



**CITY COMMISSION ROOM
PIERRE, SOUTH DAKOTA
January 26 , 2016**

The City of Pierre Board of Commissioners met in regular session on January 26, 2016 at 5:30 pm with Commissioners Goodman, Harding, Huizenga, and Mehlhaff present for roll call. No one signed the guest register. The Pledge of Allegiance was recited. The agenda was approved as amended – under consent calendar Claims were removed and under New Business Contract Agreement with ICON Holdings was removed.

Mayor Gill presented a proclamation for Hazel S. Baumberger Day.

Commissioner Goodman moved and Commissioner Harding seconded to approve the consent calendar: Minutes Regular Meeting January 19, 2016; Appointment to Traffic Safety Committee - Kevin Mutchelknaus; New Hire Part-time Administration Department - John Irvine \$32.57; New Hire Emergency Services Communications Officer - Michelle Barrett \$16.46; New Firefighter Application - Dylan Neuhasuer; Set Public Hearing 5:45pm February 9th - Kroepflin Spray Airport Lease Area #39; Raffle Request - High Plains Wildlife Association; 2016 Salary Publication. Unanimous approval.

2016 Salary:

Alfaro, Audrey	\$10.21	Kelly, Todd	\$68,341.58
Allison, John	\$33,321.60	Kietzmann, David	\$73,548.80
Anderson, Kade	\$36,171.20	Kludt, Michael	\$35,235.20
Ankrum, Perry	\$51,168.00	Kuiper, Steven	\$70,054.40
Badger, Gary	\$53,352.00	Kurth, Kyle	\$65,177.13
Barnum, Erin	\$68,149.37	LaFave, Corey	\$36,337.60
Bauman, Richard	\$45,676.80	LaFave, Susan	\$40,040.00
Benson, Benjamin	\$39,083.20	Laird, Lauren	\$50,627.20
Blemaster, Elton	\$81,495.20	Lammle, Jessica	\$10.41
Boehm, Jennifer	\$10.41	Light, Louisa	\$12.00
Bohnenkamp, Brooke	\$66,374.37	Luckhurst, Rodney	\$54,100.80
Boutchee, Samson	\$50,024.00	Lueders, Annie	\$32,593.60
Bowers, Kerry	\$46,176.00	Madsen, LeRoy	\$42,744.00
Bowman, Daniel	\$49,878.40	Martin, Amanda	\$31,886.40
Boyd, Brandon	\$52,790.40	Martin, Cole	\$45,676.80
Brewer, Dane	\$68,647.80	McCombs, Nathan	\$73,518.87
Caauwe Byron	\$38,729.60	McGhee, Sandra	\$35,235.20
Cheap, Mindy	\$55,265.21	Mehlhaff, Jim	\$11,372.23
Childs, John	\$107,326.92	Meligan, John	\$14.36
Classen, Chris	\$43,097.60	Merrill, Zachary	\$13.43
Coldsmith, Kevin	\$38,334.40	Metzinger, Mark	\$71,758.67
Coppersmith, Lee	\$44,428.80	Murphy, Mary	\$35,609.60
Cronin, Nathan	\$34,923.20	Myhre, Derek	\$40,030.40
Croston, Beth	\$34,860.80	Neuhauser, Nicholas	\$37,606.40

