

FORT PIERRE CITY COUNCIL
REGULAR MEETING
February 1, 2016

The regular meeting of the Fort Pierre City Council was called to order by Mayor Hanson at 6:30 pm. Members present for Roll Call were Bernhard, Cronin, Gabriel, Ricketts, Rose, and Weisgram. Officials present were Cromwell, Heezen, Thorson, and Tibbs.

Agenda. Gabriel moved and Rose seconded to approve the agenda as amended. Motion passed on Voice Vote.

Conflict of Interest Declarations. Cronin declared a Conflict of Interest to set a hearing for a Petition to Vacate between Cronin/School, indicating that he would recuse himself on that agenda item. Mayor Hanson declared a Conflict of Interest for Res 2016-03 Plat - Caldwell, indicating that she would recuse herself on that agenda item.

Consent Calendar. Cronin moved and Bernhard seconded to approve the following Consent Calendar items: 1/19/16 Special Minutes; 1/19/16 Minutes; Travel: SD Municipal Electric Assn Superintendent & Foreman Conference-Watertown March 1 & 2-Terry Schroer; Open Container Permit: 3/5/16 Benefit for Scott Twins-CYI-Tanya Heller; Raffle Permit: Class of 2016 fundraiser. Motion passed on Voice Vote.

Declare Surplus/Salvage – 8 transformers. The following bids were received on the eight surplus/salvage transformers: Jerry’s Electric/Ben Elhoff \$427.00 each; T&R Electric \$626.00 each; Dakota American Transformers \$1050 each. Bernhard moved and Weisgram seconded to declare surplus/salvage eight transformers selling them to the highest bidder, Dakota American Transforms for the amount of \$1050 each. Motion passed on Voice Vote.

Res 2016-03 Plat – Caldwell. Mayor Hanson recused herself and President Bernhard presented the following resolution:

RESOLUTION NO. 2016-03

A RESOLUTION APPROVING THE PLAT OF CALDWELL TRACT3 A SUBDIVISION OF THE SW ¼/NE ¼ OF SECTION 4, TOWNSHIP 4 NORTH, RANGE 31 EAST, STANLEY COUNTY, SOUTH DAKOTA.

WHEREAS, Ronald Caldwell is the owner of the property described as:

Caldwell Tract 3 a subdivision of the SW1/4 NE1/4 of Section 4, Township 4 North, Range 31 East, Stanley County, South Dakota, and

WHEREAS, the party has caused the same to be surveyed and re-platted, hereafter to be known as Caldwell Tract 3 a subdivision of the SW1/4 NE1/4 of Section 4, Township 4 North, Range 31 East, Stanley County, South Dakota, and

WHEREAS, the plat of the above described property has been executed according to statute, and

BE IT RESOLVED, that the City Council in and for the City of Fort Pierre, South Dakota does hereby approve said Plat of Caldwell Tract 3 a subdivision of the SW1/4 NE1/4 of Section 4, Township 4 North, Range 31 East, Stanley County, South Dakota.

Ricketts moved and Weisgram seconded to approve Resolution 2016-03 as presented. Motion passed on Voice Vote. President Bernhard handed the gavel back to Mayor Hanson.

Res 2016-04 MRES S-1 Amendment. The following resolution was presented:

Resolution 2016-04
Approving 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 Council of Fort Pierre (“City”), 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

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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 Fort 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 Fort Pierre that:

- (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 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 the City of Fort Pierre, Fort Pierre, SD.

Ricketts moved and Weisgram seconded to approve Res 2016-4 MRES S-1 Amendment as presented. Motion passed on Voice Vote.

Set Hearing for Petition to Vacate Alley-Cronin/School. Bernhard moved and Rose seconded to set a Public Hearing for 3/7/16 on the Petition to Vacate Alley-Cronin/School. Motion passed on Voice Vote. Cronin abstained.

Dakota Ave Exit (Pierre/Missouri River Bridge Project). Ricketts moved and Bernhard seconded to present a letter of support for preserving the Dakota Avenue exit off the Missouri River Bridge as a second access for emergency purposes and to the hospital/clinic. Motion passed on Voice Vote.

Burn Permit. Darrell Beck approached council requesting a burn permit for 2/2/16 to finish cleaning off Yellowstone Landing Lot 15 of tree branches between Chase Auto Connection, Moose Lodge and Metro City at the end of the day would dig a pit and bury the rubble. Mayor Hanson indicted to Beck that he could stop in office on Tuesday to get the permit.

Claims. The following claims were submitted:

American Medical Response	1,462.50	Lynn’s Dakotamart	15.98
AT&T Mobility	173.48	Morris Equipment	1,150.70

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Automatic Building Controls	369.00	Northwest Pipe Fittings	2,325.94
Border States Electric Supply	135.36	Philip or Jean Carlson	5.05
Border States Electric Supply	67.37	Running's Supply	106.98
Border States Electric Supply	299.55	S.D. Arborists Association	70.00
Bottomline Welding	34.29	S.D. Department of Health S.D. Municipal Electric Association	1,391.00
Briggs Trucking	300.00		65.00
Casey Breitag	116.00	Sharpe Enterprises	75.00
Central Collections Inc.	50.40	Small Engine House	51.50
CenturyLink	85.28	Small Engine House	129.54
CenturyLink	259.46	Stanley County	1,000.00
City of Pierre	250.00	Tieszen Law Office	8,209.84
City of Pierre	533.72	Tim & Juanita Hughes	600.00
Community Youth Involved	3,000.00	West Central Electric Co-op	277.24
Dakota Supply Company	413.19	Zander Auto Parts	432.08
ELO Prof LLC	8,200.00	Zander Auto Parts	54.78

31,710.23

Bernhard moved and Cronin seconded to pay the claims as submitted. Motion passed on Voice Vote.

Reports. 1.) Brett from Brosz handed out the aerial views of streets. They have surveyed Main and working on plans and would like to have on-site visit and hoping to have plans to Hahn by 2/9/16 for his review. 2.) Heezen reported she had received a letter from Legislative Audit that they accepted Fort Pierre's Audit and also that it has been filed with the Federal Audit Clearing House. 3.) Heezen reported on cash report for December. 4.) Heezen informed council that she has been having conversations with MRES about rates to off-set costs relating to changes resulting from the S-1 Amendment. 5.) Hanson reminded council of the Meeting on 2/11/16. It is open to the public at the Casey Tibbs Rodeo Center from 6-9 pm regarding the Comprehensive Plan for Fort Pierre.

Adjournment. Bernhard moved and Rose seconded to adjourn the meeting at 7:10 pm.

Todd Bernhard, Council President

ATTEST:
(SEAL)

Roxanne Heezen, Finance Officer