

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday, July 30th, 2018

The Municipal Utilities Board convened in regular session at the Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday, July 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, Adam Karst, Bert Magstadt, Rich Schmidt, Doug Enstad, Mark Meier, Mark Haider, Kevin Kruiter, Sheila Mennenga, Stephanie Ries, Lisa Pahl and Attorney Vince Foley. Guest: Mayor Sara Caron. Press: Dan Crisler, Watertown Public Opinion.

ITEM 7090

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

ITEM 7091

Motion by Carrico with second by Holley to approve minutes of the regular Board Meeting on June 26th, 2018. Motion carried.

ITEM 7092

Padgett opened a public hearing and Lehner presented information on a proposed lease agreement with Cody Berns. The lease is based on 50 acres for haying land described as Lot 1 and Lot 2 of the Water Improvement Addition. Lessee would pay \$50.00 an acre per year for a total of \$2,500.00 per year for a 4 year agreement. No input was received from the public hearing. The hearing was closed. Motion by Solum with second by Holley to approve this lease and authorize General Manager to sign. Motion carried.

ITEM 7093

Karst presented the three quotes for consideration for the printer/copier. Upon review and recommendation by Karst, motion by Carrico with a second by Holley to approve a five year lease agreement with Marco for the General Manager to sign. Motion carried.

ITEM 7094

Open: Lehner introduced Bert Magstadt as the new Director of Operations. a) Lehner gave an update on MECA Summer Board Meeting that was held in Estes Park, CO. Bill Drummond, Midwest Executive Director gave an administrative report including budget items, NRECA retirement program, Executive Director performance review, and annual meeting speakers. On Tuesday he also gave a managers report on various upcoming issues including the navigation folks on

the Mississippi River wanting to take 10 percent of the revenues generated by the PMA's to rebuild their navigation locks and dams and where to have the next two summer meetings. Mark Gabriel from WAPA spoke about political attacks on him from Congressman Gosar. Gabriel also announced that they put 10 years of financial data on the SOURCE, WAPA's website. Jody Sunstad, UGP Regional Manager introduced Lori Frisk-Thompson as UGP Power Manager. Noted was the drought debt was paid off in 2017. Mike McElhany WAPA's RMR Manager spoke about transmission service and additional generation. Colonel John Hudson of the US Army Corps of Engineers spoke. Kayla Eckert Chief of Civil Works talked about customer funding thru Western States Corporation. Gary Hinkle described activities the Corps has been working on such as rehabilitation and replacement of excitation equipment. Mike Black the new Great Plains regional director of the Bureau of Reclamation introduced himself and talked about his new job. Mike Maroncelli also talked about rehabilitation projects the Bureau has been undertaking. Dan Payton talked about all of the projects that Western States has been funding with customer bill credits. b) Lehner gave an invitation to the Board to attend the MRES Leadership Academy being held in Sioux Falls on September 19-20. c) Lehner also presented to the Board an invitation to the Upper Big Sioux Watershed Tour being held August 13 or 14. d) Attorney Vince Foley wanted to give the Board an update on the issue of Metering theft. He said there is one active charge at this time the Watertown Municipal Utilities is involved in and he wanted the Board to know the main reason for these is for the protection of the customer or the person tampering. If you don't know what you are doing when you tamper with an Electric meter it could be very dangerous and possibility detrimental.

ITEM 7095

Magstadt presented the Report on Operations and Projects: Electric Department, Projects Completed This Month: Dave's construction completed installing primary and secondary in alley between Uptown Star Laundry and Roosevelt School, Switched out the West and East substations for DGR and HK Scholz to investigate installation of metering equipment so WAPA bill can meter at each substation. Gas Department, Projects Completed this Month: Relocated regulator station by the bus barn, Completed the gas mains in Valley View Addition for a total of 5,827' of 2" main and 2,055' of 4" main. Water Department, Projects Completed this Month: Pulled wells 3 and 10 and acidized the pump bowels. This brought them back to their normal production, Closed the gates on the diversion structure on July 9th. Engineering Tech Department, Projects Completed this Month: 424 One-Call locates this month.

