

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Tuesday, May 29th, 2018

The Municipal Utilities Board convened in regular session at the Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Tuesday, May 29th, 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, Adam Karst, Jeff DeVille, Rich Schmidt, Doug Enstad, Mark Meier, Kevin Kruiter, Sheila Mennenga, Stephanie Ries, Lisa Pahl and Attorney Vince Foley. Guest: Diane Stiles and LuAnn Strait from Watertown H2O-20. Press: Dan Crisler, Public Opinion Newspaper and Don Egert KXLG Radio.

ITEM 7071

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

ITEM 7072

Motion by Holley with second by Luken to approve minutes of regular meeting on April 30th, 2018. Motion carried.

ITEM 7073

Lehner presented a preliminary cost sheet on the decorative lighting for the Highway 212 phase II project. The information given to the Board was enough for them to want to proceed going forward and create a new street light rate.

ITEM 7074

Water Superintendent DeVille gave an overview of the 2017 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.

ITEM 7075

Open: a) Lehner presented the bill staffer the 2017 Annual Water System Quality Report. b) Lehner updated the Board on the MRES Annual Meeting. The guest speakers were Mike Hyland, from the American Public Power Association spoke on the restoration effort as a result of the 2017 hurricanes, Bruce Hennes, of Hennes Communications, spoke on the strategic approach to crisis management and crisis communication for a wide variety of situations that could face municipal utilities, Doug Hunter of Utah Associated Municipal Power Systems discussed the country's next generation of advanced nuclear

reactors, Marty Kanner, President of Kanner and Associates, provided an update on federal legislative issues of concern for MRES and its members, Mark Gabriel, of Western Area Power Administration (WAPA), reported on WAPA's rates, the status of the Purchased Power and Wheeling Fund and WAPA's experience in the Southwest Power Pool energy market. (c) Lehner gave an invite to the Board to attend our annual Safety Picnic to be held June 5th. WMU received the Gold and Platinum Award through Safety Benefits.

ITEM 7076

Chambers presented the Report on Operations and Projects: Electric Department, Projects Completed This Month: 22 services installed, 30 street or rental lights repaired and 2 hit street lights were repaired. Projects in Progress: Efraimson Electric installing street lights per contract. Projects Starting Next Month: Dave's construction start installing primary and secondary at Uptown Star Laundry alley and alleys south to Roosevelt School, Installing primary and transformers at Valley View addition. Gas Department, Projects Completed this Month: Installed or removed 79 meter sets, removed 120' of 16" casing under highway 81 for the new roundabout and installed 1720' of 4" and 2" main in Valley View Addition. Water Department, Projects completed this Month: 2 Hydrant maintenance, about half of the water main for the roundabout project on South Highway 81 is complete, drained and cleaned the 3 million gallon reservoir and opened the gates on the diversion structure on April 26th and will stay open until the lake level reaches full. Start the roundabout project on South Highway 81. Projects in Progress: Switching out fluorescent lights with LED lights. Engineering Tech Department, Projects Completed this Month: 476 One-Call locates May 1st - 23rd, 207 One-Call locates total April 2018, 6 emergency locates (4 Private Contractor & 2 WMU). Next Month: Average 500 One-Call locates in June.

ITEM 7077

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 is complete. Projects in Progress: Removal and planting of new trees on west end of WMU property at 901 4th Ave. Upcoming Projects: Installing glass barrier at customer service counter and repairing and adding asphalt to our parking lot. Customer Service, Projects Completed this Month: 13,925 payments collected for a total of \$4,522,298 total of 53,475 services billed for a total of \$4,479,052. Human Resources/Risk Management: 2 retirements, City of Watertown and WMU were selected for a combined audit of the South Dakota Retirement System and required documentation was submitted to the auditing firm. IT: Working with RSM on audit issues and 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 \$983,975 over budget for the four months ending April 30th, 2018. Total Capital Additions are \$213,388 under budget for the four months ending April 30th, 2018.

