

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday April 30th, 2018

The Municipal Utilities Board convened in regular session at the Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday, April 30th, 2018 at 12:00 p.m. with President Dustin Padgett presiding.

Board members present: Dustin Padgett, Mike Luken, John Holley, Greg Solum and Lisa Carrico. Board Liaison, member of City Council, Glen Vilhauer. Staff members present: Steve Lehner, Todd Chambers, Jeff DeVille, Doug Enstad, Rich Schmidt, Mark Meier, Mark Haider, Kevin Kruiter, Sheila Mennenga, Stephanie Ries, Lisa Pahl and Attorney Vince Foley. Guest: Diane Stiles and LuAnn Strait from Watertown H20-20 and Mayor Sara Caron and Shane Waterman from the City of Watertown. Press: Dan Crisler, Public Opinion Newspaper.

ITEM 7057

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

ITEM 7058

Motion by Holley with second by Luken to approve minutes of regular meeting on March 26th, 2018. Motion carried.

ITEM 7059

Lehner told the Board of the State House bill 1172 that states the Chair of the public body shall reserve at every official meeting by the public body a period for public comment, limited at the chair's discretion, but not so limited as to provide for no public comment. This bill is to take effect in July, but Watertown Municipal Utilities will instate this immediately. Board President Padgett asked if anyone had Public Comment and there was none.

ITEM 7060

Diane Stiles of the Watertown H20-20 presented a discussion on updating street light poles and fixtures in conjunction with the US Highway 212 Phase II reconstruction project. The hope is to have a commitment from the Utilities to help financially and/or by providing maintenance and inventory of the decorative light poles along Highway 212. This would be for the beautification of the city. Mayor Caron also addressed the Board and her plea was that now is the time to do this because it could be many, many years for another opportunity like this and it would not be cost effective to go back and do this type of work in the future. The area this would consist of would be Highway 212 from Highway 81 to 19th Street SE. City Engineer Waterman added that even though they could not bring a dollar amount to the Board, he hoped

to have that number soon. The Board would like the opportunity to think on this matter until they get the proper numbers to base a decision on.

ITEM 7061

Motion by Luken with second by Holley to approve Board President to sign the Addendum to the Communication Tower Lease Agreement with the Brookings Municipal Utilities dba Swiftel Communications. The carrier added mounted antennas to the top of the water tower for a total of 14 attachments. There was a price adjustment per attachment going forward along with the 3% yearly adder. Motion carried.

ITEM 7062

This being the time and place set for consideration of bids, the following were presented. Bids for PVC Pipe, Directional Drilling for Water Installation and Hydrants for the Water Department. The bids were opened Thursday, April 26th, 2018 at 1:30 PM by the Watertown Municipal Utilities Staff as authorized by the Board.

PVC PIPE: Two bids were received and upon review and recommendation by Chambers, motion by Holley with second by Solum to award bid to low valid bidder Dakota Supply Group, Sioux Falls, SD for a total of \$69,898.80. Motion carried.

DIRECTIONAL DRILLING FOR WATER DEPARTMENT: One bid was received and upon review and recommendation by Chambers, Motion by Holley with second by Solum to award bid to low valid bidder AP and Sons, Summit, SD for a total price of \$288,210.00. Motion carried.

HYDRANTS: Two bids were received and upon review and recommendation by Chambers motion by Luken with second by Holley to award bid to low valid bidder, Core and Main, Sioux Falls, SD for a total bid price of \$49,227.16. Motion carried.

ITEM 7063

Motion by Carrico with second by Luken for authorization to purchase a line truck from Terex off the National Joint Powers Alliance for the Electric Department. The total was \$231,020 and the qualified NJPA Number is 042815-TER and the qualified Quote Number is QU10713. Motion carried.

ITEM 7064

Open: Lehner presented two bill stuffers, Mosquito Control and Rate Comparison/MRES Power Supply Mix. Karst added that we have maintained rates in the bottom third in Eastern South Dakota, as the Board has requested.

ITEM 7065

Old Business: Motion by Luken with second by Solum to approve the Solar Salt contract with Cargill that Water Superintendent DeVille acquired. The contract price of \$179.58 per ton is an 8 percent decrease from last time. Motion carried.

