

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Wednesday, May 31st, 2017

The Municipal Utilities Board convened in regular session at the Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Wednesday, May 31st, 2017 at 12:00 p.m. with President Dave Strait presiding.

Board members present: Dave Strait, Dustin Padgett, Mike Luken, John Holley and Greg Solum. Board Member Dustin Padgett 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, Stephanie Ries and Lisa Pahl. Press Dan Crisler, Public Opinion Newspaper, Don Egert KXLG radio.

ITEM 6925

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

ITEM 6926

Motion by Luken with second by Padgett to approve Minutes of regular meeting on April 26th, 2017. Motion carried.

ITEM 6927

This being the time and place set forth for public hearing on proposed lease agreement with Richard DeBerg for lease of 40 acres for grazing. General Manager Lehner declared the Public Hearing to be opened for discussion on the agreement. Lehner requested comments from the public. Upon hearing no comments, Lehner closed the public hearing. Motion by Solum with second by Holley to approve the General Manager to sign the 5 year grazing lease agreement with DeBerg.

ITEM 6928

Water Superintendent DeVille gave an overview of the 2016 Annual Water System Quality Report. He noted that there were no substances detected in our water that violated regulations set by the Federal Government or the State of South Dakota other than the higher THM last year which is reported on the report.

ITEM 6929

Open: a) Lehner presented the bill stuffer the 2016 Annual Water System Quality Report. b) Lehner updated the Board on the MRES Annual Meeting. The guest speakers were Arshad Mansoor from the Electric Power Research Institute spoke on Integrated Energy Network, Mark Kanner of Kanner and Associates spoke on Federal Legislation Issues, Kate Leese spoke on Cyber Security, Andrew Wight with the U.S. Army Corps of Engineers spoke on plans to rehabilitate the hydro-generation on the six Missouri River mainstem dams, Mark Gabriel from Western Area Power Association gave updates and Tom Heller from Missouri River Energy

Services and Harold Schiebout chairman of the MRES Board of Directors presented reports. c) Lehner also invited the Board to the annual Safety Picnic being held on June 6th.

ITEM 6930

Old Business: a) Lehner wanted to remind the Board that in the January 26th, 2015 Board Minutes we authorized a call for Bid for the Upgrade of the Peak Shaving Plant Valve system for the Gas Department and we will be calling for bids this month. b) Motion by Luken with second by Padgett to authorize General Manager to sign Parking Lease Agreement with Zach Hunke for parking space. Motion carried. c) Motion by Luken with second by Solum to authorize General Manager to sign Parking Lease Agreement with Dennis and Kay Solberg for parking space. Motion carried.

ITEM 6931

New Business: Lehner wanted to let the Board know that Central Surveys are conducting a Natural Gas Survey that is required by the Office of Pipeline Safety every 4 years.

ITEM 6932

Chambers presented the Report on Operations and Projects: Electric Department, Projects Completed This Month: Completed terminating wire and transferring customers to new underground in the McKinley school area, this was a project to convert from overhead to underground. Projects Starting Next Month: Replacing street lights hit this winter and Engelstad installing primary and secondary in the Uptown Alley Project. Gas Department, Projects Completed this Month: Installed or removed 111 meter sets. Projects Starting Next Month: New 2" gas main on 21st Street NW by the airport fence. Water Department, Projects Completed this Month: 8 Main Shut Downs, 1 new service tap, 3 Hydrants Replaced. Projects in Progress: Checking all of the hydrants in the system for proper operation and re-building the chlorine feed pumps. Engineering Tech Department, Projects Completed this Month: 368 One-Call locates May 1st - 24th, 514 One-Call locates total April, 2017, 6 emergency locates (3 private Contractor & 3 WMU) Next Month: Average 525 One-Call locates in June.

ITEM 6933

Karst presented the report on Administration and Financial Statements: Purchasing, Accounting and Facilities, Projects Completed This Month: Applied herbicide to all of our WMU properties. Projects in Progress: MRES electric rate study. Upcoming Projects: Installing fence on our property around ball field and removal of old fence and adding new exhaust system in weld and mechanic shops. Customer Service, Projects Completed this Month: 13,572 payments collected for a total of \$4,284,841 total of 52,990 services billed for a total of \$3,701,962. Human Resources/Risk Management, prepared supplemental paperwork for annual property and liability insurance renewal, One retirement, one resignation, several hires and new and returning summer

employees. IT, Security Audit, Meter Reading, Normal monthly IT maintenance and troubleshooting.

