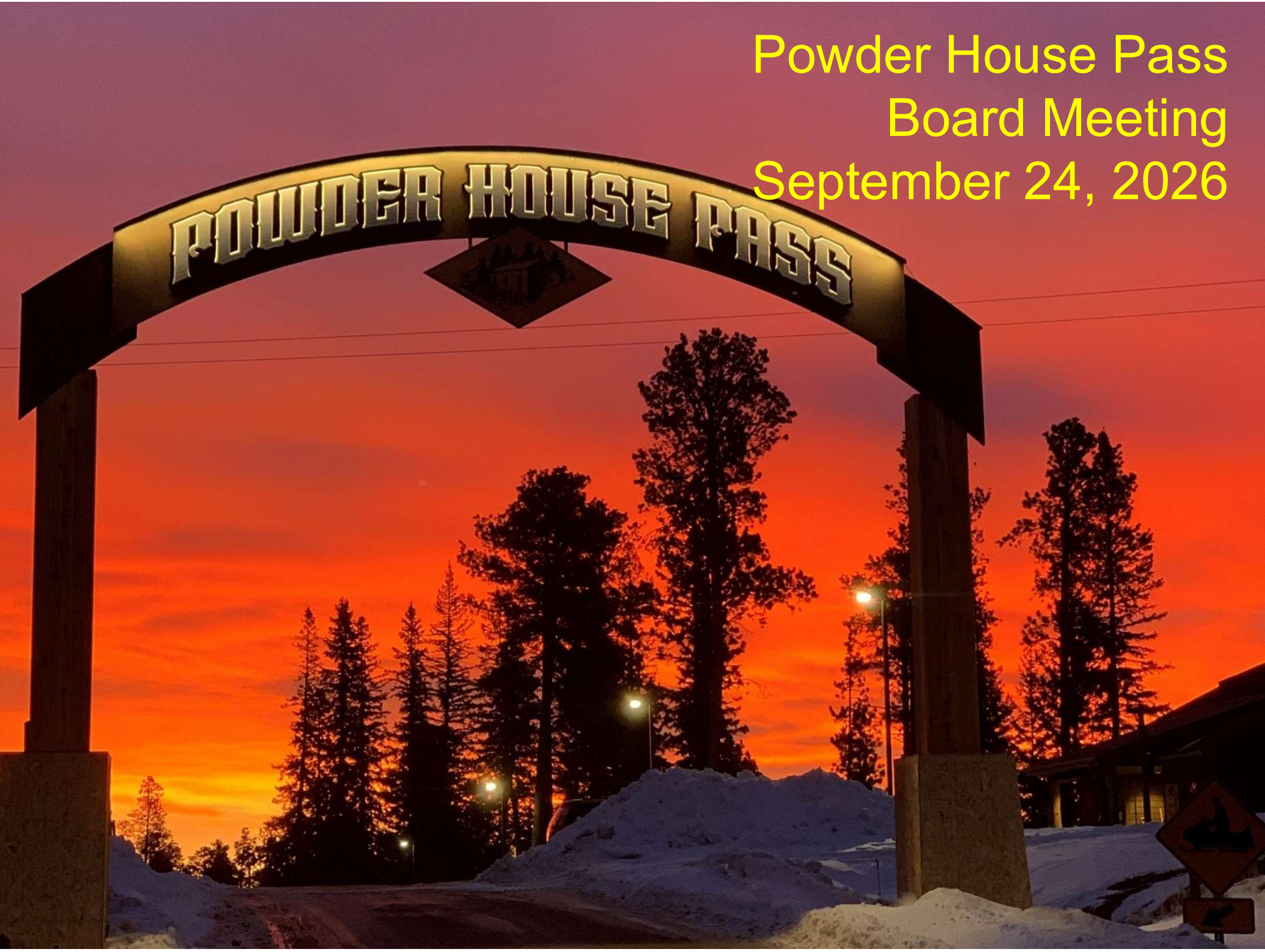


Powder House Pass
Board Meeting
September 24, 2026

POWDER HOUSE PASS

AGENDA

POWDER HOUSE PASS BOARD OF SUPERVISORS' MEETING
COMMUNITY IMPROVEMENT DISTRICT
9:30 AM MST, September 24, 2026, Special Meeting
Powder House Pass Community Building
11283 Powderhouse Trail, Lead, SD 57754

