

Black Hills Council of Local Governments

Meeting Minutes - October 22, 2009

MEMBERS PRESENT: Gary Brown, Anne Cassens, Eddie Clay, Al Dial, Deb Hadcock, Stan Harms, Rex Harris, Rolf Kraft, Lloyd LaCroix, Phil Lampert, Sherry Scudder and Dean Wagner

MEMBERS ABSENT: Karen Bulman, Malcom Chapman, Alan Aker, Daryl Johnson, Joe Peterson, David Schneider, Mike Stahl, James Turner and Cindy York

PROXIES PRESENT: Greg Sund for Doug Schmit

GUESTS PRESENT: Mutch Usera, Director of External Affairs and Energy Services for Black Hills Power and Jim Doolittle, Executive Director of Black Hills Community Economic Development, Inc.

STAFF PRESENT: Blaise Emerson, Bill Lass, Denise Livingston and Lola Lincoln

Chairperson Scudder called the regular meeting of the Black Hills Council of Local Governments to order at 7:00 P.M. Roll call was taken with twelve (12) members and one (1) proxy in attendance; a quorum was declared present.

MINUTES

MEMBER BROWN MOVED FOR APPROVAL OF THE JULY 2, 2009 MEETING MINUTES AS PRESENTED; MEMBER LaCROIX SECONDED, AND THE MOTION PASSED UNANIMOUSLY.

REPORTS

Black Hills Power - Mr. Usera provided Board Members with his handout, "Wygen III Overview," which highlighted the plant's features and benefits as discussed in more detail during his presentation, along with a copy of "History of Reliability Continues." He advised that a 26.6 percent revenue increase had been filed for on September 29, 2009, and any increase authorized would not become effective until Wygen III is on line, probably about April 1, 2010, but that the Public Utilities Commission historically does not allow the full amount requested. Black Hills Power anticipates that this may be their last coal-powered plant in the "mine mouth of the Gillette Coal Mine" because of air quality emissions issues. He addressed questions from Board Members and offered to make presentations at city council and/or county commission meetings upon request. He also offered to return to another Black Hills Council meeting to discuss the cap-and-trade legislation if and when it occurs.

OLD BUSINESS

Energy and Conservation ARRA Funds - Executive Director Emerson updated Board Members about this grant program advising Lawrence, Meade and Pennington Counties had all received direct allocations, as did Rapid City. He said the State of South Dakota received \$5.6 million in funds for use statewide in the replacement of boilers, lighting, insulation, street lights, etc., for more energy efficient options. Council Staff is working with the Office of Energy Management out of the State Engineer's Office and will assist in preparing grant applications for counties and cities. Applications must be completed (including the environmental review) by the end of January 2010; consequently, possible projects should be in the Council's offices no later than the first of December.

Member Kraft reported on projects for which Bennett County is seeking ARRA funding: (1) improving energy efficiency of the courthouse and abating an asbestos hazard, and (2) insulating and installing energy-efficient radiant heaters in the county road shop. He said, "*Bennett was a very poor county with about 3,500 people living there and only 850 people actually paying property taxes since about 45 percent of the County's population lives on tax-exempt trust land, which consumes about 40 percent of the County's potential funding through property taxes.*" He advised that he was working with South Dakota's Senators and Congresswoman toward legislation that

would reimburse the County based on a Supreme Court decision in 1831 which says, "*Indian peoples are wards of the Federal Government, and the Federal Government acts as their guardian and assumes financial responsibility for all the wants and needs of Indian people.*"

Memorandum of Understanding with Black Hills Community Economic Development - Mr. Emerson called attention to the **Memorandum of Understanding** in the Board's packet of information advising it was a two-phased agreement. The first phase will explore areas of expertise that can possibly be combined by a blending of both organizations to alleviate a duplication of effort and staff. Once this phase has been fully addressed, Mr. Emerson will report back to the Council's Management Committee in January (as will Mr. Doolittle to his Executive Board) presenting, in more detail, how a blending of the organizations will work. Member Dial expressed concern about confidentiality issues as they relate to a sharing of information between the two organizations and asked for "...a rigid format so that certain kinds of information would not be shared with someone else."

MEMBER CLAY MOVED TO APPROVE ENTERING INTO THE MEMORANDUM OF UNDERSTANDING FOR THE PURPOSE OF MOVING FORWARD IN FURTHER DEFINING THE COLLABORATIVE EFFORTS OUTLINED IN PHASE I OF THE MEMORANDUM; MEMBER HARRIS SECONDED, AND THE MOTION PASSED UNANIMOUSLY.

