

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

July 18, 2017

Members Present:

Wayne Getz
Ray Schuchard
Dave Kramer
Tony Nelson
Wes Bussell
Dale Kieffer

Staff:

Josh Campbell
John Brogan

Guest:

Kelly Anderson, Home Federal

Absent:

Dave Iseminger

1. Call to Order:

Chairman Wayne Getz called the meeting to order at 7:00 p.m.

2. Set Agenda:

Motion made by Tony Nelson to set agenda as presented. Seconded by Wes Bussell. All voted in favor. Motion carried.

3. Approve Minutes of the June 20, 2017 Regular Meeting:

Motion made by Wes Bussell, seconded by Dave Kramer to approve the regular meeting minutes of June 20, 2017. All voted in favor. Motion carried.

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

Motion made by Dave Kramer 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 2017 budget.

5. Investment Committee Report:

- a) Wes Bussell said that in a recent investment committee meeting they interviewed financial advisors from Wells Fargo, Home Federal and Edward Jones. They feel that the one that stood out was Home Federal with a presentation showing investments with returns of 2% in this market. The other two had a common message of put it all in CD's until market gets better. The Committee then had a follow up meeting with Kelly Anderson from Home Federal and that is the one they recommend to go with. From this point on Wes Bussell will be abstaining from voting on any decisions/transactions with Home Federal since he owns Home Federal stock and his daughter is Vice President of Home Federal.
- b) Wayne Getz introduced Kelly Anderson, Home Federal Bank.
- c) Wes Bussell made a motion to revoke the "Notification to Broker and Certification by Broker Pursuant to Minn. Stat. 118A.04" previously signed by the Board Chair and Tim Ernste of Bremer Investments. Seconded by Dave Kramer. All voted in favor. Motion carried.
- d) Tony Nelson made a motion to sign the "Notification to Broker and Certification by Broker Pursuant to Minn. Stat. 118A.04" with Kelly Anderson of Home Federal Bank. Seconded by Ray Schuchard. Five members voted in favor, Wes Bussell abstained. Motion carried.

- e) Regarding the current investment policy, Kelly Anderson suggested a change to paragraph III. A. to say that the primary objective is to preserve principal while being in accordance with the Minn. Stat. 118A. The second objective is to preserve long-term real purchasing power while providing a relatively predictable stream of annual income. Motion made by Tony Nelson to approve the change to paragraph III. A. in the Investment Policy. Seconded by Dave Kramer. All voted in favor. Motion carried.
- f) Investment committee is recommending the transfer of \$150,000.00 from checking account to the current investment total of approximately \$350,000.00 to give a total amount of investments at approximately \$500,000.00. Dave Kramer mentioned that cash flows for the last year and half were reviewed and after taking out another \$150,000 to invest there is still a nice cash cushion. Motion made by Dave Kramer to transfer \$150,000.00 from the checking account to investment account at Home Federal. Seconded by Wes Bussell. All voted in favor. Motion carried.
- g) The Investment Committee is recommending the approval for the Board Chair and bookkeeper to make time sensitive investment decisions for the investment account. Motion made by Wes Bussell to allow the Board Chair and bookkeeper to make time sensitive investment decisions. Seconded by Tony Nelson. All voted in favor. Motion carried.
- h) Motion made by Tony Nelson to approve Kelly Anderson making the transfer of the Certificate of Deposit funds from Raymond James to Home Federal. Seconded by Dave Kramer. Five members voted in favor. Wes Bussell abstained. Motion carried.

6. Plant update:

- a) Lift station pump #4 has failed, the motor separated from the pump housing. It was a Pumpex pump and parts are no longer available. We have installed a loaner pump from Electric Pump. They were going to charge \$1,500.00/month rental charge and then take that amount off the total price of a new pump, however there is an issue with the pump and can't guarantee how long it will run. The price of a new Flygt pump, from Electric Pump, is \$53,663.00. The price of a new ABS pump, from Minnesota Pump Works, is \$24,500.00 (+tax). Both pumps have the same output but they are not apples to apples. Flygt is the only company that builds their own motor and the casing is better quality. Flygt pump parts would still be available 10 years from now. The ABS Pump Company builds their own housing but they outsource the inside parts (motor, etc.). Wayne Getz pointed out, that in his past experience, with all the chemicals, etc. in the wastewater system Flygt pumps can withstand this much better. Motion made by Dave Kramer to purchase the Flygt pump from Electric Pump in the amount of \$53,663.00. Seconded by Wes Bussell. All voted in favor. Motion carried.
- b) There were no violations for the month.

7. Personnel Committee update:

Wes Bussell has employee performance reviews ready. Wayne Getz and Wes Bussell will conduct reviews with employees and discuss them at a personnel committee meeting with Dave Iseminger present.

There being no further business a motion was made by Tony Nelson, seconded by Dale Kieffer, to adjourn the meeting at 7:30 pm. All voted in favor. Motion carried.

Respectfully Submitted,

Cathy Kennedy