

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday March 26th, 2018

The Municipal Utilities Board convened in regular session at the Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday, March 26th, 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, Sheila Mennenga, Stephanie Ries, Lisa Pahl and Attorney Vince Foley. Guest: Chris Schilken, Watertown Development Company. Press: Dan Crisler, Public Opinion Newspaper.

ITEM 7046

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

ITEM 7047

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

ITEM 7048

Motion by Holley with second by Solum to ratify the settlement agreement with K & L Mechanical. Motion carried.

ITEM 7049

Motion by Luken with second by Holley to approve Board President to sign the Hwy 212 agreement with the SD Department of Transportation. This is a 2019 Project. Motion carried.

ITEM 7050

This being the time and place set for consideration of bids, the following were presented. Bids for Pebble Lime, Solar Salt, Backhoe, Flatbed Dump Truck, Vacuum Excavator, Street Light Installation and Street Light Poles. The bids were opened Thursday, March 22nd, 2018 at 1:30 PM by the Watertown Municipal Utilities Staff as authorized by the Board.

PEBBLE LIME: 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 Pete Lien, Rapid City for 148.00 per ton. Motion carried.

SOLAR SALT: No bids were received, therefore bid law allows us to go to the providers and negotiate a price as long as it meets specs. Water Superintendent DeVille will be working on this.

TRACTOR BACKHOE: 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, Titan Machinery, Sioux Falls, SD for a total bid price of \$106,747.00 Motion carried.

FLATBED DUMP TRUCK: Six bids were received and upon review and recommendation by Chambers motion by Holley with second by Solum to award bid to low valid bidder Istate Truck, Sioux Falls, SD for a total bid price of \$103,934.00. Motion carried.

VACUUM EXCAVATOR: Three bids were received and upon review and recommendation by Chambers motion by Luken with second by Holley to award bid to low valid bidder, Midwest Underground, Harrisburg, SD for a total bid price less trade in \$59,500.00. Motion carried.

STREET LIGHT INSTALLATION: Six bids were received and upon review and recommendation by Luken with second by Holley to award bid to low valid bidder, Efraimson Electric, Bryant, SD for total bid price of \$226,020.95. Motion carried.

STREET LIGHT POLES: Five bids were received and upon review and recommendation by Carrico with second by Holley to award bid to low valid bidder, Border States Electric, Sioux Falls, SD for total bid price of \$46,038.75 for the Hapco Poles. Motion carried.

ITEM 7051

Motion by Luken with second by Solum to authorize to return checks of unsuccessful bidders. Motion carried.

ITEM 7052

Open:

Lehner introduced Chris Schilken our new Watertown Development Director.

Lehner presented two bill stuffers, Living Safely with Natural Gas and Residential Hazardous Waste Disposal.

An invitation was given to the Board to attend the MRES Annual Meeting held May 9-10 in Sioux Falls.

Lehner attended the Midwest Electric Consumers Association Meeting in Washington DC. There were several presentations. One main discussion was an issue with President Trump's budget which includes the Sale of Power Marketing Administration's (PMA) transmission assets, privatizing them and

moving to market based rates instead of the cost base rates, both would increase costs to our customers.

ITEM 7053

Chambers presented the Report on Operations and Projects: Electric Department, Projects Completed This Month: Wrecked out old 4 KV overhead line, substation and converted 4 blocks of 4KV overhead line to 7.2 KV. Projects in Progress: Writing bid specs for Boom Truck, Working on Bid Spec for materials. Projects Starting Next Month: Dave's Construction to start installing primary and secondary wire per contract, Efraimson electric to start installing services per contract. Gas Department, Projects Completed this Month: Completed all regulator maintenance on district regulator stations, Checked all casing on gas lines for leaks as required by PHMSA. Projects in Progress: Propane air plant updates. Water Department, Projects completed this Month: 12 water main breaks. Projects in Progress: Maintenance items for the MIEX system. Projects to Start Next Month: Start the Roundabout project on South Hwy 81. Engineering Tech Department, Projects Completed this Month: 15 One-Call locates Mar. 1st - 22nd, 29 One-Call locates total February 2018, 2 emergency locates (1 Private Contractor & 1 WMU). Next Month: Average 500 One-Call locates in April.

ITEM 7054

Lehner presented the report on Administration and Financial Statements: Purchasing, Accounting and Facilities, Projects Completed This Month: Ordering, receiving and stocking materials, 2017 year-end financial audit. Upcoming Projects: Spring clean-up. Customer Service, Projects Completed this Month: 13,883 payments collected for a total of \$5,339,247 total of 53,284 services billed for a total of \$5,198,715. Human Resources/Risk Management: Several normal yearly things going on. Normal monthly IT maintenance and troubleshooting and working with RSM on cyber security audit issues.

Statements of Revenue and Expenses and Capital Additions were presented to the Board for review. Year to date net income is \$353,756 over budget for the two months ending February 28th, 2018. Total Capital Additions are \$46,555 under budget for the two months ending February 28th, 2018.