Statements of Revenue and Expenses and Capital Additions were presented to the Board for review. Year to date net income is \$614,959 under budget compared to the budget for the four months ending April 30th, 2017. Total Capital Additions are \$388,086 under budget for the four months ending April 30th, 2017.

ITEM 6934

Motion made by Padgett with second by Luken to approve the following verified salary claims and bills. Motion carried unanimously upon roll call vote. Total Municipal Utilities Dept. Net Payroll for May 31st, 2017 Plus ACH Payroll Payments \$465,098.87. Summer Temps P. Dressel 11.50/hr, effective 5/8/2017, C. Fransen 10.50/hr, effective 5/10/2017, J. Zirbel 13.00/hr, effective 5/8/2017, J. Dailey 13.00/hr, effective 5/15/2017 New Full Time M. Gollnick 16.15/hr, effective 5/15/2017, B. Ripley 21.04/hr, effective 5/16/2017 Current Changes S. Myers 22.19/hr, effective 4/21/2017, A. Schultz 25.18/hr, effective 4/27/2017, T. Starr 29.18/hr, effective 4/27/2017, M. Andrews 34.99/hr, effective 5/7/2017, T. Pahl 29.99/hr, effective 5/18/2017, K. Roth 24.32/hr, effective 4/21/2017, B. Warborg 38.94/hr, effective 4/21/2017.

Name	Payable Description	Payment Amount
June 1, 2017		
ABC EMBROIDERY	SERVICE	\$71.70
ADVANCE PRODUCTS & SYSTEMS, LLC	SUPPLIES	\$581.38
ADV. ENGINEERING & ENVIR. SERV.	I & C SYSTEM SERVICES	\$1,291.35
AFLAC	CANCER PT	\$2,304.72
A-OX WELDING SUPPLY INC	SUPPLIES	\$440.10
AQUA-PURE INC	SUPPLIES	\$6,000.00
BENDIX IMAGING INC	OFFICE SUPPLIES	\$139.98
BENSON, BRIAN	REIMBURSEMENT EXPENSE	\$912.78
BERNIE'S TELEPHONE & TECH	PHONE SERVICE	\$75.00
BORDER STATES ELECTRIC SUPPLY	SUPPLIES	\$27,535.97
BORNS GROUP	POSTAGE & MAILING	\$8,981.66
BRIAN'S GLASS & DOOR INC	SERVICE #36	\$40.00
BURCHATZ CONSTRUCTION COMPANY INC	DRAINWAY	\$2,560.00
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWK USAGE	\$87.12
BURNS, JERRY	REIMBURSEMENT EXPENSES	\$36.93
CENTURY LINK	PHONE SERV. 605 882-6233 B005093	\$225.23
CERTIFIED LABORATORIES	SUPPLIES	\$445.00
CHAMBERS, TODD	REIMBURSEMENT EXPENSE	\$604.32
CHAPMAN METERING LLC	SUPPLIES	\$750.00
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$2,479.91
CHILD SUPPORT PAYMENT CENTER	Child Support - Case # 322244010A	\$1,656.00
CODINGTON COUNTY REGISTER OF DEEDS	COPIES	\$30.00
CODINGTON-CLARK ELECTRIC COOP. INC	WELLFIELD ELECTRIC SERVICE	\$4,639.02
CONNECTING POINT	SOFTWARE RENEWAL	\$2,261.25
CONTINENTAL SAFETY EQUIP	SUPPLIES	\$200.68
COTEAU SHOPPER	PUBLISHINGS	\$217.35
CREDIT COLLECTIONS BUREAU	COLLECTIONS	\$199.06
CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$2,942.41
DAKOTA DATA SHRED	SHREDDING SERVICE	\$63.25
DAKOTA RIGGERS & TOOL	SUPPLIES	\$840.97
DE NORA WATER TECHNOLOGIES	SUPPLIES	\$289.32
DEPARTMENT OF REVENUE	WATER SAMPLES	\$441.00

