

RENNER SANITARY DISTRICT NEWSLETTER
December 31, 2018

We report 2017-2018 as follows:

PREVENTATIVE MAINTENANCE: This year video inspection was performed on the mainline sewer on the west side of Cliff Avenue and south of 78th Street. After review of the video inspection reports and visual inspection of manholes from this area, it was determined that a few repairs were needed to prevent future problems and eliminate visible infiltration in that area. Hydro Klean was selected as the contractor to repair 3 manholes that are deteriorating badly from sewer gases. First Rate Excavate was selected to repair a leak at one of the force mains and another repair at a service connection that was allowing groundwater into the sewer. Additionally, there are a few manholes that have visible infiltration and they will have a grout injected into the manhole wall to stop the leak. All these repairs will run about \$55,000.

FLOWS: The summer of 2018 started out normal but as the large rains came in the end of June the summer turned to very wet. With the year being one of the wettest on record, the average daily flow was much higher than recent years due to Inflow and Infiltration (I&I) from high groundwater levels from July through the end of the year. Our average flow for this fiscal year was 82,530 gpd, as compared to last fiscal year of 72,500 gpd. We expect normal daily flows to be about 70,000 to 75,000 gpd. The flows we experienced in the Fall were extremely high. October was over 169,000 gpd and November was over 120,000 gpd. We did some extra video inspection in an area around lift station #1.

IMPORTANT NOTE: Remember that any connection of sump pumps to the sanitary sewer or allowing any groundwater to enter the system is illegal and a fine can be administered for each violation. Extra water entering the sewer is costly because every 1,000 gallons of water sent to the City of Sioux Falls costs the District customers over \$5. In many cases this adds up to be about \$300 in extra processing costs per month for each location so please do whatever you can to stop extraneous flows from entering the sewer. Extra flows during the last year cost the members of the District over \$20,000.

RATES: We are hoping that sewer rates will remain the same. However, with the rate increase announced by the City of Sioux Falls of 6%, 5% and 4%, over the next 3 years, we are concerned. We have performed preventative maintenance and had large expenses. We have established our website, and the cost for that is \$125 per month. There are a few administrative expenses that are still being negotiated that could leverage increasing rates, however, the Board is doing its best to keep costs at a minimum.

WEBSITE: Please note that we our website is now up and running. Please visit us at www.rennersanitarydistrict.com. This site will serve as a virtual office and will be used to review and download organizational documents, minutes, notices of meetings and elections, etc. We will continue to add to our website in the future.

STUDY: High flows are always a concern and when they last throughout the summer we want to try and determine the cause. We evaluate the mainline sewer and any suspicious flows from service laterals. During these inspections we may determine that it is necessary to inspect homes to verify that extraneous groundwater is not entering the sewer. Thank you for your cooperation in this matter.

FINANCIAL REPORTS: We have also enclosed our audited financial statements.

PERMIT FEES: The City of Sioux Falls has not made us aware of any rate increases for 'SDC' charges or what we refer to as a Permit Fees for each additional user. For a residential home, this fee is currently \$2,391.00, which we have to collect and send to the City of Sioux Falls. We do not add any handling fee or additional charge.

As we move into a new year, rest assured that we continue to strive to furnish our members the best service at the lowest rates possible.

Respectfully submitted,
Renner Sanitary District Board of Trustees
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Sioux Falls SD 57109
Lori Jasper, President
Erick Anderson, Trustee
Nancy Rasmussen, Trustee
Judy Peltier, Clerk

Audited

RENNER SANITARY DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Year Ended October 31, 2018

See Independent Accountants' Compilation Report

	2018
REVENUE AND EXPENSES	
Sewer service and sales	\$ 336,277
Cost of sales	(169,390)
Gross profit	<u>166,887</u>
Operating expenses:	
Bank service charges	315
Depreciation	57,849
Director fees	2,880
Equipment repairs	83,110
Insurance	3,116
Internet	470
Locates & inspections	1,800
Miscellaneous expenses	146
Office supplies	522
Payroll taxes	220
Postage & delivery	1,456
Professional development	5,625
Professional fees	28,941
Publication fees	228
Storage fees	516
Supplies	728
Telephone	2,244
Total operating expenses	<u>190,166</u>
Other income	
Loss on disposal of asset	(617)
Other income	8,458
Interest income	2,059
Total other income	<u>9,900</u>
Excess (deficit) of revenues over expenses	\$ (13,379)
NET POSITION, BEGINNING	<u>838,678</u>
NET POSITION, ENDING	<u>\$ 825,299</u>

Audited

RENNER SANITARY DISTRICT

STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION

OCTOBER 31, 2018

See Independent Accountants' Compilation Report

	2018
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 398,745
Accounts receivable	63,878
Total current assets	<u>462,623</u>
Capital Assets	
Property and equipment	1,483,564
Less accumulated depreciation	<u>(1,077,240)</u>
Net capital assets	<u>406,324</u>
Total Assets	<u>\$ 868,947</u>

LIABILITIES AND NET POSITION

Current Liabilities	
Accounts payable	\$ 43,648
Total current liabilities	<u>43,648</u>
Total Liabilities	<u>43,648</u>
Net Position	<u>825,299</u>
Total Liabilities and Net Position	<u>\$ 868,947</u>