

draft
MINUTES
ANNUAL MEETING
WEB WATER DEVELOPMENT ASSOCIATION, INC.
DAKOTA EVENT CENTER, ABERDEEN, SD
DECEMBER 6, 2019

WEB Water General Manager Angie Hammrich welcomed everyone to the Annual Meeting, introduced the Head Table and asked all past WEB Water Board of Directors to stand and be acknowledged.

The WEB Water Annual Meeting for the year 2019 was called to order by WEB Water Board Chair Bob Schuetzle from Herreid at 1:00 p.m.

MEETING NOTICE - STATEMENT OF QUORUM

WEB Water Board Secretary Lori Goldade, Aberdeen, SD, certified that Notice of Meeting had been mailed on September 11, 2019 to all members and that Quorum requirements as set forth in the Bylaws had been met with more than 50 members registered for the meeting.

2018 ANNUAL MEETING MINUTES

A motion was made by Greg Rahm and seconded by Julie Johnson to approve the 2018 Annual Meeting Minutes as printed and presented to WEB Water Members. The minutes were approved as presented.

CHAIR'S REPORT

Chair Schuetzle said his Chair's Report can be found in the 2019 Annual Report.

TREASURER'S REPORT & AUDITOR'S REPORT

WEB Water Board Treasurer Les Hinds, Groton, SD, gave the Treasurer's Report. In comparing 2019 to 2018; water sales were down -0.61%, Total Operating Expenses were up 0.35%. The majority of the decrease in Revenue was due to the extremely wet spring and summer which contributed to lower water sales. WEB Water ended the year with a positive net income which is explained in greater detail in the financial statements shown in the 2019 Annual Report. Hinds introduced Cameron Zent with Eide Bailly to give a review of the Audit Report. Zent gave a detailed overview of WEB Water's financial statement and operating statement. The full 2019 Audit Report is available for review at the WEB Water Office.

GENERAL MANAGER'S REPORT

General Manager Hammrich's Report was given via video. The video highlighted the following:

- AMI (Automated Meter Read Implementation) slowed down a bit this year as we have installed units at most WEB services. WEB Water continues to work with Mueller to improve the system in some areas where coverage is still lacking. It will be an ongoing process.
- Another project that WEB Water will take on this year through 2021 is upgrading our SCADA system (Supervisory Control and Data Acquisition). This system allows staff to manage pumps and tank levels remotely as well as identify issues in the system.
- In 2019 the Mainline Booster station west of Bowdle was completed. This is part of our Phase I system improvements.
- A buried surge tank was installed at the WTP. This is a safety feature that allows us to help flow more water at higher pressures.
- Maintenance was completed on 3 additional pumps and motors at the Intake.

- In April of this year past board of directors were invited to WEB Water for an update on current happenings in the system. It was a great experience for all who attended.
- In 2018 the WEB Water Board of Directors authorized a comprehensive rate study. The results of this study show how to align our current rates with the current cost of the actual service. We are implementing a rate structure plan that brings everyone in line with the actual cost of maintaining each service. This means that some members have incurred larger increase than others. Even with the increase, WEB Water still remains in the lower to middle tier of monthly water costs compared to other regional water systems.
- In 2018 WEB Water was approved for funding by USDA to update 80 – 90 miles of pipe, 13.5 miles of Ductile Iron Pipe from the Intake to the corner of Hwy 83 and 12, along with an elevated two-million-gallon tank.
- On September 27, 2019 we were informed the WTP Expansion had been funded through Rural Development. The total estimated cost of the project is \$19,456,000. Rural Development loan: \$15,793,000; Grant: \$2,913,000 (15%); Applicant Contribution: \$750,000. In 2018 the WEB Water Board of Directors authorized a comprehensive rate study. The results of this study show how to align our current rates with the current cost of the actual service. We are implementing a rate structure plan that brings everyone in line with the actual cost of maintaining each service. This means that some members have incurred larger increase than others. Even with the increase, WEB Water still remains in the lower to middle tier of monthly water costs compared to other regional water systems.
- These two projects are both necessary in order to gain capacity in the system.
- In closing, 2019 presented many challenges. I must give credit to our outstanding staff who day in and day out keep the system going. From the treatment of the water at the Water Treatment Plant to the operators and technicians who maintain the distribution of the water to the construction crew who provide preventative maintenance as well as leak repair. The office staff provides support to the staff and our members and keeps everyone on track. These two projects are both necessary in order to gain capacity in the system.
- I must also mention and acknowledge the WEB Water Board of Directors. They are very involved in every aspect of our operations. I appreciate their knowledge and willingness to be involved.

BOARD PRESENTATION

Chair Bob Schuetzle, Herreid, SD, asked Director Evan Haar to stand and presented him with his plaque of 9 years of service on the Board.

ATTORNEY'S REPORT

Attorney Rod Tobin explained that there were no contested races this year. Therefore, Craig Oberle who represents District 5 will remain on the Board and Tim Van Hatten who represents District 9 will remain on the Board. Tobin introduced Jeff Stoecker who will represent District 2 and asked him to stand.

ADJOURNMENT/BOARD REORGANIZATION

Chair Schuetzle thanked Hammrich for her report, thanked everyone for coming, announced that the WEB Board of Directors would hold its reorganization meeting immediately following the Annual Meeting and declared the meeting adjourned at 1:32 p.m.

Lori Goldade, Secretary