

**MINUTES OF MUNICIPAL UTILITIES BOARD MEETING**

**Monday, January 31, 2022**

The Municipal Utilities Board convened in regular session at the Watertown Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday, January 31, 2022, at 12:00 p.m. with President Lisa Carrico presiding.

Board members present: Lisa Carrico, Chris Carter, Mike Luken and Rich Thomas. Board Member Dan Brenden absent. Board Liaison, member of City Council, Mike Danforth absent. Staff members present: Adam Karst, Bert Magstadt, Wayne Lovelis, John Lunde, Brian Benson, Mark Haider, Mark Meier, Kevin Kruiter, Sheila Mennenga, Gina Brown, Lisa Pahl and Attorney Vince Foley. Media Julie Richter, KXLG Radio.

**ITEM 7648**

Motion by Luken with second by Carter to approve the agenda. Motion carried.

**ITEM 7649**

Motion by Thomas with second by Luken to approve Consent Agenda, which gives authorization for the General Manager to sign annual contracts for the following items, Motion carried.

**CONTRACTS SIGNED ANNUALLY BY GENERAL MANAGER**

- a) First District Association of Local Governments
- b) Lawn Care Services
- c) Monitor Contract for Fire Alarm System
- d) Fire Protection System Inspection
- e) Authorization for Staff to Open Bids
- f) SCADA Maintenance Agreement
- g) MMUA Safety Management Program
- h) Change Orders up to \$5,000 for Construction Projects and Equipment during 2022
- i) Water Main Installation Agreements by Developer

**ITEM 7650**

Motion by Carter with second by Thomas to approve minutes of regular Board Meeting on held December 27, 2021. Motion carried.

**ITEM 7651**

Public Comment - None

**ITEM 7652**

Motion by Luken with second by Thomas to approve Resolution 7652 for Designation of Authorized Representative for South Dakota Municipal Power Agency. Motion carried unanimously by roll call vote.

**DESIGNATION OF AUTHORIZED REPRESENTATION**

**RESOLUTION NO. 7652**

WHEREAS, the Governing Body of the City of Watertown, SD has entered into an agreement to establish the South Dakota Municipal Power Agency (SDMPA) and as a member thereof is entitled to a representative who shall represent the Municipal Utility in the business of SDMPA.

NOW, THEREFORE, BE IT RESOLVED that Steven Lehner be and is hereby authorized and appointed as the representative of the City of Watertown, SD, to represent the Municipal Utility in the business of SDMPA, with the powers, duties and responsibilities as provided in said agreement. The alternate representative, Robert Magstadt, is hereby authorized and appointed with equal powers.

**ITEM 7653**

Karst presented the 2021 Fixed Asset Report & Solid Waste Disposal Report according to Policy Section #49. This report included removal of 107 poles, removal of 15,447 feet of overhead wire, abandoned 6,226 feet of underground wire, retired 12,286 KVA of line transformers, retired 180 electric meters, removed 78 streetlights, sold at auction 1 2010 Ford Econoline van, removed 20 batteries from the Pelican Substation, transferred to the City of Watertown 1 Ford F series Pick-up and a 2006 boom truck. Retired 159 water meters, abandoned 5,812 feet of water main, retired 44 service connections, removed/replaced 14 hydrants, traded 1 2007 590 M Case Backhoe and transferred to the City of Watertown 1 2008 Ford F150 Pick-up. Abandoned 1,481 feet of gas services, retired 204 gas meters, abandoned 1,124 feet of gas mains, removed 1 Electro-Fusion machine and transferred to the City of Watertown 1 2008 Ford F150 Pick-up. Removed 2,204-ton lime sludge.

**ITEM 7654**

Motion by Luken with second by Carter to approve General Manager to sign agreements with Advance Engineering and Environmental Services, LLC (AE2S). for plans for water grants. Motion carried.

