

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday, September 30th, 2019

The Municipal Utilities Board convened in regular session at the Watertown Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday, September 30th, 2019 at 12:00 p.m. with President John Holley presiding.

Board members present: John Holley, Greg Solum, Lisa Carrico, Chris Carter and Mike Luken. 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 Troy VanDusen, KXLG Radio, Dan Crisler, Public Opinion Newspaper. Guest, Troy Heib, William Neale & Co. PC, Mayor Sara Caron, Public Works Director Heath VonEye, City Council members Beth Mantey and Dan Albertsen and Pete Eccles of AP & Sons.

ITEM 7244

Motion by Carter with second by Carrico to approve the Agenda with one change by moving Item 8, Municipal Utilities Transfer to the General Fund after Item 14 and take it into Executive Session and discuss it when coming out of Executive Session. Motion carried.

ITEM 7245

Motion by Luken with second by Solum to approve Minutes of regular meeting on August 26th, 2019. Motion carried.

ITEM 7246

Public Comment -Pete Eccles owner of AP & Sons asked to address the Board. Eccles said while replacing water services around the lake landowners continually ask why they have to pay for the service from the main to the house. DeVille explained that the Watertown Municipal Utilities policy states the homeowner's responsibility is downstream of the interconnection of the Department's main and the service line of the customer. DeVille will email Eccles the Water Policy so he has a better understanding on what to tell the homeowners. Eccles also stated that last spring he was in contract with the Watertown Municipal Utilities for a water project that included Cloud 9, the Round-about and Highway 212 by the Ramkota. While boring Cloud 9 the materials started falling apart. It was noticed that the same thing was happening by the main in front of Ramkota. Eccles feels the defective material was not his fault and that he would like to be compensated for downtime he had to pay his employees.

ITEM 7247

Presentation was made by Troy Hieb of William Neale & Co P.C. for the 2018 audit. There were no audit findings related to Watertown Municipal Utilities to be included in the Schedule of audit findings. Motion by Carter with second by Luken to accept 2018 audit as presented. Motion carried.

ITEM 7248

Karst presented a report of unclaimed property to be reported to the state. Motion to cancel these check numbers and direct funds to the South Dakota Unclaimed Property division. Motion by Carrico with second by Solum to approve submittal to the state. Motion carried.

ITEM 7249

Motion by Carrico with second by Solum to approve the General Manger to sign the Northern Border Pipeline Facility & Service Agreements that were presented with the appropriate changes and legal review. Motion carried with Luken abstaining.

ITEM 7250

Open: a) Lehner presented the Bill Stuffer Living Safely with Natural Gas Flyer. b) Lehner also gave an invite to the Board to attend one of the four MRES Area Meetings. c) Karst gave an overview of the SB66 meeting that he attended along with Mark Meier and Chris Schilken, Executive Director of the Watertown Development Company. Karst gave an overview of Watertown's service territory area. He also talked on economic impacts on the economic development of the city. The Coops also had time to present. In the end they talked about potential solutions and next steps. Another meeting will be held Nov. 6, 2019 to talk about recommendations and solutions.

ITEM 7251

Old Business: Magstadt gave an update on the GOED Grant. The Local Infrastructure Improvement Program is the grant the utilities applied for. To apply for the grant the infrastructure needs to be owned and operated by the Municipality to qualify. The regulators and line heaters qualified for Grant status and is the portion we have applied a grant for, which totals around \$771,000. The Utilities have asked for 50% of this total. The Grant has been received by the GOED and we have to wait and see what they decide.

ITEM 7252

Magstadt presented the Report on Operations and Projects: The Electric Department, Projects Completed this Month: Relocating primary to Chamber Building for new apartment on the old Harbor Bar lot, Installed 5 transformers, 4 switchgear cabinets and terminated primary for Terex. Gas

Department, Projects Completed this Month: Responded to 8 outdoor gas leaks, one was at the old Harbor Bar site contractor cut through a live gas line he thought was not there we were able to respond quickly and evacuate the place and air it out, Installed 2" gas main south of town to a farm and grain bin operations. Water Department, Projects Completed this Month: Repaired 4' CI water main break Highland Blvd and Mayfair Dr., Put the 14th Ave water tower back in service after the recoating the interior and exterior. Engineering Tech Department: Projects Completed this month: Attended the flood meeting that the City Hall held about coordination of past flood events and going forward to be better prepared for future events, Continuing GPS elevations for Lake Kampeska and Pelican Gas Meter Data. 15th Ave. Substation Project. Projects completed this month: Contractor was on site for about two weeks making great progress, Concrete work and conduit installation is done, electrical grounding grid and fence is complete, steel structures - bus is completed and 115 kV switches and breakers are done.

