 World Insurance Associates LLC, insurance 4,268.15; Flatland, 2nd St. and Chase St. project 76,324.73; SDDOT Airport Conference, travel & registration 100.00.

SPECIAL LIQUOR LICENSES: Two applications for special liquor licenses were submitted by Lu Ann Klinkel, owner of Klinkel's III for events to be held at the De Smet Legion Hall on January 26, 2025, from 12:00 pm - 10:00 pm, and on February 9, 2025, from 5:00 pm - 11:00 pm. Motion was made by McCune, seconded by Jensen, to approve two special liquor licenses submitted by Lu Ann Klinkel, owner of Klinkel's III for events to be held at the De Smet Legion Hall on January 26, 2025, from 12:00 pm - 10:00 pm, and on February 9, 2025, from 5:00 pm - 11:00 pm, all voting aye, motion carried.

DE SMET CHAMBER: De Smet Chamber President, Chad Kruse, met with the council to discuss location of the Old Settler Day Celebration activities if Main Street is under construction and budgeted city funding for activities. It is not determined at this time when the Main Street construction will begin, and \$4,000 was budgeted in 2025 for the celebration activities.

PUBLIC COMMENTS: None.

SECOND READING TO AMEND WATER/WASTEWATER RATES: Motion was made by Cavanaugh, seconded by Jensen, to approve the second reading to amend Ordinance No. II-2Q, Section II-2-6. Water Services Hookups and Rates, to increase the water flat rate from \$20.88 to \$22.13 per month, the usage rate from \$5.63 to \$5.97 per 1,000 gallons water, all voting aye, motion carried.

ORDINANCE NO. II-2Q

**AN ORDINANCE AMENDING ORDINANCE NO. II-2 ENTITLED: SECTION II-2-6.
WATER SERVICE HOOKUPS & RATES:**

BE IT ORDAINED BY THE CITY OF DE SMET, SOUTH DAKOTA, THAT SAID ORDINANCE SHALL BE AMENDED TO READ AS FOLLOWS:

Section II-2-6. Water Services Hookups and Rates.

RATE SCHEDULE FOR WATER USAGE

The rates for water consumption shall be computed on a monthly (1 month) basis. Any fractioned use of 1,000 gallons shall be rounded to the next 1,000 gallon increment and shall be considered as 1000 gallons for billing purposes. A minimum monthly rate of \$22.13 of which sum \$2.50 per hookup shall be designated for debt retirement, shall be charged to the service regardless of usage as long as the water shall be turned on to the service. The following rates shall be effective for residential and commercial usage for water supplied by the City of De Smet, to-wit:

For usage, per 1000 gallons \$5.97

Other Water charges, the City of De Smet hereby establishes a surcharge of \$4.35 payable by each customer of its system who receives or benefits from the services of the project financed by the DW-02 loan with the borrower bond Series 2020. The collection of the surcharge shall start on February 1, 2024. The surcharge shall remain in effect until such time as the borrower bond is paid in full, it shall be collected at the same time as other charges of the system, and establish a surcharge account to segregate the income from other system income for book keeping purposes to be pledged to the South Dakota Conservancy District. The surcharge shall be reviewed from year to year and modified in order to provide the required 110 percent debt coverage.

The City of De Smet hereby establishes a surcharge of \$16.70 payable by each customer of its system who receives or benefits from the services of the project financed by the DW-03 loan with the borrower bond Series 2024. The collection of the surcharge shall start on February 1, 2024. The surcharge shall remain in

effect until such time as the borrower bond is paid in full, it shall be collected at the same time as other charges of the system, and establish a surcharge account to segregate the income from other system income for book keeping purposes to be pledged to the South Dakota Conservancy District. The surcharge shall be reviewed from year to year and modified in order to provide the required 110 percent debt coverage.

Bulk water charges for bulk water dispensed at the hydrant are hereby established at a rate of \$30.00 for the first 1,000 gallons and \$12.00 per 1,000 gallons after the first 1,000 gallons.

Meters shall be read monthly and water bills shall be due and payable on the 1st day of every month of each year at a place designated by the City. After 5:00 P.M. on the 15th day of said month, water bills shall be deemed delinquent and a 15% penalty shall be added to the unpaid customer's account having a balance of over \$10.00.

No utility connection shall be made for municipal water or sewer services until the owner, occupier or user of the premises shall deposit with the City the sum of \$150.00 as a guarantee of municipal utilities payment. Said deposit shall be retained by the City without interest until the municipal utility service is disconnected or terminated. Upon vacating said building or location of the discontinuance of the use of the municipal utilities therein, the deposit shall be returned to the person who paid said amount, less any sums then due and owing to the City for utility services.