**ITEM 7655**

This being the time and place set for consideration of bids, the following were presented. Bids for Installation of Gas Main, Gas Meters, Wire, Unit 19, and Janitorial. These bids were opened Thursday, January 20<sup>th</sup>, 2022, at 10:00 am and The Steel Casing Pipe was opened Thursday, January 27, 2022, at 1:30 pm by the Watertown Municipal Utilities Staff as authorized by the Board.

Installation of Gas Main: One Bid was received and upon review and recommendation by Magstadt, motion by Carter with second by Thomas to award bid to low valid bidder, to Dakota Directional, Redfield, SD, for a total of \$641,546.32. Motion carried.

Gas Meters: One Bid was received and upon review and recommendation by Magstadt, motion by Thomas with second by Luken to award bid to low valid bidder, Koon Gas Measurements, Tonganoxie, KS, for a total of \$98,233.71. Motion carried.

Wire: Two Bids were received and upon review and recommendation by Magstadt, Motion by Carter with second by Luken to award bid to low valid bidder, WESCO, Sioux City, IA, for a total of \$80,627.40. Motion carried.

Unit 19: Two bids were received and upon review and recommendation by Magstadt, Motion by Luken with second by Carter to award bid to low valid bidder, Sharp Chevrolet, Watertown, SD, for a total of \$38,835.00. Watertown Ford did not meet specs. Motion carried.

Janitorial: One bid was received and upon review and recommendation by Karst, Motion by Luken with second by Thomas to award bid to low valid bidder, ServiceMaster of Watertown, SD, for a total three-year contract for \$148,320.00. Motion carried.

Steel Railroad Casing Pipe: Three bids were received and upon review and recommendation by Magstadt, Motion by Carter with second by Thomas to award bid to low valid bidder, Core and Main, Sioux Falls, SD, for a total of \$16,694.70. Motion carried.

**ITEM 7656**

Motion by Luken with second by Carter to authorize to return checks of unsuccessful bidder. Motion carried.

**ITEM 7657**

Open: Karst presented Kindergarten screening and the Missouri River Energy Services High School Scholarship bill stuffers. Magstadt offered a invitation to the Board to attend one of the annual conferences AWWA being held in San Antonio, TX, June 12-15, APPA being held in Nashville, TN, June 10-15 or APGA being held in Minneapolis, MN, July 17-20.

#### **ITEM 7658**

Magstadt presented the Report on Operations and Projects. Magstadt recognized Mark Meier for being appointed to the One Call Board for another three-years. He then gave an overview of 2021. He wanted to let the Board know that the stats are customer driven and weather driven. Electric, 366.28 circuit miles of wire in system, 21 new streetlights, 165 services installed, 363 total meters set, 1490 services orders, 60 unscheduled outages, peak electric usage was July 27, 2021, 77.39 MW, 394,227 kW total electricity purchased, 13,518 customers. Gas, 11,407 total feet of gas main installed, 116 services, 486 total meters, 527 service orders, 4,666,599 MMBtu through put, 10,549 customers. Water, 19,565 feet of main installed, 53 hydrants, 88 valves, 281 taps, 16 main leaks, 268 meter changeouts, 472 service orders, 1,530,042,000 total gallons raw water, 1,462,151,000 total gallons treatment water, customers 9,622. Engineering, 4,146 total locates (3<sup>rd</sup> most ever), 68 total damage, 104 total emergencies.

#### **ITEM 7659**

Karst presented the report on Administration and Financial Statements, Karst started off by thanking the Department heads and their staff on their hard work this past year on making our utilities reliable and affordable. Human Resources/Risk Management: Update on the retirement of Mark Haider Information Systems Supervisor, effective 6/30/2022. We do have applications and will start interviewing this week and working on the Water Distribution Foreman as well. Top five summary of 2021. We reinvested about 6 million dollars into our infrastructure, refunded over 1.5 million dollars to our electric customers through our power supply refund, paid off the Northern Border Pipeline tap, established a three year agreement with the City for the transfer and a three year agreement with the Union and held our rates steady with just an increase in water rates.