ITEM 7253

Karst presented the Report on Administration & Financial Statements. Purchasing, Accounting and Facilities, Projects Completed this Month: Completed chip seal and fog seal application on asphalt parking lot. Projects in Progress: working on 2020 budget, painting the Dryvit siding which had hail damage from 2018. Customer Service: 14,218 payments for \$4,636,634 and 54,626 Services billed for \$4,367,071. Human Resources/Risk Management: Preparing payroll reports for 2020 budget, Retirement transitions, Beginning review of health insurance renewal - should receive renewal and quotes first part of October. IT: Working on 2019 projects, attended APPA Conference in Minneapolis, 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 \$1,329,236 over budget for the eight months ending August 31st, 2019. Total Capital Additions are \$1,641,526 under budget for the eight months ending August 31st, 2019.

ITEM 7254

Motion made by Luken with second by Carrico to approve the following verified salary claims and bills. Motion carried unanimously upon roll call vote. Total Watertown Municipal Utilities Net Payroll for September 2019 Plus ACH Payroll Payments \$533,729.92. Info: Term: K. Hills effective 9/9/2019, B. Keiser effective 9/20/2019 Change: A. Niemann 33.21/hr. effective 8/21/2019, T. Wirtjes 33.21/hr. effective 8/21/2019.

Name	Payable Description	Payment Amount
OCTOBER 1, 2019		
ACTION BATTERY WHOLESALERS	SUBSTATION BATTERY CHARGER	\$7,165.49
ACTIVE HEATING INC	ENERGY INCENTIVE REBATE	\$300.00
ADVANCED CONTROL SYSTEMS INC.	SERVICE CONTRACT	\$19,338.00
ADVANCED ENGINEERING & ENVIRONMENTAL SERVICES	I & C SYSTEM SERVICES	\$1,006.50

AFLAC	CANCER PT	\$1,718.52
A-OX WELDING SUPPLY INC	SUPPLIES	\$140.21
AP & SONS CONSTRUCTION INC	HWY 212 WATER MAIN REPLACEMENT	\$25,261.72
BENDIX IMAGING INC	COMPUTER SUPPLIES	\$303.98
BILL ANDREWS	SERVICE	\$48.00
BORDER STATES ELECTRIC SUPPLY	SUPPLIES	\$20,236.24
BORNS GROUP	POSTAGE & MAILING	\$8,612.19
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWORK USAGE	\$94.43
BURNS, JERRY	REIMBURSEMENT EXPENSE	\$148.41
BUTLER MACHINERY CO	GENERATOR REPAIR	\$826.90
CENTURY LINK	PHONE SERVICE	\$597.66
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$1,857.24
CHILD SUPPORT PAYMENT CENTER	EMPLOYEE DEDUCTION: CHILD SUPPORT	\$750.00
CITY OF WATERTOWN	WMU'S SHARE- OPEB VALUATION REPORT	\$1,000.00
CLARK ENGINEERING CORP	HWY 212 WATER MAIN REPLACEMENT	\$7,723.75
CODINGTON COUNTY REGISTER OF DEEDS	COPIES	\$47.00
CODINGTON-CLARK ELECTRIC COOPERATIVE INC	WELLFIELD ELECTRIC SERVICE	\$6,044.68
CONNECTING POINT	COMPUTERS	\$8,996.08
CONSULTING ENGINEERS GROUP INC	SUBSTATION ENGINEERING FEES	\$13,677.78
CONTROL EQUIPMENT SALES, INC	SUPPLIES	\$218.00
CORE & MAIN LP	TAPPING VALVE	\$5,464.87
CREDIT COLLECTIONS BUREAU	COLLECTIONS	\$179.03
CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$205.44
DAKOTA DATA SHRED	SHREDDING SERVICE	\$68.45
DEPARTMENT OF HEALTH	WATER SAMPLES	\$1,090.00
DEVILLE, JEFF	REIMBURSEMENT EXPENSE	\$1,797.68
DISCOUNT SEEDS, INC.	ENERGY INCENTIVE REBATE	\$926.64
DOUG'S UPHOLSTERY	TARP REPAIRS	\$160.00
DSG DAKOTA SUPPLY GROUP	TAPPING SLEEVE	\$4,645.74
DUININCK INC	ROCK, DIRT, GRAVEL & CRUSHED CONCRETE	\$5,730.65
ENERGY LABORATORIES INC	WATER TESTING	\$1,290.00
ENERSYS INC.	BATTERY SPILL CONTAINMENT	\$3,537.60
ENGELSTAD ELECTRIC COMPANY	GAS BORE	\$3,755.31
ENSTAD, DOUG	REIMBURSEMENT EXPENSE	\$69.00
ETHANOL PRODUCTS LLC	BULK CO2	\$2,346.30
FARNAMS GENUINE PARTS	SUPPLIES	\$380.82
FASTENAL COMPANY	SUPPLIES	\$128.90
FEDERAL EXPRESS CORP	SHIPPING	\$99.32
FRANKLIN PRESS INC	PUBLIC AWARENESS	\$3,258.45
G & R CONTROLS INC.	REPLACE CO SENSOR	\$2,312.00
GACKE ENTERPRISES	LIME DISPOSAL	\$36,731.50
GAS PRODUCTS SALES, INC	100G ERTS	\$22,773.35
GCR TIRE CENTER	SUPPLIES	\$379.84
GLACIAL LAKES EROSION CONTROL	LAWN CARE	\$8,626.34
GRAINGER	SUPPLIES	\$198.20
GRAYBAR ELECTRIC CO INC	WIRE	\$1,761.88
GROEBNER	SUPPLIES	\$3,734.84
HAIDER, MARK	REIMBURSEMENT EXPENSE	\$915.81
HARRIS COMPUTER SYSTEMS	SERVER MIGRATION	\$8,490.00
HAWKINS, INC.	HYDROFLUOSILICIC ACID	\$2,454.11
HEATH CONSULTANTS INC	4 CONE MOBILE KIT	\$3,713.61
IBEW LOCAL 426	UNION DUES	\$2,938.80
INDELCO PLASTICS CORPORATION	SUPPLIES	\$240.37