ITEM 7066

Chambers presented the Report on Operations and Projects: Electric Department, Projects Completed This Month: Took 115 KV Transmission line out of service WAPA to East Sub for WAPA to replace switches at their substation March 28 - 29, Changed 11 poles on 29th Street south of Walmart. Projects in Progress: Overhead line maintenance, working with DGR on substation metering. Projects Starting Next Month: Construction season started, crews will be installing primary wire for projects. Gas Department, Projects Completed this Month: Responded to 14 odor calls, responded to 4 CO calls. Projects in Progress: Working on OQ, Propane air plant updates. Projects Starting Next Month: Spring construction and meter maintenance. Water Department, Projects completed this Month: 13 water main breaks, Start the round-about project on South Highway 81. Projects in Progress: Working on side #1 up flow for winter maintenance, Maintenance items for the MIEX system. Projects to Start Next Month: Start the Round-about project on South Hwy 81. Engineering Tech Department, Projects Completed this Month: 143 One-Call locates Apr. 1st - 25th, 25 One-Call locates total March 2018, 1 emergency locate (1 Private Contractor & 0 WMU). Next Month: Average 600 One-Call locates in May.

ITEM 7067

Karst presented the report on Administration and Financial Statements: Purchasing, Accounting and Facilities, Projects in Progress: Installation of new air conditioner in the server room, Purchasing items for inventory for construction season. Upcoming Projects: Install glass barrier at customer service counter. Customer Service, Projects Completed this Month: 13,971 payments collected for a total of \$5,324,815 total of 53,372 services billed for a total of \$4,318,811. Major Projects Completed: We sent out 2,179 budget bill letters. The average customer's budget bill increased 6% to \$209. Human Resources/Risk Management: Over 2 million in damage for the City, which includes WMU - \$50,000 in cosmetic damage to WMU property - Morton Building. The Insurance's Catastrophic Division will be revisiting the claim and Karst will keep the Board updated. 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 \$591,965 over budget for the three months ending March 31st, 2018. Total Capital Additions are \$136,892 under budget for the three months ending March 31st, 2018.

ITEM 7068

Board set date of Tuesday, May 29th, 2018 at noon for May Board Meeting.

ITEM 7069

Motion made by Luken with second by Solum to approve the following verified salary claims and bills. Motion carried upon roll call vote. Total Watertown Municipal Utilities Net Payroll for April 2018 Plus ACH Payroll Payments \$503,631.51. Info: M. Waite Summer Temp effective 4/16/2018 15.00/hr. and D. Brage effective 4/3/2017 35.93/hr.

