

## **MINUTES OF MUNICIPAL UTILITIES BOARD MEETING**

**Wednesday, June 26<sup>th</sup>, 2019**

The Municipal Utilities Board convened in regular session at the Watertown Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Wednesday, June 26<sup>th</sup>, 2019 at 12:00 p.m. with President Mike Luken presiding.

Board members present: Mike Luken, John Holley, Greg Solum, Lisa Carrico and Chris Carter. Board Liaison, member of City Council, Glen Vilhauer. Staff members present: Steve Lehner, Adam Karst, Bert Magstadt, Jeff DeVille, John Lunde, Doug Enstad, Mark Haider, Mark Meier, Kevin Kruiter, Stephanie Ries, Lisa Pahl and Attorney Vince Foley. Press Don Egert, KXLG Radio, Laura Butterbrodt, Public Opinion Newspaper. Guest, Mayor Sara Caron.

### **ITEM 7218**

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

### **ITEM 7219**

Motion by Holley with second by Solum to approve Minutes of regular meeting on May 29, 2019. Motion carried.

### **ITEM 7220**

Motion by Solum with second by Carter to approve the General Manager to sign G.O.E.D Grant Applications for local infrastructure improvement programs. Motion carried with Luken abstaining.

### **ITEM 7221**

Open: a) Lehner presented the Bill Stuffer - Two-sided Cookin' on Kampeska and Preventing Storm Water Pollution b) DeVille gave an update on the AWWA Conference that was held in Denver this month. He said there were about 11,000 attendees at the AWWA Annual Conference. One session on new technology talked about using satellite's to locate water leaks. It was said there is an 80% success rate in this technique. Rapid City has been through this process and DeVille is going to talk with them and look into this further. Board Member Carrico also attended and she said she came away thankful that our community has a great water system. She heard several stories of communities with lack of water or bad quality. c) Lehner updated the Board on the MECA Board of Directors Meeting which was held in Montana. The first day they had a tour of the Yellowtail Dam. The guest speakers were Mark Gabriel of WAPA gave a presentation, Lori Friske talked about rates, Dawn Roth Lindel talked about the Rocky Mountain Region, Kayla Eckert-Uptmor and Gary Hinkle did a presentation on projects the Corp of Engineers are working on, Mike Black and Mike Marcelli from the Bureau of Reclamation gave an update on some projects happening to Yellowtail Dam, Western States Power

Corporations' Dan Payton talked about the organization and Bill Drummond gave a Manager's Report and an update on Federal Issues. Drummond also told the Board he is retiring. d) Magstadt gave an overview of the CPEP Quarterly Board meeting he attended on June 25 in Omaha, NE. CPEP 4 is on schedule to flow starting August 1 and flow through November 2023. That is from the deal that was completed in November 2018 for our second prepay. There was discussion on Short term and Long term prepay. They talked about adjusting Administration Fees. Magstadt asked CPEP to ask their Gas Supplier J. Aron, who is also Goldman Sachs, to hedge gas for us. They were very interested. They are hoping in 9 months or so they will be able to do that, saving us money by not having to pay Bond Counsel to do this.

#### **ITEM 7222**

Magstadt presented the Report on Operations and Projects: The Electric Department, Projects Completed this Month: Completed installing primary and street lights at Valley View addition, Repaired downed power line at 650 N Lake Dr. due to a fallen tree limb, Repaired blown cut-out at 19<sup>th</sup> St and Westminster Dr. NE, Cut-out took out underground and overhead on pole resulting in an outage of 1 hour and 6 hours to repair. Gas Department, Projects in Progress: Stopped and removed 120' of 4" main and moved 60' of 2" main at two places for Hwy 212 project. Water Department, Projects Completed this Month: New 10" main from 4<sup>th</sup> St to Maple is in service. Working on the Maple St. and Hwy 212 intersection, had 6 replacement taps put in. Engineering Tech Department: Projects Completed this month: 501 One-Call locates June 1 -20, 560 One-call locates total May 2019, 3 Emergency locates (2 private Contractor & 1 WMU). Completed railroad permitting for SDDOT 6" Gas Main Relocate. 15<sup>th</sup> Ave. Substation Project: Dirt work mostly completed except for backfilling road apron, contractor Key Construction is planning on mid-July for concrete work, they are behind because of the wet spring.

