

MINUTES



**Blue Earth Light and Water
Board Meeting Group
BELW Board Meeting
Monday, April 18, 2016, 5:00 pm - 6:00 pm
BELW Board Room**

A. Call to Order

The meeting was called to order at 5:00 pm

B. Meeting Attendance

Board Members Present: Lars Bierly, Bernie Kriewall, Dan Mensing, Mark Loge, Tim Juba.

Staff Present: Laurie Oelke, Tim Stoner

Guest: Sara Beavers, Oberloh Accounting (Auditor)

C. General Reports

No report

1. Public Forum and Correspondence

2015 Audit Presentation Oberloh will be onsite to discuss the 2105 Audit

Sara Beavers from Oberloh LTD presented the 2015 Audit report.

Ms Beavers reported the only major change to the audit consisted of new Governmental Accounting Standards Board (GASB) statement 68 addressed the reporting of Net Pension Liability. the reclassification on retirement funds will have an effect on equity funds as presented in the audited financials.

No significant or material weaknesses were identified.

The accounts are in good standing.

The Board motioned to approve the audit as presented.

Move: Dan Mensing Second: Tim Juba Status: Passed

2. Approve Previous Meeting Minutes

The Board approved the previous minutes from March 14, 2016

Attachment 2016-04-01

Move: Mark Loge Second: Dan Mensing Status: Passed

3. Financial Review

Review of Financials was tabled until the May Board Meeting allowing the audited Financials to update beginning balances.

4. Review Monthly Power Cost Adjustment

April billing PCA will be .010220

The Board reviewed the February PCA .003827 for the bill April 15, The Board was presented with the March PCA .01022

5. Approval of Accounts Payable

The Board reviewed and approved the March Accounts Payable totaling \$635,026. Large accounts include \$281,815 for Energy/Capacity and Transmission cost. \$24,014 for Insurance premiums and \$19,100 for Supervisory Control and Data Acquisition (SCADA) components.

Attachment: 2016-04-02

Move: Mark Loge Second: Tim Juba Status: Passed

6. Review of Project Status

The Board reviewed the planning progress of Main Street Water and Streetlight components.

7. Review of Outage Reports

The Board reviewed the outage report.

8. Approval of Collection/Write off Activity

Write off and collections will be tabled until June meeting to incorporate the new software upgrades.

D. New Business

1. Bi-directional meter fee Solar Array Considerations

Bidirectional meters fees have been tabled until the release of the RFP for DG systems report.

2. Financing Main Street Projects with the USBANK Tax Exempt Lease Program

The bid opening for the Main Street Project will provide a reasonable estimate to secure funding for the watermain and services to be installed.

The Board motion to approve the following resolution:

RESOLUTION OF GOVERNING BODY

Board of Public Works, Blue Earth Light and Water Resolution # 2016-03-01

At a duly called meeting of the governing body of Lessee held in accordance with all applicable legal requirements, including open meeting laws, on the 29th day of March, 2016, the following

resolution was introduced and adopted:

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A TAX-EXEMPT LEASE PURCHASE AGREEMENT, AND RELATED INSTRUMENTS, AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, the governing body of Blue Earth Light and Water (“Lessee”) desires to obtain certain equipment (the “Equipment”) described in the Equipment Schedule to the Tax-Exempt Lease Purchase Agreement (collectively, the “Agreement”) with U.S. Bancorp Government Leasing and Finance, Inc. (“Lessor”), the form of which has been available for review by the governing body of Lessee prior to this meeting; and

WHEREAS, the Equipment is essential for the Lessee to perform its governmental functions; and

WHEREAS, Lessee has taken the necessary steps, including those relating to any applicable legal bidding requirements, to arrange for the acquisition of the Equipment; and

WHEREAS, Lessee proposes to enter into the Agreement with Lessor substantially in the forms presented to this meeting.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF LESSEE AS FOLLOWS:

Section 1. It is hereby found and determined that the terms of the Agreement in the forms presented to this meeting and incorporated in this resolution are in the best interests of Lessee for the acquisition of the Equipment.

Section 2. The Agreement and the acquisition and financing of the Equipment under the terms and conditions as described in the Agreement are hereby approved. The General Manager of Lessee and any other officer of Lessee who shall have power to execute contracts on behalf of Lessee be, and each of them hereby is, authorized to execute, acknowledge and deliver the Agreement with any changes, insertions and omissions therein as may be approved by the officers who execute the Agreement, such approval to be conclusively evidenced by such execution and delivery of the

Agreement. The General Manager of the Lessee and any other officer of Lessee who shall have power to do so be, and each of them hereby is, authorized to affix the official seal of Lessee to the Agreement and attest the same.

Section 3. The proper officers of Lessee be, and each of them hereby is, authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do or cause to be done any and all other acts and things necessary or proper for carrying out this resolution and the Agreement.

Section 4. Pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended (the "Code"), Lessee hereby specifically designates the Agreement as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code.

Section 5. The equipment to be included into the financing is approved for payment and can be received and invoiced no longer than 45 days prior to the signing of this agreement as approved during the March 29, 2016 Board meeting. The equipment to be purchased under this agreement is as follows:

- A. Street Lighting for North Main Street Project: 74289.53
- B. Water Main for North Main Project: 124590.00
- C. Street Lighting for Main Street City Project: 72554.54
- D. Street Lighting for various other projects: 72711.46
- a. Total: 344145.53

The undersigned further certifies that the above resolution has not been repealed or amended and remains in full force and effect and further certifies that the Agreement executed on behalf of Lessee are the same as presented at such meeting of the governing body of Lessee, excepting only such changes, insertions and omissions as shall have been approved by the officers who executed the same.

Move: Dan Mensing Second: Bernie Kriewall Status: Passed

3. MISO Capacity

MISO Capacity Auction results are posted prices are significantly higher than previous years.

The Board discussed the need to recapture the cost of the new capacity project with the income from the sale of capacity based on the 2016/17 MISO planning year capacity auction results.

further action to be discussed on May 9th 2016.