ITEM 7055

Motion made by Luken with second by 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 March 2018 Plus ACH Payroll Payments \$463,473.62. Info: T. Wirtjes effective 2/21/2018 26.70/hr and A. Niemann 26.70/hr, K. Hills effective 3/1/2018 22.14/hr.

Name	Payable Description	Payment Amount
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April 2, 2018

ABC EMBROIDERY	SERVICE	\$74.25
AFLAC	CANCER PT	\$1,739.47
A-I COMPUTER SOLUTIONS	SUPPLIES	\$25.47
A-OX WELDING SUPPLY INC	SUPPLIES	\$111.46
APPLIED INDUSTRIAL TECH INC	SUPPLIES	\$903.47
AUTOMATIC BUILDING CONTROLS	FIRE ALARM SYSTEM CONTRACT	\$240.00
BATTERIES UNLIMITED INC	SUPPLIES	\$29.00
BENDIX IMAGING INC	SUPPLIES	\$69.99
BERNIE'S TELEPHONE & TECH	PHONE SERVICE	\$75.00
BORDER STATES ELECTRIC SUPPLY	SUPPLIES	\$12,375.46
BORNS GROUP	POSTAGE & MAILING	\$8,141.10
BURCHATZ CONSTRUCTION COMPANY INC	REPAIR HWY 212	\$9,722.27
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWORK USAGE	\$132.12
CARRICO LAW PROFESSIONAL LLC	LEGAL FEES	\$2,914.00
CARTNEY BEARING & SUPPLY	SUPPLIES	\$53.20
CENTURY LINK	PHONE SERVICE	\$297.69
CHAMBERS, TODD	REIMBURSEMENT EXPENSE	\$1,377.63
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$2,023.02
CHEMCO SYSTEMS, LP	SUPPLIES	\$303.68
CHILD SUPPORT PAYMENT CENTER	EMPLOYEE DEDUCTION: CHILD SUPPORT	\$850.00
CLEVELAND INSTRUMENT CORPORATION	GAUGE CALIBRATION	\$95.00
CODINGTON COUNTY REGISTER OF DEEDS	COPIES	\$21.00
CODINGTON-CLARK ELECTRIC COOP. INC	WELLFIELD ELECTRIC SERVICE	\$5,935.57
CONNECTING POINT	TABLET HARDWARE	\$1,370.68
CONSTRUCTION SIGNING CORPORATION	TRAFFIC CONTROL	\$4,662.00
CORE & MAIN LP	SUPPLIES	\$793.46
CREATIVE REWARDS	PLAQUE	\$140.00
CREDIT COLLECTIONS BUREAU	COLLECTIONS	\$241.43
CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$4.15
DAKOTA DATA SHRED	SHREDDING SERVICE	\$115.32
DE VILLE, JEFF	REIMBURSEMENT EXPENSE	\$680.30
DEPARTMENT OF REVENUE	WATER SAMPLES	\$620.00
DETERMAN, JEFF	REIMBURSEMENT EXPENSE	\$190.00
DITCH WITCH OF SOUTH DAKOTA, INC	SUPPLIES	\$2,673.27
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$4,519.39
DTN, LLC	SUBSCRIPTION	\$3,288.00
DUGAN SALES & SERVICE	FRIDGE	\$950.00
DUININCK INC	GRAVEL, CRUSHED CONCRETE, ROCK	\$4,548.75
ENERGY LABORATORIES INC	WATER TESTING	\$940.00
ENGELSTAD ELECTRIC COMPANY	INSTALLATION OF UNDERGROUND	\$9,888.00
ETHANOL PRODUCTS LLC	BULK CO2	\$1,653.17
FARNAMS GENUINE PARTS	SUPPLIES	\$456.44
FASTENAL COMPANY	SUPPLIES	\$366.48
FOLEY AND FOLEY LAW OFFICE, PC	LEGAL FEES	\$1,040.00
FRANZ REPROGRAPHICS, INC.	SUPPLIES	\$210.70
GAS PRODUCTS SALES, INC	METERS	\$35,831.16
GRAINGER	SUPPLIES	\$444.80
GREAT WESTERN BANK	TASC MED	\$7,178.68
GROEBNER	SUPPLIES	\$4,076.23
IBEW LOCAL 426	UNION DUES	\$3,317.00
INGERSOLL RAND COMPANY	SUPPLIES	\$642.80
INTERSTATE ALL BATTERY CENTER	SUPPLIES	\$102.70
J H LARSON COMPANY	SUPPLIES	\$1,115.92
LAKE CITY FIRE EQUIPMENT LLC	SERVICE	\$40.12
LOCATORS & SUPPLIES INC	SUPPLIES	\$499.69
MACK, ROBIN	REIMBURSEMENT EXPENSE	\$395.20
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$219.16
MAC'S INC	SUPPLIES	\$208.39
MARCO INC	COPIER LEASE	\$360.40