ITEM 7096

Karst presented the report on Administration and Financial Statements: Purchasing, Accounting and Facilities, Projects in Progress: Removal and planting of new trees on west end of the Watertown Municipal Utilities property, Removed fence dividing the warehouse yards. Projects in Progress: Adding cement spillway by the Morton building. Upcoming Projects: Installing glass barrier at customer service counter. Customer Service, Projects

Completed this Month: 14,006 payments collected for a total of \$3,865,525 total of 54,081 services billed for a total of \$4,399,460. Human Resources/Risk Management: Completed the South Dakota Public Assurance alliance annual property and liability insurance renewal. WMU's total premium for General Liability, Auto, Property and Equipment breakdown increased by 14% from \$189,031 to \$215,026, Received notification that we have been selected, in conjunction with City Hall, for an IRS audit, two new employees Bert Magstadt, Director of Operations and Mason Meseberg, Apprentice Water Plant Operator. IT: 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 \$991,514 over budget for the six months ending June 30th, 2018. Total Capital Additions are \$740,467 under budget for the six months ending June 30th, 2018.

ITEM 7097

Motion made by Luken with second by Holley to approve the following verified salary claims and bills. Motion carried upon roll call vote. Total Watertown Municipal Utilities Net Payroll for July 2018 Plus ACH Payroll Payments \$499,867.51. Info. New: B. Magstadt effective 6/28/2018 10,000/month Changes: S. Witte effective 6/27/2018 39.29/hr. Term: T. Peterson effective 6/26/2018.

| Name | Payable Description | Payment Amount |
|----------------------------------|-----------------------------|----------------|
| AUGUST 1, 2018 | | |
| ABC EMBROIDERY | SUPPLIES | \$54.45 |
| ABC LOCK & KEY | SERVICE CALL | \$65.00 |
| ACTIVE HEATING INC | ENERGY INCENTIVE REBATE | \$600.00 |
| ADV ENGINEERING & ENVIRON. SERV | I & C SYSTEM SERVICES | \$920.57 |
| AFLAC | CANCER PT | \$1,638.01 |
| A-I COMPUTER SOLUTIONS | SUPPLIES | \$69.51 |
| AMERICAN ENGINEERING TESTING INC | WATER TESTING | \$515.00 |
| A-OX WELDING SUPPLY INC | SUPPLIES | \$356.85 |
| AP & SONS CONSTRUCTION INC | WATER MAIN- CLOUD 9 | \$9,282.00 |
| ATTACHMENTS INTERNATIONAL INC | SUPPLIES | \$48.00 |
| BENDIX IMAGING INC | OFFICE SUPPLIES | \$226.98 |
| BLACKBURN MFG COMPANY | SUPPLIES | \$2,483.67 |
| BORDER STATES ELECTRIC SUPPLY | SUPPLIES | \$28,939.62 |
| BORNS GROUP | POSTAGE & MAILING | \$7,917.04 |
| BROOKINGS REGISTER | ADVERTISEMENT | \$714.00 |
| BUREAU OF ADMINISTRATION | STATE PHONE NETWORK USAGE | \$60.04 |
| BURNS, JERRY | REIMBURSEMENT EXPENSE | \$129.28 |
| CARGILL INCORPORATED | BULK SALT | \$4,221.93 |
| CARTNEY BEARING & SUPPLY | SUPPLIES | \$21.96 |
| CENTURY LINK | PHONE SERVICE | \$297.50 |
| CHAMBERS, TODD | REIMBURSEMENT EXPENSE | \$153.69 |
| CHASE CARDMEMBER SERVICE | CREDIT CARD | \$3,525.02 |
| CHILD SUPPORT PAYMENT CENTER | EMPLOYEE DED: CHILD SUPPORT | \$850.00 |
| CODINGTON CTY REGISTER OF DEEDS | COPIES | \$65.00 |
| CODINGTON-CLARK ELECT. COOP. INC | WELLFIELD ELECTRIC SERVICE | \$6,625.44 |
| CONNECTING POINT | SOFTWARE MAINTENANCE | \$82.50 |
| CONTINENTAL SAFETY EQUIP | SUPPLIES | \$795.40 |

