

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday January 29th, 2018

The Municipal Utilities Board convened in regular session at the Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday, January 29th, 2018 at 12:00 p.m. with President Dustin Padgett presiding.

Board members present: Dustin Padgett, Mike Luken and John Holley. Board Members absent Greg Solum and Dave Strait. Board Liaison, member of City Council, Glen Vilhauer. Staff members present: Steve Lehner, Todd Chambers, Adam Karst, Jeff DeVille, Doug Enstad, Rich Schmidt, Mark Meier, Mark Haider, Kevin Kruiter, Sheila Mennenga, Stephanie Ries and Lisa Pahl. Press Dan Crisler, Public Opinion Newspaper and Don Egert KXLG Radio.

ITEM 7016

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

ITEM 7017

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

CONTRACTS SIGNED ANNUALLY BY GENERAL MANAGER

- a) First District Association of Local Governments
- b) HVAC Maintenance
- c) Lawn Care
- d) Monitor Contract for Fire Alarm System
- e) Fire Protection System Inspection
- f) Authorization for Staff to Open Bids
- g) SCADA Maintenance Agreements
- h) MMUA Safety Management Program
- i) Telvent, DTN
- j) Right of First Refusal with Northern Natural Gas
- k) Geotek Engineering & Testing Services Inc.
- l) Change Orders up to \$5,000 for Construction Projects and Equipment During 2018
- m) Midcontinent Communications

ITEM 7018

Motion by Holley with second by Luken to approve minutes of regular meeting on December 27th, 2017. Motion carried.

ITEM 7019

In the past Watertown Municipal Utilities paid 25% of the City Attorneys cost for legal representation. Attorney fees. The City has indicated they will use the Attorney 100% of the time and so the Watertown Municipal Utilities went out for proposals for legal services and we received 4 proposals back. Motion by Holley with second by Luken to approve the request for legal services with Foley Law Office and Austin, Hinderaker, Hopper, Strait and Benson LLP, at a rate of \$200.00 per hour. Motion carried. The two law firms each bring different qualifications and the utilities will utilize both. Because Dave Strait is a partner in one of the law firms approved for legal services, this would create a conflict of interest for him if he remained on the Watertown Municipal Utilities Board. Therefore, Dave Strait will resign as a Board Member at the next scheduled board meeting. Dave has served on the WMU Board for the past 21 years.

ITEM 7020

Motion by Luken with second by Holley to authorize the Watertown Municipal Utilities to purchase two 2018 Dodge Ram trucks from Watertown Ford Chrysler, Watertown, SD for the price of \$26,137 each. This price is at or below the state contract list #17149. Motion carried.

ITEM 7021

Karst presented the 2017 Fixed Asset Report & Solid Waste Disposal Report according to Policy Section #49. This report included removal of 81 poles, removal of 4,300 feet of overhead wire, abandoned 21,324 feet of underground wire, retired 7,110 KVA of line transformers, retired 181 electric meters, removed 60 uptown substation batteries, retired 48 water meters, abandoned 1,495 feet of water main, abandoned 43 water service connections, removed or replaced 14 hydrants, transferred to the City of Watertown 1 2008 Ford F250 Truck, removed or replaced 4 air compressors at the Water Plant, removed 1 each of clean and inspect water tanks, recoat and repaint 1M tank - JH Larson and 19th St Tower, exterior painting of S Lake Water Tower and N Lake Water Tower, interior painting of N Lake Water Tower and S Lake Water Tower, abandoned 3,878 feet of gas services, retired 137 gas meter and abandoned 849 feet of main.

ITEM 7022

Chambers presented proposed changes to the General Policy which included revisions by adding a schedule of fees and rewording areas within the General, Electric, Water and Gas policies directing to this schedule of fees. Also changes to General Policy 29.1 and 32.1. Electric Policy changes Section 6.5 and adding 7.1.5 and changes in section 8.1. Water Policy changes to sections 15.7, 16.1 and 16.2. Gas Policy changes added section 9.6. The Board was asked to review these proposed policy changes and they will be presented for approval at the February meeting.