CITY COMMISSION PROCEEDINGS January 26, 2016

Cummings, Kaitlin	\$43,596.80	Newling, Rex	\$64,875.20
Cummings, Kyle	\$43,201.60	Onken, Ken	\$34,195.20
Daniel, Dorinda	\$12.24	Opp, Wanda	\$34,257.60
Deal, Korina	\$33,300.80	Palmer, Brad	\$104,699.49
Doll, Samantha	\$13.43	Palmer, Gidget	\$25.19
Dunn, William	\$37,065.60	Panzer, David	\$90,240.12
Edwardson, Abby	\$15.55	Parce, Selena	\$37,003.20
Ehnes, Keith	\$43,139.20	Parker, Michael	\$45,760.00
Eichastadt, Jacob	\$33,176.00	Patton, Lynn	\$81,145.86
Evans, Jason	\$15.64	Paul, Ian	\$66,449.94
Fahey, James	\$70,386.61	Pelle, Dusty	\$49,296.00
Farnsworth, Tom	\$86,237.60	Penrod, Jay	\$49,108.80
Fischer, Joann	\$34,673.60	Perry, Glen	\$47,320.00
Forest, Danny	\$28.27	Petrik, John	\$70,054.40
Frost, Aric	\$13.43	Pfeiffer, Lisa	\$42,681.60
Geigle, Jared	\$35,214.40	Piersol, Trevor	\$32,656.00
Gill, Laurie	\$21,837.27	Piper, Michael	\$10.21
Goodman, Jeanne	\$11,372.23	Pruess, Sharon	\$76,641.14
Gourneau, Dale	\$46,633.60	Pullman, Allara	\$16.46
Grant, Ryan	\$88,267.26	Pulscher, Andrea	\$10.21
Gray, Derek	\$61,131.20	Rasmussen, Douglas	\$40,268.80
Gronlund, Laurie	\$100,009.18	Rose, Patrick	\$32,656.00
Gross, Cindy	\$51,546.82	Rounds, Allan	\$13.43
Gross, Derald	\$67,360.14	Roussel, Robin	\$56,180.80
Gross, Megan	\$34,923.20	Russell, Calvin	\$45,385.60
Halling, James	\$28.27	Rydland, Deanne	\$16.46
Harding, Steve	\$11,372.23	Schochenmaier, Leon	\$130,500.27
Harmon, Justin	\$43,201.60	Schrupp, Robin	\$79,525.62
Harris, Devin	\$73,548.80	Schwartz, Cory	\$73,548.80
Harrowa, Jerry	\$54,350.40	Scott, Matthew	\$70,054.40
Hauge, Melita	\$10.41	Sedlmajer, Jessica	\$34,923.20
Heaton, Drew	\$43,201.60	Severyn, Shane	\$28.27
Hendrickson, Buddy	\$35,214.40	Shaver, Matthew	\$42,764.80
Henrichsen, Chris	\$49,108.80	Simpson, Jeanne	\$41,953.60
Hericks, Nick	\$43,284.80	Smith, Brad	\$45,364.80
Herman, Paul	\$17.49	Stanek, Keith	\$42,140.80
Hertel, Paul	\$50,939.20	Starks, Landon	\$70,054.40
Heymans, Dean	\$70,386.61	Stein, Wesley	\$51,168.00
Hicks, James	\$34,860.80	Stertz, Toby	\$47,424.00
Hight, Twila	\$89,388.15	Strait II, Ronald	\$44,990.40
Hines, Brian	\$62,774.40	Swanson, Charles	\$42,348.80
Hoefener, Dallan	\$42,307.20	Swenson, Scott	\$50,980.80
Hoffrogge, Cory	\$49,420.80	Swenson, Troy	\$57,241.60
Howell, Nathan	\$43,596.80	Switzer, Rachel	\$10.21
Howell, Ruth	\$16.46	Szuggar, Scott	\$37,814.40

Hoyme, Kathy	\$33,321.60	Templeton, Pam	\$10.41
Huber, Dennis	\$50,980.80	Toman, Daniel	\$15.86
Huizenga, Jamie	\$11,372.23	Ulvestad, Judy	\$50,252.80
Hussey, Shawn	\$48,588.80	Underberg, Stevie	\$10.21
Intorn, Rodney	\$48,256.00	Valland, Carol	\$52,624.00
Irvine, John	\$67,739.60	Valland, Steven	\$73,548.80
Isaacs, Michael	\$77,772.15	Vaudrin, Maxx	\$39,291.20
Jensen, Dennis	\$50,980.80	Voeltz, Curtis	\$35,692.80
Jensen, Jay	\$34,632.00	Waggoner, John	\$34,112.00
Jessen, Bryce	\$40,643.20	Wagoner, Jacob	\$37,086.40
Johnson, Amanda	\$35,609.60	Waldron, Craig	\$58,320.47
Johnson, David	\$50,668.80	Waller, Loraine	\$34,923.20
Johnson, Todd	\$44,033.60	Walz, Bryan	\$60,444.80
Jones, Jason	\$53,601.60	Weeldreyer, Patricia	\$53,164.80
Jones, Travis	\$40,102.40	Welch, Kirby	\$56,929.60
Juso, Colton	\$42,764.80	Williams, Penn	\$50,980.80
Kaysner, Seth	\$34,611.20	Wollman, John	\$61,131.20
Keller, Valerie	\$72,948.14	Wright, Buckley	\$43,201.60
Kelley, Bill	\$49,795.20		