| Name | Payable Description | Payment Amount |
|---|-----------------------------------|----------------|
| May 1, 2018 | | |
| ABC EMBROIDERY | SERVICE | \$44.55 |
| ABC LOCK & KEY | SERVICE | \$511.62 |
| ACTIVE HEATING INC | SERVICE CALL FOR AIR COMPRESSOR | \$91.84 |
| ADVANCED ENGINEERING & ENV. SERVICES | I&C SYSTEM SERVICES | \$3,833.29 |
| ADVANTAGE RVS & CONVERSIONS | ENERGY INCENTIVE REBATE | \$465.00 |
| AERO TRAILERS | ENERGY INCENTIVE REBATE | \$1,050.00 |
| AFLAC | CANCER PT | \$1,739.47 |
| AMERICAN LEGION | SUPPLIES | \$200.00 |
| A-OX WELDING SUPPLY INC | SUPPLIES | \$649.48 |
| APPLIED INDUSTRIAL TECH INC | SUPPLIES | \$328.23 |
| AUSTIN, HINDERAKER, HOPPER, STRAIT & BENSON | LEGAL SERVICES | \$2,201.83 |
| AUTO BODY SPECIALTIES | SUPPLIES | \$208.50 |
| AUTOMATIC BUILDING CONTROLS | FIRE ALARM SYSTEM TESTING | \$597.00 |
| BENDIX IMAGING INC | SUPPLIES | \$159.99 |
| BERNIES BODY & GLASS | ENERGY INCENTIVE REBATE | \$3,534.60 |
| BORDER STATES ELECTRIC SUPPLY | SUPPLIES | \$19,613.16 |
| BORNS GROUP | POSTAGE & MAILING | \$9,062.84 |
| BURAND INC | SUPPLIES | \$225.78 |
| BUREAU OF ADMINISTRATION | STATE TELEPHONE NETWORK USAGE | \$119.68 |
| CARTNEY BEARING & SUPPLY | SUPPLIES | \$67.60 |
| CENTURY LINK | PHONE SERVICE | \$297.69 |
| CHAMBERS, TODD | REIMBURSEMENT EXPENSE | \$280.75 |
| CHASE CARDMEMBER SERVICE | CREDIT CARD | \$2,140.71 |
| CHEMCO SYSTEMS, LP | SUPPLIES | \$610.71 |
| CHILD SUPPORT PAYMENT CENTER | EMPLOYEE DEDUCTION: CHILD SUPPORT | \$850.00 |
| CITY OF WATERTOWN | ADDIT. PROPERTY INSURANCE PREMIUM | \$890.08 |
| CODINGTON-CLARK ELECTRIC COOPERATIVE INC | WELLFIELD ELECTRIC SERVICE | \$4,907.68 |
| CONNECTING POINT | SUPPLIES | \$207.97 |
| CORE & MAIN LP | SUPPLIES | \$5,230.28 |
| CREDIT COLLECTIONS BUREAU | COLLECTIONS | \$20.47 |
| CRESCENT ELECTRIC SUPPLY CO | SUPPLIES | \$1,234.25 |
| DAKOTA DATA SHRED | SHREDDING SERVICE | \$97.34 |
| DAKOTA RIGGERS & TOOL | SUPPLIES | \$496.23 |
| DE VILLE, JEFF | REIMBURSEMENT EXPENSE | \$971.54 |
| DEPARTMENT OF REVENUE | LICENSE PLATES | \$205.75 |
| DEPARTMENT OF REVENUE | WATER SAMPLES | \$412.00 |
| DEPARTMENT OF REVENUE | LICENSE PLATES | \$239.40 |
| DEPARTMENT OF REVENUE | WATER SAMPLES | \$470.00 |
| DGR ENGINEERING | REVENUE METERING RELOCATION | \$7,140.00 |
| DIAMOND VOGEL PAINT CENTER | SUPPLIES | \$63.03 |
| DSG DAKOTA SUPPLY GROUP | SUPPLIES | \$3,681.90 |
| DUININCK INC | GRAVEL, ROCK AND CRUSHED CONCRETE | \$1,386.86 |
| ELC SECURITY PRODUCT INC | SUPPLIES | \$219.36 |

