

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday, October 26, 2020

The Municipal Utilities Board convened in regular session at the Watertown Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday, October 26th, 2020 at 12:00 p.m. with President Greg Solum presiding.

Board members present: Chris Carter. Board members via teleconference Greg Solum, Mike Luken, Lisa Carrico and Dan Brenden. Board Liaison, member of City Council, Glen Vilhauer absent. Staff members present: Steve Lehner, Adam Karst, Bert Magstadt, Mark Haider, Mark Meier, Lisa Pahl and Attorney Vince Foley. Staff members via teleconference Jeff DeVille, John Lunde, Doug Enstad, Kevin Kruiter, Sheila Mennenga, Gina Brown. Guests via teleconference from Trilogy Consulting, LLC were Christine De Master and Erik Granum. Also, via teleconference were Mayor Sarah Caron, Troy VanDusen, KXLG Radio and Dan Crisler, Watertown Public Opinion.

ITEM 7419

Motion by Luken with second by Carter to approve the Agenda. Motion carried unanimously upon roll call vote.

ITEM 7420

Motion by Carrico with second by Brenden to approve minutes of regular Board Meeting on September 28th, 2020. Motion carried unanimously upon roll call vote.

ITEM 7421

Public Comment - None

ITEM 7422

Christine DeMaster of Trilogy Consulting, LLC gave a Water Rate Study Presentation. Key findings were that Water sales remained steady until a large drop in 2019 due to a wet summer, Cash reserves have grown, but remain short of what recommended, Operations and Maintenance expenses have risen in the last five years, Connection fees are lagging actual costs, and continued annual rate increases are needed to guard against fluctuations, building cash reserves and fund annual capital improvements. Recommendations from Trilogy to the Board were to implement overall revenue increases of 5% in 2021 through 2023, 3% in 2024 and 2% in 2025. Other recommendations were to continue to increase the public fire protection charges to the City by 10% annually and transition over a 5 year period, a plan that requires developers to pay directly for the cost of new main extensions and other associated infrastructure excluding any upsizing of pipes requested by the utility. No action required at this

time. The Board will discuss this presentation and recommendations further in the November Finance Committee Meeting.

ITEM 7423

Motion by Carter with second by Carrico for the authorization to call for bids for Transformers and Wire. Due to the pandemic, lead times have increased, we are asking for bids sooner to assure material for the start of the 2021 construction season. Motion carried unanimously upon roll call vote.

ITEM 7424

Motion by Luken with second by Brenden to approve General Manager to sign an Agreement with AE2S for Risk and Resiliency American Water Infrastructure Act Support. This Act involves creating a Risk and Resiliency plan that includes issues such as cyber security, identifying and resolving natural and man-made hazards, resilience plan for infrastructure, water source protection, automated system evaluations, monitoring practices, use, storage and handling of chemicals, and operation maintenance, to name a few. Motion carried unanimously upon roll call vote.

ITEM 7425

Finance Committee Meeting date is set for Friday, November 13th, 2020 at 7 a.m. in the Watertown Municipal Utilities Board Room.

ITEM 7426

Open: An invitation was given to the Board to watch the MRES Area Meetings by webinar. Due to the continuing concerns with COVID-19 the area meetings will be held via four short webinars on four separate days.

ITEM 7427

Magstadt presented the Report on Operations and Projects. Electric, Projects Completed this Month: We had 3 outages since the last report for a total of 66 unscheduled power outages in 2020, Completed terminating wire for the Cenex to Zoo conversion, Disconnected the temporary 115 kV transmission line from MRES power plant to Uptown Sub for MRES breaker replacement project. Will have to reconnect in April when the CT's arrive to complete MRES project. Gas, Projects Completed this Month: Installed 2500' of 2" main at River Ridge, passed a construction inspection with both state and federal inspectors on Oct. 6th during our tie-in at the tap. Water, Projects Completed this Month: Replaced well 3A and VFD motor, replaced a 6" meter at the fertilizer plant. Engineering Tech Department: Creating new emergency area maps with new NBPL tap. Northern Border Tap: Projects Completed this Month: Tap was tied in on Oct. 6th, welds passed x-ray, doing final punch list items such as power and wiring, anticipate

energization by late Nov. - Dec. 1st., A special acknowledgement to John Lunde for spear heading this project.