MC KEEVER INC	SUPPLIES	\$253.14
MEGGER	SUPPLIES	\$802.37
MENARDS INC	SUPPLIES	\$226.78
MENNENGA, SHEILA	REIMBURSEMENT EXPENSE	\$2,000.00
MESA PRODUCTS INC	SUPPLIES	\$1,834.67
MET LIFE	LIFE INSURANCE	\$1,430.16
MIDCONTINENT COMMUNICATIONS	INTERNET SERVICE	\$165.00
MOTION INDUSTRIES	SUPPLIES	\$123.60
MUELLER CO	SUPPLIES	\$1,885.65
MUNICIPAL UTILITIES - PC	PETTY CASH	\$716.89
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCOUNTS	\$2,625.36
NELSON TECHNOLOGIES INC	SUPPLIES	\$6,084.84
NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$3,648.46
NOVASPECT, INC.	SUPPLIES	\$8,076.97
OFFICE PEEPS	SUPPLIES	\$169.94
OVERHEAD DOOR CO OF WTN	SUPPLIES	\$172.19
PETE LIEN & SONS	BULK LIME-PER BID	\$12,588.88
PETERSON, DELORES	REIMBURSEMENT EXPENSE	\$3,000.00
PIPELINE ASSN FOR PUBLIC AWARENESS	2018 ANNUAL DUES	\$835.00
PRAXAIR DISTRIBUTION INC	CYLINDER RENTAL	\$151.24
PRINCIPAL FINANCIAL GROUP	DENTAL INSURANCE	\$1,411.00
PRINT 'EM NOW INC	SUPPLIES	\$500.00
REDLINGER BROS PLUMBING & HEATING	SUPPLIES	\$378.08
RESCO	SUPPLIES	\$221.20
RONKE, SHANE	REIMBURSEMENT EXPENSE	\$247.11
RON'S SAW SALES	SUPPLIES	\$710.99
RUNNING'S SUPPLY INC	SUPPLIES	\$175.20
SANFORD HEALTH OCCUP. MEDICINE	SCREENS	\$404.00
SCHAEFFER MFG CO	SUPPLIES	\$1,146.52
SCHMIDT, RICHARD	REIMBURSEMENT EXPENSE	\$972.14
SCHUCHARD'S WESTSIDE GMC	SUPPLIES	\$62.76
SD ONE CALL	LOCATES	\$32.55
SERVICEMASTER	JANITORIAL SERVICE	\$7,480.00
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$6,012.22
SOUTH DAKOTA SHRM	2018 STATE CONFERENCE REGIST.	\$225.00
STAN HOUSTON EQUIP CO	SUPPLIES	\$261.00
STAR LAUNDRY INC	SUPPLIES	\$371.50
STEVE'S WORLD	SUPPLIES	\$56.25
STUART C IRBY CO	SUPPLIES	\$6,538.12
STURDEVANTS AUTO PARTS	SUPPLIES	\$640.33
SUNKOTA CONSTRUCTION, INC	REFUND OF CREDIT ON ACCOUNT	\$6,000.00
TEREX SERVICES	SUPPLIES	\$190.64
TESCO	SUPPLIES	\$425.62
TITAN MACHINERY- WTN	SUPPLIES	\$32.48
TYNDALE COMPANY INC	SUPPLIES	\$199.95
UPS	SHIPPING	\$222.20
UPTOWNE CLEANERS	SERVICE	\$62.66
VERIFIED CREDENTIALS	BACKGROUND SCREENINGS	\$280.50
WALMART COMMUNITY	SUPPLIES	\$102.48
WATERTOWN DEVELOPMENT	2018 FOCUS IV PLEDGE	\$50,000.00
WATERTOWN DEVELOPMENT CO.	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN PUBLIC OPINION	PUBLISHINGS	\$565.05
WATERTOWN UNITED WAY	United Way	\$419.50
WATERTOWN WHOLESALE	SUPPLIES	\$131.64
WESCO DISTRIBUTION INC	WIRE AS PER BID	\$32,754.00
WINSUPPLY OF WATERTOWN	SUPPLIES	\$110.40
WW GOETSCH	SUPPLIES	\$3,778.91
	TOTAL	\$319,896.78

Total March 2018 319,896.78; Transfer to City's General Fund 103,901, Muni Utilities Electric Water Gas 46,597.34, Northern Natural Gas 6,061.20; Missouri River Energy Services Power 1,976,269.96; BP Canada Energy Marketing Natural Gas 829,823.68; Dept. of Revenue Sales/Excise Tax 247,862.27; CPEP Natural Gas 167,692.70, City Finance Office Garbage Sewer 401,219.13.

ITEM 7056

Motion by Luken with second by Holley 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 26th, day of March, 2018.

ATTEST: _____

Lisa Pahl
Executive Secretary
Municipal Utilities Board

Dustin Padgett
Board President
Municipal Utilities Department