



# East Grand Forks Water & Light Department

*Life Connected Since 1909*

## **Water & Light Commission Meeting Agenda** December 16, 2020 8:00 a.m., Remote Session

1. Call meeting to order
2. Approve minutes from previous meeting –  
December 02, 2020
3. Bills and payroll
4. Comments from the public
5. Reports
  - a. Widseth Smith Nolting
    - i. Todd
    - ii. Steve or Dustin
  - b. City Attorney
6. Old Business
  - a. Utility Billing Discussion
7. Notification to Broker & Certification  
by Broker
8. Electrical Linemen Hire
9. Department Heads
10. Commissioner's reports
11. Adjourn to January 06, 2021 at 8:00  
a.m.

Individuals with disabilities, language barriers or other needs who plan to attend the meeting and will need special accommodations should contact Nancy Ellis, ADA Coordinator at (218)-773-2208. Please contact us at least 48 hours before the meeting to give our staff adequate time to make arrangements. Also, materials can be provided in alternative formats for people with disabilities or with limited English proficiency (LEP) by contacting the ADA Coordinator (218)-773-2208 five (5) days prior to the meeting.

Minutes of the regular meeting of the Water, Light, Power and Building Commission of the City of East Grand Forks, Minnesota on December 2, 2020 at 8:00 a.m held remotely due to the COVID 19 virus pandemic and pursuant to MN Statutes 13D.02, 13D.021 and 13D.04.

Present: Quirk, Grinde, Beauchamp, DeMers

Absent: None

Also present: Keith Mykleseth, Ron Galstad, Brian Johnson, Jeff Olson, Steve Emery, Todd Forster, Brianna Feil, Kevin Hatcher, Corey Thompson, and Karla Anderson.

It was moved by Commissioner Beauchamp seconded by Commissioner DeMers that the minutes of the previous regular meeting of November 18, 2020 be approved as read.

Voting Aye: Quirk, Grinde, Beauchamp, DeMers

Voting Nay: None

It was moved by Commissioner Beauchamp seconded by Commissioner DeMers to authorize the Secretary to issue payment of the recommended bills and payroll in the amount of \$358,606.30.

Voting Aye: Quirk, Grinde, Beauchamp, DeMers

Voting Nay: None

It was moved by Commissioner Grinde seconded by Commissioner Beauchamp to approve the 2021 Chemical Bids as presented by Brian Johnson, Water Plant Superintendent:

- Pebble Quicklime Graymont \$128,775
- Liquid Chlorine Hawkins \$13,050
- Dense Soda Ash Univar Solution \$15,882
- Fluoride Hawkins \$8,424
- Liquid Carbon Dioxide American Welding & Gas \$30,400
- Liquid Ammonia Hawkins \$12,780

Voting Aye: Quirk, Grinde, Beauchamp, DeMers

Voting Nay: None

It was moved by Commissioner Beauchamp seconded by Commissioner Grinde to approve and sign the agreement with Brady-Martz for the 2020 Audit.

Voting Aye: Quirk, Grinde, Beauchamp, DeMers

Voting Nay: None

It was moved by Commissioner DeMers seconded by Commissioner Beauchamp to approve year end vacation carry over for employees over the 160 hour limit; with a date of 3-15-21 to reduce their time to 160 hours.

Voting Aye: Quirk, Grinde, Beauchamp, DeMers

Voting Nay: None

It was moved by Commissioner Grinde seconded by Commissioner Beauchamp to adjourn at 8:55 a.m. to the next regular meeting on December 16, 2020 at 8:00 am to be held remotely due to the COVID 19 virus pandemic and pursuant to MN Statutes 13D.02, 13D.021 and 13D.04.