ITEM 7428

Karst presented the report on Administration and Financial Statements, Purchasing, Accounting and Facilities, Projects in Progress: Working on 2021 budget, Clean up warehouse yard in preparation for winter. Upcoming Projects: Preparing for physical inventory. Customer Service, Projects Completed this Month: 120 COVID-19 deals, Front page of Saturdays Public Opinion Newspaper had an article on extra funds that are available through SD Cares Act. These funds are to help with utilities, mortgage or rent. We urge our customers to contact them at the numbers listed in the paper. Human Resources/Risk Management: Beginning review of health insurance renewal, Continuing to document payroll data information for COVID reimbursement through the South Dakota Cares Act, Preparing tracking log and instructions if we should implement "critical infrastructure" worker return and Received the Gold Loss/Safety Achievement Award from Safety Benefits. IT: Normal monthly IT maintenance and troubleshooting along with Website Stats and top 10 webpages visited, Northstar server migration.

Statements of Revenue and Expenses and Capital Additions were presented to the Board for review. Year to date net income is \$1,004,523 above budget for the nine months ending September 30th, 2020. Total Capital Additions are \$1,263,505 under budget for the nine months ending September 30th, 2020.

ITEM 7429

Motion made by Carter with second by Luken to approve the following verified salary claims and bills. Motion carried unanimously upon roll call vote. Total Watertown Municipal Utilities Net Payroll for October 2020 Plus ACH Payroll Payments \$540,384.64. New: S.Koehn 34.20/hr. effective 10/5/2020, Changes: K. Nordsiden 23.48/hr. effective 10/15/2020, M. Rost 29.26/hr. effective 10/5/2020. Term: D. Meseberg effective 10/20/2020.

Name	Payable Description	Payment Amount
NOV. 2, 2020		
ABC EMBROIDERY	SERVICE	\$19.80
ABC LOCK & KEY	SERVICE	\$190.00
ACTIVE HEATING INC	ENERGY INCENTIVE REBATE	\$600.00
ADVANCED ENGINEERING & ENVIRONMENTAL SERV.	WTP I&C SERVICES	\$6,886.03
AFLAC	SHORT TERM DISABILITY	\$1,882.18
AGWRX COOPERATIVE - PELICAN	SUPPLIES	\$320.00
AMARIL UNIFORM COMPANY	SAFETY CLOTHING	\$330.42
AMERICAN ENGINEERING TESTING INC	NBPL SERVICES	\$7,388.75
ANDOR INC	PIPING FOR METER RELOCATION	\$3,385.00
A-OX WELDING SUPPLY INC	SUPPLIES	\$1,017.75
AP & SONS CONSTRUCTION INC	2020 WATER MAIN REPLACEMENT	\$143,931.70
APGA	2021 MEMBERSHIP DUES	\$9,124.28
AQUA-PURE INC	SUPPLIES	\$3,300.00
AUTO BODY SPECIALTIES	SUPPLIES	\$978.15
BACHMANN ENTERPRISE INC.	NBPL TAP	\$10,312.20
BENDIX IMAGING INC	SUPPLIES	\$427.97
BORDER STATES ELECTRIC SUPPLY	FAULT INDICATOR	\$38,825.24
BORNS GROUP	POSTAGE & MAILING	\$8,864.48
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWORK USAGE	\$99.72
CENTURY LINK	PHONE SERVICE	\$299.40

