

MINUTES OF THE MUNICIPAL UTILITY BOARD

Minutes of the Municipal Utility Board held on January 11, 2011 at 8:00 a.m.

Board Members Present: Chairman, Bob Mechling, Dan Mayer, and Ken Sabers.
Also Present: Eric Tibbetts, Water Superintendent, Rick bush, Jim Allison, Dixie Olson,
Ted Schultz, CETC Engineering, Greg Barnier, City attorney, Bernie Usera, Sturgis Council
Member.

Candi Thompson joined the meeting at 8:20 a.m.

Absent: None

The agenda was approved. Dan Mayer moved and Ken Sabers seconded, which
motion carried.

Dan Mayer moved to accept the minutes from the December 8, 2010, Ken Sabers
seconded, which motion carried.

Bills in the amount of \$63,121.70 were presented. Dan Mayer moved and Ken
Sabers seconded to approve the bills, which motion carried. The bills are approved as
follows:

	JANUARY
PAID TO:	AMOUNT
SALARIES	\$ 25,933.35
FICA	\$ 1,907.56
RETIREMENT	\$ 1,556.01
HEALTH	\$ 3,219.54
DENTAL	\$ 441.11
LIFE	\$ 51.46
BH POWER & LIGHT	\$ 8,436.00
KNOLOGY	\$ 119.22
MONTANA DAKOTA UTILITIES	\$ 79.17
A & B BUSINESS, INC.	\$ 260.43
ARMSTRONG EXTINGUISHING	\$ 25.00
CAMPBELL, TYLER	\$ 31.31
CASELLE, INC	\$ 1,081.00
CBH COOPERATIVE	\$ 620.94
CETEC ENGINEERING	\$ 4,645.15
DIESEL MACHINERY	\$ 1,553.83
DOUBLE STAR COMPUTING	\$ 791.71
DR. GEORGE JENTER	\$ 23.22
DXP ENTERPRISES	\$ 170.00
ECOLAB PEST ELIMINATION	\$ 79.50
FIRST INTERSTATE BANK	\$ 1,553.83

FIRST NATIONTIONAL TRUST	\$ 5,320.91
FLOWERS BY ROSE	\$ 40.00
G & H DISTRIBUTING	\$ 59.50
HAWKINS	\$ 1,724.33
HD SUPPLY	\$ 661.27
HD SUPPLY	\$ 1,232.38
JOHNSTONS HARDWARE	\$ 36.22
LYNN'S DAKOTA MART	\$ 35.28
MEADE CO. TIMES	\$ 49.49
MIDCONTINENT LABORATORIES	\$ 129.00
MONTANA DAKOTA UTILITIES	\$ 129.00
OWENS	\$ 265.97
PAMIDA	\$ 263.87
PAMIDA	\$ 13.98
PETE LIEN & SONS	\$ 53.75
SD FEDERAL PROPERTY	\$ 20.00
SDWWA	\$ 20.00
SDWWA	\$ 45.00
SERVALL	\$ 11.18
SERVALL	\$ 5.59
STURGIS AUTO PARTS	\$ 35.98
TOM'S T'S	\$ 37.70
VERIZON WIRELESS	\$ 351.96
	\$ 63,121.70

Dan Mayer made a motion and Ken Sabers seconded to accept Resolution 2010-A1 with a \$1.66 surcharge deducted from the base rate of your monthly utility billing as required by the City of Sturgis.

