

City of Madison  
Electric Advisory Committee Minutes  
Madison, SD 57042

June 22, 2015

The Electric Advisory Committee of the City of Madison met on the 22nd day of June, 2015 with the following members present: Bob Maxwell, Randy Hoffman and Dustin Williams. Also present were Jeff Heinemeyer, Mayor Lindsay, Bob Thill, and Bob Mathison.

Absent: Nate Jones

Motion by Maxwell, second by Williams that the minutes of May 18, 2015 be approved. Motion passed unanimously.

Motion by Maxwell, second by Williams that the agenda for June 22<sup>nd</sup> be approved. Motion carried unanimously.

Heinemeyer reported on the City's mutual aid policy that was discussed at last month's meeting. In 2007 the City entered into a mutual aid agreement with all South Dakota municipal utilities providing for the possible utilization of the services from other utilities if needed, actual costs to be negotiated between the agencies.

Heinemeyer provided the committee with more information regarding FEMA assistance as a result of a disaster in the community. If a disaster declaration is determined, FEMA will assist with the replacement of similar facilities at a 75% cost share. All the funds are directed through the State of South Dakota who will then determine at what level they will participate in the remaining 25% of the cost.

The committee reviewed the insurance coverage for the electric system which is purchased through the South Dakota Public Assurance Alliance. The electric system currently lists specific property on the schedule at a total value of \$8.9 million. The coverage allows the City to have blanket coverage up to a total of \$36.6 million in case of a disaster, with a \$500 deductible.

Heinemeyer reviewed with the committee the various financing options available. While the City does not have the authority to obtain a line of credit, it may negotiate a promissory note with any lending agency for \$2 million for a period of up to 5 years. Heinemeyer also presented the different bonding options available to the Electric Department.

Mayor Lindsay explained the need to replace the street lights on Egan Avenue at an estimated cost of \$180,000. Initially this item will be placed in the 2016 Electric Fund budget.

The committee will meet again on July 27 at 3:00pm.

Motion by Maxwell, second by Williams that the committee adjourn. The committee adjourned at 4:30pm.