

DOVER EYOTA ST. CHARLES AREA SANITARY DISTRICT
Minutes of Board of Directors Regular Meeting

February 16, 2016

Members Present:

Bill Spitzer
Ray Schuchard
Angela Waits
Wayne Getz
Tony Nelson

Staff:

Paul Ihrke
John Brogan

Guests:

Tim Ernste, Bremer Investments
DeAnne Begin, Bremer Bank

Absent:

Wes Bussell
Matt Elder

1. Call to Order:

Chairman Bill Spitzer called the meeting to order at 7:00 p.m.

2. Set Agenda:

Motion made by Wayne Getz to set agenda, seconded by Tony Nelson. All voted in favor. Motion carried.

3. Approve Minutes of the January 19, 2016 Regular Meeting:

Motion made by Ray Schuchard, seconded by Angela Waits to approve the regular meeting minutes of January 19, 2016. All voted in favor. Motion carried.

4. Approval of Receipts and Disbursement/Summary of Assets:

Motion by Wayne Getz to approve the Receipts & Disbursements/Summary of Assets as presented. Seconded by Tony Nelson. All voted in favor. Motion carried. There was no discussion on the 2015-2016 budget.

5. Investment Policy and Bremer Investment's Recommendation (agenda items 5 & 6 combined):

Bill Spitzer stated that he and Cathy met with Tim Ernste and DeAnne Begin, Bremer Bank, on 2/10/2016 to hear suggestions on what investments could be made that fall within the guidelines of what the District is allowed to invest in. Bill Spitzer outlined the main points of the meeting:

- a) need to create an investment policy
- b) the recommended investment has a 2.74% rate of return
- c) need to form a 3 person subcommittee of the Board members to meet at least once per year
- d) Tim Ernste recommends taking the free line of credit offered by Bremer Bank

Mr. Ernste commented that the investment policy looks good. Mr. Ernste is suggesting to start with the Government Obligation Fund. A few points that he made are as follows;

- a) All municipal bonds, AAA rated. It's not the best return, however, you are not taking much risk.
- b) This is a good starting point and can diversify later.

- c) .25% discount for a \$250,000 minimum investment.
- d) There are two options within this fund. First is the A Share, upfront fee of 3.75%. Second is the I Share with a 1% per year fee, can move money without extra charges. I Share has a \$250,000 minimum investment to open but you will receive the .25% discount. With the I Share you can get out any time you want.
- e) Can setup a free line of credit against it with Bremer Bank.
- f) This fund is up over 40% over the last 10 years.

Bill Spitzer suggested that the first plan of action should be to form a three person investment committee. Motion made by Tony Nelson to nominate Bill Spitzer, Matt Elder and Wayne Getz to the investment committee. Matt Elder is not in attendance tonight, if he disagrees this will be brought before the board again. Seconded by Angela Waits. All voted in favor. Motion carried.

Next order of business, to adopt an investment policy. Cathy took a sample investment policy from Vanguard, deleted items that didn't pertain to the District's limited investment options and inserted the Minnesota Statute that outlines what the District can invest in. Motion made by Angela Waits to adopt the investment policy regarding the District's investments. Seconded by Wayne Getz. All voted in favor. Motion carried.

The total amount previously invested in Certificates of Deposit was \$350,000. Bill Spitzer suggests the investment committee meet right away to recommend how much to invest. Bill suggests starting with \$250,000 in the bonds and \$100,000 in a Certificate of Deposit. Wayne suggests investing the entire \$350,000 with Bremer since we can get at the money whenever we want and the rate of return is a little better. Motion made by Tony Nelson to invest \$350,000.00 with Bremer Investment Services. Seconded by Ray Schuchard. All voted in favor. Motion carried.

7. Plant Update:

- a) Paul showed the Board what the ticketing system looks like. Bill will show him how to sort tickets by the month.
- b) Paul received call from MPCA who is reviewing limits. He is 99.9% sure we will end up with a nitrate limit, could be 44.4 kg/day. Operators have been experimenting with turning off the rotors in the ditches. In 2014-2015 rotors were shut off for an hour every two hours and the results were better than in previous years when the rotors were shut off for shorter periods of time. This shows that shutting off the rotors will reduce the results in the warmer months but the rotors cannot be shut off in the winter due to freezing. Will need to create dead zones in the ditches to take care of this in colder months. No estimate on costs yet but grant money may be available. The MPCA also mentioned that the DEHP test, (measures how much plastic in water), is being done wrong. Currently the sample is being taken from the sampler and it should be a grab sample. The sampler has a PVC line coming in. Next week Paul is going to do side by side tests with samples taken from both sources. May be able to show that this test no longer needs to be done. Most of our readings are less than the limit of 10 so if we start using a grab sample those results should be even less.
- c) Lighting project is complete. \$1,300.00 was added to the cost due to the omission of 6 fixtures for the lab in the original estimate. The paperwork for the rebate has been turned into City Hall.

d) Have received a bid from HiMec to replace climate controls in the amount of \$18,250. A bid was previously obtained from Winona Heat & Vent in the amount of \$26,500.

e) Craig Ferguson has not been reporting his meter readings when he should. John ended up reading the meters himself at the beginning of February for the fourth quarter 2015. Will give him one more shot to report on time or we will figure a 2 hour minimum rate to charge him for having to read the meters ourselves.

f) Merit will finish the flashing on the roof in about a week and a half.

8. Amend 2016 Adopted Budget:

The lighting project, in the amount of \$10,635, and the roof project in the amount of \$92,720 did not get completed in 2015 as reflected in the budget. These two items should be moved to the 2016 budget. Motion made by Ray Schuchard to adopt Resolution 16-01 amending the 2016 budget to reflect a new total budget of \$894,314.94. Seconded by Angela Waits. All voted in favor. Motion carried.

9. Performance Enhancement Plan update:

Wes Bussell is not in attendance tonight to provide update. Tabled until March meeting.

10. Other business:

There was no other business to discuss.

There being no further business a motion was made by Wayne Getz, seconded by Angela Waits, to adjourn the meeting at 7:38 pm. All voted in favor. Motion carried.

Respectfully Submitted,

Cathy Kennedy

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