CHASE CARDMEMBER SERVICE	CREDIT CARD	\$754.70
CHILD SUPPORT PAYMENT CENTER	EMPLOYEE DEDUCTION: CHILD SUPPORT	\$750.00
CLAUSEN CONSTRUCTION, INC.	DEMO/HAULING OF BUILDING	\$7,000.00
CODINGTON-CLARK ELECTRIC COOPERATIVE INC	WELLFIELD ELECTRIC SERVICE	\$6,294.40
CONNECTING POINT	SOFTWARE MAINTENANCE	\$611.00
CONSOLIDATED READY MIX	NBPL SUPPLIES	\$2,411.50
CONSULTING ENGINEERS GROUP INC	ELECTRIC LOAD ANALYSIS AGREEMENT	\$4,150.00
CONTROL EQUIPMENT SALES, INC	NBPL SUPPLIES	\$12,420.00
CREDIT COLLECTIONS BUREAU	COLLECTIONS	\$691.51
CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$436.98
DAKOTA DATA SHRED	SHREDDING SERVICE	\$68.45
DAKOTA RIGGERS & TOOL	SUPPLIES	\$208.80
DEPARTMENT OF HEALTH	WATER SAMPLES	\$412.00
DETERMAN, JEFF	REIMBURSEMENT EXPENSE	\$219.55
DGR ENGINEERING	SERVICES	\$3,286.50
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$6,969.01
DTN, LLC	SUBSCRIPTION	\$489.00
EACHEN INC	SERVICE	\$928.55
ENGELSTAD ELECTRIC COMPANY	INSTALLATION OF UNDERGROUND	\$78,512.36
ENSTAD, DOUG	OCTOBER REIMBURSEMENT	\$180.55
ETHANOL PRODUCTS LLC	BULK CO2	\$1,877.52
FARNAMS GENUINE PARTS	SUPPLIES	\$136.50
FARWEST LINE SPECIALTIES, LLC	SUPPLIES	\$1,075.80
FASTENAL COMPANY	SUPPLIES	\$776.93
FEDERAL EXPRESS CORP	SERVICE	\$87.29
FOLEY AND FOLEY LAW OFFICE, PC	AUGUST LEGAL FEES	\$280.00
G & R CONTROLS INC.	PREVENTIVE MAINTENANCE SERVICES	\$3,050.01
GRAINGER	BALL VALVE	\$725.00
GROEBNER	SUPPLIES	\$1,267.92
HARRIS COMPUTER SYSTEMS	SERVER MIGRATION	\$4,245.00
HAWKINS, INC.	HYDROFLUOSILICIC ACID	\$1,990.18
IBEW LOCAL 426	UNION DUES	\$2,871.28
IRISNDT INC.	NBPL SERVICE	\$1,935.00
J H LARSON COMPANY	SUPPLIES	\$2,869.23
JURGENS PRINTING INC	SUPPLIES	\$840.00
KARST, ADAM	REIMBURSEMENT EXPENSE	\$526.57
KOONS GAS MEASUREMENT	GAS METERS	\$2,682.95
LAKE CITY FIRE EQUIPMENT LLC	SUPPLIES	\$40.12
LOCATORS & SUPPLIES INC	SUPPLIES	\$1,112.27
LORI LEE	MOWING SERVICE	\$2,000.00
LUNDE, JOHN	OCTOBER REIMBURSEMENT	\$298.42
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$703.04
MAC'S HARDWARE	SUPPLIES	\$771.17
MAGSTADT, BERT	EXPENSE REPORT	\$67.28
MARCO	COPIER LEASE	\$497.32
MATHESON TRI-GAS INC	SUPPLIES	\$137.37
MCKEEVER INC	SUPPLIES	\$182.88
MEGGER	REPAIR	\$1,447.52
MENARDS INC	SUPPLIES	\$917.42
MENNENGA, SHEILA	REIMBURSEMENT EXPENSE	\$105.00
MERTZ FENCING	NBPL TAP	\$14,867.50
MET LIFE	LIFE INSURANCE	\$1,315.55
MIDCONTINENT COMMUNICATIONS	INTERNET & CABLE SERVICE	\$221.03
MIDWEST AUTOMOTIVE INC	TOPPER, ACCESSORIES UNIT 12	\$5,939.98
MILBANK WINWATER WORKS	SUPPLIES	\$269.25
MINNESOTA MUNICIPAL UTILITIES ASSN	SAFETY PROGRAM	\$7,425.00
MUELLER CO	SUPPLIES	\$223.71
MUNICIPAL UTILITIES - PC	PETTY CASH	\$265.00
MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND	\$311.56
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCOUNTS	\$7,235.33
MUNICIPAL UTILITIES-TERM LIFE PAY	TERM LIFE	\$1,032.60
NELSON TECHNOLOGIES INC	WATERBATH HEATER	\$116,590.12
NORTH STAR LOGISTICS	NBPL SERVICE	\$29,350.06
NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$361.60
OFFICE PEEPS	SUPPLIES	\$496.12
OLSON, CINDY	REIMBURSEMENT EXPENSE	\$87.35
OVERHEAD DOOR CO OF WTN	SERVICE	\$96.89
PAHL, TIMOTHY A	REIMBURSEMENT EXPENSE	\$742.15
PETE LIEN & SONS	BULK LIME	\$11,289.32
PETERSON, DELORES	REIMBURSEMENT EXPENSE	\$35.00
PIPEHORN LOCATING TECHNOLOGY	SUPPLIES	\$1,462.00
POMP'S TIRE SERVICE, INC.	SUPPLIES	\$1,222.82
PRAXAIR DISTRIBUTION INC	CYLINDER RENTAL	\$187.93
PRINCIPAL FINANCIAL GROUP	DENTAL INSURANCE	\$1,134.11
PRINT 'EM NOW INC	SUPPLIES	\$575.00
PRO LINE INC	SUPPLIES	\$85.55
RC FIRST AID	SUPPLIES	\$131.00
REDLINGER BROS PLUMBING & HEATING	SUPPLIES	\$79.59
REEDE CONSTRUCTION INC.	HWY 212 WATER MAIN REPLACEMENT	\$7,500.00
RELIABANK DAKOTA	TASC MED	\$6,099.64
RESCO	LOADBREAK ELBOWS	\$9,978.29
RON'S SAW SALES	SERVICE	\$197.30