A. ROLL CALL/CALL TO ORDER

B. APPROVE MINUTES

a. Approve Minutes of September 10, 2026, Regular Meeting

C. LEGAL

D. FINANCE

a. Ordinance 17-26 2027 Appropriation Ordinance (Second Reading)

E. STREETS AND UTILITIES

F. ITEMS FROM VISITORS

G. ITEMS FROM THE BOARD

H. MEETING AND ANNOUNCEMENTS

a. CID BOARD MEETING: October 8, 2026, 9:30 AM MST (10:30 AM CST) PHP Community Building. Regular Meeting

I. Executive Session

a. SDCL 1-25-2 (3): Consulting with legal counsel or reviewing communications from legal counsel about proposed or pending litigation or contractual matters

J. Adjourn

The public can participate in the meeting of the Board of Supervisors of the Powder House Pass Community Improvement District by attending in person at the PHP Community Building at 11283 Powderhouse Trail, Lead, SD.

The public may also attend via the Teams Meeting Platform or by phone. Please see website (phpcid.org) and go to Home Page/Announcements for Teams Link and Call-In number.

Financials – 2027 Draft Budget - *Highlights*

Ordinance 17-26 2027 Appropriation Ordinance (Second Reading)

Revenue

- Taking maximum amount for Ad-Valorem Taxes ($326,646) and Opt-Out ($175,000). Year 3 of 5 on the Opt-Out.
  - Max amount of Ad-Valorem limited by property tax cap of 3% + 2.5% CPI adjustment.
- Annual CSF increase by 3% to $1,256.11.
- Tap Fees for Water at $14,000 (4 lots) and Sewer at $7,000 (2 lots).
- Reduced Water and Sewer overage fees based on actual.

Expenses

- Staffing/Personnel
  - Looking at a PT employee for the summer – 16 hours @ $22/hr.
  - 6% increase for FT employees.
- Road Maintenance
  - $200,000 allocated to Road Maintenance – this will be put in a Fund and carry over to 2028 when we do the next phase of improvements.
- Capital Reserves of $90,000
  - Carry over to 2028 for Water Diversion Manhole.
  - Also used for any other CapEx projects that would come up.
- Last payment on Snow Loader - $24,344
- G&A has 3.35% increase in budgeted income and 8.40% decrease in expenses (not including Road Maintenance and Capital Reserve funds
  - Main reduction in pool maintenance, legal and engineering.

Financials – 2027 Draft Budget - *Highlights*

Ordinance 17-26 2027 Appropriation Ordinance (Second Reading)

Expenses cont.

- Water Fund has 10.27% **decrease** in Revenue and 12.48% **decrease** in Expenses
  - Biggest savings in purchased water, filters, and licensed contractor.
- Wastewater Fund 21.95% **decrease** in Revenue and 8.07% **decrease** in Expenses
  - Expense reductions due to contract operations handled in-house and general maintenance budget.
- Annual loan payments for SRF Loans 1-4.
  - Interest only for Loan 4.

Fund Summary

	Revenues	Expenses	Transfers	Net		Revenue Inc/Dec	Expense Inc/Dec
General Fund	730,771.18	312,426.52	(290,000.00)	128,344.67		3.77%	-8.40%
Water Fund	273,746.48	218,482.52	(55,263.96)	-		-8.84%	-12.48%
Wastewater Fund	147,865.70	210,732.52	55,263.96	(7,602.86)		-20.32%	-8.07%
SRF Loan Activity	736,820.10	665,655.03		71,165.07		-	21.97%
Road Maintenance			200,000.00	200,000.00			
Capital Reserves			90,000.00	90,000.00			
2027 Total	1,889,203.46	1,407,296.58	-	481,906.88		-1.96%	-4.13%