INFRASTRUCTURE DESIGN GROUP, INC.	HWY 212 INSPECTION	\$23,032.84
J H LARSON COMPANY	SUPPLIES	\$4,620.85
JOHNSON FEED, INC	BULK SOLAR CRYSTALS	\$5,060.88
JOSEPH MEDANICH	ASPHALT REPAIR	\$9,556.13
JUSTICE FIRE & SAFETY	CLEAN AGENT SYSTEM INSPECTION	\$200.00
KAN HUSTON ASSOCIATES LLC	GAS RATE STUDY	\$7,000.00
KARST, ADAM	REIMBURSEMENT EXPENSE	\$1,349.20
KEY CONTRACTING INC	15TH AVE SUBSTATION	\$107,843.63
KUDRNA, JAY	REIMBURSEMENT EXPENSE	\$372.64
LATI	TRAINING EXPENSE	\$99.00
LEHNER, STEVE	REIMBURSEMENT EXPENSE	\$690.06
LOCATORS & SUPPLIES INC	REPAIR LOCATOR & TRANSMITTER	\$784.36
LUEDERS, BRAD	REIMBURSEMENT EXPENSE	\$562.96
LUNDE, JOHN	REIMBURSEMENT EXPENSE	\$154.24
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$461.22
MAC'S HARDWARE	SUPPLIES	\$187.82
MAGSTADT, BERT	REIMBURSEMENT EXPENSE	\$466.30
MARCO	COPIER LEASE	\$317.66
MARCO TECHNOLOGIES LLC	MFILES SERVER MIGRATION	\$3,185.00
MATHESON TRI-GAS INC	NITROGEN	\$42.16
MC KEEVER INC	SUPPLIES	\$258.67
MEGGER	SERVICE	\$731.84
MEIER, MARK	REIMBURSEMENT EXPENSE	\$269.12
MENARDS INC	SUPPLIES	\$851.48
MET LIFE	LIFE INSURANCE	\$1,334.12
MIDCONTINENT COMMUNICATIONS	INTERNET & CABLE SERVICE	\$207.72
MIDWEST UNDERGROUND SUPPLY, LLC	SUPPLIES	\$591.06
MILBANK WINWATER WORKS	SUPPLIES	\$651.60
MINNESOTA MUNICIPAL UTILITIES ASSN	REGISTRATION EXPENSE	\$900.00
MISSOURI RIVER ENERGY SERVICES	REGISTRATION EXPENSE	\$898.00
MUELLER CO	AUTOPERF TEES	\$2,840.34
MUNICIPAL UTILITIES - PC	PETTY CASH	\$349.29
MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND	\$1,357.38
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCOUNTS	\$9,920.92
NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$104.69
NOVASPECT, INC.	SUPPLIES	\$198.89
OFFICE PEEPS	SUPPLIES	\$1,286.68
O'REILLY AUTOMOTIVE INC	SUPPLIES	\$34.80
PETE LIEN & SONS	BULK LIME AS PER BID	\$13,299.28
PRAXAIR DISTRIBUTION INC	CYLINDER RENTAL	\$166.19
PRINCIPAL FINANCIAL GROUP	DENTAL INSURANCE	\$1,116.24
PRO LINE INC	SUPPLIES	\$90.44
RC FIRST AID	SUPPLIES	\$169.00
REDLINGER BROS PLUMBING & HEATING	SUPPLIES	\$111.90
REEDE CONSTRUCTION INC.	HWY 212 WATER MAIN REPLACEMENT	\$53,219.84
RELIABANK DAKOTA	TASC MED	\$6,996.93
RESCO	VT PACK	\$4,827.80
RIPLEY, BRETT	REIMBURSEMENT EXPENSE	\$1,850.00
ROTH, KEENAN M	REIMBURSEMENT EXPENSE	\$238.82
RUNNING'S SUPPLY INC	SUPPLIES	\$316.38
SANFORD HEALTH OCCUPATIONAL MEDICINE	SCREENS	\$209.00
SCHWEITZER ENGINEERING	SUPPLIES	\$3,080.00
SCOTT ENGINEERING CO	15TH AVE SUBSTATION	\$4,020.00