RUNNING'S SUPPLY INC	SUPPLIES	\$382.71
SANFORD HEALTH OCCUPATIONAL MEDICINE	SCREENS	\$400.00
SCOTT ENGINEERING CO	PELICAN BERM EXTENSION	\$2,500.00
SD ELECTRICAL COUNCIL	2021 DUES	\$40.00
SD ONE CALL	LOCATES	\$490.35
SDRS SPECIAL PAY PLAN	401a VAC	\$40,891.40
SERVICEMASTER OF WATERTOWN	JANITORIAL SERVICE	\$4,120.00
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$5,308.43
SPX COMPONENTS GROUP	SUPPLIES	\$2,669.75
STADHEIM LAWN CARE	SERVICE	\$2,185.00
STAN HOUSTON EQUIP CO	SUPPLIES	\$1,329.33
STAR LAUNDRY INC	SERVICE	\$364.62
STUART C IRBY CO	SUPPLIES	\$1,136.41
STURDEVANTS AUTO PARTS	SUPPLIES	\$400.30
TECH PRODUCTS INC	SUPPLIES	\$2,515.05
TEREX GLOBAL GMBH	SERVICE	\$317.44
TITAN MACHINERY- WTN	SERVICE	\$7,634.16
TOOL TIME RENTAL	RENTAL	\$625.00
TRILOGY CONSULTING, LLC	2020 WATER RATE STUDY	\$3,300.00
TRUENORTH STEEL, INC.	SUPPLIES	\$1,454.40
TYNDALE COMPANY INC	SAFETY CLOTHING	\$253.90
ULINE INC	SUPPLIES	\$172.70
UPPER BIG SIOUX RIVER WATERSHED	2020 PLEDGE	\$50,000.00
USA BLUEBOOK	SUPPLIES	\$457.61
VERIFIED CREDENTIALS	BACKGROUND SCREENING	\$229.99
VERMEER HIGH PLAINS	SUPPLIES	\$204.11
WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN FORD CHRYSLER	SERVICE	\$315.37
WATERTOWN LAWN & GARDEN	REPAIR	\$32.50
WATERTOWN PUBLIC OPINION	PUBLISHINGS & ADVERTISEMENTS	\$640.77
WATERTOWN UNITED WAY	United Way	\$424.00
WATERTOWN WHOLESALE	SUPPLIES	\$87.75
WESCO DISTRIBUTION INC	ELBOWS	\$13,729.00
WINSUPPLY OF WATERTOWN	SUPPLIES	\$74.00
WW TIRE SERVICE INC	SERVICE	\$2,353.00
	TOTAL	\$783,032.32

Total October 2020 \$783,032.32; Transfer to City's General Fund \$116,433.33, Muni Utilities Electric Water Gas \$50,361.75; Missouri River Energy Services Power \$1,444,852.16; BP Canada Energy Marketing Natural Gas \$37,762.20; Dept. of Revenue Sales/Excise Tax \$161,960.02; CPEP #3 Natural Gas \$7,667.63, CPEP #4 Natural Gas \$12,945.15, Sequent Energy Mgmt. Natural Gas \$63,828.10, Northern Border Pipeline Natural Gas Tap \$92,608.50, City Finance Office Garbage/Sewer \$445,968.25.

ITEM 7430

Pursuant to SDCL 1-25-2(3) Carrico moved with second by Luken to move to Executive Session for discussion of contractual matters. The Board does not plan to take any action when they reconvene to regular session. Motion carried unanimously upon roll call vote.

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

Motion by Luken with second by Carrico to adjourn. Motion carried unanimously upon roll call vote.

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 October, 2020.

ATTEST: _____

Lisa Pahl
Board Secretary
Municipal Utilities Board

Greg Solum
Board President
Municipal Utilities Department