Voting Aye: Quirk, Grinde, Beauchamp, DeMers

Voting Nay: None

Lori Maloney  
Commission Secretary

Accounts Payable  
Check Register Totals Only

User: khatcher  
Printed: 12/3/2020 - 10:31 AM



**City of East Grand Forks**

P. O. Box 373  
East Grand Forks, MN 56721  
(218) 773-2483

Check	Date	Vendor No	Vendor Name	Amount	Voucher
516294	12/03/2020	VER500	Verizon Wireless	627.54	0
				<u>627.54</u>	
Check Total:				<u>627.54</u>	

# Accounts Payable

## Check Register Totals Only

User: khatcher  
Printed: 12/9/2020 - 11:53 AM



# City of East Grand Forks

P. O. Box 373  
East Grand Forks, MN 56721  
(218) 773-2483

Check	Date	Vendor No	Vendor Name	Amount	Voucher
516295	12/09/2020	COM500	Commissioner of Revenue	52,094.00	0
516296	12/09/2020	HAL500	Halstad Telephone Company	1,461.72	0
516297	12/09/2020	MMP501	MMPA c/o Avant Energy	567,398.06	0
Check Total:				620,953.78	

# Accounts Payable

## Check Register Totals Only

User: khatcher  
 Printed: 12/14/2020 - 3:28 PM



# City of East Grand Forks

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 East Grand Forks, MN 56721  
 (218) 773-2483

Check	Date	Vendor No	Vendor Name	Amount	Voucher
516298	12/16/2020	ACM502	Acme Electric Companies	277.81	0
516299	12/16/2020	APC500	American Payment Centers	236.79	0
516300	12/16/2020	AQU501	Aqua-Pure Inc	7,360.04	0
516301	12/16/2020	ARA500	Aramark	162.83	0
516302	12/16/2020	BEC550	Jesse Beck	500.00	0
516303	12/16/2020	BIG501	Big Jim's East Side Tire	47.27	0
516304	12/16/2020	BOR501	Border States Electric Supply	559.22	0
516305	12/16/2020	CAN501	Cannon Technologies Inc	4,643.87	0
516306	12/16/2020	UB*01152	Madison M Castoreno	64.84	0
516307	12/16/2020	COL500	Cole Papers Inc	133.16	0
516308	12/16/2020	COM505	Complete Pest Control Inc	95.00	0
516309	12/16/2020	EGF501	EGF City	553,337.93	0
516310	12/16/2020	EXP501	Exponent	426.26	0
516311	12/16/2020	FOR505	Forum Communications Company	270.00	0
516312	12/16/2020	GAL501	Galstad Jensen & McCann PA	1,612.50	0
516313	12/16/2020	GOP501	Gopher State One-Call	64.80	0
516314	12/16/2020	HAW501	Hawkins Inc	399.61	0
516315	12/16/2020	HMC501	HM Cragg Company	2,321.51	0
516316	12/16/2020	HUG501	Hugo's #5	132.35	0
516317	12/16/2020	JOH510	Johnson Controls Fire Protection LP	626.77	0
516318	12/16/2020	KRO500	KROX-AM	80.00	0
516319	12/16/2020	HAR501	Local Ace	58.82	0
516320	12/16/2020	MND501	MN Dept of Commerce	3,901.20	0
516321	12/16/2020	NOR568	Julie Norman	500.00	0
516322	12/16/2020	NOR507	Northdale Oil	24.98	0
516323	12/16/2020	RMB500	RMB Environmental Laboratories, Inc	190.00	0
516324	12/16/2020	SCH572	Bob Schauer	211.07	0
516325	12/16/2020	UB*01153	Rebecca L Stangel	24.79	0
516326	12/16/2020	SUN500	Sun Dot Communications, LLC	89.99	0
516327	12/16/2020	VAL502	Valley Truck	183.97	0
516328	12/16/2020	WAT501	Water & Light Department	2,306.34	0
516329	12/16/2020	XCE501	Xcel Energy	302.80	0
516330	12/16/2020	XCE502	Xcel Energy	4,483.90	0
Check Total:				585,630.42	

