

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Wednesday, May 29th, 2019

The Municipal Utilities Board convened in regular session at the Watertown Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Wednesday, May 29th, 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, Sheila Mennenga, Stephanie Ries, Lisa Pahl and Attorney Vince Foley. Press Don Egert, KXLG Radio, Dan Crisler, Public Opinion Newspaper.

ITEM 7209

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

ITEM 7210

Motion by Carrico with second by Solum to approve Minutes of regular meeting on April 29th, 2019. Motion carried.

ITEM 7211

Motion by Holley with second by Carter to approve the General Manager to sign the Natural Gas Rate Study Proposal from Kan Houston Associates LLC. For \$19,900 plus travel expenses. Motion carried.

ITEM 7212

Water Superintendent DeVille gave an overview of the 2018 Annual Water System Quality Report. He noted that there were no substances detected in the water that violated regulations set by the Federal Government or the State of South Dakota. The report will not be mailed out in everyone's bill this year, it will be posted on the Watertown Municipal Utilities website. DeVille confirmed this is within the DENR guidelines. Karst added that this month on each customer's bill, in the memo box, it will direct the customer to the website to see the Water Quality Report digitally.

ITEM 7213

Open: a) Lehner reminded the Board about the Laramie River Station Grayrocks Dam & Reservoir Tour on August 27-28, 2019. He also extended an invite to the MRES Municipal Power Leadership Academy Sept. 10-11, 2019. MRES Legal Seminar October 4, 2019, The MRES Area Meetings will be held in Alexandria, MN on Oct. 24, Hillsboro, ND on Oct. 25, Sioux Falls, SD on Oct. 31 and Orange City, IA Nov. 1. Chris Hill from the South Dakota Municipal Electric

Association is organizing a PAC (Political Action Campaign), private monies can be donated to combat legislative issues. Lehner recently attended the MRES Annual Meeting and this year's highlights included Sue Kelly of the American Public Power Association, who discussed the value of public power and of municipals working together, Marty Kanner of Kanner & Associates who provided an update on federal legislative issues, Rob Chapman of the Electric Power Research Institute on the beneficial electrification, Doug Westlund of AESI-US, Inc. spoke on what leaders need to know about cyber security, Phyllis Currie of Hometown Connections who discussed customer service as the hallmark of public power and reports by Tom Heller of Missouri River Energy Services and Chairman Harold Schiebout, chairman of the Missouri River Energy Services Board of Directors. b) Lehner gave an invite to the Board to attend the annual Safety Picnic to be held Tuesday, June 4th. WMU received the Gold Award through Safety Benefits.

ITEM 7214

Magstadt presented the Report on Operations and Projects: The Electric Department, Projects Completed this Month: Drained oil and inspected transformer #1 at the Pelican substation, we did not find the source of oil gassing, we are thinking it is below the core. The line crew performed Pole Top and Bucket Rescue training, Engelstad Electric installed conduit from County Fair to Palace Apartments and found an abandoned steam vault from the 1920's that we had to fill. Gas Department, Projects in Progress: Responded to a hit 4" high pressure gas main at Hwy 212 and BNSF RR tracks - We had to shut off gas main, weld in new piece of pipe and re-pressurize main. This affected 20 customers for 6 hours. Water Department, Projects Completed this Month: We had three employees pass their Class 4 Water Certification. Our last frozen line unthawed May 9th, working with Contractor on Hwy 212 replacement project. Engineering Tech Department: Projects Completed this month: Meier has been busy working as our representative on the One Call Board in Pierre. 15th Ave Substation Work, Projects Completed this Month: Dirt work is 90% done. Projects in Progress: Holding a pre-construction meeting tomorrow. Contractor wants to start early.

ITEM 7215

Karst invited the Board to attend the last APPA Training Webinar this Friday. The banking Switch is going smoothly overall. Purchasing, Accounting and Facilities, Projects in Progress: Ordering, receiving and stocking materials, spring cleanup, spraying all of WMU properties for weed control. Upcoming Projects: Repair parking lot from winter damage. Customer Service: 13,977 payments for \$5,129,493 and 53,842 Services billed for \$4,160,604. Human Resources/Risk Management: Retirement of Mike McNamara effective 6/20/2019, Promotion, Jay Kudrna to Water Distribution Foreman effective 5/21/2019. New Summer Employees have started. 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 \$1,137,083 over budget for the

four months ending April 30th, 2019. Total Capital Additions are \$594,099 under budget for the four months ending April 30th, 2019.