Phil Steiger from Eagle Eye Security requested a Merchant Security Business License. He explained that he has been hired to provide security at Kmart until the end of March. His business is out of Glenham SD and provides light security guard services and installation of security systems since 2004. Police Chief Dave Panzer commented that they have reviewed his application and recommend approval. Commissioner Huizenga moved and Commissioner Mehlhaff seconded to approve the Merchant Security Business License for Eagle Eye Security Systems. Unanimous approval.

Mayor Gill explained that the City operates a Wastewater Treatment Facility that treats all City wastewater before being discharged into the Missouri River within the Compliance Standards set by Federal Environmental Protection Agency (EPA) and State Department of Environment and Natural Resources (DENR). After the release of the Wastewater Plant Superintendent, it was discovered that compliance reports submitted to SD DENR had been falsified. As a result, Banner and Associates were hired to assist with a comprehensive review and evaluation of all operating aspects of the Wastewater Treatment Facility. Several processes, procedures, and equipment upgrades have been made in an attempt to operate the Plant as efficient and compliant as possible. During the process of establishing new operating procedures, compliance violations were received and as a result SD DENR issued a one-time penalty of \$15,726 and requires the City to conduct analysis and evaluation of plant quality assurance and quality control plan. Mayor Gill explained that the City is committed to the ongoing compliance with the Federal and State regulations and have worked closely with SD DENR throughout the whole process. Jim Housiaux, Banner Associates, explained their continued efforts with working on the processes, procedures, and overall evaluation of the plant operations and equipment. He explained several processes have been changed, additional reporting procedures and overview have been implemented, and several equipment improvements have been installed. Banner is still on contract to provide ongoing support and services as needed by the City. Commissioner Goodman recused herself from the vote due her full-time employment with SD DENR, even though she was not involved in any of the process she feels it's in the best interest of the City. Commissioner Mehlhaff moved and

Commissioner Huizenga seconded to approve the payment to SDDENR for the one-time penalty of \$15,726. Unanimous approval.

Lynn Patton, Construction and Operations Manager, presented a request to bid aggregate base course for 2016. Lynn explained this is the annual material purchase used for street construction and water main replacement projects. Commissioner Mehlhaff moved and Commissioner Goodman seconded to approve the request to bid aggregate base course as presented. Unanimous approval.

Tom Farnsworth, Park & Recreation Director, presented a request to bid the replacement play toy feature in the Aquatic Center zero depth area of the pool. The existing feature is 16-17 years old and is showing its age and wear. The new toy would be installed in the fall when it wouldn't be a conflict with the swim team schedule. Commissioner Goodman moved and Commissioner Harding seconded to approve the request to bid the aquatic center water toy replacement. Unanimous approval.

Leon Schochenmaier, City Administrator, presented Resolution 2566. This is the form provided by Missouri River Energy Services to approve the Amendment #5 to the Supplemental Power Agreement. Last week MRES presented a comprehensive overview of the amendment, explaining that the major change in the agreement is related to WAPA (Western Area Power Association) joining the regional transmission organization which operate under the energy market and transmission network. All participating members will sell all power to the market and purchase power back from the market. The amendment also extends the agreement an additional 11 years through 2057. Commissioner Mehlhaff moved and Commissioner Huizenga seconded to approve Resolution 2566. Unanimous approval.

