

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday, October 30th, 2017

The Watertown Municipal Utilities Board convened in regular session at the Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday, October 30th, 2017 at 12:00 p.m. with President Dustin Padgett presiding.

Board members present: Dustin Padgett, Mike Luken, John Holley and Dave Strait. Board Member Greg Solum absent. Board Liaison, member of City Council, Glen Vilhauer. Staff members present: Steve Lehner, Todd Chambers, Adam Karst, Jeff DeVille, Rich Schmidt, Doug Enstad, Mark Haider, Mark Meier, Kevin Kruiter, Sheila Mennenga, Steph Ries and Lisa Pahl. Vince Foley, Interim City Attorney, Guest Dave Eide, General Manager of Codington Clark Electric and Board of Directors President of Codington Clark Electric Dave Warkenthien, Tim Miller and Evan Leebens of Missouri River Energy Services. Press Dan Crisler, Public Opinion Newspaper and Don Egert of KXLG Radio.

ITEM 6975

Motion by Luken with second by Strait to approve the Agenda. Motion carried.

ITEM 6976

Motion by Strait with second by Luken to approve Minutes of regular meeting on September 25th, 2017. Motion carried.

ITEM 6977

Zach Hunke asked to address the Board regarding a Parking Lease Agreement, but he did not show up to do so.

ITEM 6978

Lehner presented a timeline of events on the Codington Clark Electric Service Territory Agreement including that Codington Clark Electric brought this agreement to Watertown Municipal Utilities from the start. He then introduced Dave Eide, General Manager of Codington Clark Electric. Eide asked to speak to the Board to address the Perpetual Service Territory Agreement they have with Watertown Municipal Utilities. He asked the Board to end that perpetual agreement, because they feel the agreement is one sided. Eide added that they want to be treated like any other Co-op in South Dakota with a Municipality within their service territory. There was some discussion and it was determined that Lehner would work with Codington Clark Electric to look at rates and the effect of rates on our customers if this agreement was not in place. Eide did make it known that they were not going to stop the pursuit to end this agreement no matter how this study turned out.

ITEM 6979

Tim Miller of Missouri River Energy Services (MRES) presented recommendations from the Electric Rate Study MRES conducted for Watertown Municipal Utilities. They recommended a 1% increase each year for the next four years. Residential customers would see a .75 cent increase per month. Cash reserves projected to remain above target minimums. Rates reflect purchased power and costs of service. Rates will stay competitive for all customers and the financial position of Watertown Municipal Utilities would remain strong.

ITEM 6980

Karst presented report on the Biennial Customer Service Survey. A total of 14,070 surveys were mailed out with 1,084 surveys being returned for a return rate of 7.7%. Municipal Utilities was able to contact the majority of customers that requested a response to the survey. The results of the survey are posted on Municipal Utilities website at www.watertownmu.com

ITEM 6981

Motion by Strait with second by Holley to Declare as Surplus the following items: Motion carried.

- a) Recoat & Repaint 19th St Water Tower
- b) Interior Painting of S Lake Water Tower
- c) Exterior Painting of S Lake Water Tower
- d) Clean/Inspection of Water Tanks
- e) Interior Painting of N Lake Water Tower
- f) Exterior Painting of N Lake Water tower

ITEM 6982

Finance Committee Meeting date was set for Tuesday, November 21st, 2017 at 7 a.m. in the Watertown Municipal Utilities Board Room.

ITEM 6983

Board President Padgett asked if any Board Member had questions on the Report on Operations as presented in the Board Packet. There were no questions.

ITEM 6984

Board President Padgett asked if any Board Member had questions on the Report on Administration and Financials as presented in the Board Packet. There were no questions.

ITEM 6985

Motion made by Strait with second by Luken to approve the following verified salary claims and bills. Motion carried unanimously upon roll call vote. Total Watertown Municipal Utilities Net Payroll for October, 2017 Plus ACH Payroll Payments \$478,094.38. Info: D. Brage effective 10/3/2017 31.87/hr.