#### **ITEM 7223**

Karst presented the Report on Administration & Financial Statements. Purchasing, Accounting and Facilities, Projects in Progress: Completed the parking lot asphalt repair, Completed the hail damage repair to the Dryvit on the administration building. Customer Service: 14,378 payments for \$4,452,843 and 54,228 Services billed for \$3,649,006. Human Resources/Risk Management: Attending the 2019 National SHRM conference in Las Vegas. Retirement of Mike McNamara and Delores Peterson effective 6/20/2019, Promotion, Jay Kudrna to Water Distribution Foreman effective 5/21/2019. Promotion, Tristan Namken to Water Distribution & Maintenance effective 6/24/2019. IT: Upgrading PC's to Windows 10 and Refreshing servers and related software. 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 \$1,354,982 over budget for the five months ending May 30<sup>th</sup>, 2019. Total Capital Additions are \$1,182,399 under budget for the five months ending May 30<sup>th</sup>, 2019.

**ITEM 7224**

Motion made by Carter with second by Solum to approve the following verified salary claims and bills. Motion carried unanimously upon roll call vote. Total Watertown Municipal Utilities Net Payroll for June 2019 Plus ACH Payroll Payments \$553,221.55. Info: Change: J. Jellis, 23.16/hr. effective 6/3/2019, J. Kudrna, 35.20/hr. effective 5/21/2019, B. Lueders, 35.20/hr. effective 5/23/2019, T. Namken, 25.48/hr. effective 6/5/2019, T. Starr, 32.42/hr. effective 5/23/2019, New summer temps: R. Coyle 11.00/hr. effective 5/22/2019, A. Ottenbacher 12.00/hr. effective 5/30/2019, K. Waisanen 13.50/hr., effective 5/22/2019, Rehire: C. Jacobson 14.00/hr. effective 5/30/2019. Term: M. McNamara and Delores Peterson, effective 6/20/2019.

Name	Payable Description	Payment Amount
JULY 1, 2019		
ACTIVE HEATING INC	ENERGY INCENTIVE REBATE	\$300.00
ADVANCED ENGIN. & ENVIR. SERVICES	I & C SYSTEM SERVICES	\$5,920.92
AFLAC	CANCER PT	\$1,953.78
ANDREWS, BILL	SERVICE	\$48.00
A-OX WELDING SUPPLY INC	SUPPLIES	\$1,011.22
ARROW EDUCATION FOUNDATION OFFICE	DONATION	\$1,000.00
AUTO VALUE PARTS STORE	SUPPLIES	\$102.92
AUTOMATIC TRANSMISSION & GEAR	SERVICE	\$1,553.77
BATTERIES UNLIMITED INC	SUPPLIES	\$23.00
BECKWITH ELEC CO INC	SERVICE	\$822.27
BENDIX IMAGING INC	OFFICE SUPPLIES	\$276.97
BERNIE'S TELEPHONE & TECH	SERVICE CALL	\$75.00
BORDER STATES ELECTRIC SUPPLY	SUPPLIES	\$15,822.13
BORNS GROUP	POSTAGE & MAILING	\$8,415.78
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWORK USAGE	\$107.32
BURNS, JERRY	REIMBURSEMENT EXPENSE	\$1,033.47
CARRICO, LISA	REIMBURSEMENT EXPENSE	\$1,329.36
CARTNEY BEARING & SUPPLY	SUPPLIES	\$112.37
CATLETTE,STEPHEN	REIMBURSEMENT EXPENSE	\$1,000.00
CENTURY LINK	PHONE SERVICE	\$297.69
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$3,786.52
CHILD SUPPORT PAYMENT CENTER	EMPLOYEE DED.: CHILD SUPPORT	\$750.00
CHRIS MAROTZ	ENERGY INCENTIVE REBATE	\$2,968.00
CLAUSEN & SONS CONSTRUCTION LLC	SUBSTATION DIRT WORK	\$52,399.00
CODING COUNTY REGISTER OF DEEDS	COPIES	\$90.00
CODINGTON-CLARK ELECTRIC COOP. INC	WELLFIELD ELECTRIC SERVICE	\$5,362.00
CONNECTING POINT	SOFTWARE MAINTENANCE	\$204.00
CONSULTING ENGINEERS GROUP INC	SUBSTATION ENGINEERING FEES	\$14,123.30
CONTROL EQUIPMENT SALES, INC	VOLUME CORRECTOR	\$2,917.00
CREDIT COLLECTIONS BUREAU	COLLECTIONS	\$279.35
CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$385.46
DAKOTA DATA SHRED	SHREDDING SERVICE	\$68.45
DAKOTA RIGGERS & TOOL	SUPPLIES	\$141.98
DAKOTA UNDERGROUND CONSTR. LLC	INSTALLATION OF UNDERGROUND	\$16,238.25
DENR	2020 ANNUAL ENVIRONMENTAL FEE	\$7,000.00
DEPARTMENT OF HEALTH	WATER SAMPLES	\$560.00
DEVILLE, JEFF	REIMBURSEMENT EXPENSE	\$2,238.21
DGR ENGINEERING	REVENUE METERING RELOCATION	\$7,154.00
DIAMOND VOGEL PAINT CENTER	SUPPLIES	\$20.48
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$2,291.93
DUININCK INC	GRAVEL, ROCK AND DIRT	\$4,180.51