## Rebates 12/16/20

ECM	Hoverson	\$ 150.00
ECM	Johnson	\$ 150.00
LED	Schauer	\$ 211.07
LED	Hallin	\$ 49.44
LED	Olson	\$ 83.46
Recycle	Grabanski	\$ 50.00
Refrigerator	Heffernan	\$ 75.00
Refrigerator/Recycle	Solarski	\$ 125.00
Residential Weatherization	Beck - 10 Windows	\$ 500.00
Residential Weatherization	Norman - Entry Door & Storm Door	\$ 500.00
Top Load Washer	Aune	\$ 75.00
	Total	<u>\$ 1,968.97</u>



# City of East Grand Forks

600 DeMers Ave · P.O. Box 373 · East Grand Forks, MN 56721  
218-773-2483 · 218-773-9728 fax      [www.eastgrandforks.net](http://www.eastgrandforks.net)

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## **CITY OF EAST GRAND FORKS, MN INVESTMENT POLICY**

Adopted December 6, 2011

### **I. PURPOSE AND NEED FOR POLICY**

It is the policy of the City of East Grand Forks to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow requirements of the City of East Grand Forks and conforming to all state and local statutes governing the investment of public funds. The purpose of this Policy is to develop an overall program for cash investments, designed and managed with a high degree of professionalism, worthy of the public trust; to establish that elected and appointed officials and employees are custodians of a portfolio which shall be subject to public review; to establish cash investment objectives, delegation of authority, standards of prudence, internal controls, authorized investments, selection process for investments, and broker representations.

### **II. SCOPE**

This Policy applies to the investment and deposit of all funds of the City of East Grand Forks.

#### **A. Pooling of Funds**

Except for cash in certain restricted and special funds, the City of East Grand Forks will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

### **III. OBJECTIVE**

At all times, investments of the City of East Grand Forks shall be in accordance with Minnesota Statutes Chapter 118A and amendments thereto. The primary objectives of the City of East Grand Forks's investment activities shall be in the following order of priority:

#### **A. Safety**

Safety of principal is the foremost objective of the investment portfolio. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk, interest rate risk, and custodial risk.

**Credit Risk:** Credit Risk is the risk of loss due to failure of the security issuer or backer. Thus, designated depositories shall have insurance through the FDIC (Federal Insurance) or the SIPC (Securities Investor Protection Corporation). To ensure safety, it is the policy of the City of East Grand Forks that when considering an investment, all depositories under consideration be cross-checked against existing investments to make certain that funds in excess of insurance limits are not made in the same institution unless collateralized as outlined below. Furthermore, the City of East Grand Forks Council will approve all financial institutions, brokers, and advisers with which the City of East Grand Forks will do business.

**Interest Rate Risk:** Interest Rate Risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. The City of East Grand Forks will minimize Interest Rate Risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

**Custodial Risk:** The City of East Grand Forks will minimize deposit Custodial Risk, which is the risk of loss due to failure of the depository bank (or credit union), by obtaining collateral or bond for all uninsured amounts on deposit, and by obtaining necessary documentation to show compliance with state law and a perfected security interest under federal law.

## **B. Liquidity**

The investment portfolio shall remain sufficiently liquid to meet projected disbursement requirements. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Generally, investments shall have “laddered” maturities so that money becomes available on a regular schedule. Liquid funds will allow the City of East Grand Forks to meet possible cash emergencies without being penalized on investments.

## **C. Yield**

The investment portfolio shall be designed to manage the funds to maximize returns consistent with items A and B above and within the requirements set forth in this Policy. Subject to the requirements of the above objectives, it is the policy of the City of East Grand Forks to offer financial institutions and companies within the City of East Grand Forks the opportunity to bid on investments; however, the City of East Grand Forks will seek the best investment yields.

## **IV. DELEGATION OF AUTHORITY**

Responsibility for the investment program is hereby delegated from the City of East Grand Forks Council to the City Administrator/Clerk. Authority to conduct actual investment transactions may be delegated to the Finance Director, who shall act in accordance with procedures as established with this investment policy. The authorized individuals, when acting in accordance with this Policy and exercising due diligence, shall not be held responsible for losses, provided that the losses are reported immediately and that appropriate action is taken to control further losses.