RESOLUTION NO 2010-1A

A RESOLUTION PROVIDING FOR A SURCHARGE FOR IMPROVEMENTS TO DRINKING WATER SYSTEM, FOR PAYMENT OF REVENUE BOND AND YEARLY REVIEW OF RATE

1. Surcharge for Bond Issue. There shall be charged a monthly surcharge for the services provided by the improvement financed by the Borrower Bond, Series 2009. The surcharge shall be segregated from other revenues of the utility and shall be used for the payment of the revenue bonds. Provided that such surcharge shall create net income, remaining from time to time after first paying all reasonable and current expenses of maintenance, repairs, replacements and operation, sufficient to fund interest, reserve and debt service fund annual requirements.
2. Rates and collection. The Utility Board does hereby establish the special charge or surcharge payable by each customer of its System who receives or benefits from the services of the Project. Such charge or surcharge shall be set at a level which, assuming a 10% delinquency rate, will produce income at the times and in amounts sufficient to pay when due the principal of and interest on the Borrower Bond, Series 2009 and the administrative expense surcharges

and all other payments as may be required under the loan agreement and Borrower Bond, Series 2009.

3. Borrower Bond, Series 2009 Surcharge. The following water debt service surcharge shall be applicable to all customers who benefit from the Project whether in or out of the city or whether retail or sales or resale:

Borrower Bond (Drinking Water) Series 2009 Surcharge: \$1.66 per user.

This surcharge shall remain in effect until such time as the revenue bonds are discharged. The initial surcharge shall be collected at the same time as other charges of the Drinking Water System. The surcharge is found to be equitable for the services provided by the improvement.

4. Segregation. The debt service surcharge shall be segregated from other income of the Drinking Water System in a separate account and is pledged to the South Dakota Conservancy District for the payment of the loan payments on the Borrower Bond, Series 2009.
5. Yearly review. The amount of the surcharge shall be reviewed from year to year and may be modified in order to provide such funds as are set forth herein. The charges shall be reviewed yearly by city personal and administratively adjusted, upwards or downwards, pursuant to SDCL § 9-40-15 to such amounts as may be necessary to pay principal, interest, administrative surcharge and other charges as may become due and owing under the Borrower Bond, Series 2009.
6. Billing and Accounting. The surcharge shall be included in the monthly user water bill. Nothing contained herein requires the surcharge be indicated on the billing, however, the surcharge segregation shall be indicated on the books of the City.
7. Surcharge not to create constitutional indebtedness. The charges provided herein are for the purpose of paying the Borrower Bond, Series 2009 of the City which do not constitute indebtedness within the meaning of South Dakota Constitutional Chapter XIII Section 4.
8. If any one or more of the provisions of the shall be held invalid, illegal, or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof.

Motion by: Dan Mayer

Seconded by: Ken Sabers

Motion Carried

Member Voting for All
Members Voting against None

October 13, 2010

Date



City of Sturgis

Municipal Utility Board Chairman

Ken Sabers made a motion and Dan Mayer seconded to adopt a resolution changing the wording in the MUB regulations to reflect that the Water Dept. will take over the responsibility for repairs from the Main to the Curb Stop. This motion was approved. The MUB directed the proposed revisions to the regulations be prepared for review at the next MUB meeting for Board approval. Discussed the cost of repairs and how it was going to be funded.

The MUB discussed keeping Morman Law on a retainer for specific legal matters at \$11,000.00 as stated in the budget. Candi Thompson will work as needed on legal matters for the MUB and will work with Greg Barnier, the City Attorney.

Eric Tibbetts, Water Superintendent, informed the MUB that he had authorized Caselle to combine the databases of Utility Billing and the city of Sturgis into one database with the proper security between the two. Also informed the Board of the purchase of a SUV which is a line item in 2011 budget. In February the Annual and Year End Report will be presented to the Board. Payment has also been made to 1st National Trust & Investments for the interest on the Murray Loan.

Motion by Ken Sabers, seconded by Dan Mayer and carried with all members voting yes to go into executive session at 8:45 a.m.

Motion by Dan Mayer, seconded by and carried with all members voting yes to come out of executive session at 9:05 a.m.

A motion was made by Dan Mayer and seconded by Ken Sabers to grant Eric Tibbetts another week of vacation for 2011. Approved.

Dan Mayer made a motion to adjourn the meeting and Ken Sabers seconded. Approved.

Bob Mechling

President

Published once at the total approximate cost of _____