ITEM 7078

Motion made by Luken with second Holley to approve the following verified salary claims and bills. Carrico abstained from the vote because she is on the Accounts Payable. Motion carried upon roll call vote. Total Watertown Municipal Utilities Net Payroll for May 2018 Plus ACH Payroll Payments \$465,025.54. Info: T. Peterson effective 4/21/2018 29.97/hr., B. Ripley effective 5/16/2018 27.12/hr., K. Roth effective 4/21/2018 30.80/hr. Summer Temps: A. Alholinna effective 5/14/2018 12.00/hr., B. Antijunti effective 5/14/2018 13.50/hr., and S. Heath effective 5/14/2018 13.50/hr.

Name	Payable Description	Payment Amount
June 1, 2018		
ACCESS MINISTRY	ENERGY INCENTIVE REBATE	\$693.90
ADV. ENGINEERING & ENV. SERV	I&C SYSTEM SERVICES	\$722.00
AFLAC	CANCER PT	\$1,739.47
A-I COMPUTER SOLUTIONS	SUPPLIES	\$55.75
A-OX WELDING SUPPLY INC	SUPPLIES	\$289.95
AP & SONS CONSTRUCTION INC	WATER MAINS-FLYWAY	\$42,372.00
ARROW EDUCATION FOUNDATION OFFICE	DONATION	\$1,000.00
AUTO BODY SPECIALTIES	SUPPLIES	\$29.52
BERNIE'S TELEPHONE & TECH	SERVICE CALL	\$94.25
BORDER STATES ELECTRIC SUPPLY	ST LIGHT POLES AS PER BID	\$78,892.93
BORNS GROUP	POSTAGE & MAILING	\$11,185.63
BRIAN'S GLASS & DOOR INC	SUPPLIES	\$330.00
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWORK USAGE	\$157.26
CARGILL INCORPORATED	BULK SALT	\$4,318.90
CARRICO LAW PROFESSIONAL LLC	LEGAL FEES	\$527.00
CASHWAY LUMBER INC	SUPPLIES	\$247.00
CENTURY LINK	PHONE SERVICE	\$297.50
CHAMBERS, TODD	REIMBURSEMENT EXPENSE	\$631.33
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$2,395.26
CHILD SUPPORT PAYMENT CENTER	EMPLOYEE DEDUCT: CHILD SUPPORT	\$850.00
CITY OF WATERTOWN	DONATION	\$1,000.00
CODINGTON-CLARK ELECTRIC COOP. INC	WELLFIELD ELECTRIC SERVICE	\$5,001.52
CONNECTING POINT	SOFTWARE MAINTENANCE	\$68.39
CREDIT COLLECTIONS BUREAU	COLLECTIONS	\$314.79
CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$4,720.85
DAKOTA DATA SHRED	SHREDDING SERVICE	\$65.26
DE VILLE, JEFF	REIMBURSEMENT EXPENSE	\$532.85
DEPARTMENT OF REVENUE	WATER SAMPLES	\$442.00
DGR ENGINEERING	REVENUE METERING RELOCATION	\$14,280.00
DISCOUNT SEEDS, INC.	SUPPLIES	\$750.00
DITCH WITCH OF SOUTH DAKOTA, INC	SUPPLIES	\$148.78
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$3,926.72
DUININCK INC	ROCK AND GRAVEL	\$1,160.73
EFRAIMSON ELECTRIC INC	INSTALLATION OF UNDERGROUND	\$9,938.00
ENERGY ECONOMICS INC	SUPPLIES	\$455.51
ERICKSON, AARON	REIMBURSEMENT EXPENSE	\$481.73
EVOLUTION POWERSPORTS	SUPPLIES	\$155.60
FARNAMS GENUINE PARTS	SUPPLIES	\$240.77
FASTENAL COMPANY	SUPPLIES	\$139.01
FOLEY AND FOLEY LAW OFFICE, PC	LEGAL FEES	\$640.00
FORMAN, CHRIS	REIMBURSEMENT EXPENSE	\$37.60
FRANZ REPROGRAPHICS, INC.	SUPPLIES	\$137.97