SD MUNICIPAL LEAGUE	REGISTRATION EXPENSE	\$190.00
SD ONE CALL	LOCATES	\$473.55
SDRS SPECIAL PAY PLAN	401a SICK	\$29,631.51
SENSIT TECHNOLOGIES	SERVICE	\$184.56
SERVICEMASTER	JANITORIAL SERVICE	\$4,120.00
SIOUX FALLS CRANE & HOIST INC	INSPECTION	\$203.00
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$7,128.57
STAN HOUSTON EQUIP CO	RENTAL	\$1,916.98
STAR LAUNDRY INC	RUG SERVICE	\$361.23
STATE TREASURER	2019 UNCLAIMED PROPERTY	\$2,250.78
STENCIL GROUP II LLC	UB REFUND	\$14,982.79
STUART C IRBY CO	SUPPLIES	\$3,556.93
STURDEVANTS AUTO PARTS	SUPPLIES	\$162.04
TAC SERVICES LLC	JULY & AUG LAWN SERVICE	\$2,880.00
TITAN MACHINERY- WTN	SUPPLIES	\$185.55
TOOL TIME RENTAL	RENTAL	\$150.00
TYNDALE COMPANY INC	SAFETY CLOTHING	\$165.00
UPPER BIG SIOUX RIVER WATERSHED	2019 PLEDGE	\$50,000.00
US DEPT OF ENERGY WAPA	ANNUAL MAINTENANCE	\$3,000.00
USA BLUEBOOK	SUPPLIES	\$1,316.37
WATERTOWN AREA CHAMBER OF COMMERCE	TRAINING EXPENSE	\$350.00
WATERTOWN CO-OP ELEVATOR ASSN	SUPPLIES	\$74.35
WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN PUBLIC OPINION	PUBLISHINGS & ADVERTISEMENTS	\$1,346.92
WATERTOWN UNITED WAY	United Way	\$402.50
WATERTOWN WHOLESALE	SUPPLIES	\$1,005.20
WEATHERGARD ROOFING	MOVING TRANSFORMERS TO TEREX	\$2,448.00
WESCO DISTRIBUTION INC	SUPPLIES	\$7,518.40
WILLIAM NEALE & CO., PC	2018 FIN STMNT AUDIT	\$9,975.00
WINSUPPLY OF WATERTOWN	SUPPLIES	\$338.08
WW TIRE SERVICE INC	SERVICE	\$126.40
	TOTAL	\$690,136.71

Total October 2019, 690,136.71; Transfer to City's General Fund 105,979, Muni Utilities Electric Water Gas 45,382.25; Missouri River Energy Services Power 2,106,530.06; BP Canada Energy Marketing Natural Gas 80,164.14; Dept. of Revenue Sales/Excise Tax 192,900.09; CPEP #3 Natural Gas 5,832.65, CPEP #4 11,258.12, City Finance Office Garbage Sewer 416,469.79.

ITEM 7255

Pursuant to SDCL 1-25-2(3) Motion by Carter with second by Carrico to move to Executive Session for consulting with attorney on contractual and legal matters, with action anticipated when they reconvene to regular session. Motion carried.

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

Motion by Carter with second by Carrico to leave the transfer rate to the city at 2%. Motion carried.

Motion by Carrico with second by Carter to have a one-time dollar transfer for 2020 to the City for \$100,000. Motion carried.

ITEM 7256

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 30th, day of September, 2019.

ATTEST: _____

Lisa Pahl
Board Secretary
Municipal Utilities Board

John Holley
Board President
Municipal Utilities Board