Financials – 2027 Draft Budget - *General*

		2026 YTD Actual	2026 Budget	2027 Budget	Increase/Decrease	Notes
	Beginning Total Fund Balance Estimate					
	Revenue & Sources:					
31110	Ad Valorem Tax Revenue	186,941.30	309,632.00	326,646.00	17,014.00	Increase due to Growth and CPI
31113	Bank Franchise Tax	-	1,000.00	1,000.00	-	
31190	Opt Out Taxes	107,479.99	175,000.00	175,000.00	-	Annual Opt-out amount
31111	General Services Fee	208,074.03	211,569.13	220,875.18	9,306.05	3% annual increase
31112	Garbage Service Fee	1,533.25	2,200.00	2,400.00	200.00	$1/lot currently
34340	PHP CID Road Maintenance	-	1,350.00	1,350.00	-	3 lots
34930	Key Fobs	300.00	500.00	500.00	-	
34610	Community Center Rental/Interest/Lumen	2,550.00	3,000.00	3,000.00	-	
	Total Revenue & Sources	**506,878.57**	**704,251.13**	**730,771.18**	**26,520.05**	
	CID G&A					
4111	Payroll Wages (1/3)	34,717.33	58,667.57	58,534.64	(132.93)	1/3 of total 2027 Wages (budgeted add'l employee in 2026)
4120	OASI (1/3)	2,545.18	4,488.07	4,477.90	(10.17)	1/3 of total 2027 Taxes
4130	Retirement (1/3)	2,666.36	3,520.05	3,512.08	(7.97)	1/3 of total 2027 Retirement
4140	Workers Comp	(9.67)	900.00	900.00	-	
4150	Benefits (1/3)	7,924.03	11,050.00	13,157.90	2,107.90	1/3 of total 2027 Benefits
4210	Insurance (Prop/Liability)	14,418.28	14,000.00	15,000.00	1,000.00	3% increase
4220	Accounting Fees	24,000.00	36,000.00	36,000.00	-	
42201	Legal Fees	10,820.95	25,000.00	20,000.00	(5,000.00)	
4221	Engineering Services	3,759.50	10,000.00	7,500.00	(2,500.00)	
42210	Property Taxes (Community Building)	5,114.85	10,000.00	10,500.00	500.00	
4240	Audit	19,570.00	25,000.00	25,000.00	-	
42401	Contract Labor	-	-	-	-	
	Garbage Services (net)	1,245.96	-	-	-	
42521	Maintenance - Comm Bldg	6,284.26	12,000.00	12,000.00	-	
42522	Maintenance - Pool	4,635.85	9,600.00	8,500.00	(1,100.00)	Include replacing lounge chairs ($900)
42523	Maintenance - Maint Bldg	2,949.79	14,000.00	4,000.00	(10,000.00)	Paid for Generator in 2026
4253	Maintenance and Repairs (General)	27.99	7,000.00	2,000.00	(5,000.00)	adjusted based on actual
42531	Maintenance (Vehicles)	6,623.45	7,500.00	10,000.00	2,500.00	Increased based on 2026 actual
4260	Web Page/Hosting	1,063.60	2,000.00	2,000.00	-	
42601	IT Support	2,721.48	6,000.00	6,000.00	-	
4261	Office Expense/Supplies/Misc	3,491.99	3,500.00	6,000.00	2,500.00	Increased based on 2026 actual (plus uniforms)
4262	Fuel for CID Equipment	4,284.78	6,000.00	7,000.00	1,000.00	Increased based on 2026 actual
4265	Supplies/Tools (General)	1,875.72	3,000.00	3,000.00	-	
43701	Street Signs	-	1,500.00		(1,500.00)	Re-coded to General Maint and Repairs
43702	Road Maintenance	291,758.24	400,000.00		(400,000.00)	
43703	Snow Removal/Sanding	3,012.96	7,000.00	7,000.00	-	
4281	Cable/Internet/Phone	1,245.15	2,500.00	2,500.00	-	
4282	Electricity (all Buildings)	6,255.45	8,500.00	9,500.00	1,000.00	Based on T-12 averages
4283	Gas *(all Buildings)*	8,316.51	12,000.00	12,500.00	500.00	Based on T-12 averages
4286	Dues & Memberships	3,052.06	1,000.00	1,500.00	500.00	
4380	Vehicle Purhcases	-	15,000.00		(15,000.00)	
43801	Snow Loader Payment	24,344.20	24,344.00	24,344.00	-	Last payment in 2027
	Capital Reserves	50,865.34	80,000.00		(80,000.00)	
	Subtotal CID G&A	**549,581.59**	**821,069.69**	**312,426.52**	**(508,643.17)**	
	Transfer (To)/From General Reserves		0.00	0.00	-	
	Transfer (To)/From Capital Reserves		(80,000.00)	(90,000.00)	(10,000.00)	Funds to pay for Water Diversion Manhole in 2028
	Transfer (To)/From Road Maint Reserves		200,000.00	(200,000.00)	(400,000.00)	$200K/year including engineering; put into fund for 2028
	Net Revenue & Expenditures	**(42,703.02)**	**3,181.44**	**128,344.67**	**125,163.23**	Excess will be used to build up Operating Reserves
	Ending Total General Fund Balance					