DISCOUNT SEEDS, INC.	SUPPLIES	\$630.00
DOLLAR TREE STORES INC	ENERGY INCENTIVE REBATE	\$405.00
DSG DAKOTA SUPPLY GROUP	WATER METERS AS PER BID	\$19,767.87
DUININCK INC	DIRT, GRAVEL	\$1,762.14
DYNAMIC ENGINEERING	SUPPLIES	\$344.25
ELECTRIC MOTORS & MOORE INC	SUPPLIES	\$306.00
ELEMENT MATERIALS TECHNOLOGY	PIPE WELD QUALIFICATION	\$225.00
ENGELSTAD ELECTRIC COMPANY	SERVICE HOSPITAL & 7TH AVE	\$2,260.00
EVOLUTION POWERSPORTS	SUPPLIES	\$140.83
EZ STOR	ENERGY INCENTIVE REBATE	\$850.00
FARNAMS GENUINE PARTS	SUPPLIES	\$693.24
FASTENAL COMPANY	SUPPLIES	\$561.99
G & R CONTROLS INC.	SERVICE	\$1,461.22
GAS PRODUCTS SALES, INC	SUPPLIES	\$155.94
GCR TIRE CENTER	SUPPLIES	\$67.00
GLACIAL LAKES ENERGY LLC	ENERGY INCENTIVE REBATE	\$1,765.45
GREAT WESTERN BANK	TASC MED	\$6,657.04
GROEBNER	SUPPLIES	\$7,023.36
HACH COMPANY	SUPPLIES	\$872.05
HD SUPPLY WATERWORKS, LTD	HYDRANTS AS PER BID	\$114,491.34
HUMAN SERVICE AGENCY	EAP SERVICES	\$180.00
IBEW LOCAL 426	UNION DUES	\$3,259.13
INGERSOLL RAND COMPANY	SUPPLIES	\$160.92
INTERSTATE ALL BATTERY CENTER	SUPPLIES	\$882.17
ITRON INC	HARDWARE MAINTENANCE	\$8,899.84
IXOM	SUPPLIES	\$88,623.45
J H LARSON COMPANY	SUPPLIES	\$5,612.11
JOHN CRANE INC	SUPPLIES	\$1,704.43
KARST, ADAM	REIMBURSEMENT EXPENSE	\$2,400.00
KEISER, BRIAN	REIMBURSEMENT EXPENSES	\$1,000.00
KEY CONTRACTING INC	POLE CHANGE OUT	\$40,095.99
LAKE CITY FIRE EQUIPMENT LLC	ANNUAL MAINTENANCE	\$880.71
LEHNER, STEVE	REIMBURSEMENT EXPENSE	\$205.98
LOCATORS & SUPPLIES INC	SUPPLIES	\$3,198.89
LUNDE, JOHN	REIMBURSEMENT EXPENSES	\$732.75
M & T FIRE & SAFETY INC	SUPPLIES	\$194.25
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$318.63
MAC'S INC	SUPPLIES	\$810.32
MARCO INC	COPIER PRINTS	\$265.47
MATHESON TRI-GAS INC	SUPPLIES	\$95.07
MENARDS INC	SUPPLIES	\$604.91
MENNENGA, SHEILA	REIMBURSEMENT EXPENSE	\$295.61
MERTZ FENCING	GATES	\$2,674.75
MET LIFE	LIFE INSURANCE	\$1,259.88
MIDCONTINENT COMMUNICATIONS	INTERNET SERVICE	\$105.00
MISSOURI RIVER ENERGY SERVICES	ENERGY INCENTIVE REBATE	\$80.00
MOTION INDUSTRIES	SUPPLIES	\$322.07
MUNICIPAL UTILITIES - PC	PETTY CASH	\$893.97
MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND	\$356.71
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCTS	\$8,847.53
NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$4,577.08
OFFICE PEEPS	SUPPLIES	\$119.63
O'REILLY AUTOMOTIVE INC	SUPPLIES	\$108.90
PETE LIEN & SONS	SUPPLIES	\$12,152.28
PHEASANTLAND INDUSTRIES	SUPPLIES	\$271.18
PHYSIO-CONTROL	SUPPLIES	\$155.00
PIPEHORN LOCATING TECHNOLOGY	SUPPLIES	\$160.00
PRAXAIR DISTRIBUTION INC	CYLINDER RENTAL	\$147.95
PRINCIPAL FINANCIAL GROUP	DENTAL INSURANCE	\$1,023.97
PRINT 'EM NOW INC	SUPPLIES	\$126.77
PRO LINE INC	SUPPLIES	\$159.99
REDLINGER BROS PLUMBING & HEATING	SUPPLIES	\$248.87
RESCO	SUPPLIES	\$8,078.27
RON'S SAW SALES	SUPPLIES	\$249.07