Statements of Revenue and Expenses and Capital Additions were presented to the Board for review. Year to date net income is \$692,394 above budget for the twelve months ending December 31<sup>st</sup>, 2021. Total Capital Additions are \$1,222,515 under budget for the twelve months ending December 31<sup>st</sup>, 2021.

#### **ITEM 7660**

Motion made by Carter with second by Thomas to approve the following verified salary claims and bills. Motion carried unanimously upon roll call vote. Total Watertown Municipal Utilities Net Payroll for January

2022 Plus ACH Payroll Payments \$608,713.24. Change: W. Berner 17.00/hr. effective 1/14/2022, M. German 16.00/hr. effective 1/10/2022, J. Kudrna 33.43/hr. effective 1/1/2022, M. McLaughlin 39.39/hr. effective 1/1/2022, M. Wilson 32.96/hr. effective 1/7/2022 and Add: L. Redlin 23.68/hr. effective 1/7/2022.

Name	Payable Description	Payment Amount
FEBRUARY 1, 2022		
3CORD ENTERPRISE	SECURITY EXPENSES	\$4,044.45
ABC EMBROIDERY	SERVICE	\$49.50
ABC LOCK & KEY	SERVICE	\$65.00
ACTIVE HEATING INC	ENERGY INCENTIVE REBATE	\$400.00
ADVANCED ENGINEERING AND ENVIRONMENTAL SERVICES	STUDY & REPORT	\$12,080.64
AFLAC	CANCER PT	\$1,566.32
AMARIL UNIFORM COMPANY	SAFETY CLOTHING	\$432.90
A-OX WELDING SUPPLY INC	CYLINDER RENTAL	\$21.55
AUDIO VIDEO INTEGRATIONS	AV EQUIPMENT FOR BOARDROOM	\$10,400.00
AUTO VALUE WATERTOWN	SUPPLIES	\$219.30
BENDIX IMAGING INC	SUPPLIES	\$446.97
BERNIE'S TELEPHONE & TECH	SERVICE	\$85.00
BORDER STATES ELECTRIC SUPPLY	TRACING WIRE AS PER BID	\$70,859.80
BORNS GROUP	POSTAGE AND MAILING EXPENSE	\$9,040.76
BROWN, GINA L	REIMBURSEMENT EXPENSE	\$21.91
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWORK USAGE	\$93.43
CENTURY LINK	PHONE SERVICE	\$314.54
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$8,108.89
CHILD SUPPORT PAYMENT CENTER	EMPLOYEE DEDUCTION: CHILD SUPP.	\$750.00
CODINGTON-CLARK ELECTRIC COOPERATIVE INC	WELLFIELD ELECTRIC SERVICE	\$5,704.64
COLORADO STATE UNIVERSITY	TRAINING EXPENSE	\$492.00
CONNECTING POINT	NEW PC	\$6,340.50
CREDIT COLLECTIONS BUREAU	COLLECTIONS	\$374.75
CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$106.32
DAKOTA DATA SHRED	SHREDDING SERVICE	\$69.62
DEPARTMENT OF HEALTH	WATER SAMPLES	\$485.00
DEVILLE, JEFF	REIMBURSEMENT EXPENSE	\$3,000.00
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$433.20
DTN, LLC	SUBSCRIPTION	\$541.00
DYNAMIC ENGINEERING	ENERGY INCENTIVE REBATE	\$197.64
ENERGY WORLDNET, INC	OQ QUALIFICATION RENEWAL	\$3,615.00
ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE, INC	SUPPLIES	\$300.00
ETHANOL PRODUCTS LLC	BULK CO2	\$1,553.46
FARNAMS GENUINE PARTS	SUPPLIES	\$295.30
FARWEST LINE SPECIALTIES, LLC	SUPPLIES	\$457.36
FASTENAL COMPANY	SUPPLIES	\$577.77
FEDERAL EXPRESS CORP	SERVICE	\$125.88
FERGUSON ENTERPRISES, LLC	WATER FITTINGS AS PER BID	\$61,841.00
FIDELITY SECURITY LIFE INSURANCE CO. (EYEMED)	VISION INSURANCE	\$405.77
FIRST DISTRICT ASSN OF LOCAL GOVTS	2022 GIS WEBSITE	\$1,500.00
FOLEY AND FOLEY LAW OFFICE, PC	DECEMBER LEGAL FEES	\$280.00
G & R CONTROLS INC.	SERVICE	\$797.90
GRAINGER	SUPPLIES	\$1,860.60
GROEBNER	RISERS	\$7,609.00
HAWKINS, INC.	HYDROFLUOSILICIC ACID	\$1,398.65
HEIMAN FIRE EQUIPMENT, INC	SERVICE	\$62.50
IBEW LOCAL 426	UNION DUES	\$3,336.00
IMAGINIT TECHNOLOGIES	SERVICE	\$875.00
INTERSTATE ALL BATTERY CENTER	SUPPLIES	\$169.15
J H LARSON COMPANY	SUPPLIES	\$10,370.29
JELLIS, JOE	REIMBURSEMENT EXPENSE	\$820.00
KARST, ADAM	REIMBURSEMENT EXPENSE	\$1,487.14
KOONS GAS MEASUREMENT	SUPPLIES	\$2,520.74
KRANZ, CHAD	REIMBURSEMENT EXPENSE	\$69.87
LEHNER, STEVE	REIMBURSEMENT EXPENSE	\$255.12
LINDE GAS & EQUIPMENT INC.	CYLINDER RENTAL	\$200.36
LOCATORS & SUPPLIES INC	SUPPLIES	\$1,448.57
LUNDE, JOHN	REIMBURSEMENT EXPENSE	\$493.21
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$99.17
MAC'S HARDWARE	SUPPLIES	\$881.60
MARCO	COPIER LEASE	\$399.18
MATHESON TRI-GAS INC	SUPPLIES	\$283.73
MCKEEVER INC	SUPPLIES	\$157.58
MENARDS INC	SUPPLIES	\$1,135.44
MESA PRODUCTS INC	SUPPLIES	\$162.20
MESEBERG, DAVID	REIMBURSEMENT EXPENSE	\$120.00
MET LIFE	LIFE INSURANCE	\$1,378.57
MIDCONTINENT COMMUNICATIONS	INTERNET & CABLE SERVICE	\$224.54
MIDWEST UNDERGROUND SUPPLY, LLC	SUPPLIES	\$85.24
MIKE MCNAMARA	REIMBURSEMENT EXPENSE	\$3,000.00