Financials – 2027 Draft Budget - *Water*

		2026 YTD Actual	2026 Budget	2027 Budget	Increase/Decrease	Notes
	Beginning Total Fund Balance Estimate					
	Revenue & Sources:					
38110	Water Base Fee	158,777.84	165,302.76	172,556.48	7,253.72	3% increase (pending review of parcels)
38150	Water Tap Fees	7,000.00	42,000.00	14,000.00	(28,000.00)	4 lots @ $3500/lot
38111	Water Overage Fees	50,246.68	88,000.00	82,000.00	(6,000.00)	
38130	Water Meter Sales	2,484.00	5,000.00	5,190.00	190.00	10 sales at $519
	Total Revenue & Sources	**218,508.52**	**300,302.76**	**273,746.48**	**(26,556.28)**	
	Water System					
4111	Payroll Wages (1/3)	34,717.33	58,667.57	58,534.64	(132.93)	1/3 of total 2027 Wages (budgeted add'l employee in 2026)
4120	OASI (1/3)	2,545.18	4,488.07	4,477.90	(10.17)	1/3 of total 2027 Taxes
4130	Retirement (1/3)	2,666.36	3,520.05	3,512.08	(7.98)	1/3 of total 2027 Retirement
4140	Workers Comp	(9.67)	900.00	900.00	-	
4150	Benefits (1/3)	7,924.03	11,050.00	13,157.90	2,107.90	1/3 of total 2027 Benefits
4210	Insurance - Property	3,840.00	4,000.00	4,000.00	-	
4220	Sampling	126.00	500.00	500.00	-	
4221	Lic Contract Operator/Maintenance	11,394.25	12,000.00	-	(12,000.00)	Handled in-house
4240	Utilities Consultant (Clearwater Consulting)	9,706.46	13,500.00	15,000.00	1,500.00	Adjusted based on 2026 actuals
42401	Contract Labor	-	-	-	-	
42402	Contract (Dakota Pump)	941.00	1,500.00	1,500.00	-	SCADA
	Water Meters	5,480.54	4,500.00	4,500.00	-	10 Water Meters @ $450
4253	Maintenance/Repairs (General)	12,674.96	12,000.00	12,000.00	-	
42531	Filters	26,313.55	60,000.00	50,000.00	(10,000.00)	Adjusted based on 2026 actuals
42532	Chemicals	1,372.19	6,000.00	5,000.00	(1,000.00)	Adjusted based on 2026 actuals
4282	Electricity	6,845.00	12,000.00	13,000.00	1,000.00	Based on T-12 Average
4283	Natural Gas	1,082.64	1,000.00	2,400.00	1,400.00	Was coded to WW in 2026
4285	Purchased Water - *Lead Sanitary Disctrict*	13,441.67	44,000.00	30,000.00	(14,000.00)	Based on T-12 Average
4286	Membership/Dues	5,215.81	-	-	-	
	Subtotal Water	**146,277.30**	**249,625.70**	**218,482.52**	**(31,143.18)**	
	Transfer (To) Waste Water		(43,655.67)	(55,263.96)	(11,608.29)	Excess to cover wastewater shortage
	Net Revenue & Expenditures	**72,231.22**	**7,021.39**	**0.00**	**(7,021.39)**	
	Ending Total Water Fund Balance					