<u>Name</u>	<u>Payable Description</u>	<u>Payment Amount</u>
November 1st, 2017		
ACTIVE HEATING INC	ENERGY INCENTIVE REBATE	\$500.00
ADVANCED CONTROL SYSTEMS INC.	SERVICE CONTRACT	\$9,288.00
ADV. ENGINEERING & ENVIRONMENTAL SERVICES	I & C SYSTEM SERVICES	\$1,871.81
AFLAC	CANCER PT	\$2,007.64
A-I COMPUTER SOLUTIONS	SUPPLIES	\$33.40
AMERICAN ENGINEERING TESTING INC	WATER TESTING	\$493.75
ANDREWS, MIKE	REIMBURSEMENT EXPENSE	\$121.00
A-OX WELDING SUPPLY INC	SUPPLIES	\$470.93
BENDIX IMAGING INC	OFFICE SUPPLIES	\$285.97
BERNIE'S TELEPHONE & TECH	SERVICE	\$75.00
BINDE, TROY	ENERGY INCENTIVE REBATE	\$250.00
BORDER STATES ELECTRIC SUPPLY	SUPPLIES	\$14,923.96
BORNS GROUP	POSTAGE & MAILING	\$8,612.32
BRAGE, DOUGLAS J	REIMBURSEMENT EXPENSE	\$121.00
BROWN, GINA L	REIMBURSEMENT EXPENSE	\$115.56
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWORK USAGE	\$76.20
C A TURNER	SUPPLIES	\$597.00
CARRICO LAW PROFESSIONAL LLC	LEGAL FEES	\$744.00
CARTNEY BEARING & SUPPLY	SUPPLIES	\$91.84
CASHWAY LUMBER INC	SUPPLIES	\$100.65
CENTURY LINK	PHONE SERVICE 605 882-6233 B005093	\$297.31
CHAMBERS, TODD	REIMBURSEMENT EXPENSE	\$693.60
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$2,341.52
CHILD SUPPORT PAYMENT CENTER	Employee Ded.: Child Support #322244010A	\$1,656.00
CODINGTON COUNTY REGISTER OF DEEDS	COPIES	\$43.00
CODINGTON-CLARK ELECTRIC COOP. INC	WELLFIELD ELECTRIC SERVICE	\$5,497.60
COMPASS MINERALS	BULK SALT	\$4,881.38
CONNECTING POINT	HP SERVER FOR OFFICE	\$49,921.46
CONSOLIDATED PIPE & SUPPLY CO.	GAS PIPE	\$24,421.76
CREDIT COLLECTIONS BUREAU	COLLECTIONS	\$395.83
CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$86.43
DAKOTA DATA SHRED	SHREDDING SERVICE	\$77.67
DEPARTMENT OF REVENUE	WATER SAMPLES	\$1,002.00
DIAMOND VOGEL PAINT CENTER	SUPPLIES	\$34.24
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$1,530.04
DUININCK INC	GRAVEL, ROCK	\$627.40
DYNAMIC ENGINEERING	SUPPLIES	\$522.75
ENERGY ECONOMICS INC	METER REPAIR & SUPPLIES	\$1,120.69
ENERGY LABORATORIES INC	WATER TESTING	\$70.00
ENGELSTAD ELECTRIC COMPANY	INSTALLATION OF UNDERGROUND	\$16,728.00
ETHANOL PRODUCTS LLC	BULK CO2	\$3,604.75
FARNAMS GENUINE PARTS	SUPPLIES	\$424.29
FASTENAL COMPANY	SUPPLIES	\$190.52
G & R CONTROLS INC.	MAINTENANCE SERVICE AGREEMENT	\$3,050.01
GCR TIRE CENTER	SUPPLIES	\$722.64
GOLLNICK, DAREN	REIMBURSEMENT EXPENSE	\$107.00
GRAINGER	SUPPLIES	\$262.10
GREAT WESTERN BANK	TASC MED	\$6,504.66
GROEBNER	SUPPLIES	\$440.54
HANSEN, BRENT	REIMBURSEMENT EXPENSE	\$107.00
HAWKINS, INC.	HYDROCHLORIC ACID	\$2,799.80
IBEW LOCAL 426	UNION DUES	\$3,203.00
INTERSTATE ALL BATTERY CENTER	SUPPLIES	\$89.60
J & J EARTHWORKS	WATER MAINS-VALLEY VIEW	\$78,797.20
J H LARSON COMPANY	SUPPLIES	\$6,930.47
KLUTE INC.	SUPPLIES	\$3,858.11
KRUITER, KEVIN	REIMBURSEMENT EXPENSE	\$82.12
LEHNER, STEVE	REIMBURSEMENT EXPENSE	\$402.27
LOCATORS & SUPPLIES INC	BARRICADES & SUPPLIES	\$3,513.35
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$917.08
MAC'S INC	SUPPLIES	\$355.70