ITEM 7023

This being the time and place set for consideration of bids, the following were presented. Bids for Transformers, Wire, Installation of URD Wire, Electric Service Installation and Lime Sludge Removal. The bids were opened Thursday, January 25th, 2018 at 1:30 PM by the Watertown Municipal Utilities Staff as authorized by the Board.

TRANSFORMERS: Five bids were received and upon review and recommendation by Chambers, motion by Luken with second by Holley to award bid to low valid bidders, Items 2 and 3 to Dakota Supply Group, Sioux Falls, SD, for a total of \$66,905. Items 1, 4, 5, 6, 7, 8 and 9 to RESCO, Moorhead, MN for total of \$110,789. Motion carried.

WIRE: Seven bids were received and upon review and recommendation by Chambers, motion by Holley with second by Luken to award bid to low valid bidders, Item 1 and 2 to RESCO, Moorhead, MN for total of \$157,098, Items 3 and 4 to WESCO, Sioux City, IA for \$31,050. We will not be going with Alternate Items 1 and 2 because they use a different type of installation and it's not cost effective at this time. Motion carried

INSTALL URD PRIMARY AND SECONDARY: Four bids were received and upon review and recommendation by Chambers, motion by Holley with second by Luken to award bid to low valid bidder, Dave's Construction, Sioux Falls, SD for \$289,900. Motion carried.

ELECTRIC SERVICE INSTALLATION: Two bids were received and upon review and recommendation by Chambers, motion by Holley with second by Luken to award bid to low valid bidder, Efraimson Electric, Bryant, SD for \$70,900. Motion carried.

LIME SLUDGE REMOVAL: One bid was received and upon review and recommendation by Chambers, motion by Luken with second by Holley to accept bid from Gacke Enterprises, Canton, SD for \$6.75 price per yard. Motion carried.

ITEM 7024

Open: Lehner presented the bill stuffer - Kindergarten Screening. Lehner also invited the Board to the AWWA Conference June 12-14 in Las Vegas, NV.

ITEM 7025

Chambers presented the Report on Operations and Projects: Electric Department, Projects Completed This Month: Energized transformer for Trav's Outfitter, Projects in Progress: Tree Trimming, Changing rotten poles East of 19 St. on 14th Ave NE. Starting Next Month: Infrared thermal scanning of overhead lines, substations and underground equipment by MRES. Gas Department, Projects Completed this Month: Responded to 25 service calls,

Completed 13 gas piping inspections on new installations. Projects Starting Next Month: District Regulator stations annual inspection is 50% completed, Annual review and updates to DIMP. Water Department, Projects Completed this Month: 4 water main breaks, 2 hydrant maintenance, collecting information from the field and working with Engineering Tech's for the HWY 212 main replacement project. Projects in Progress: Low head and backwash pumps in side #1 clear well are being replaced. Engineering Tech Department, Projects Completed this Month: 17 One-Call locates Jan. 1st - 24th, 49 One-Call locates total December 2017, 6 emergency locates (2 private contractor and 4 WMU), 3,621 total locates in 2017 - 5 year average 3,822. Next Month: Drafting Water Plans for Hwy 212 reconstruction project, 16 One-Call locates in February.

ITEM 7026

Karst presented the report on Administration and Financial Statements: Purchasing, Accounting and Facilities, Projects Completed This Month: Acquiring quotes for lawn care and for a new air conditioner in the server room. Customer Service, Projects Completed this Month: 13,916 payments collected for a total of \$4,566,434 total of 53,338 services billed for a total of \$4,905,593. Human Resources/Risk Management: Completed interviews for Apprentice or Journeyman Lineman (26 applicants). 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 \$295,885 under budget for the twelve months ending December 31st, 2017. Total Capital Additions are \$558,889 under budget for the twelve months ending December 31st, 2017.

