

The regular meeting of the Municipal Utilities Board was held at 1:00 p.m. on Monday, May 12, 2014, at the Utility Building with the following members present: Hansen, Harvey, Peterson and President Myers. Absent: Pitts.

MINUTES

Minutes of the regular meeting held April 14, 2014 and the special meeting held April 28, 2014 were read and approved.

ADOPTION OF AGENDA

The agenda was adopted.

ELECTION OF OFFICERS

Motion was made by Peterson, seconded by Hansen to nominate Steven Myers to President of the Board, Dave Peterson to Vice President of the Board and Tim Harvey to Secretary of the Board and that nominations cease and that a unanimous ballot be cast for Steven Myers for President of the Board, Dave Peterson for Vice President of the Board and Tim Harvey for Secretary of the Board. All members present voted in favor of the motion.

APPROVAL OF BILLS AND CLAIMS

Motion was made by Peterson, seconded by Harvey that the following bills and claims be approved. All members present voted in favor of the motion.

A T & T, Settlement, \$2,480.69; A T & T, Cust. Toll Free Number, \$53.55; A1 Cleaning & Restoration, Janitorial Service, \$240.00; Aglab Express, Vaccinations, \$78.00; Airway Technologies, Supp, \$2,922.96; Allegra, Printing Supp, \$2,893.79; Alliance Comm, PCS Access, \$42.95; Anderson, Bruce, Conserve/Demand Incentive, \$125.00; Aramark Uniform Services, Supp, \$685.87; Authorize.Net, Credit Card Processing Fee, \$139.70; Auto Body Specialties, Supp, \$31.55; B & B Manure Inc, Sludge Removal, \$1,686.00; Ball, Michelle, Janitorial Service, \$450.00; Barhite, Brooke, Travel, \$34.16; Bethel Baptist Church, Conserve/Demand Incentive, \$684.00; Bluefin Pymt Systems, Credit Card Processing Fee, \$29.90; Border States Elec, Supp, \$3,741.60; Bowes Construction, Asphalt Hauling, \$939.30; Brandwein, Robert, Conserve/Demand Incentive, \$50.00; Brian's Glass & Door, Repairs/Supp, \$105.61; Bridle Estates, Sewer Charge Reim, \$1,662.50; Bkgs City Hall Finance, Insurance Reim, \$2,500.00; Bkgs County Register of Deeds, Easement, \$30.00; Bkgs Credit Bureau, Delinq. Acct Collection, \$206.33; Bkgs Human Resource Office, Property/Liability Ins, \$208,868.01; Bkgs