## **V. PRUDENCE**

The standard of prudence to be used by investment officials shall be the “prudent investor”, and shall be applied in the context of managing the investments. All investment transactions shall be made in good faith with the degree of judgment and care, under the circumstances, that a person of prudence, discretion and intelligence would exercise in the management of their own affairs. This standard of prudence shall mean not for speculation, and with consideration of the probable safety of the capital as well as the probable investment return derived from assets.

## **VI. INTERNAL CONTROLS**

Internal controls are designed to prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market changes, or imprudent actions. Before the City of East Grand Forks invests any surplus funds, competitive quotations shall be obtained. Written quotations from local financial institutions shall be obtained via fax, email or other form of written documentation, with all of them receiving the exact same rate request. Verbal quotations shall be received from all other brokers, along with a subsequent confirmation. If a specific maturity date is required, either for cash flow purposes or for conformance to maturity guidelines, quotations will be requested for instruments that meet the maturity requirement. If no specific maturity is required, a yield analysis will be conducted to determine which maturities would be most advantageous. Quotations will be requested from financial institutions for various options with regard to term and investment type. The City of East Grand Forks will accept the quotation, which provides the highest rate of return within the maturity required and within the limits of this Policy.

The (*Clerk/Treasurer/Administrator*) will report periodically to the City of East Grand Forks Council on the total of all funds invested and the total interest received on all securities year to date.

## **VII. AUTHORIZED INVESTMENTS AND COLLATERALIZATION**

All City of East Grand Forks investments and deposits shall be those allowable by Minnesota Statutes Chapter 118A and amendments thereto. In accordance with MN Statutes 118A, collateralization will be required on all demand deposit accounts, including checking, savings, and money market accounts, and non-negotiable certificates of deposit in excess of federal deposit insurance.

State law defines the types of securities that a financial institution may pledge as collateral for public deposits. These securities include:

- United States Treasury Issues
- Issues of US Government Agencies and Instrumentalities
- Obligations of State and Local Governments
- Time Deposits (Certificates of Deposits fully insured by the federal deposit insurance company or federal agency).

Since the amount a public entity has on deposit will vary from time to time, the financial institution needs sufficient amounts of pledged collateral to cover 110% of the uninsured amount on deposit during peak deposit times.

## **VIII. DIVERSIFICATION**

The City of East Grand Forks will attempt to diversify its investments according to type and maturity. The portfolio, as much as possible, will contain both short-term and long-term investments. The City of East Grand Forks will attempt to match its investments with anticipated cash flow requirements. Extended maturities may be utilized to take advantage of higher yields.

## **IX. CONFLICT OF INTEREST**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. For further details, please refer to the City of East Grand Forks's policies and ordinances.

## **X. BROKER REPRESENTATIONS**

Municipalities must obtain from their brokers certain representations regarding future investments. Pursuant to Minnesota Statutes 118A, the City of East Grand Forks shall provide each broker with the City of East Grand Forks' investment policy, and the securities broker shall submit a certification annually to the City of East Grand Forks stating that the officer has reviewed the investment policies and objectives, as well as applicable state law, and agrees to disclose potential conflicts of interest or risk to public funds that might arise out of business transactions between the firm and the City of East Grand Forks. All financial institutions shall agree to undertake reasonable efforts to preclude imprudent transactions involving the City of East Grand Forks' funds.

## **ADDENDUM**

### *Local Considerations*

The City of East Grand Forks seeks to promote local economic development through various programs and activities. Where possible, funds may be invested for the betterment of the local economy or that of local entities within the State. The City of East Grand Forks may accept a proposal from an eligible institution which provides for a reduced rate of interest provided that such institution documents the use of deposited funds for community development projects.

The government's governing board recognizes that this might diminish short-term investment yields by xx basis points (.xx percent) in exchange for potential expansion of the tax base.