ELECTRIC MOTORS & MOORE INC	SUPPLIES	\$145.00
ENGELSTAD ELECTRIC COMPANY	SERVICE	\$292.23
FARNAMS GENUINE PARTS	AC RECLAIMER MACHINE	\$2,883.50
FARWEST LINE SPECIALTIES, LLC	SUPPLIES	\$315.00
FASTENAL COMPANY	SUPPLIES	\$720.68
FEDERAL EXPRESS CORP	SHIPPING	\$182.36
GOLLNICK, MELANIE	REIMBURSEMENT EXPENSE	\$223.11
GRAY CONSTRUCTION CO INC	INSTALL SNOBARS	\$1,899.80
HAWKINS, INC.	BULK HYDROFLUOSILICIC ACID	\$2,530.52
HEATH CONSULTANTS INC	GAS DETECTOR REPAIR	\$427.84
HEATHER R RADEMAKER	DEPOSIT REFUND	\$273.80
HUMAN SERVICE AGENCY	EAP SERVICES	\$225.00
IBEW LOCAL 426	UNION DUES	\$3,032.00
IMMACULATE CONCEPTION SCHOOL	ENERGY INCENTIVE REBATE	\$6,393.48
INNOVYZE	2019 SUBSCRIPTION	\$2,945.00
INTERSTATE ALL BATTERY CENTER	SUPPLIES	\$219.80
INTERSTATE POWER SYSTEMS, INC	SUPPLIES	\$45.40
J & J EARTHWORKS	CUT CONCRETE ON HWY 212	\$420.00
J H LARSON COMPANY	WIRE	\$7,858.17
JOSEPH MEDANICH	ASPHALT REPAIR	\$11,856.64
KIBBLE EQUIPMENT LLC	SUPPLIES	\$37.84
KLJ SOLUTIONS HOLDING CO.	ENVIRONMENTAL STUDY	\$1,949.66
L MARQUARDT ELECTRIC INC	SERVICE CALL	\$214.41
LAKE CITY FIRE EQUIPMENT LLC	ANNUAL MAINTENANCE	\$1,215.67
LE MOYNE JACKSON	DEPOSIT REFUND	\$317.22
LEHNER, STEVE	REIMBURSEMENT EXPENSE	\$566.64
LEONARD JOHNSON	DEPOSIT REFUND	\$250.90
LUNDE, JOHN	REIMBURSEMENT EXPENSE	\$49.88
LYLE SIGNS INC	SIGNS	\$270.37
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$97.40
MAC'S HARDWARE	SUPPLIES	\$77.47
MAGSTADT, BERT	REIMBURSEMENT EXPENSE	\$249.94
MAKAELA R ALLEN	DEPOSIT REFUND	\$250.00
MARCO	COPIER LEASE	\$384.81
MARCO TECHNOLOGIES LLC	MFILES CONTRACT	\$8,645.00
MARK L WEBER	DEPOSIT REFUND	\$1,220.62
MC KEEVER INC	SUPPLIES	\$126.57
MEIER, MARK	REIMBURSEMENT EXPENSE	\$147.32
MENARDS INC	SUPPLIES	\$1,366.99
MET LIFE	LIFE INSURANCE	\$1,345.40
MIDCONTINENT COMMUNICATIONS	INTERNET & CABLE SERVICE	\$207.72
MIDWEST REGION GAS TASK FORCE AS.	2019 DUES	\$1,000.00
MILBANK WINWATER WORKS	SUPPLIES	\$1,342.88
MISSOURI RIVER ENERGY SERVICES	REGISTRATION EXPENSE	\$600.00
MOTION INDUSTRIES	SUPPLIES	\$284.04
MUELLER CO	DRILLING MACHINE	\$1,523.18
MUNICIPAL UTILITIES - PC	PETTY CASH	\$609.17
MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND	\$226.82
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCOUNTS	\$8,803.24
NELSON TECHNOLOGIES INC	REGULATORS	\$5,274.30
NESD SHRM	2019 SURVEY	\$50.00
NORTHERN NATURAL GAS COMPANY	DEPOSIT REFUND	\$208.17
NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$3,094.89
OFFICE PEEPS	SUPPLIES	\$310.91
OLSON, GARY	REIMBURSEMENT EXPENSE	\$111.86
O'REILLY AUTOMOTIVE INC	SUPPLIES	\$37.80
PETE LIEN & SONS	BULK LIME AS PER BID	\$12,693.96
PRAXAIR DISTRIBUTION INC	CYLINDER RENTAL	\$161.65
PRINCIPAL FINANCIAL GROUP	DENTAL INSURANCE	\$1,181.75
PRINT 'EM NOW INC	WATER QUALITY REPORT	\$740.00