All other sections of said Ordinance and Ordinances amending Ordinance No. II-2, except those herein specifically modified, remain in full force and effect.

Dated this 8th day of January, 2025.

CITY OF DE SMET

ATTEST:

Gary Wolkow, Mayor

Tracey Larson, Finance Officer

Passed First Reading: December 30, 2024

Second Reading: January 8, 2025

Published: January 22, 2025

Motion was made by Jensen, seconded by Cavanaugh, to approve the second reading to amend Ordinance No. II-4N, Section II-4 Entitled Wastewater Charges, to increase the wastewater flat rate from \$20.88 to \$22.13 per month, the usage rate from \$5.63 to \$5.97 per 1,000

gallons water, wastewater users with other water sources from \$32.14 to \$34.07, all voting aye, motion carried.

ORDINANCE NO. II - 4N

AN ORDINANCE AMENDING CHAPTER II-4 ENTITLED: WASTEWATER CHARGES.

BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF DE SMET, SOUTH DAKOTA:

That Section II-4-3 be amended as follows to-wit:

Section II-4-3. Sewer Service Rates/Metered Services.

The rates for sewer usage shall be computed on a monthly (1 month) basis. There shall be only one class of users for purposes of rate calculation with rates to be determined based upon the users metered water usage. Any fractional use of 1,000 gallons shall be rounded to the next 1,000-gallon increment and shall be considered as 1,000 gallons for billing purposes. A minimum monthly rate of \$22.13, as long as the water shall be turned on to the service. An additional monthly charge shall be imposed at a rate of \$5.97 for each 1,000 gallons or fraction thereof of metered water usage.

Other sewer charges, the City of De Smet hereby establishes a surcharge of \$9.10 payable by each customer of its system who receives or benefits from the services of the project financed by the CW-01 loan with the borrower bond Series 2024. The collection of the surcharge shall start on February 1, 2024. The surcharge shall remain in effect until such time as the borrower bond is paid in full, it shall be collected at the same time as other charges of the system, and establish a surcharge account to segregate the income from other system income for bookkeeping purposes to be pledged to the South Dakota Conservancy District. The surcharge shall be reviewed from year to year and modified in order to provide the required 110 percent debt coverage.

And Section II-4-5 be amended as follows to-wit:

Section II-4-5. Sewer rates for wastewater users who use water in the dwelling, office or other structure from a source other than metered City Water shall be required to pay a monthly rate of \$34.07.

All other provisions not changed herein to remain valid and effective.

Date this 8th day of January, 2025.

CITY OF DE SMET

ATTEST:

Gary Wolkow, Mayor

Tracey Larson, Finance Officer

Passed First Reading: December 30, 2024

Second Reading: January 8, 2025

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Coughlin arrived at this time.

WATER FILTRATION/TREATMENT: Mike Schmit, Engineer for Helms and Associates, met with the council to discuss the City of De Smet opportunity to apply for a DANR Small Community Planning Grant. The Small Community Planning Grant would cover 80% up to \$10,000. De Smet has not had this type of study done since 2007. The study would evaluate the whole water system, look at the option of Rural Water, and the billing history. They would like to complete this study by the Fall of 2025, and if grant funding were applied for, get on the state water plan the beginning of 2026. This study would meet the grant requirements for the State and Rural Development.

SMALL COMMUNITY PLANNING GRANT: Motion was made by Cavanaugh, seconded by Hansen, to approve applying for the Small Community Planning Grant, and authorize Mayor Wolkow as the designated person to sign the grant documents, all voting aye, motion carried.

WATER STUDY AGREEMENT: Motion was made by Hansen, seconded by McCune, to approve the agreement for Helm's and Associates to do the water study in the amount of \$10,000.00 all voting aye, motion carried.

INFRASTRUCTURE, MAIN STREET & WATER TOWER PROJECTS: Karen Schaefer, Engineer for IMEG, met with the council to discuss the infrastructure projects, water tower, and Main Street project updates. Engineer Schaefer reported that Boews Construction had bladed 2nd Street & Chase Street. Schaefer has been in contact with Flatland Enterprise, LLC about their spring schedule to come back to finish 2nd Street & Chase Street. Weather will determine when Flatland can be back to work on the current project. Change order #3 was presented and explained by Schaefer to the Council. The change order in the amount of \$10,086.26 was for quantity changes for base course and 6" concrete approach pavement. Schaefer explained that there will be a change order to reduce the quantity to the sidewalks to offset the increase for 6" concrete and a reduction for the base course quantity at the end of the project. The water tower project has received final approval. Schaefer presented a proposal for construction administration for the water tower project in the amount of \$23,000.00. Also discussed were the logos on the tower. Schaefer also informed the council that the Main Street project contracts were sent to DANR and SD DOT and have been approved by DANR.