MILBANK WINWATER WORKS	WATER PIPE AS PER BID	\$99,207.03
MINNESOTA MUNICIPAL UTILITIES ASSN	SAFETY PROGRAM	\$7,512.50
MUNICIPAL UTILITIES - PC	REPLENISH PETTY CASH	\$669.37
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCOUNTS	\$11,803.08
NORTHERN TRUCK EQUIP CORP	SUPPLIES	\$1,188.50
NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$1,792.30
NOVASPECT, INC.	SUPPLIES	\$1,091.67
OFFICE PEEPS	SUPPLIES	\$6,735.34
OLSON, CINDY	REIMBURSEMENT EXPENSE	\$514.32
PARA UX LLC	SERVICE	\$100.00
PETE LIEN & SONS	BULK LIME	\$18,563.39
PETERSON, DELORES	REIMBURSEMENT EXPENSE	\$220.37
PHEASANTLAND INDUSTRIES	SAFETY CLOTHING	\$77.25
PRINCIPAL FINANCIAL GROUP	DENTAL INSURANCE	\$1,174.39
PRINT 'EM NOW INC	SUPPLIES	\$244.00
RELIABANK DAKOTA	FLEX MED	\$7,460.88
RESCO	SUPPLIES	\$2,656.23
RODENBURG LAW FIRM	EMPLOYEE DEDUCTION	\$150.00
ROST, MICHAEL	REIMBURSEMENT EXPENSE	\$1,500.00
ROTH, KEENAN M	REIMBURSEMENT EXPENSE	\$295.42
RUNNING'S SUPPLY INC	SUPPLIES	\$390.51
SCHULTZ, ANDY	REIMBURSEMENT EXPENSE	\$590.75
SCOTT ENGINEERING CO	SERVICE	\$560.00
SEIM, ANGELA	REIMBURSEMENT EXPENSE	\$564.13
SERVICEMASTER OF WATERTOWN	JANITORIAL SERVICE	\$4,120.00
S*9630+ IOUX VALLEY CO-O	FUEL, SUPPLIES	\$6,921.63
SIOUX VALLEY GREENHOUSES	SERVICE	\$463.00
STADHEIM LAWN CARE	OCT/NOV LAWN CARE	\$3,455.00
STAR LAUNDRY INC	SERVICE	\$511.20
STARR, TANNER E	REIMBURSEMENT EXPENSE	\$35.00
STUART C IRBY CO	SUPPLIES	\$510.00
TECH PRODUCTS INC	SUPPLIES	\$152.77
TIMMONS CONSTRUCTION, INC.	WATER MAIN REPLACEMENT	\$154,358.55
TRAV'S OUTFITTER	SAFETY CLOTHING	\$1,131.91
TYNDALE COMPANY INC	SAFETY CLOTHING	\$295.95
US PLASTIC CORP	SUPPLIES	\$45.12
USA BLUEBOOK	SCBA MASKS, SUPPLIES	\$5,630.89
VERIFIED CREDENTIALS	SERVICE	\$89.00
WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN UNITED WAY	United Way	\$485.00
WATERTOWN WHOLESALE INC	SUPPLIES	\$378.80
WESCO DISTRIBUTION INC	TRANSFORMERS AS PER BID	\$17,796.00
WHEELCO	SUPPLIES	\$46.42
WW TIRE SERVICE INC	SUPPLIES	\$758.00
	TOTAL	\$620,334.19