NEW BUSINESS

911 Surcharge Issue - Member Kraft reported on his presentation to the 911 Coordination Board in June at which he outlined the financial difficulties faced by sparsely populated South Dakota counties in funding 911 services. He provided a copy of a letter from Governor Rounds advising of the Board's efforts in coming to an equitable solution to this problem. Member Kraft said the Board hoped to have something in place by January 2011, although he didn't know how Bennett County would fund 911 services in 2010.

2010-2012 EDA Planning Grant - Mr. Emerson advised that the Economic Development Administration (EDA) has a three-year grant cycle whereby the Council applies once for a three-year grant. This year, instead of receiving \$52,000 on an annual basis, if the Council can meet the 20 percent match required, it is possible that the full amount of \$156,000 could be received in one lump sum to cover the three-year grant. He assured Members the Council can meet the 20 percent match and asked for authorization to have Chairman Scudder sign the 2010-2012 EDA Planning Grant Application.

MEMBER DIAL MOVED TO AUTHORIZE CHAIRMAN SCUDDER TO SIGN THE 2010-2012 EDA PLANNING GRANT APPLICATION; MEMBER LaCROIX SECONDED, AND THE MOTION PASSED UNANIMOUSLY.

2010 Budget - In presenting the budget for 2010, Mr. Emerson reported that after consulting with the Management Committee and based on economic conditions, a decision was made--and agreed to by Council Staff--not to request a cost of living increase this year. Additionally, the Management Committee decided to postpone the last (fifth) year of assessment increases to the membership for one year. Also included in the budget is the purchase of a car off state bid (Impala for \$17,000), which will come out of the Reserve Fund. To offset that purchase, he budgeted for a Vehicle Replacement Fund as a line item under the Reserve Fund (\$333 monthly for 60 months).

MEMBER CASSENS MOVED TO APPROVE THE COUNCIL'S 2010 BUDGET AS PRESENTED; MEMBER LaCROIX SECONDED, AND THE MOTION PASSED UNANIMOUSLY.

Slate of Officers - As is customary, the current officers move up in position for a two-year cycle, which left the Treasurer's position vacant. In order to keep a balance between city and county representation on the Board, Mr. Emerson asked for a volunteer from a municipality to fill that position. Member Harris said he would serve.

MEMBER BROWN MOVED TO APPROVE THE NOMINATION OF MEMBER HARRIS AS TREASURER TO THE SLATE OF OFFICERS; MEMBER DIAL SECONDED, AND THE MOTION PASSED UNANIMOUSLY.

MEMBER DIAL MOVED TO APPROVE THE SLATE OF OFFICERS FOR A TWO-YEAR TERM BEGINNING IN JANUARY 2010 AS FOLLOWS: DEAN WAGNER, CHAIRMAN; EDDIE CLAY, VICE CHAIRMAN; STAN HARMS, SECRETARY; REX HARRIS, TREASURER. MEMBER LaCROIX SECONDED, AND THE MOTION PASSED UNANIMOUSLY.

TransCanada Keystone XL Pipeline - Mr. Emerson said he had been contacted by a representative from TransCanada relative to the Black Hills Council providing a letter of support for this project. He called attention to his letter included in the Board's packets of information and asked for approval to sign and send it as the Council's Executive Director.

MEMBER HARRIS MOVED TO APPROVE THE LETTER OF SUPPORT AS PRESENTED FOR THE TRANSCANADA KEYSTONE XL PIPELINE; MEMBER DIAL SECONDED, AND THE MOTION PASSED UNANIMOUSLY.

ADMINISTRATIVE ITEMS

Black Hills Council Financial Report - Mr. Emerson reviewed the financials with Board Members and asked for questions from Board Members.

Next Meeting Date of Council - The next meeting is scheduled for January 28, 2010.

ITEMS FROM CITIZENS AND COUNCIL MEMBERS NOT ON THE AGENDA

None

BILLS

Bills paid for the Months of July through October 2009 were presented to Board Members with no formal action being required, although a motion was made as follows:

MEMBER BROWN MOVED TO APPROVE THE BILLS AS PRESENTED; MEMBER DIAL SECONDED, AND THE MOTION PASSED UNANIMOUSLY.

ADJOURNMENT

MEMBER HARRIS MOVED FOR ADJOURNMENT, AND MEMBER LaCROIX SECONDED.

With no formal vote taken, the meeting concluded at 8:45 P.M.

Respectfully submitted,

Charles E. Clay
Secretary