**NOTIFICATION TO BROKER AND CERTIFICATION BY BROKER  
PURSUANT TO MINN. STAT. § 118A.04**

**I. Broker Information**

1. Name of Firm: RBC Wealth Management
2. Address: (Local) 60 S 6th St, Minneapolis MN 55402  
(National) 60 S 6th St, Minneapolis MN 55402
3. Telephone Number: Local (612) 371-6129 National (800) 678-3246
4. Primary Representative/Manager/Partner in charge:  
Richard Knowlton SVP-Financial Advisor (612) 371-6129  
Name and Title Telephone Number

**II. Statement of Investment Restrictions:**

To: RBC Wealth Management (name of broker)

The investments of East Grand Forks Water and Light (name of government entity)  
must comply with the requirements of Minn. Stat §§ 118A.04, 118A.05 and 118A.06.

\_\_\_\_\_  
(signed by official of local government)

\_\_\_\_\_  
(date)

**III. Statement of Additional Investment Restrictions: (fill in if applicable)**

Further be advised that East Grand Forks Water and Light (name of government entity)  
restricts its investments as provided:

in the attached Investment Policy

in the attached resolution(s) of the governing body.

East Grand Forks Water and Light (name of government entity) will provide  
to the broker copies of any changes to the Additional Investment Restrictions identified herein.

\_\_\_\_\_  
(signed by official of local government)

\_\_\_\_\_  
(date)

**IV. Certification**

We agree to conduct your investment transactions in accordance with Minn. Stat §§ 118A.04,  
118A.05 and 118A.06 and the provisions of any Additional Restrictions set forth in Section III above.

\_\_\_\_\_  
(signed by authorized representative of broker)

\_\_\_\_\_  
(date)

Prior to completing an initial transaction with a broker, and annually thereafter, this form must be completed.  
See instructions.

## INSTRUCTIONS

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In Minnesota, governmental entities must annually obtain from their brokers certain representations regarding future investments. Minnesota Statutes § 118A.04, subd. 9 requires government entities to provide each broker with information regarding the government entity's investment restrictions. Prior to conducting any business with or for the government entity, the broker must acknowledge these investment restrictions and agree to conduct investment transactions in accordance with them. The state auditor has promulgated this uniform notification form to assist government entities in complying with this law.

"Broker" as used in this form is a broker-dealer, broker, or agent of a government entity, who transfers, purchases, sells, or obtains securities for, or on behalf of, a government entity.

Send this form to each broker with whom you conduct business annually. Follow these steps:

1. Fill in the information requested in Section I that is known to you.
2. Fill in Sections II and III (if applicable) and attach copies of your investment policy and any government board resolutions that restrict your investments.
3. Send the form to your broker with instructions to fill in any blanks, sign and return to you.
4. Keep a copy of the form in your files.

**Note:** *Should you change your investment policy or should your governing body adopt any resolutions affecting future investments, your broker should be notified of the change. To avoid confusion, your broker should receive written notification, and copies of such correspondence should be kept on file with this form.*

# Request for Water and Light Commission Action

**Date:** 12-14-2020  
**To:** Water and Light Commission  
**From:** Keith Mykleseeth  
**RE:** Electrical Linemen Hire

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## **Background:**

Interviews to hire two full time linemen were recently held by Distribution Superintendent Jeff Olson, Distribution Foreman Todd Grabanski, Human Resource Specialist Terry Knudson and General Manager Keith Mykleseeth. The recommendation of the interview panel is to hire Clinton Herrmann and Andrew Robertson.

Clinton Herrmann - Lineman Position  
Step one starting salary: \$32.27  
Start date: 12-28-2020

Andrew Robertson - Apprentice Lineman Position  
Step one starting salary: 29:53  
Start date: 12-28-2020

## **Recommendation:**

Recommend the Water and Light Commission approve the hire of Clinton Herrmann and Andrew Robertson as presented.