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| ELECTRIC MOTORS & MOORE INC | SUPPLIES | \$101.00 |
| ELEMENT MATERIALS TECHNOLOGY | PIPE WELD QUALIFICATION | \$225.00 |
| ENERGY ECONOMICS INC | SUPPLIES | \$1,357.25 |
| ETHANOL PRODUCTS LLC | BULK CO2 | \$2,089.57 |
| EVOLUTION POWERSPORTS | POLARIS ATV | \$6,899.00 |
| FARNAMS GENUINE PARTS | SUPPLIES | \$1,858.35 |
| FASTENAL COMPANY | SUPPLIES | \$130.30 |
| FOLEY AND FOLEY LAW OFFICE, PC | LEGAL FEES | \$920.00 |
| FRANZ REPROGRAPHICS, INC. | SUPPLIES | \$464.02 |
| GAS PRODUCTS SALES, INC | SUPPLIES | \$207.88 |
| GCR TIRE CENTER | SUPPLIES | \$1,292.82 |
| GRAINGER | SUPPLIES | \$372.15 |
| GREAT WESTERN BANK | TASC MED | \$7,178.68 |
| HANSEN, BRENT | REIMBURSEMENT EXPENSE | \$118.83 |
| HAWKINS, INC. | SUPPLIES | \$3,503.48 |
| HOMETOWN BUILDING CENTER | SUPPLIES | \$21.69 |
| IBEW LOCAL 426 | UNION DUES | \$3,317.00 |
| INDELCO PLASTICS CORPORATION | SUPPLIES | \$2,650.52 |
| INFRASTRUCTURE DESIGN GROUP, INC. | HWY 212 WATERMAIN REPLACEMENT | \$4,710.00 |
| INGERSOLL RAND COMPANY | SUPPLIES | \$1,042.19 |
| J H LARSON COMPANY | SUPPLIES | \$1,791.36 |
| JOHNSON CONTROLS INC | AIR CONDITIONER FOR IT ROOM | \$2,955.00 |
| KARST, ADAM | REIMBURSEMENT EXPENSE | \$1,198.00 |
| KLOOS ELECTRIC LLC | SERVICE | \$500.00 |
| KOONS GAS MEASUREMENT | SUPPLIES | \$310.41 |
| LAKE CITY FIRE EQUIPMENT LLC | EXTINGUISHER MAINTENANCE | \$80.24 |
| LEHNER, STEVE | REIMBURSEMENT EXPENSE | \$486.99 |
| LOCATORS & SUPPLIES INC | SUPPLIES | \$2,399.38 |
| M & T FIRE & SAFETY INC | SUPPLIES | \$108.50 |
| MACKSTEEL WAREHOUSE INC | ENERGY INCENTIVE REBATE | \$8,551.87 |
| MAC'S INC | SUPPLIES | \$81.53 |
| MAHOWALD'S HARDWARE & RENTAL | SUPPLIES | \$25.99 |
| MARCO INC | COPIER LEASE | \$458.90 |
| MC KEEVER INC | SUPPLIES | \$162.11 |
| MEIER, MARK | REIMBURSEMENT EXPENSE | \$144.90 |
| MENARDS INC | SUPPLIES | \$1,078.54 |
| MET LIFE | LIFE INSURANCE | \$1,422.66 |
| MIDCONTINENT COMMUNICATIONS | INTERNET SERVICE | \$165.00 |
| MIDWEST AUTOMOTIVE INC | SUPPLIES | \$189.99 |
| MILBANK WINWATER WORKS | SUPPLIES | \$580.33 |
| MINNESOTA MUNICIPAL UTILITIES ASSN | SAFETY PROGRAM | \$8,607.50 |
| MISSOURI RIVER ENERGY SERVICES | INFRARED INSPECTION SERVICE | \$5,053.63 |
| MOTION INDUSTRIES | SUPPLIES | \$700.53 |
| MUELLER CO | SUPPLIES | \$163.14 |
| MUNICIPAL UTILITIES - PC | PETTY CASH | \$133.30 |
| MUNICIPAL UTILITIES-NSF CHECK ACCO | REIMBURSE NSF FUND | \$1,131.21 |
| MUNICIPAL UTILITIES-REFUND ACCT | REFUNDS OF CREDITS ON ACCOUNTS | \$3,870.69 |
| NORTHERN TRUCK EQUIP CORP | SUPPLIES | \$943.00 |
| NORTHWESTERN ENERGY | SERVICE RIGHTS PAYABLE | \$3,005.85 |
| OFFICE PEEPS | SUPPLIES | \$2,430.22 |
| PAHL, TIMOTHY A | REIMBURSEMENT EXPENSE | \$2,000.00 |
| PETE LIEN & SONS | BULK LIME | \$14,404.84 |
| PHEASANTLAND INDUSTRIES | SUPPLIES | \$612.76 |
| PRAXAIR DISTRIBUTION INC | CYLINDER RENTAL | \$138.97 |
| PRINCIPAL FINANCIAL GROUP | DENTAL INSURANCE | \$1,393.93 |
| PRINT 'EM NOW INC | SUPPLIES | \$95.00 |
| PRO LINE INC | SUPPLIES | \$790.92 |
| PROBEWELL LAB INC | METER TESTER | \$5,070.00 |
| RDO EQUIPMENT COMPANY | GPS SURVEY UNIT | \$4,672.24 |
| REDLINGER BROS PLUMBING & HEATING | SUPPLIES | \$1,262.58 |