G & R CONTROLS INC.	MAINTENANCE	\$425.31
GCR TIRE CENTER	SUPPLIES	\$417.74
GREAT WESTERN BANK	TASC MED	\$7,178.68
GROEBNER	SUPPLIES	\$2,112.03
HAWKINS, INC.	SUPPLIES	\$1,918.46
HEATH CONSULTANTS INC	SUPPLIES	\$253.28
HILLS, KELSIE	REIMBURSEMENT EXPENSE	\$3,148.29
HM CRAGG	BATTERY INSPECTIONS	\$2,303.40
HOLY NAME PARISH	ENERGY INCENTIVE REBATE	\$14,000.81
IBEW LOCAL 426	UNION DUES	\$3,317.00
INDELCO PLASTICS CORPORATION	SUPPLIES	\$613.80
INGERSOLL RAND COMPANY	SUPPLIES	\$654.92
INTERSTATE ALL BATTERY CENTER	SUPPLIES	\$166.80
ITRON INC	HARDWARE/SOFTWARE MAIN.	\$9,255.85
IXOM	MIEX DOC RESIN	\$138,860.03
J H LARSON COMPANY	SUPPLIES	\$2,683.21
KARST, ADAM	REIMBURSEMENT EXPENSE	\$1,000.00
LEHNER, STEVE	REIMBURSEMENT EXPENSE	\$171.97
LOCATORS & SUPPLIES INC	SUPPLIES	\$2,007.69
LUKONEN'S TOOL SERVICE INC	SUPPLIES	\$195.00
MACKSTEEL WAREHOUSE INC	ENERGY INCENTIVE REBATE	\$2,790.00
MAC'S INC	SUPPLIES	\$107.98
MAHOWALD'S HARDWARE & RENTAL	SUPPLIES	\$73.67
MARCO INC	COPIER LEASE	\$339.16
MC KEEVER INC	SUPPLIES	\$193.12
MEIER, MARK	REIMBURSEMENT EXPENSE	\$934.31
MENARDS INC	SUPPLIES	\$1,036.06
MENNENGA, SHEILA	REIMBURSEMENT EXPENSE	\$304.44
MET LIFE	LIFE INSURANCE	\$1,422.66
METERING & TECHNOLOGY SOLUTIONS	SUPPLIES	\$1,211.70
MIDCOM INC	ENERGY INCENTIVE REBATE	\$3,348.00
MIDCONTINENT COMMUNICATIONS	INTERNET SERVICE	\$165.00
MIDWEST UNDERGROUND SUPPLY, LLC	VAC MACHINE PER BID	\$60,561.09
MILBANK WINWATER WORKS	SUPPLIES	\$4,290.00
MINNESOTA MUNICIPAL UTILITIES ASSN	TRAINING	\$550.00
MISSOURI RIVER ENERGY SERVICES	REGISTRATION FEES	\$50.00
MSES CONSULTANTS, INC.	SUPPLIES	\$180.03
MUNICIPAL UTILITIES - PC	PETTY CASH	\$255.60
MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND	\$579.89
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCT.	\$7,560.56
NIEMANN, ANDY	REIMBURSEMENT EXPENSE	\$76.00
NORTHWEST LINEMAN COLLEGE	TRAINING EXPENSE	\$1,220.00
NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$9,291.03
OFFICE PEEPS	SUPPLIES	\$188.64
OLSON, GARY	REIMBURSEMENT EXPENSE	\$1,000.00
PETE LIEN & SONS	BULK LIME	\$13,247.48
PRAXAIR DISTRIBUTION INC	CYLINDER RENTAL	\$154.03
PRINCIPAL FINANCIAL GROUP	DENTAL INSURANCE	\$1,393.93
PRINT 'EM NOW INC	SUPPLIES	\$25.00
PRO LINE INC	SUPPLIES	\$505.33
PRO-TEC ROOFING INC	SERVICE	\$187.75
RESCO	SUPPLIES	\$90.90
RONKE, SHANE	REIMBURSEMENT EXPENSE	\$29.40
ROTH, KEENAN M	REIMBURSEMENT EXPENSE	\$238.50
RSM US LLP	IT SERVICES	\$1,540.00
RUDEBUSCH, JAMES	REIMBURSEMENT EXPENSE	\$76.00
RUNNING'S SUPPLY INC	SUPPLIES	\$809.88
SANFORD HEALTH OCCUP. MEDICINE	SCREENS	\$42.00
SCHMIDT, RICHARD	REIMBURSEMENT EXPENSE	\$312.60
SD ONE CALL	LOCATES	\$243.60