ITEM 7027

Motion made by Luken with second by Holley to approve the following verified salary claims and bills. Motion carried unanimously upon roll call vote. Total Watertown Municipal Utilities Net Payroll for January 2018 Plus ACH Payroll Payments \$501,951.22. D. Johnson - temp.to help with A/P year-end. Term: B. Hansen, Lineman, effective 1/9/2018. J. Stanley, Lineman, effective 1/17/2018.

Name	Payable Description	Payment Amount
February 1, 2018		
ABC EMBROIDERY	SUPPLIES	\$168.30
ABC LOCK & KEY	LOCK MAINT. & SERVICE CALL	\$65.00
ACTIVE HEATING INC	ENERGY INCENTIVE REBATE	\$200.00
ADV. ENGINEERING & ENVIRONMENTAL SERV.	STUDY & REPORT	\$915.00
AFLAC	CANCER PT	\$1,882.06
A-I COMPUTER SOLUTIONS	SUPPLIES	\$433.03
A-OX WELDING SUPPLY INC	CYLINDER RENTAL	\$18.85
APGA	2018 MEMBERSHIP DUES	\$8,457.12
BENDIX IMAGING INC	COMPUTER SUPPLIES	\$328.95
BIG SIOUX WATER FESTIVAL	CONTRIBUTION	\$1,250.00
BORDER STATES ELECTRIC SUPPLY	SUPPLIES	\$19,627.50
BORNS GROUP	POSTAGE & MAILING	\$8,501.87