RUDEBUSCH, JAMES	REIMBURSEMENT EXPENSES	\$73.00
RUNNING'S SUPPLY INC	SUPPLIES	\$316.63
SANFORD HEALTH OCCUP. MED. CLINIC	SCREENS	\$140.00
SCHAFER, TRENT	REIMBURSEMENT EXPENSE	\$73.00
SCHUCHARD'S WESTSIDE GMC	SERVICE #27	\$252.00
SD ONE CALL	LOCATES	\$567.00
SD PUBLIC UTILITIES COMMISSION	PIPELINE SAFETY	\$5,188.88
SDRS SPECIAL PAY PLAN	401a VAC	\$38,206.20
SERVICEMASTER	JANITORIAL SERVICE	\$3,740.00
SHERMAN CANVAS	SUPPLIES	\$30.00
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$4,646.65
SPEE-DEE DELIVERY SERVICE INC	SUPPLIES	\$71.19
ST. MARTIN'S LUTH. CHURCH & SCHOOL	ENERGY INCENTIVE REBATE	\$2,500.10
STAN HOUSTON EQUIP CO	SUPPLIES	\$1,608.20
STAR LAUNDRY INC	SUPPLIES	\$411.32
STRUSS, SCOTT	REIMBURSEMENT EXPENSES	\$2,307.08
STUART C IRBY CO	SUPPLIES	\$40,396.66
STURDEVANTS AUTO PARTS	SUPPLIES	\$368.39
TAC SERVICES LLC	LAWN SERVICE	\$435.00
TEREX SERVICES	SUPPLIES	\$2,172.46
TITAN MACHINERY- WTN	SUPPLIES	\$407.75
TRAV'S OUTFITTER	FR CLOTHING	\$844.97
TREATMENT RESOURCES, INC	SUPPLIES	\$2,252.22
TYNDALE COMPANY INC	SUPPLIES	\$199.95
US PLASTICS CORP	SUPPLIES	\$101.98
USA BLUEBOOK	SUPPLIES	\$304.76
VISION SERVICE PLAN (VSP) (CA)	VISION INSURANCE	\$376.03
VOIGHT, DANIEL J	REIMBURSEMENT EXPENSES	\$541.13
WALMART COMMUNITY	SUPPLIES	\$341.70
WARBORG, BRYAN	REIMBURSEMENT EXPENSES	\$1,000.00
WATERTOWN CO-OP ELEVATOR ASSN	SUPPLIES	\$78.55
WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVEL. EXPENSE	\$8,690.00
WATERTOWN FORD CHRYSLER	SUPPLIES	\$283.53
WATERTOWN PUBLIC OPINION	PUBLISHINGS	\$1,017.30
WATERTOWN UNITED WAY	United Way	\$456.00
WESCO DISTRIBUTION INC	WIRE AS PER BID	\$219,534.07
WILSON BOHANNAN COMPANY	SUPPLIES	\$1,091.88
WITTE, STEVE	REIMBURSEMENT EXPENSE	\$73.00
ZEP SALES AND SERVICE	SUPPLIES	\$264.63
	TOTAL	\$773,685.89

Total May 2017 773,685.89; Transfer to City's General Fund 101,864, Muni Utilities Electric Water Gas 39,459.04; Northern Natural Gas 2,273.20; Missouri River Energy Services Power 1,495,250.74; BP Canada Energy Marketing Natural Gas 264,036.60; Dept. of Revenue Sales/Excise Tax 164,872.87; CPEP Natural Gas 29,011.35, City Finance Office Garbage Sewer 399,333.19

ITEM 6935

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

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

Motion by Luken with second by Padgett 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 31ST, day of May, 2017.

ATTEST: _____

Lisa Pahl
Executive Secretary
Municipal Utilities Board

Dave Strait
Board President
Municipal Utilities Department