

CITY HALL, CITY OF ARLINGTON, SOUTH DAKOTA

September 15, 2015

The City Council met in special session in the Municipal Building—202 West Elm Street. Present on Roll Call were Mayor Amiel Redfish and Council Members: Curt Lundquist, Terry Rowbotham, Garth Johnson, Todd Bunker, Keith Wendland and Jared Steffensen. Absent: None. Also in attendance—Marshal Mix, Jason Nieman, Blair Metzger and Chris Nordquist.

The purpose of the meeting was to discuss electric issues and upgrades to the City's electric system.

The Mayor advised that he had already been in contact with Beth Niemeyer, Banner Associates to survey the area around the north substation to see where the property lines of the City's lots are located so that the City will know exactly the dimensions that can be worked with in rebuilding the substations in that area and check for any drainage issues that may arise from the proposed project.

Chris Norquist and Blair Metzger, DGR Engineering advised the council of their findings from the system and rate studies.

Chris advised that the purpose was to analyze for a properly functioning electric system and the findings were that portions of the town are running on low voltage. Their recommendation is not only to rebuild the north substation (as the council was aware needed to be done) but to move both substations to a location near the north substation with two functioning transformers and discontinue both of the current substations. In the process; the system will be upgraded from a 4.16 kV facility to a 12.47 kV facility which will provide better service to existing customers and provide an adequate electric system for expanded electric needs in the town. These changes will not require any changes to be made by the homeowners or business owners as the transformers take care of converting the power to the served customers. Prairie Ag Processors just informed the City that they are planning a big expansion at their location out along Highway 81 which will be taken into account when rebuilding the new electric system.

The projected cost of this project is \$3,400,000. The city has been putting money in reserves to rebuild the north substation which was anticipated at costing \$1,000,000. Therefore, the City will be working with Dougherty & Company, LLC to begin the necessary actions to obtain approximately a \$2,000,000 Revenue Bond to fund the project.

Motion was made by Bunker, seconded by Wendland to authorize the DGR Engineers to proceed with the work necessary to begin this property and obtain the funding. All in favor—Carried.

Blair Metzger also gave the council their recommendations from the rate study along with some comparisons to the rates from some area cities. They feel that some customers have not been paying their fair share and other customers have been paying too high rates. It will depend on individual usage whether or not a bill will increase or decrease if the council decides to adopt the rates as proposed—however, no action was taken regarding the rates at this meeting.

Motion to adjourn was made by Wendland, seconded by Lundquist. All in favor—Carried.

Sue Falconer, Finance Officer

Amiel Redfish, Mayor

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