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| CORE & MAIN LP | SUPPLIES | \$10,021.14 |
| CREDIT COLLECTIONS BUREAU | COLLECTIONS | \$238.29 |
| CRESCENT ELECTRIC SUPPLY CO | SUPPLIES | \$767.34 |
| DAKOTA DATA SHRED | SHREDDING SERVICE | \$52.74 |
| DAVES CONSTRUCTION INC | INSTALLATION OF UNDERGROUND | \$113,450.34 |
| DE VILLE, JEFF | REIMBURSEMENT EXPENSE | \$63.22 |
| DENR | 2019 ANNUAL ENVIRON. FEE | \$10,000.00 |
| DEPARTMENT OF REVENUE | WATER SAMPLES | \$1,542.00 |
| DGR ENGINEERING | REVENUE METERING RELOCATION | \$5,078.00 |
| DIAMOND VOGEL PAINT CENTER | SUPPLIES | \$73.84 |
| DK DIESEL INJECTION INC | SERVICE | \$2,108.21 |
| DSG DAKOTA SUPPLY GROUP | SUPPLIES | \$4,130.31 |
| DUININCK INC | GRAVEL, ROCK | \$1,289.41 |
| DYNAMIC ENGINEERING | WELD TUBES | \$522.75 |
| EFRAIMSON ELECTRIC INC | INSTALLING ST. LIGHTS & WIRE | \$56,815.80 |
| ELEMENT MATERIALS TECHNOLOGY | PIPE WELD QUALIFICATION | \$225.00 |
| ERICKSON, AARON | REIMBURSEMENT EXPENSE | \$79.97 |
| ETHANOL PRODUCTS LLC | BULK CO2 | \$2,190.84 |
| FARNAMS GENUINE PARTS | SUPPLIES | \$1,146.88 |
| FASTENAL COMPANY | SUPPLIES | \$529.31 |
| FOLEY AND FOLEY LAW OFFICE, PC | LEGAL FEES | \$820.00 |
| GAS PRODUCTS SALES, INC | SUPPLIES | \$127.10 |
| GCR TIRE CENTER | SUPPLIES | \$1,249.65 |
| GLASS PRODUCTS INC | SUPPLIES | \$175.72 |
| GRAINGER | SUPPLIES | \$346.81 |
| GREAT WESTERN BANK | TASC MED | \$6,930.24 |
| GROEBNER | SUPPLIES | \$11,846.09 |
| HAIDER, MARK | REIMBURSEMENT EXPENSE | \$1,920.60 |
| HAWKINS, INC. | SUPPLIES | \$143.06 |
| HB TRUCKING | ENERGY INCENTIVE REBATE | \$833.49 |
| HURON PLAINSMAN | ADVERTISEMENT | \$1,417.50 |
| IBEW LOCAL 426 | UNION DUES | \$3,079.09 |
| INNOVYZE | SOFTWARE UPDATE | \$8,163.97 |
| INTERSTATE ALL BATTERY CENTER | SUPPLIES | \$545.64 |
| J H LARSON COMPANY | SUPPLIES | \$8,706.56 |
| JOBSEQ | ADVERTISEMENT | \$354.50 |
| JOSH C NEI | ENERGY INCENTIVE REBATE | \$106.50 |
| KARST, ADAM | REIMBURSEMENT EXPENSE | \$130.00 |
| KOONS GAS MEASUREMENT | SUPPLIES | \$1,053.12 |
| LEHNER, STEVE | REIMBURSEMENT EXPENSE | \$730.98 |
| LOCATORS & SUPPLIES INC | SUPPLIES | \$2,660.83 |
| M & T FIRE & SAFETY INC | SUPPLIES | \$126.70 |
| MACK, ROBIN | REIMBURSEMENT EXPENSE | \$344.69 |
| MAC'S INC | SUPPLIES | \$162.89 |
| MAGSTADT, BERT | REIMBURSEMENT EXPENSE | \$668.75 |
| MARCO INC | COPIER LEASE | \$311.12 |
| MARCO TECHNOLOGIES LLC | MFILES CONT. 8-3-18 TO 8-2-19 | \$8,645.00 |
| MC KEEVER INC | SUPPLIES | \$192.12 |
| MEIER, MARK | REIMBURSEMENT EXPENSE | \$50.00 |
| MENARDS INC | SUPPLIES | \$1,133.66 |
| MERTZ FENCING | FENCE REPAIR | \$2,512.80 |
| MET LIFE | LIFE INSURANCE | \$1,320.88 |
| MIDCONTINENT COMMUNICATIONS | INTERNET SERVICE | \$165.00 |
| MILBANK COMMUNICATIONS INC | SUPPLIES | \$201.34 |
| MILBANK WINWATER WORKS | SUPPLIES | \$1,962.04 |
| MINNESOTA MUNI. UTILITIES ASSN | SAFETY PROGRAM | \$7,807.50 |
| MJ WALSH TRUCKING INC | SUPPLIES | \$310.88 |
| MUNICIPAL UTILITIES - PC | PETTY CASH | \$327.65 |
| MUNI. UTILITIES-NSF CHECK ACCO | REIMBURSE NSF FUND | \$190.00 |
| MUNICIPAL UTILITIES-REFUND ACCT | REFUNDS OF CR. ON ACCOUNTS | \$14,938.15 |