Register, Advertising/Legals, \$20.00; Bkgs Register, Employment Advertising, \$1,096.35; Bkgs Utilities, Office Utility Bill, \$47,294.18; Bkgs Vision Center, Safety Glasses, \$300.99; BSG Clearing Solutions, Settlement, \$249.83; Careerbuilder, Employment Advertising, \$350.00; Carquest Auto, Equip Maint, \$157.11; Central Business, Supp, \$2,557.69; Century Link, Tele Exp, \$623.11; Century Link, Interconnections, \$8,464.23; Chesterman Co, Bottled Water, \$82.00; CHR Solutions, Consulting Service, \$725.00; City of Bkgs, Contract Fee, \$5,280.44; City of Beresford, Utility Bill, \$147.74; City of Bkgs Landfill, Landfill Fee, \$626.04; City of Sgt Bluff, Utility Bill, \$145.81; City of Vermillion, Utility Bill, \$250.69; Clay Union Electric, Utility Bill, \$177.07; Cleanslate, Printed Material, \$450.00; Climate Systems, Heat/Cooling Maint, \$3,801.85; Codington Clark Elec, Utility Bill, \$35.00; Collins, Kevin, Travel, \$634.88; Conner, Michele, Travel, \$25.76; Courtesy Plbg & Htg, Repair/Supp, \$185.00; Credit Bureau-Watertown, Delinq. Acct Collection, \$1,011.51; Culligan-Watertown, Bottled Water, \$25.50; Culligan, Bottled Water, \$203.50; Dakota Service, Supp, \$20.91; Dakota Supply Group, Supp, \$5,409.64; Daniels, Michael, Travel, \$13.44; Dave's Window Cleaning, Window Service, \$134.00; Davis Excavating Snow Removal, Snow Removal, \$90.00; Days Inn, Lodging, \$64.99; DePauw, Sean, Travel, \$59.36; Dept of the Treasury, Fed Tax, \$5,247.98; Dex Media East, Advertising, \$63.50; Dougherty, Kaitlyn, Travel, \$177.88; Einspahr Auto Plaza, Vehicle Maint, \$960.08; Empire Business Systems, Supp, \$2,118.13; Exeltech, Watt Inverters, \$715.00; Express Communications, Settlement, \$9,687.08; Fed Ex, Freight, \$92.70; Ferguson Waterworks, Supp, \$1,367.85; Fibercomm, Broadband Service, \$6,310.50; Fier, Mary, Conserve/Demand Incentive, \$50.00; Fireside Restaurant, Meeting Supp, \$99.46; First Bank & Trust, Bond Pymt Series 1998, \$188,169.45; First Bank & Trust, Bond Pymt Series 1999, \$103,451.31; First Bank & Trust, Bond Pymt Series 2000, \$178,989.78; First Bank & Trust, Bond Pymt Series 2006, \$142,816.34; First Bank & Trust, Bond Pymt Series 2011, \$36,291.25; Fitts, Morgan, Travel, \$13.72; Fjeldos, Larry, Conserve/Demand Incentive, \$50.00; Foster, Bob, Travel, \$32.20; Fox Sports Net North, Contract Fee, \$4,464.11; FRRPA, FRRPA Lease, \$13,107.00; Glazier, Lauren, Travel, \$12.32; Golden West Tech, Tech Support, \$8,770.61; Golden West Telecom, Tele Exp, \$39.60; Grainger, Supp, \$845.00; Graymont Capital, Chemicals, \$3,650.55; Hawkins Inc, Chemicals, \$1,040.00; H-D Electric, Utility Bill, \$204.36; HDR Engineering, Engineering Service, \$82,328.74; Henkin Schultz Comm Arts, Advertising, \$36,387.68; Hershman, Casey, Travel, \$40.32; Hibu Inc-West, Advertising, \$355.00; Hillyard/Sx Falls, Repair/Supp, \$157.30; Hoak Media of Dakota, Contract Fee, \$1,025.10; Homestead Do It Center, Supp, \$165.04; Independent Communication, Contract Fee, \$852.18; Industrial Machine & Eng, Repairs/Supp, \$40.00; Inner-Tite, Supp, \$845.42; Interstate Power Systems, Equipmant, \$4,628.43; Interstate Telecom, Tele Exp, \$1,178.56; Iowa Network Services, Wireless Transport, \$10.42; Jimmy John's, Meeting Supp, \$54.19; Job Target, Employment Advertising, \$149.00; Jones Pest Control, Pest Control, \$45.00; Karpen, Nick, Travel, \$172.48; Kdlt Tv, Contract Fee, \$862.33; Knettel, Trever, Travel, \$608.72; L G Everist, Gravel, \$806.86; Leca, Settlement, \$4,641.00; Lewis Drug, Supp, \$14.45; Lowe's, Supp, \$541.65; M & T Fire & Safety, Supp, \$152.00; Mack, Scott, Travel, \$8.40; Martin's Inc, Diesel/Oil, \$317.16; Master Works International, Server Hardware, \$9,431.60; Matheson Tri-Gas, Supp, \$165.00; Mcdonald Supply, Supp, \$365.28; Mckeeper Inc, Supp, \$102.00; Mediacom, Broadband Service, \$89.56; Medinger, Amanda, Travel, \$49.28; Menards-Sx City, Supp, \$31.46; Menards-Sx Falls West, Supp, \$18.99; Menards-Watertown, Supp, \$16.44; Mercy Business Health, Drug Screening, \$60.00; Midamerican Energy, Utility Bill, \$945.48; Midcontinent, Broadband Service, \$297.05; Midcontinent, Contract Fee, \$178.50; Midwest Alarm, Battery, \$52.29; Midwest Alarm-Sx City, Remote Programming, \$60.00;