ITEM 7216

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 May 2019 Plus ACH Payroll Payments \$503,064.14. Info: Change: C. Forman, 32.42/hr. effective 5/8/2019, B. Gubka, 38.12/hr. effective 4/21/2019, New summer temps: J. Day 11.00/hr. effective 5/6/2019, A. Lehner 11.00/hr. effective 5/13/2019, K. Nordsiden 12.00/hr. effective 5/13/2019, J. Phillips 13.50/hr. effective 5/13/2019, Summer temp rehire: L. Young 14.25/hr. effective 5/13/2019.

Name	Payable Description	Payment Amount
JUNE 3, 2019		
#1 WELDING PORTABLE WELDING & FABRICATION	SERVICE	\$ 630.00
ACTIVE HEATING INC	ENERGY INCENTIVE REBATE	\$ 100.00
ADVANCED ENGINEERING & ENVIRONMENTAL SERVICES	I & C SYSTEM SERVICES	\$ 1,577.50
AFLAC	CANCER PT	\$ 1,953.78
A-OX WELDING SUPPLY INC	SUPPLIES	\$ 132.53
APPLIED INDUSTRIAL TECH INC	SUPPLIES	\$ 586.24
AQUA-PURE INC	SODIUM TRIPOLYPHOSPHATE	\$ 3,300.00
BENDIX IMAGING INC	OFFICE SUPPLIES	\$ 200.97
BENSON, BRIAN	REIMBURSEMENT EXPENSE	\$ 76.00
BORDER STATES ELECTRIC SUPPLY	SUPPLIES	\$ 11,567.54
BORNS GROUP	POSTAGE & MAILING	\$ 9,933.69
BURCHATZ CONSTRUCTION COMPANY INC	HWY 212 CONCRETE REPAIR	\$ 1,530.62
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWORK USAGE	\$ 73.33
CARTNEY BEARING & SUPPLY	SUPPLIES	\$ 32.04
CENTURY LINK	PHONE SERVICE	\$ 297.69
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$ 5,882.23
CHILD SUPPORT PAYMENT CENTER	EMPLOYEE DEDUCTION: CHILD SUPPORT	\$ 850.00
CLARK ENGINEERING CORP	HWY 212 WATER MAIN REPLACEMENT	\$ 8,387.50
CODINGTON-CLARK ELECTRIC COOPERATIVE INC	WELLFIELD ELECTRIC SERVICE	\$ 5,231.37
CONNECTING POINT	SOFTWARE RENEWAL	\$ 8,517.24
CONSULTING ENGINEERS GROUP INC	SUBSTATION ENGINEERING FEES	\$ 5,907.50
CONTROL EQUIPMENT SALES, INC	CORRECTORS	\$ 6,900.00
CORE & MAIN LP	SUPPLIES	\$ 612.00
CREDIT COLLECTIONS BUREAU	COLLECTIONS	\$ 129.43
CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$ 180.81
DAKOTA DATA SHRED	SHREDDING SERVICE	\$ 68.45
DAKOTA RIGGERS & TOOL	SUPPLIES	\$ 687.00
DAKOTA UNDERGROUND CONSTRUCTION LLC	INSTALLATION OF UNDERGROUND	\$ 12,612.25
DEAN H LIMBERG	UB REFUND	\$ 200.00
DGR ENGINEERING	REVENUE METERING RELOCATION	\$ 446.50
DISCOUNT SEEDS, INC.	GRASS SEED	\$ 750.00
DITCH WITCH OF SOUTH DAKOTA, INC	SUPPLIES	\$ 252.83
DSG DAKOTA SUPPLY GROUP	TRANSFORMERS AS PER BID	\$ 38,560.08
DUININCK INC	GRAVEL	\$ 806.80
ENERGY ECONOMICS INC	GAS METER TESTING	\$ 1,130.00
ENERGY LABORATORIES INC	WATER TESTING	\$ 1,220.00
ENSTAD, DOUG	REIMBURSEMENT EXPENSE	\$ 69.00
ETHANOL PRODUCTS LLC	BULK CO2	\$ 1,502.64
FARNAMS GENUINE PARTS	SUPPLIES	\$ 681.92
FARWEST LINE SPECIALTIES, LLC	SUPPLIES	\$ 463.00
FASTENAL COMPANY	SUPPLIES	\$ 983.41
FEDERAL EXPRESS CORP	SHIPPING	\$ 270.83
GCR TIRE CENTER	SERVICE	\$ 100.70
GOLLNICK, DAREN	REIMBURSEMENT EXPENSE	\$ 76.00
GOLLNICK, MELANIE	REIMBURSEMENT EXPENSE	\$ 729.66
HACH COMPANY	SUPPLIES	\$ 323.34
HAWKINS, INC.	HYDROFLUOSILICIC ACID	\$ 2,394.08
HM CRAGG	ANNUAL BATTERY INSPECTION	\$ 2,430.00
HUMAN SERVICE AGENCY	EAP SERVICES	\$ 607.50
IBEW LOCAL 426	UNION DUES	\$ 3,050.00
INTERSTATE ALL BATTERY CENTER	SUPPLIES	\$ 156.05
ITRON INC	HARDWARE/SOFTWARE MAINTENANCE	\$ 9,626.05
J H LARSON COMPANY	SUPPLIES	\$ 1,170.70
JOHNSON CONTROLS INC	SERVICE	\$ 854.18
JURGENS PRINTING INC	OFFICE SUPPLIES	\$ 584.00
KARST, ADAM	REIMBURSEMENT EXPENSE	\$ 109.00
KOONS GAS MEASUREMENT	METER REPAIR KIT	\$ 2,872.08
LAKE AREA DOOR	SERVICE	\$ 218.37