Resolution #2566

to Approve Amendment 5 to the S-1 Power Sale Agreement,
and

**Missouri Basin Municipal Power Agency Power Sale Agreement (S-1)
(as amended and restated effective January 2, 2017)**

WHEREAS, *City of Pierre, Pierre South Dakota*, is currently purchasing all electric power and energy it requires to meet the needs of its customers in excess of City's firm power allocation from the Western Area Power Administration ("WAPA") ("Supplemental Power") from Missouri Basin Municipal Power Agency d/b/a Missouri River Energy Services ("MRES"), pursuant to the terms and conditions of the Power Sale Agreement (S-1) ("S-1 Agreement") for a term extending through December 31, 2045; and WHEREAS, the S-1 Agreement requires that MRES physically deliver Supplemental Power to City over the Integrated System ("IS") transmission facilities administered by WAPA; and WHEREAS, WAPA joined the Southwest Power Pool ("SPP") Regional Transmission Organization ("RTO") effective October 1, 2015, and the IS transmission facilities were moved into SPP (which now has functional control over those facilities) and, as a result, MRES can no longer physically deliver power and energy over the IS transmission facilities. Further, because all MRES members are now in the footprint of either the SPP market or the Midcontinent Independent System Operator, Inc. ("MISO") market where power and energy are financial (and no longer physical) transactions, the S-1 Agreement no longer accurately reflects how power supply and the delivery of that power and energy are actually transacted in the RTOs. The RTOs, including SPP and MISO, operate energy markets and transmission networks that have fundamentally changed the way MRES provides power and energy to its Members under the S-1 Agreement; and WHEREAS, these market changes require that Supplemental Power must be separated from Transmission Service because all MRES Members are located in one of two different RTOs that operate markets for energy (and capacity), and the physical delivery of power and energy (*i.e.* transmission service) is now separate from those actual commodities; and WHEREAS, it is mutually beneficial to all parties that the base term of the S-1 Agreement which currently continues to 2046 be extended until 2057 to facilitate future financing of projects on the most advantageous terms and with the least impact on the wholesale power costs of City and other MRES Members; and WHEREAS, other changes proposed to the S-1 Agreement will enable MRES to meet the new transmission service and energy market demands of the changing electric utility industry in a way that enhances the ability of MRES to effectively and economically provide Supplemental Power and Transmission Service to City, will provide clarification to the existing obligations of the parties, will provide flexibility for City to provide for a limited amount of its customers' needs from its own local renewable resources, and will address the privacy and security of information on individuals; and WHEREAS, *City of Pierre* desires that MRES continue to plan for, provide, and arrange for delivery of all Supplemental Power and Transmission Service needed by City.

NOW THEREFORE BE IT RESOLVED by *City of Pierre* that:

CITY COMMISSION PROCEEDINGS January 26, 2016

(1) The "Amendment 5 to the Missouri Basin Municipal Power Agency Power Sale Agreement (S-1)" among MRES, Western Minnesota, and City is approved in the form presented; and

(2) The "Missouri Basin Municipal Power Agency Power Sale Agreement (S-1) (as amended and restated effective January 2, 2017)" and "Schedule A" among MRES, Western Minnesota, and the City are approved in the form presented.

IT IS FURTHER RESOLVED that each of the **Mayor, Laurie R. Gill, and Board President/Commissioner, Steve Harding**, shall be, and each of them acting individually hereby is, authorized and directed to execute and deliver to MRES each of the foregoing documents on behalf of **City of Pierre, Pierre South Dakota**.

Upon calling of the roll, the *Resolution was adopted unanimously*:

Whereupon, the **Mayor Laurie R. Gill** declared the Resolution duly adopted on the 26th day of January, 2016.

CITY OF PIERRE, SOUTH DAKOTA

BY: Laurie R. Gill, Mayor

ATTEST: Twila Hight, Finance Officer

Tom Farnsworth, Park & Recreation Director, presented change order #2 from Midwest Construction on the Hyde Stadium project for a new reduction of \$7,717.74. The resulted in the installation of drain tile down the left field line for \$1,266.97 and the reduction of the costs of 3 overhead doors to be donated by Overhead Door Company of Pierre for \$8,984.71. Commissioner Goodman moved and Commissioner Harding seconded to approve change order #2 from Midwest Construction on the Hyde Stadium project for a new reduction of \$7,717.74. Unanimous approval.

Commissioner Huizenga moved and Commissioner Harding seconded to adjourn. 6:25pm. Unanimous approval.

Twila Hight, Finance Officer

Published once at the total approximate cost of _____.