BRAGE, DOUGLAS J	REIMBURSEMENT EXPENSE	\$137.54
BTE CORPORATION	SUPPORT CONTRACT	\$2,450.00
BURCHATZ CONSTRUCTION CO. INC	CONCRETE REPAIR	\$1,007.34
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWORK USAGE	\$105.99
CENTURY LINK	PHONE SERVICE	\$297.50
CERTIFIED LABORATORIES	SUPPLIES	\$159.82
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$961.77
CHILD SUPPORT PAYMENT CENTER	EMPLOYEE DEDUCTION: CHILD SUPPORT	\$1,656.00
CODINGTON COUNTY REGISTER OF DEEDS	COPIES	\$91.00
CODINGTON-CLARK ELECTRIC COOP. INC	WELLFIELD ELECTRIC SERVICE	\$5,214.14
CONNECTING POINT	TABLET PC'S	\$31,749.19
CONSTRUCTION SIGNING CORPORATION	TRAFFIC CONTROL	\$4,221.00
CREDIT COLLECTIONS BUREAU	COLLECTIONS	\$106.16
CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$3,138.59
DAKOTA DATA SHRED	SHREDDING SERVICE	\$44.78
DE VILLE, JEFF	REIMBURSEMENT EXPENSE	\$860.00
DENR	2018 CERTIFICATION RENEWAL FEES	\$78.00
DEPARTMENT OF REVENUE	WATER SAMPLES	\$869.00
DETERMAN, JEFF	REIMBURSEMENT EXPENSE	\$119.02
DGR ENGINEERING	ENGINEERING SERVICES	\$4,760.00
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$6,250.99
DUININCK INC	GRAVEL & CRUSHED CONCRETE	\$1,871.26
ELECTRIC MOTORS & MOORE INC	SUPPLIES	\$600.00
ENDERSON, MARSHA	REIMBURSEMENT EXPENSE	\$53.10
ENERGY ECONOMICS INC	SUPPLIES	\$545.45
ENGELSTAD ELECTRIC COMPANY	INSTALLATION OF UNDERGROUND	\$9,160.00
ENSTAD, DOUG	REIMBURSEMENT EXPENSE	\$52.00
ETHANOL PRODUCTS LLC	BULK CO2	\$1,863.89
FARNAMS GENUINE PARTS	DIESEL SCANNER	\$4,775.91
FASTENAL COMPANY	SUPPLIES	\$92.68
FORMAN, CHRIS	REIMBURSEMENT EXPENSE	\$32.28
GAS PRODUCTS SALES, INC	100G ERTS	\$12,193.61
GCR TIRE CENTER	SUPPLIES	\$475.35
GLACIAL LAKES RADIATOR	SUPPLIES	\$2,500.00
GOLLNICK, DAREN	REIMBURSEMENT EXPENSE	\$52.00
GRAINGER	SUPPLIES	\$4,072.00
GREAT WESTERN BANK	TASC FEES	\$241.02
GREAT WESTERN BANK	TASC MED	\$3,748.54
GREAT WESTERN BANK	TASC DC	\$1,446.68
GREAT WESTERN BANK	TASC FEES	\$67.98
GREAT WESTERN BANK	2017 TASC ANNUAL RECONCILIATION	\$1,123.56
GREAT WESTERN BANK	TASC MED	\$1,742.53
GROUND SPECIALTIES INC	SUPPLIES	\$282.00
HACH COMPANY	SUPPLIES	\$695.65
HARRIS COMPUTER SYSTEMS	2018 SOFTWARE MAINTENANCE	\$49,767.89
HAWKINS, INC.	SUPPLIES	\$1,140.60
HUMAN SERVICE AGENCY	EAP SERVICES	\$67.50
IBEW LOCAL 426	UNION DUES	\$3,207.81
INTERSTATE ALL BATTERY CENTER	SUPPLIES	\$169.60
KEISER, BRIAN	REIMBURSEMENT EXPENSE	\$25.43
KRUITER, KEVIN	REIMBURSEMENT EXPENSE	\$168.00
LEHNER, STEVE	REIMBURSEMENT EXPENSE	\$180.95
LOCATORS & SUPPLIES INC	SUPPLIES	\$708.15
LYLE SIGNS INC	SUPPLIES	\$262.75
MAC'S INC	SUPPLIES	\$509.23
MAHOWALD'S HARDWARE & RENTAL	SUPPLIES	\$32.99
MARCO INC	COPIER PRINTS	\$331.05
MC KEEVER INC	SUPPLIES	\$49.01
MENARDS INC	SUPPLIES	\$1,354.90
MENNENGA, SHEILA	REIMBURSEMENT EXPENSE	\$1,000.00