LEHNER, STEVE	REIMBURSEMENT EXPENSE	\$	356.84
LOCATORS & SUPPLIES INC	SUPPLIES	\$	668.98
LUNDE, JOHN	REIMBURSEMENT EXPENSE	\$	78.28
MAC'S HARDWARE	SUPPLIES	\$	174.71
MAGSTADT, BERT	REIMBURSEMENT EXPENSE	\$	1,558.45
MARCO	COPIER LEASE	\$	368.45
MC KEEVER INC	SUPPLIES	\$	210.12
MENARDS	ENERGY INCENTIVE REBATE	\$	5,649.00
MENARDS INC	SUPPLIES	\$	831.55
MENNENGA, SHEILA	REIMBURSEMENT EXPENSE	\$	432.58
MESEBERG, DAVID	REIMBURSEMENT EXPENSE	\$	1,000.00
MET LIFE	LIFE INSURANCE	\$	1,387.20
MIDCOM INC	ENERGY INCENTIVE REBATE	\$	10,883.70
MIDCONTINENT COMMUNICATIONS	INTERNET & CABLE SERVICE	\$	203.52
MILBANK WINWATER WORKS	TAPPING SADDLES AND CORPS	\$	2,834.26
MISSOURI RIVER ENERGY SERVICES	REGISTRATION EXPENSE	\$	75.00
MUELLER CO	SUPPLIES	\$	749.37
MUNICIPAL UTILITIES - PC	PETTY CASH	\$	567.05
MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND	\$	3,254.00
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCOUNTS	\$	7,256.06
NEW PIG CORP	EYEWASH	\$	108.80
NOVASPECT, INC.	REPAIR KITS	\$	1,311.44
OFFICE PEEPS	SUPPLIES	\$	551.20
OLSON, GARY	REIMBURSEMENT EXPENSE	\$	688.94
PAHL, TIMOTHY A	REIMBURSEMENT EXPENSE	\$	35.00
PETE LIEN & SONS	BULK LIME AS PER BID	\$	16,248.92
PETERSON, DELORES	REIMBURSEMENT EXPENSE	\$	2,000.00
PRAXAIR DISTRIBUTION INC	CYLINDER RENTAL	\$	166.19
PRINCIPAL FINANCIAL GROUP	DENTAL INSURANCE	\$	1,198.81
PRINT 'EM NOW INC	OFFICE SUPPLIES	\$	396.00
PRO LINE INC	SUPPLIES	\$	90.86
PROFESSIONAL LANDSCAPING & LAWN IRRIGATION, LLC	SERVICE	\$	81.63
REDLINGER BROS PLUMBING & HEATING	SUPPLIES	\$	93.94
REEDE CONSTRUCTION INC.	HWY 212 WATER MAIN REPLACEMENT	\$	107,280.99
RELIABANK DAKOTA	TASC MED	\$	7,339.96
RESCO	TRANSFORMERS AS PER BID	\$	262,514.49
RON'S SAW SALES	SERVICE	\$	356.06
ROST, MICHAEL	REIMBURSEMENT EXPENSE	\$	4,558.84
ROTH, KEENAN M	REIMBURSEMENT EXPENSE	\$	35.00
RUNNING'S SUPPLY INC	SUPPLIES	\$	873.71
SANFORD HEALTH OCCUPATIONAL MEDICINE	SCREENS	\$	39.00
SCHAEFFER MFG CO	OIL	\$	1,042.25