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| RESCO | WIRE AS PER BID | \$272,235.30 |
| RON'S SAW SALES | SUPPLIES | \$440.67 |
| ROTH, KEENAN M | REIMBURSEMENT EXPENSE | \$90.00 |
| RUNNING'S SUPPLY INC | SUPPLIES | \$74.04 |
| SCHAEFFER MFG CO | SUPPLIES | \$1,109.09 |
| SCHMIDT, RICHARD | REIMBURSEMENT EXPENSE | \$312.60 |
| SCHULTZ, ANDY | REIMBURSEMENT EXPENSE | \$2,000.00 |
| SCOTT ENGINEERING CO | BORINGS | \$750.00 |
| SD ELECTRICAL COUNCIL | 2018 LICENSE RENEWAL | \$40.00 |
| SD ONE CALL | LOCATES | \$29.40 |
| SDML WORKERS COMP FUND | ADDITIONAL WORK COMP PREMIUM-2017 | \$735.00 |
| SECOND STREET STATION | CALL BEFORE YOU DIG BANQUET | \$2,397.47 |
| SENSIT TECHNOLOGIES INC | SUPPLIES | \$520.23 |
| SERVICEMASTER | JANITORIAL SERVICE | \$3,740.00 |
| SIGN PRO | SUPPLIES | \$24.00 |
| SIOUX VALLEY CO-OP | FUEL, SUPPLIES | \$5,692.49 |
| SOCIETY FOR HUMAN RESOURCE MGMT | MEMBERSHIP FEES | \$209.00 |
| SOLUM, GREG | REIMBURSEMENT EXPENSE | \$447.00 |
| SPX COMPONENTS GROUP | SUPPLIES | \$589.77 |
| STAN HOUSTON EQUIP CO | SUPPLIES | \$1,581.84 |
| STANLEY, JUSTIN | REIMBURSEMENT EXPENSE | \$1,000.00 |
| STAR LAUNDRY INC | SUPPLIES | \$378.02 |
| STEVE'S WORLD | SUPPLIES | \$187.50 |
| STUART C IRBY CO | SUPPLIES | \$1,542.39 |
| STURDEVANTS AUTO PARTS | SUPPLIES | \$182.57 |
| TEREX SERVICES | SUPPLIES | \$595.00 |
| TITAN MACHINERY- WTN | SUPPLIES | \$144.96 |
| TITAN MACHINERY-SF | SUPPLIES | \$3,800.94 |
| UPS | SHIPPING | \$222.20 |
| USA BLUEBOOK | SUPPLIES | \$484.79 |
| VAN BERGEN & MARKSON INC. | SUPPLIES | \$661.87 |
| VAN DIEST SUPPLY COMPANY | SUPPLIES | \$2,483.04 |
| WALMART COMMUNITY | SUPPLIES | \$232.89 |
| WATERTOWN DEVELOPMENT COMPANY | INDUSTRIAL DEVELOPMENT EXPENSE | \$8,690.00 |
| WATERTOWN FORD CHRYSLER | SUPPLIES | \$2,333.59 |
| WATERTOWN PUBLIC OPINION | PUBLISHINGS | \$1,117.62 |
| WATERTOWN UNITED WAY | United Way | \$419.50 |
| WATERTOWN WHOLESALE | SUPPLIES | \$185.75 |
| WESCO DISTRIBUTION INC | SUPPLIES | \$229.50 |
| | TOTAL | <u>\$512,300.23</u> |

Total April 2018 512,300.23; Transfer to City's General Fund 103,901, Qtrly First Nat'l Bank - SF 413,660.20, Muni Utilities Electric Water Gas 43,674.40, Northern Natural Gas 6,061.20; Missouri River Energy Services Power 1,641,115.13; BP Canada Energy Marketing Natural Gas 539,299.31; Dept. of Revenue Sales/Excise Tax 200,259.03; CPEP Natural Gas 58,708.58, City Finance Office Garbage Sewer 400,555.74.

ITEM 7070

Motion by Luken with second by Solum 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 30th, day of April, 2018.

ATTEST: _____

Lisa Pahl
Executive Secretary
Municipal Utilities Board

Dustin Padgett
Board President
Municipal Utilities Department