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| NESD SHRM | 2018 SD SAFE. & HEALTH SUMMIT | \$170.00 |
| NEW PIG CORP | SUPPLIES | \$94.81 |
| NORTHERN TRUCK EQUIP CORP | SUPPLIES | \$1,553.48 |
| NORTHWEST PIPE FITTINGS INC | SUPPLIES | \$1,203.80 |
| NORTHWESTERN ENERGY | SERVICE RIGHTS PAYABLE | \$2,771.63 |
| NOVA FIRE PROTECTION INC | ANNUAL INSPECTION | \$150.00 |
| OFFICE PEEPS | SUPPLIES | \$921.45 |
| OLSON, GARY | REIMBURSEMENT EXPENSE | \$190.76 |
| O'REILLY AUTOMOTIVE INC | SUPPLIES | \$101.96 |
| PETE LIEN & SONS | BULK LIME PER BID | \$24,495.48 |
| PIPEHORN LOCATING TECHNOLOGY | SUPPLIES | \$226.00 |
| PIVOTAL HEALTH SOLUTIONS | ENERGY INCENTIVE REBATE | \$10,233.00 |
| PRAXAIR DISTRIBUTION INC | CYLINDER RENTAL | \$154.03 |
| PRINCIPAL FINANCIAL GROUP | DENTAL INSURANCE | \$1,114.54 |
| PRO LINE INC | SUPPLIES | \$24.45 |
| REDLINGER BROS PLUMB. & HEATING | SUPPLIES | \$59.00 |
| RESCO | POLYMER CUTOUTS | \$22,469.42 |
| RON'S SAW SALES | SUPPLIES | \$34.49 |
| ROTH, KEENAN M | REIMBURSEMENT EXPENSE | \$589.00 |
| RSM US LLP | IT SERVICES | \$300.00 |
| RUNNING'S SUPPLY INC | SUPPLIES | \$276.18 |
| SANFORD HEALTH OCCUP. MEDICINE | SCREENS | \$908.00 |
| SCHMIDT, RICHARD | REIMBURSEMENT EXPENSE | \$395.31 |
| SD DEPT OF LABOR AND REGULATION | UNEMPLOYMENT REIMBURSE. | \$411.19 |
| SD ONE CALL | LOCATES | \$603.75 |
| SD PUBLIC ASSURANCE ALLIANCE | GEN LIAB/PROP INS 2018-19 | \$215,025.60 |
| SDSU FOUNDATION ACCT #70507 | CTR FOR POWER SYS. STUDIES | \$350.00 |
| SENSIT TECHNOLOGIES INC | SUPPLIES | \$275.44 |
| SERVICEMASTER | JANITORIAL SERVICE | \$3,740.00 |
| SHERWIN WILLIAMS CO | SUPPLIES | \$90.06 |
| SIGN PRO | SUPPLIES | \$24.00 |
| SIOUX VALLEY CO-OP | FUEL, SUPPLIES | \$7,786.62 |
| SIOUX VALLEY GREENHOUSES | SPRUCES | \$4,660.00 |