MET LIFE	LIFE INSURANCE	\$1,413.54
MIDCONTINENT COMMUNICATIONS	INTERNET SERVICE	\$165.00
MILLERBERND MFG CO	SUPPLIES	\$624.00
MINNESOTA MUNICIPAL UTILITIES ASSN	SAFETY PROGRAM	\$8,052.50
MISSOURI RIVER ENERGY SERVICES	MOTOR CIRCUIT ANALYSIS	\$747.10
MISSOURI RIVER ENERGY SERVICES	2017 ELECTRIC RATE STUDY	\$9,000.00
MUNICIPAL UTILITIES - PC	PETTY CASH	\$810.59
MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND	\$809.52
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCOUNTS	\$4,795.29
NELSON TECHNOLOGIES INC	SUPPLIES	\$733.08
NORTHWEST LINEMAN COLLEGE	TRAINING EXPENSE	\$616.00
NORTHWESTERN ENERGY	SERVICE RIGHTS PAYABLE	\$2,862.88
OFFICE PEEPS	OFFICE SUPPLIES	\$1,615.79
O'REILLY AUTOMOTIVE INC	SUPPLIES	\$30.30
PEDERSON, MIKE	REIMBURSEMENT EXPENSE	\$52.00
PETE LIEN & SONS	BULK LIME AS PER BID	\$11,928.80
PRAXAIR DISTRIBUTION INC	CYLINDER RENTAL	\$147.15
PRINCIPAL FINANCIAL GROUP	DENTAL INSURANCE	\$1,376.86
PRINT 'EM NOW INC	SUPPLIES	\$360.00
REDLINGER BROS PLUMBING & HEATING	SUPPLIES	\$112.35
RENELT, RON	REIMBURSEMENT EXPENSE	\$52.00
RESCO	SUPPLIES	\$5,602.20
RONKE, SHANE	REIMBURSEMENT EXPENSE	\$582.33
RON'S SAW SALES	SUPPLIES	\$116.29
ROTH, KEENAN M	REIMBURSEMENT EXPENSE	\$119.94
RUNNING'S SUPPLY INC	SUPPLIES	\$194.57
SANFORD HEALTH OCCUP. MEDICINE	SCREENS	\$232.00
SD MUNICIPAL LEAGUE	REGISTRATION EXPENSE	\$50.00
SD ONE CALL	LOCATES	\$56.70
SDWWA	REGISTRATION EXPENSE	\$225.00
SERVICEMASTER	JANITORIAL SERVICE	\$3,740.00
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$6,082.22
SPEE-DEE DELIVERY SERVICE INC	SUPPLIES	\$74.48
SPIES CORPORATION	ENERGY INCENTIVE REBATE	\$922.20
STAR LAUNDRY INC	SUPPLIES	\$378.33
STUART C IRBY CO	SUPPLIES	\$2,142.00
STURDEVANTS AUTO PARTS	SUPPLIES	\$240.81
TEREX SERVICES	SUPPLIES	\$2,383.97
TITAN MACHINERY- WTN	SUPPLIES	\$2,536.28
TOLLEY, LANCE	REIMBURSEMENT EXPENSE	\$52.00
TRAV'S OUTFITTER	SUPPLIES	\$240.00
TYNDALE COMPANY INC	SUPPLIES	\$1,012.95
UPS	SHIPPING	\$111.10
USA BLUEBOOK	SUPPLIES	\$322.61
WARBORG, BRYAN	REIMBURSEMENT EXPENSE	\$20.00
WATERTOWN AREA CHAMBER OF COMM.	TRAINING EXPENSE	\$325.00
WATERTOWN CO-OP ELEVATOR ASSN	SUPPLIES	\$198.00
WATERTOWN DEVELOPMENT CO.	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN FORD CHRYSLER	SUPPLIES	\$113.55
WATERTOWN FORD CHRYSLER	SUPPLIES	\$98.44
WATERTOWN FORD CHRYSLER	SUPPLIES	\$621.86
WATERTOWN PUBLIC OPINION	PUBLISHINGS	\$676.00
WATERTOWN UNITED WAY	United Way	\$419.50
WATERTOWN WHOLESALE	SUPPLIES	\$413.80
WESCO DISTRIBUTION INC	SUPPLIES	\$8,256.90
WW TIRE SERVICE INC	SUPPLIES	\$2,034.00
TOTAL		<u>\$308,378.64</u>

Total January 2018 308,378.64; Transfer to City's General Fund 103,901, Qtrly First Nat'l Bank - SF 413,660.20, Muni Utilities Electric Water Gas 35,225.30, Northern Natural Gas 6,061.20; Missouri River Energy Services Power 2,125,958.76; BP Canada Energy Marketing Natural Gas 1,203,506.00; Dept. of Revenue Sales/Excise Tax 199,532.40; CPEP Natural Gas 101,411.85, City Finance Office Garbage Sewer 398,216.75.

ITEM 7028

Pursuant to SDCL 1-25-2(1) Luken moved with second by Holley to move to Executive Session for discussion of the qualifications, competence, performance, character or fitness of an employee. 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 Luken with second by Holley 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 29th, day of January, 2018.

ATTEST: _____

Lisa Pahl
Executive Secretary
Municipal Utilities Board

Dustin Padgett
Board President
Municipal Utilities Department