RC FIRST AID	SUPPLIES	\$231.00
REDLINGER BROS PLUMBING & HEATING	SERVICE	\$879.70
REEDE CONSTRUCTION INC.	HWY 212 WATER MAIN REPLACEMENT	\$97,163.10
RELIABANK DAKOTA	TASC MED	\$7,273.96
RESCO	LIGHT FIXTURES	\$6,711.67
RIGHT A WAY APPLICATORS	DEPOSIT REFUND	\$907.78
RONALD J TESCH	DEPOSIT REFUND	\$1,377.94
RON'S SAW SALES	SUPPLIES	\$319.99
ROST, MICHAEL	REIMBURSEMENT EXPENSE	\$388.21
ROTH, KEENAN M	REIMBURSEMENT EXPENSE	\$155.00
ROXANNE HARDIE	DEPOSIT REFUND	\$242.31
RUNNING'S SUPPLY INC	SUPPLIES	\$57.02
SANFORD HEALTH OCCUP. MEDICINE	SCREENS	\$390.00
SD ONE CALL	LOCATES	\$924.00
SD PUBLIC UTILITIES COMMISSION	PIPELINE SAFETY ASSESSMENT	\$3,705.64
SDRS SPECIAL PAY PLAN	401a VAC	\$47,571.97
SENSIT TECHNOLOGIES	SUPPLIES	\$245.15
SERVICEMASTER	JANITORIAL SERVICE	\$4,120.00
SHAROLD J LARSON	DEPOSIT REFUND	\$200.00
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$6,831.79
SNAP-ON INCORPORATED	SUPPLIES	\$213.69
SOLUM, GREG	REIMBURSEMENT EXPENSE	\$2,000.00
SPEE-DEE DELIVERY SERVICE INC	SHIPPING	\$113.05
STAN HOUSTON EQUIP CO	SUPPLIES	\$288.00
STAR LAUNDRY INC	RUG SERVICE	\$354.51
STRUSS, SCOTT	REIMBURSEMENT EXPENSE	\$1,385.43
STUART C IRBY CO	SWITCHGEAR AS PER BID	\$234,491.59
STURDEVANTS AUTO PARTS	SUPPLIES	\$282.18
TRACTOR SUPPLY CO	SUPPLIES	\$43.98
TRAV'S OUTFITTER	SAFETY CLOTHING	\$89.00
TWIN CITY DIE CASTINGS CO.	ENERGY INCENTIVE REBATE	\$1,736.10
US PLASTIC CORP	SUPPLIES	\$80.45
USA BLUEBOOK	SUPPLIES	\$99.73
VERMEER HIGH PLAINS	SUPPLIES	\$166.09
WATERTOWN CO-OP ELEVATOR ASSN	SUPPLIES	\$214.65
WATERTOWN DEVELOPMENT	2019 FOCUS IV PLEDGE	\$60,000.00
WATERTOWN DEVELOPMENT CO.	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN FORD CHRYSLER	SUPPLIES	\$550.78
WATERTOWN PUBLIC OPINION	JOB ADVERTISING	\$343.42
WATERTOWN UNITED WAY	United Way	\$447.50
WATERTOWN WHOLESALE	SUPPLIES	\$529.90
WEATHERGARD ROOFING	CRANE SERVICE	\$3,019.20
WEISMANTEL RENT-ALL	RENTALS	\$275.00
WESCO DISTRIBUTION INC	SUPPLIES	\$1,840.00
WINSUPPLY OF WATERTOWN	SUPPLIES	\$96.46

<b><u>Total</u></b>	<b><u>\$761,547.13</u></b>
---------------------	----------------------------

Total June 2019, 761,547.13; Transfer to City's General Fund 105,979, Muni Utilities Electric Water Gas 40,135.48; Missouri River Energy Services Power 1,414,798.59; BP Canada Energy Marketing Natural Gas 202,735.10; Dept. of Revenue Sales/Excise Tax 158,577.08; CPEP Natural Gas 10,891.70, City Finance Office Garbage Sewer 408,025.25.

**ITEM 7225**

Pursuant to SDCL 1-25-2(3) Carrico moved with second by Holley to move to Executive Session for discussion of contractual matters. The Board does not expect to take action when they reconvene to regular session. Motion carried.

President Luken declared Executive Session done and they reconvened to regular session.

Motion by Carter with second by Carrico 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 26<sup>th</sup>, day of June, 2019.

ATTEST: \_\_\_\_\_

Lisa Pahl  
Board Secretary  
Municipal Utilities Board

Michael Luken  
Board President  
Municipal Utilities Department