SERVICEMASTER	JANITORIAL SERVICE	\$	4,120.00
SIGN PRO	DECALS	\$	150.00
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$	5,782.58
SIOUXLAND FORKLIFT LTD.	FORKLIFT	\$	22,045.00
STAN HOUSTON EQUIP CO	SUPPLIES	\$	388.00
STAR LAUNDRY INC	RUG SERVICE	\$	362.91
STRUSS, SCOTT	REIMBURSEMENT EXPENSE	\$	982.90
STUART C IRBY CO	SUPPLIES	\$	554.90
STURDEVANTS AUTO PARTS	SUPPLIES	\$	673.38
TEREX SERVICES	SUPPLIES	\$	78.81
TIKKA CONSTRUCTION	ENERGY INCENTIVE REBATE	\$	68.00
TITAN MACHINERY-SF	SUPPLIES	\$	284.50
TOLLEY, LANCE	REIMBURSEMENT EXPENSE	\$	76.00
TWO WILLOW CREEK LLC	ENERGY INCENTIVE REBATE	\$	4,999.00
UPS	SHIPPING	\$	22.74
USA BLUEBOOK	DEWATERING PUMP	\$	1,912.65
WATERTOWN AREA CHAMBER OF COMMERCE	DONATION	\$	1,923.00
WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVELOPMENT EXPENSE	\$	8,690.00
WATERTOWN PUBLIC OPINION	PUBLISHINGS	\$	1,429.08
WATERTOWN UNITED WAY	United Way	\$	447.50
WATERTOWN WHOLESALE	SUPPLIES	\$	494.75
WESCO DISTRIBUTION INC	SUPPLIES	\$	1,532.55
WINSUPPLY OF WATERTOWN	SUPPLIES	\$	753.53
<u>TOTAL</u>		\$	<u>663,919.36</u>

Name	Payable Description	Payment Amount
JUNE 3, 2019		
BORDER STATES ELECTRIC SUPPLY	WIRE	\$ 2,383.08

CORE & MAIN LP	WATER VALVES & SUPPLIES	\$ 23,879.32
DSG DAKOTA SUPPLY GROUP	PEDESTALS	\$ 2,792.16
	<u>TOTAL</u>	<u>\$ 29,054.56</u>

Total May 2019, 692,973.92; Transfer to City's General Fund 105,979, Muni Utilities Electric Water Gas 41,092.43; Missouri River Energy Services Power 1,457,508.96; BP Canada Energy Marketing Natural Gas 267,348.10; Dept. of Revenue Sales/Excise Tax 187,675.13; CPEP Natural Gas 25,267.95, City Finance Office Garbage Sewer 408,838.64.

ITEM 7217

The Board set date of Wednesday, June 26th, 2019 at noon for June Board Meeting.

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 29th, day of May, 2019.

ATTEST: _____

Lisa Pahl
Board Secretary
Municipal Utilities Board

Michael Luken
Board President
Municipal Utilities Department