Midwest Glass, Repair/Supp, \$615.63; Millborn Seeds, Grass Seed/Fertilizer, \$17.50; Minor, Scott, Travel, \$55.20; Missouri River, Supplemental Power, \$827,613.10; Missouri River, WAPA Power Allocation, \$258,574.94; MVTL Labs, Wastewater Analysis, \$25.00; National Processing Co, Credit Card Porcessing Fee, \$12,992.86; Neca Admin, Number Portability, \$375.00; Nielsen's, Repair/Supp, \$47.14; North West Rec, Utility Bill, \$41.50; Northwestern Energy, Natural Gas, \$586.99; NTCA-Rural Broadband Assoc, Membership Dues, \$500.00; Nutter, Chris, Travel, \$268.00; Obeslo, Kayla, Travel, \$19.04; Office Elements, Maint/Supp, \$380.89; Olson, Justin, Travel, \$108.08; One Source-Background Check Co, Employee Verification, \$594.00; Otter Tail, Utility Bill, \$162.49; Outdoor Adventure Center of SD, Conserve/Demand Incentive, \$9,122.50; Papa John's of Iowa, Meeting Supp, \$23.64; Party Depot, Supp, \$49.37; Peterson Air Conditioning & Heating, Repairs/Supp, \$301.00; Peterson, Randy, Conserve/Demand Incentive, \$50.00; Power & Telephone Supply, Supp, \$790.00; Prairie Graphics, Supp/Uniforms, \$663.50; Prussman Contracting, Water Line Repair, \$4,124.63; Prussman, Myron, Travel, \$55.20; Rainbow Car Wash, Vehicle Maint, \$23.68; Reconinsight Ltd, Consulting Service, \$1,000.00; Reed, Lyle, Travel, \$55.20; Rental Depot, Equip Rental, \$42.46; Resmen, Kaylene, Travel, \$22.40; Rients, Shane, License Fee, \$34.00; Runnings, Supp, \$1,204.60; Sancom, PCS Access, \$12.82; Schulte, Dan, Travel, \$44.24; Schuneman Equipment, Equip Maint, \$49.38; Schweitzer Engineering Labs, Supp, \$760.00; SD Public Utilities, Gross Receipts Tax, \$17,945.79; SD Treasurer, Sales/Excise Tax, \$203,425.29; SD Treasurer CIF, Communication Impaired Fee, \$5,337.05; SDN Communications, Circuit Lease, \$1,305.00; Security Nat'l Bank of SC, Supp, \$81.64; Servicemaster, Janitorial Service, \$370.00; Shaull, Brandi, Travel, \$10.64; Sx Falls Utilities, Utility Bill, \$368.17; Sx Valley Energy, Utility Bill, \$843.71; S Sx City, Utility Bill, \$459.86; Speedy Cleaners, Rugs/Supp, \$157.10; Sprint, PCS Service Fee, \$337,172.39; Sprint, Phone Service, \$3,316.71; Sprint, PCS Inventory, \$95,613.84; Sprint-SF, PCS Accessories, \$3,533.00; State of Iowa-Treasurer, Sales Tax, \$6,006.00; Stoltenburg, Audie, Travel, \$402.80; Strand, Chad, Travel, \$300.00; Sturdevant Auto, Supp, \$243.57; Swiftel Comm, Office Phone Bill, \$81,196.82; Syrstad Oil, Vehicle Maint, \$93.35; Tessier's, Repairs, \$3,325.00; Coteau Shopper, Employment Advertising, \$48.30; Old Norwegian Window Washer, Window Service, \$8.00; UPS Store, Freight, \$234.52; Top Notch Cleaning, Janitorial Service, \$1,845.00; Tott's Conoco, Gas, \$212.50; Tower Distribution, Contract Fee, \$239.77; Town & Country Shopper, Advertising, \$490.00; Town & Country Shopper, Employment Advertising, \$196.00; Travel Leaders, Air Fare, \$3,403.50; Two Ten Twenty Pizza, Meeting Supp, \$30.82; Union County Elec, Utility Bill, \$231.20; UPS, Freight, \$186.47; US Postal Service, Postage, \$9,000.00; Universal Service Adm, USAC Contribution, \$96,346.76; University Estates, Water Charge Reim, \$3,380.00; US Postmaster-Bkgs, Key, \$9.00; Vandersnick, Nathan, Travel, \$55.20; VanMaanen, Scott, Travel, \$418.20; Vantage Point, Engineering Consulting, \$1,533.50; Watertown Municipal Utilities, Utility Bill, \$719.48; Wellmark Blue Cross Blue Shield of SD, Benefit Plan Fee, \$240.00; Wesco, Supp, \$2,265.30; Wheeldon's, Equipment, \$121.14; Witt, Eric, Travel, \$61.60; Witt, Eric, Gas/Registration Fees/Meals, \$100.21; WJA Consulting, Consulting Service, \$1,800.00; Workin.Com, Employment Advertising, \$214.00; WW Tire, Equip Maint, \$99.98; Xcel Energy/NSP, Utility Bill, \$1,548.22; Young Broadcasting-SF, Employment Advertising, \$564.00; Zip Trip, Gas, \$7,294.06.