WATER TOWER CA AGREEMENT: Motion was made by Coughlin, seconded by Cavanaugh, to approve the Water Tower CA Proposal with IMEG in the amount of \$23,000.00, all voting aye, motion carried.

2ND STREET & CHASE STREET CHANGE ORDER #3: Motion was made by Cavanaugh, seconded by McCune, to approve Change Order #3 in the amount of \$10,086.26 for quantity changes on the 2nd Street and Chase Street Project, all voting aye, motion carried.

STREETS: Street Supt., Ryan Peterson, discussed with the council, doing a combined bidding for chip sealing with Arlington and Lake Preston. More information will be presented at the February council meeting. Peterson is planning to do masking on the Wilder Pass Streets before chip sealing. Peterson presented an estimate to replace the backup boiler at the City Shop. The council requested that Peterson obtain another quote. The streetlights along State Highways 14 & 25 will be replaced this summer by the State. If the City wants to put banner brackets on some of the pool and electric outlets, it will be a cost to the City in the amount of \$450/pole.

Motion was made by Jensen, seconded by Cavanaugh, to approve adding the banner brackets and electric outlets on approximately 20 poles along Highway 14 & 25 in the amount of \$450.00/pole, all voting aye, motion carried.

EXECUTIVE SESSION: Motion was made by McCune, seconded by Coughlin, to go into executive session to consult with the City Attorney and to discuss personnel at 6:02 pm, all voting aye, motion carried. Mayor Wolkow declared the council out of executive session at 6:32 pm.

PERSONNEL: Motion was made by Cavanaugh, seconded by Jensen, to accept the resignation from Deputy Finance Officer, Karen Hansen and to advertise for the deputy finance officer position, all voting aye, motion carried.

2025 SEASONAL HELP: Motion was made by Cavanaugh, seconded by Coughlin, to approve advertising for the 2025 summer coaches and pool staff, all voting aye, motion carried.

PROJECT PAYMENTS: Motion was made by McCune, seconded by Coughlin, to approve pay request #5 from Flatland, construction on 2nd Street & Chase Street \$76,324.73 (Water \$39,199.82, Sewer \$9,799.96, City \$27,324.95, all voting aye, motion carried.

CONFERENCE: Motion was made by Hansen, seconded by Coughlin, to approve Airport Supt. Ryan Peterson attending the SD Airport Conference, April 2 & 3, 2025, in Deadwood, all voting aye, motion carried.

DE SMET DEVELOPMENT CORPORATION: De Smet Development Coordinator, Jamie Lancaster, gave an update to the council if activities happening. Updates included: legislative session will be starting soon and is getting familiar with some of the topics; Employment Specialist, Kyrsten Zimmerman met with Jamie and was impressed with the De Smet community and will be a good resource for people looking for work; there will be a Summit Carbon Solutions meeting held in De Smet on February 16, 2025; and Alternate E of the Main Street Project will be put out for bids again and will have more information at a later date.

FINANCIAL REPORT: Motion was made by Cavanaugh, seconded by McCune, to approve the December 2025 Cash Balances Report as presented by the Finance Officer, all voting aye, motion carried.

TRANSFER: Motion was made by McCune, seconded by Coughlin, to approve transferring \$10,000.00 from the General Fund MMDA account to the General Fund CD, all voting aye, motion carried.

OVERTIME: Motion by Cavanaugh, seconded by Jensen, to approve the overtime hours for the month of December as presented, all voted aye, motion carried.

OTHER: Other non-action items of discussion were as follows: 1) the December law enforcement report; 2) the notification from Cook's to increase the garbage rates; and 3) thanked Karen Hansen for everything she has done here at the City.

ADJOURN: There being no further business the meeting was adjourned on motion by Hansen.

To comply with SDCL 6-1-10. Publication of Payroll information, the payroll changes were effective December 27, 2024 as follows: Deputy Finance Officer, Karen Hansen \$22.37/hour; Supt. of Streets, Ryan Petersen \$30.40/hour; Dept. Assistant Casey Harty \$24.73/hour; Library Director, Jeanette Todd \$22.89/hour/hour; Assistant Librarian, Dianne

Mollner \$18.90/hour; Supt. of Water & Wastewater, Jason Springer \$29.28/hour; Event Center Custodian/Maintenance Patty Garry \$19.74/hour; Parks & Buildings help, Mark Birkel, \$18.52/hour; all other employees \$14.00/hour; and to set the annual salary for the Finance Officer Tracey Larson at \$7,299.34/mo. and Event Center Director Kristy Hubbard at \$4,658.20/mo. to be effective December 27, 2024.

Gary Wolkow, Mayor

ATTEST:

Tracey Larson, Finance Officer

Published once at the approximate cost of \$_____