Total January \$620,334.19; Transfer to City's General Fund \$114,675.00, Muni Utilities Electric Water Gas \$44,489.39; Missouri River Energy Services Power \$1,970,306.82; BP Canada Energy Marketing Natural Gas \$312,189.22; Dept. of Revenue Sales/Excise Tax \$239,442.77; CPEP #3 Natural Gas \$186,534.75, CPEP #4 Natural Gas \$201,876.57, Sequent Energy Mgmt. Natural Gas \$425,967.20, City Finance Office Garbage/Sewer \$515,073.87.

### **ITEM 7661**

Pursuant to SDCL 1-25-2(3) Carter moved with second by Thomas to move to Executive Session for discussion of contractual matters. The Board does expect to take-action when they reconvene to regular session. Motion carried.

President Carrico declared Executive Session done and they reconvened to regular session.

Motion by Carter with second by Thomas to authorize General Manager to sign legal service agreements with Foley and Foley Law Office, PC and Austin, Strait, Benson and Thole, LLP. Motion carried.

Motion by Thomas with second by Luken to adjourn. Motion carried.

The Watertown Municipal Utilities does not discriminate in employment opportunities or provision of services on-the basis of race, color, religion, sex, national origin, age, disability, or any other characteristic protected by law.

Dated at Watertown, South Dakota this 31<sup>st</sup>, day of January 2022.

ATTEST: \_\_\_\_\_

\_\_\_\_\_

Lisa Pahl  
Board Secretary  
Municipal Utilities Board

Lisa Carrico  
Board President  
Municipal Utilities Department