The following are Telephone/Utility Refunds:

Bkgs Property Mgmt, \$151.10; Cedar West V, \$57.18; Claussen, Nancy, \$284.62; Farmen, Steven, \$37.08; Gile, Betty, \$22.43; Habben, Taylor, \$21.04; Heron Cove, \$91.94; Knudtson, David, \$30.18; Krepel, Blayne, \$113.74; Laser It Inc, \$29.42; Libby, Harmony, \$12.29; Moriarty Construction, \$83.71; Nesta Enterprises, \$55.86; Prairie View Town Homes, \$38.61; Robert L Carr Co, \$424.49; Shogun Energy, \$375.69; Trigg, Matthew, \$26.79; Windsor Estates, \$86.60; Aanonson, Michael, \$122.15; Advantage Land Co, \$65.03; Basmajian, Norma, \$3.92; Boetel, Bruce, \$14.45; Boyd, Lucille, \$14.75; Bozied, N, \$2.04; Costello, William, \$28.78; El Tapatio, \$168.62; First National Bank-Volga, \$171.80; Gea Process Engineering, \$104.69; Harms, Jason, \$23.83; Kurtenbach, Matt, \$3.54; Lowin, Patrick, \$114.85; Miller, Lukas, \$6.62; Rogers, Jeffrey, \$58.02; Scheafer, Curt, \$23.23; Schreiber, Wanda, \$15.97; Stampe, Don, \$22.41.

PERSONNEL INFORMATION

Department Salaries (April): Electric, \$180,517.60; Water, \$86,266.95; Wastewater, \$78,133.94; Telephone, \$464,977.22;

Retirement, \$46,339.65; Social Security, \$59,072.62; Insurance, \$76,250.57; Deferred Comp, \$12,157.15;

Salary Changes: N. Brandt, \$10.68*; J. Rains, \$13.49*; B. Drexler, \$33.27; T. Naatjes, \$28.67; R. Pickard, \$5,399.25; S. Thompson, \$10.06;

New Employees: K. Dougherty, \$11.24*; J. Novotny, \$9.00*; C. Strand, \$25.42; N. Stryzewski, \$9.00*; M. Redmond, \$12.36; K. Krogman, \$3,528.13; J. Olson, \$1,624.74*;

*Plus commission

QUARTERLY FINANCIAL REVIEW

Laura Julius, Finance and Accounting Manager, presented a quarterly financial review of first quarter 2014.

SIOUX VALLEY ENERGY AGREEMENT

Motion was made by Harvey that the following Resolution No. 15-14 be approved.