| STAN HOUSTON EQUIP CO | SUPPLIES | \$28.95 |
| STAR LAUNDRY INC | SUPPLIES | \$417.72 |
| STEVE'S WORLD | SUPPLIES | \$254.49 |
| STUART C IRBY CO | SUPPLIES | \$1,704.00 |
| STURDEVANTS AUTO PARTS | SUPPLIES | \$84.32 |
| T & R ELECTRIC SUPPLY COMPANY INC | POLE MOUNT | \$7,050.00 |
| TECHNOLOGY FOR ENERGY CORP. | SUPPLIES | \$452.70 |
| TRACTOR SUPPLY CO | SUPPLIES | \$27.99 |
| TYNDALE COMPANY INC | SAFETY CLOTHING | \$199.95 |
| VERIFIED CREDENTIALS | BACKGROUND SCREENING | \$332.45 |
| WATERTOWN CO-OP ELEVATOR ASSN | SUPPLIES | \$116.88 |
| WATERTOWN DEVELOPMENT CO. | INDUSTRIAL DEVELOP. EXPENSE | \$8,690.00 |
| WATERTOWN FORD CHRYSLER | SUPPLIES | \$322.14 |
| WATERTOWN PUBLIC OPINION | ADVERTISEMENT & PUBLISHINGS | \$2,031.10 |
| WATERTOWN SCHOOL DISTRICT | ENERGY INCENTIVE REBATE | \$4,370.00 |
| WATERTOWN UNITED WAY | United Way | \$402.50 |
| WATERTOWN WHOLESALE | SUPPLIES | \$943.65 |
| WESCO DISTRIBUTION INC | SUPPLIES | \$11,949.25 |
| WINSUPPLY OF WATERTOWN | SUPPLIES | \$202.00 |
| WW GOETSCH | SUPPLIES | \$1,190.39 |
| YANKTON DAILY PRESS DAKOTAN | ADVERTISEMENT | \$877.52 |
| | TOTAL | <u>\$716,747.92</u> |

Total July 2018 716,747.92; Transfer to City's General Fund 103,901, Qtrly First Nat'l Bank - SF 413,660.20, Muni Utilities Electric Water Gas 61,664.44, Northern Natural Gas 2,273.20; Missouri River Energy Services Power 2,225,560.76; BP Canada Energy Marketing Natural Gas 59,865.95; Dept. of Revenue Sales/Excise Tax 189,128.55; CPEP Natural Gas 7,672.50, City Finance Office Garbage Sewer 409,237.41.

Motion by Carrico with second by Luken 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 30th, day of July, 2018.

ATTEST: _____

Lisa Pahl
Executive Secretary
Municipal Utilities Board

Dustin Padgett
Board President
Municipal Utilities Board