MAHOWALD'S HARDWARE & RENTAL	SUPPLIES	\$43.96
MARCO INC	COPIER PRINTS	\$353.46
MC KEEVER INC	SUPPLIES	\$193.12
MENARDS INC	SUPPLIES	\$1,217.07
MET LIFE	LIFE INSURANCE	\$1,264.90
METERING & TECHNOLOGY SOLUTIONS	MVRS TO FCS UPGRADE	\$2,500.00
MIDCONTINENT COMMUNICATIONS	INTERNET SERVICE	\$165.00
MID-WEST ELECTRIC CONSUMERS ASSN	REGISTRATION FEE	\$350.00
MILBANK COMMUNICATIONS INC	SUPPLIES	\$435.00
MILBANK WINWATER WORKS	SUPPLIES	\$593.58
MINNESOTA MUNICIPAL UTILITIES ASSN	SAFETY PROGRAM - 4TH QTR PMT	\$7,797.50
MISSOURI RIVER ENERGY SERVICES	INFRARED SCANNING & MOTOR TESTING	\$2,487.88
MISSOURI RIVER ENERGY SERVICES	ENERGY INCENTIVE REBATE	\$323.26
MITCHELL, CRAIG	ENERGY INCENTIVE REBATE	\$82.00
MOTION INDUSTRIES	SUPPLIES	\$4,431.25
MUNICIPAL UTILITIES - PC	PETTY CASH	\$293.32
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCOUNTS	\$8,987.50
MUNICIPAL UTILITIES-TERM LIFE PAY	TERM LIFE	\$1,869.60
NELSON TECHNOLOGIES INC	SUPPLIES	\$1,516.82
NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$3,585.76
NORTHWESTERN ENERGY	SERVICE RIGHTS PAYABLE	\$2,791.46
NOVA FIRE PROTECTION INC	FIRE ALARM MAINTENANCE	\$1,575.00
OFFICE PEEPS	SUPPLIES	\$530.01
O'REILLY AUTOMOTIVE INC	SUPPLIES	\$53.81
PEDERSON, MIKE	REIMBURSEMENT EXPENSE	\$1,166.23
PETE LIEN & SONS	BULK LIME	\$17,314.52
PRAXAIR DISTRIBUTION INC	CYLINDER RENTAL	\$147.95
PRINCIPAL FINANCIAL GROUP	DENTAL INSURANCE	\$1,074.95
RESCO	SUPPLIES	\$3,968.20
RIES, STEPHANIE	REIMBURSEMENT EXPENSE	\$192.74
RISING STAR HYDRAULICS INC	SUPPLIES	\$225.50
RONKE, SHANE	REIMBURSEMENT EXPENSE	\$264.73
ROTH, KEENAN M	REIMBURSEMENT EXPENSE	\$170.83
RUNNING'S SUPPLY INC	SUPPLIES	\$99.96
S & P GLOBAL PLATTS	SUBSCRIPTION	\$5,480.00
SAFETY BENEFITS INC	REGISTRATION FEES	\$130.00
SAME DAY EXPRESS, INC.	SHIPPING	\$100.00
SANFORD HEALTH OCCUP. MEDICINE CLINIC	SCREENS	\$40.00
SCHAEFFER MFG CO	SUPPLIES	\$997.15
SCHMIDT, RICHARD	REIMBURSEMENT EXPENSE	\$171.40
SD ONE CALL	LOCATES	\$459.90
SERVICEMASTER	JANITORIAL SERVICE	\$3,740.00
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$4,996.89
STAN HOUSTON EQUIP CO	SUPPLIES	\$4,284.00
STANDBY SYSTEMS INC	UPDATING THE PROPANE-AIR PLANT	\$115,000.00
STAR LAUNDRY INC	SUPPLIES	\$325.28
STARR, TANNER E	REIMBURSEMENT EXPENSE	\$119.62
STONE OIL COMPANY INC.	ENERGY INCENTIVE REBATE	\$250.00
STUART C IRBY CO	SUPPLIES	\$420.38
STURDEVANTS AUTO PARTS	SUPPLIES	\$644.42
SUCCESS SIGNS LLC	SIGN RENTAL 10-3-17 TO 10-5-17	\$195.00
TAC SERVICES LLC	LAWN SERVICE	\$1,155.00
TERMINAL SUPPLY CO.	SUPPLIES	\$402.19
TITAN MACHINERY- WTN	SUPPLIES	\$1,416.93
TOLLEY, LANCE	REIMBURSEMENT EXPENSE	\$107.00
TW SERVICES INC	DISPOSAL OF MATERIAL	\$2,720.70
ULINE INC	SUPPLIES	\$614.29
UPS	SUPPLIES	\$23.23
US DEPT OF ENERGY WAPA	ANNUAL MAINTENANCE	\$3,000.00
USA BLUEBOOK	SUPPLIES	\$746.72
VISION SERVICE PLAN (VSP) (CA)	VISION INSURANCE	\$358.47
WALMART COMMUNITY	SUPPLIES	\$61.31
WATER & ENVIRONMENTAL ENG RESEARCH	WATER TESTING	\$3,180.00
WATERTOWN CONVENTION & VISITORS BU	TRAINING EXPENSES	\$50.00

WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN PUBLIC OPINION	SUBSCRIPTION	\$313.36
WATERTOWN UNITED WAY	United Way	\$446.00
WESCO DISTRIBUTION INC	SUPPLIES	\$6,486.20
YRC FREIGHT	FREIGHT CHARGE	\$162.78
TOTAL		<u>\$504,446.01</u>

Total October, 2017 504,446.01; Transfer to City's General Fund 101,864, Qtrly First Nat'l Bank - SF 413,660.20, Muni Utilities Electric Water Gas 61,764.98; Northern Natural Gas 2,273.20; Missouri River Energy Services Power 1,704,238.37; BP Canada Energy Marketing Natural Gas 131,315.90; Dept. of Revenue Sales/Excise Tax 150,118.05; CPEP Natural Gas 9,734.55, City Finance Office Garbage Sewer 410,996.98.

ITEM 6986

Pursuant to SDCL 1-25-2(3) Strait moved with second Luken to move to Executive Session for discussion of contractual matters and pending litigation. The Board does not expect to take action when they reconvene to regular session. Motion carried.

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

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

The Watertown Municipal Utilities Department 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 30th, day of October, 2017.

ATTEST: _____

Lisa Pahl
Executive Secretary
Watertown Municipal Utilities Board

Dustin Padgett
Board President
Watertown Municipal Utilities Board