RESOLUTION NO. 15 - 14

RESOLUTION APPROVING AGREEMENT TO PURCHASE SIOUX VALLEY ENERGY ELECTRIC FACILITIES

BE IT RESOLVED by the Brookings Municipal Utilities Board that:

1. Agreement to purchase Sioux Valley Energy electric lines in the following described property be hereby approved:

Outlots 1A and 2 in the NE ¼ of Section 28-T110N-R50W, and the SW ¼ of the NW ¼, except sublots A and B of Outlot 1, in Section 27-T110N-R50W (City Res. 181-12)

Christie Third Addition in the NW ¼ of Section 2-T109N-R50W (City Res. 62-13)

The south 229 feet of the SE ¼ of the NW ¼ lying east of the lot line of the Christie Third Addition in Section 2-T109N-R50W (City Res. 63-13)

Sublots A and B1 of Outlot 1 in the SW ¼ of the NW ¼ of Section 27-T110N-R50W and Tract 2A James Addition in Section 28-T110-R50W (City Res. 96-13)

North 35 feet of the east 1309.5 feet of the NE ¼ of the SW ¼ of Section 2-T109N-R50W (City Res. 3-14)

SW ¼ of the NW ¼ of Section 2-T109N-R50W (City Res. 4-14)

2. The President of the Board and/or Executive Vice President/General Manager be hereby authorized to execute the approved contract documents.

Adopted this 12th day of May, 2014.

ATTEST:

Tim Harvey, Secretary

Steven Myers, President

The motion was seconded by Hansen. All members present voted in favor of the motion.

DHE LLC BILL OF SALE

Motion was made by Peterson that the following Resolution No. 16-14 be approved.

RESOLUTION 16 – 14

RESOLUTION TRADING EXISTING EQUIPMENT AND ENTERING
INTO SUBSCRIPTION AGREEMENT AND BILL OF SALE

WHEREAS, Brookings Municipal Utilities, dba., Swiftel Communications (hereinafter referred to as "Swiftel"), operates a cable television business located generally within the City of Brookings, Brookings County, South Dakota; and

WHEREAS, Swiftel, along with various other telecommunications companies within the State of South Dakota, owns cable television headend and receiving equipment currently utilized in the operation of the cable television headend located on the property of South Dakota Network, LLC, in and around the City of Sioux Falls, South Dakota; and

WHEREAS, the Brookings Municipal Utilities Board, pursuant to SDCL 6-13-1, has determined that the equipment mentioned immediately above is no longer necessary and/or suitable for the purpose for which it was acquired and that to trade the above mentioned property for an interest in DHE, LLC as hereinafter set forth, is in the best interest of Brookings Municipal Utilities, dba., Swiftel Communications; and

WHEREAS, Swiftel has the opportunity to trade its existing interest in the above described equipment to an entity known as DHE, LLC, in return for a percentage interest equal to twelve and one-half percent (12.5%) of all percentage interest as a Class I Member of the company, which company was formed under the laws of the State of South Dakota for the purpose of owning and operating a cable television headend site in Sioux Falls, South Dakota, and all other purposes permitted under the laws of the State of South Dakota and the United States of America; and

WHEREAS, pursuant to SDCL 6-13-3, the Brookings Municipal Utilities Board may trade such interest in its existing property to DHE, LLC in return for an ownership interest in the new entity; and

WHEREAS, a proposed Subscription Agreement and Bill of Sale allowing Brookings Municipal Utilities, dba., Swiftel Communications, has been presented to the Brookings Municipal Utilities Board; and

THEREFORE, a motion is made, seconded and approved by the Brookings Municipal Utilities Board to allow for the trade of its existing equipment as set forth above to DHE, LLC, and in addition approves the execution by its General Manager of the proposed Subscription Agreement and Bill of Sale with DHE, LLC, and approves the payment of the sum of \$90,000.00 in cash in addition to the trade-in of equipment, all in return for a percentage interest equal to twelve and one-half percent (12.5%) as a Class I Member of DHE, LLC.

Dated this 12th day of May, 2014.

ATTEST:

Tim Harvey, Secretary

Steven Myers, President

The motion was seconded by Harvey. All members present voted in favor of the motion.