Financials – 2027 Draft Budget - *Wastewater*

		2026 YTD Actual	2026 Budget	2027 Budget	Increase/Decrease	Notes
	Beginning Total Fund Balance Estimate					
	Revenue & Sources:					
38310	Sewer Base Fee	72,580.44	75,570.03	78,865.70	3,295.67	3% annual increase
38320	Sewer Tap Fees	-	42,000.00	7,000.00	(35,000.00)	2 lots @ $3500
38311	Sewer Overage Fees	36,730.16	68,000.00	62,000.00	(6,000.00)	
	Total Revenue & Sources	**109,310.60**	**185,570.03**	**147,865.70**	**(37,704.33)**	
	Waste Water					
4111	Payroll Wages (1/3)	34,717.33	58,667.57	58,534.64	(132.93)	1/3 of total 2027 Wages (budgeted add'l employee in 2026)
4120	OASI (1/3)	2,545.18	4,488.07	4,477.90	(10.17)	1/3 of total 2027 Taxes
4130	Retirement (1/3)	2,666.36	3,520.05	3,512.08	(7.98)	1/3 of total 2027 Retirement
4140	Workers Comp	(9.67)	900.00	900.00	-	
4150	Benefits (1/3)	7,924.03	11,050.00	13,157.90	2,107.90	1/3 of total 2027 Benefits
4210	Insurance - WWTP and Lift Station	21,502.00	20,000.00	22,500.00	2,500.00	
4220	Sampling	10,244.59	15,000.00	18,000.00	3,000.00	Adjusted based on 2026 actuals
4221	Licensed Contract Operator/Maintenance	16,185.85	24,000.00		(24,000.00)	Handled in-house
4240	Sludge/Sewage Pumping	4,944.00	6,000.00	7,000.00	1,000.00	
42401	Contract Labor	-	-	-	-	
	Fines & Penalties	-	-	-	-	
42402	Contract - Dakota Pump	2,821.75	2,500.00	3,000.00	500.00	
4253	Maintenance & Repairs (General)	5,977.92	20,000.00	15,000.00	(5,000.00)	Adjusted based on 2026 actuals
42531	Filters	-	-	-	-	
42532	Chemicals	5,372.76	8,000.00	9,000.00	1,000.00	Adjusted based on 2026 actuals
4282	WWTP Power - *Black Hills Energy*	28,617.48	42,000.00	40,000.00	(2,000.00)	Based on T-12 average
42821	Embers Way Electricity	1,254.87	2,800.00	2,000.00	(800.00)	Based on T-12 average
42822	Outlaw Pass Electricity	1,724.77	3,000.00	3,000.00	-	Based on T-12 average
42823	Eastwind Electricity	980.25	1,800.00	1,900.00	100.00	Based on T-12 average
4283	WWTP Gas- *MDU*	5,915.61	4,500.00	7,600.00	3,100.00	Based on YTD Average
42831	Lift Station Gas - *MDU*	625.19	1,000.00	1,000.00	-	Based on T-12 average
4286	Membership/Dues	120.00	-	150.00	150.00	
	Subtotal Waste Water Treatment	**154,130.27**	**229,225.70**	**210,732.52**	**(18,493.18)**	
	Transfer from Water		43,655.67	55,263.96	11,608.29	
	Transfer from SRF Loan Fund					
	Net Operating Revenue & Expenditures	**(44,819.67)**	**0.00**	**(7,602.86)**	**(7,602.86)**	
	Ending Total Waste Water Fund Balance					

Financials – 2027 Draft Budget - *Wages*

2025 PHP CID Wages											
	Medical Benefits	2026 Wage Rates						2027 Budgeted Wages, Taxes, and SDRS			
Employees	Annual Total	Salary	Hourly Rate	Annual	SDRS (6%)	OASI	Total	Annual	SDRS (6%)	OASI	Total
Kent Wince	$ 17,786	$ 88,317		$ 88,317	$ 5,299	$ 6,756	$ 100,372	$ 93,616	$ 5,617	$ 7,162	$ 106,395
Tony Merkel	$ 21,687	$ 73,030		$ 73,030	$ 4,382	$ 5,587	$ 82,999	$ 77,412	$ 4,645	$ 5,922	$ 87,979
Summer Weekend Employee						$ -	$ -	$ 4,576	$ 275	$ 350	$ 5,201
	$ 39,474			$161,347	$ 9,681	$12,343	$ 183,371	$ 175,604	$ 10,536	$ 13,434	$ 199,574

Streets and Utilities

Items from Visitors

Items from the Board

Meeting and Announcements

Executive Session

Adjourn

POWDER HOUSE PASS

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