SERVICEMASTER	JANITORIAL SERVICE	\$3,740.00
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$6,010.83
SIOUXLAND FORKLIFT LTD.	FORKLIFT AS PER BUDGET	\$25,308.00
SPEE-DEE DELIVERY SERVICE INC	SHIPPING	\$84.33
SPX COMPONENTS GROUP	SUPPLIES	\$172.65
STAN HOUSTON EQUIP CO	SUPPLIES	\$620.50
STAR LAUNDRY INC	SUPPLIES	\$371.50
STUART C IRBY CO	SUPPLIES	\$1,492.87
STURDEVANTS AUTO PARTS	SUPPLIES	\$465.27
TITAN MACHINERY-SF	BACKHOE PER BID	\$106,803.86
TRAV'S OUTFITTER	SAFETY CLOTHING	\$81.01
UPS	SHIPPING	\$240.21
US PLASTICS CORP	SUPPLIES	\$165.68
USA BLUEBOOK	SUPPLIES	\$2,717.49
VAN BERGEN & MARKSON INC.	SUPPLIES	\$98.45
VAN DIEST SUPPLY COMPANY	SUPPLIES	\$1,840.00
VESSCO INC	SUPPLIES	\$3,550.67
WATERTOWN CARE AND REHAB	UB REFUND	\$2,214.03
WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVELOP. EXPENSE	\$8,690.00
WATERTOWN FORD CHRYSLER	SUPPLIES	\$116.61
WATERTOWN PUBLIC OPINION	PUBLISHINGS	\$942.39
WATERTOWN UNITED WAY	United Way	\$419.50
WATERTOWN WHOLESALE	SUPPLIES	\$850.72
WHEELCO	SUPPLIES	\$31.24
WILSON BOHANNAN COMPANY	SUPPLIES	\$1,462.57
WINSUPPLY OF WATERTOWN	SUPPLIES	\$26.95
WIRTJES, TRISTON	REIMBURSEMENT EXPENSE	\$76.00
ZEP SALES AND SERVICE	SUPPLIES	\$228.55
TOTAL		<u>\$667,599.22</u>

Total May 2018 667,599.22; Transfer to City's General Fund 103,901, Muni Utilities Electric Water Gas 45,162.79, Northern Natural Gas 2,273.20; Missouri River Energy Services Power 1,579,318.36; BP Canada Energy Marketing Natural Gas 450,570.39; Dept. of Revenue Sales/Excise Tax 205,687.25; CPEP Natural Gas 23,946.75, City Finance Office Garbage Sewer 401,169.35.

ITEM 7079

Board set date of Wednesday, June 27th, 2018 at noon for June Board Meeting.

Pursuant to SDCL 1-25-2(3) Luken moved with second by Carrico to move to Executive Session for consulting with attorney on contractual matters. 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 Carrico 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 May, 2018.

ATTEST: _____

Lisa Pahl
Executive Secretary
Municipal Utilities Board

Dustin Padgett
Board President
Municipal Utilities Board