

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday, June 27, 2022

The Municipal Utilities Board convened in regular session at the Watertown Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday, June 27, 2022, at 12:00 p.m. with President Lisa Carrico presiding.

Board members present: Lisa Carrico, Chris Carter, Mike Luken, Dan Brenden and Rich Thomas. Board Liaison, member of City Council, Mike Danforth absent. Staff members present: Steve Lehner, Adam Karst, Bert Magstadt, Wayne Lovelis, John Lunde, Brian Benson, Mark Haider, Dan LeVasseur, Mark Meier, Kevin Kruiter, Gina Brown, Lisa Pahl and Attorney Vince Foley. Media Juli Richter, KXLG Radio.

ITEM 7713

Motion by Luken with second by Carter to approve the agenda with the change of moving Item 5 after Executive Session. Motion carried.

ITEM 7714

Motion by Brenden with second by Thomas to approve minutes of regular Board Meeting held on May 31, 2022. Motion carried.

ITEM 7715

Public Comment - None

ITEM 7716

Open: a)Lehner presented the two sided bill stuffer. Cookin' on Kampeska and Preventing Storm Water Pollution. b) Lehner extended an invite to the Board to the MRES Municipal Power Leadership Academy on September 21-22, 2022 in Sioux Falls. c) Lehner gave an update of the MECA summer meeting. The Board of Directors Meeting was held in Omaha. With the retirement of Tom Boyko there was an reorganization of the Board. Vernell Roberts was appointed President. There was discussion on dates for annual meetings and such. Mike Ferguson gave an update on Western States Power, Gary Hinkle for the USACE gave a recap presentation, Lori Frisk, Dave Neumayer and Steve Sanders all from WAPA gave updates. WAPA CFO Mike Peterson's plane was cancelled so he did not make it. Tim Koczur, the Missouri Basin Regional Power Manager with USBR spoke.

ITEM 7717

Magstadt presented the Report on Operations and Projects. Electric, Projects completed this Month: 16 outages in June for a total of 47 outages in 2022, Energized new cable and cut over services on 7th Ave SW from Oakwood Road to 21st St. SW. Gas, Projects Completed this Month: Adjusted 6" and 4" steel mains on 3rd Ave & 3rd St NW for storm sewer, Projects Starting this Month: Contractor starting mains and services

relocation for 212. Engineering, Projects in Progress: 421 one-call locates June 1 -20, 2022, Working with ESRI GIS Data Collecting Software setup. Water, The South Dakota DANR met and approved Watertown Municipal Utilities 4 grant applications. They have approved to pay 30% of the approximately 16.15 million dollars on the projects and the remaining 70% they were able to give us a loan at the rate of 1.875% for 20-30 years, depending on the project. We have until 2026 to complete the projects. Projects Completed this Month: 4 water main breaks for a total of 11 for the 2021-2022 season.

ITEM 7718

Karst presented the report on Administration and Financial Statements, Purchasing, Accounting and Facilities, Projects in Progress: Working on ordering, receiving and stocking materials. Upcoming Projects: Replacing fence on south end of storage yard by our parking lot. Customer Service: 14,698 payments collected for a total of \$4,902,118 and 55,660 services billed for a total of \$4,131,394. Human Resources/Risk Management: Continuing to facilitate and review health insurance renewal options for 2023, Insurance committee has been meeting and going over all potential options and we are providing updates to the employees at the monthly safety meetings, Retirement of Mark Haider, IT supervisor. Information Systems: Succession training and handoff, 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 \$45,195 over budget for the five months ending May 31st, 2022. Total Capital Additions are \$505,629 under budget for the five months ending May 31st,2022.

ITEM 7719

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 June 2022 Plus ACH Payroll Payments \$623,183.36. Term: M. Haider effective 6/30/2022, New: Ben Byer,15.00/hr. effective 5/23/2022.

| Name | Payable Description | Payment Amount |
|--|------------------------------------|----------------|
| JULY 1, 2022 | | |
| ACTIVE HEATING INC | ENERGY INCENTIVE REBATE | \$100.00 |
| ADVANCED ENGINEERING AND ENVIRONMENTAL SERVICES, LLC | I&C SYSTEM SERVICES | \$18,686.83 |
| AFLAC | CANCER PT | \$1,730.12 |
| ANDOR INC | ENERGY INCENTIVE REBATE | \$300.00 |
| A-OX WELDING SUPPLY INC | CYLINDER RENTAL | \$21.55 |
| AP & SONS CONSTRUCTION INC | HARMONY HILL & 3RD AVE NW PROJECTS | \$487,833.35 |
| APPLIED INDUSTRIAL TECH INC | SUPPLIES | \$481.80 |
| AUTO VALUE WATERTOWN | SUPPLIES | \$409.53 |
| BENDIX IMAGING INC | SUPPLIES | \$1,383.98 |
| BORDER STATES ELECTRIC SUPPLY | METERS | \$36,997.35 |
| BORNS GROUP | POSTAGE & MAILING | \$9,909.38 |
| BRIAN'S GLASS & DOOR INC | SERVICE | \$365.00 |
| BURCHATZ CONSTRUCTION COMPANY INC | SERVICE | \$1,916.18 |
| BUREAU OF ADMINISTRATION | STATE TELEPHONE NETWORK USAGE | \$131.48 |
| C A TURNER | SUPPLIES | \$375.99 |
| CARTNEY BEARING & SUPPLY | SUPPLIES | \$51.41 |
| CENTURY LINK | PHONE SERVICE | \$313.21 |
| CHASE CARDMEMBER SERVICE | CREDIT CARD | \$5,003.76 |
| CHILD SUPPORT PAYMENT CENTER | EMPLOYEE DEDUCTION: CHILD SUPPORT | \$750.00 |
| CITY OF WATERTOWN | DONATION | \$1,000.00 |
| CITY OF WATERTOWN | MISCELLANEOUS FEES | \$214.83 |

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| CODINGTON-CLARK ELECTRIC COOPERATIVE INC | WELLFIELD ELECTRIC SERVICE | \$7,000.08 |
| CONNECTING POINT | COMPUTER WORKSTATIONS | \$13,196.50 |
| CORE & MAIN LP | 30" CASINGS, SUPPLIES | \$27,629.07 |
| CREDIT COLLECTIONS BUREAU | COLLECTIONS | \$48.33 |
| CUDA INDUSTRIES | ENERGY INCENTIVE REBATE | \$3,048.84 |
| DAKOTA DATA SHRED | SHREDDING SERVICE | \$73.44 |
| DAKOTA DIRECTIONAL LLC | HWY 212, OTHER MISC PROJECTS | \$260,169.96 |
| DANR | 2023 ANNUAL ENVIORNMENTAL FEE | \$7,000.00 |
| DEPARTMENT OF HEALTH | WATER SAMPLES | \$561.00 |
| DIAMOND VOGEL PAINT CENTER | SUPPLIES | \$90.74 |
| DSG DAKOTA SUPPLY GROUP | WATER METERS AS PER BID | \$29,976.51 |
| DTN, LLC | SUBSCRIPTION | \$541.00 |
| DUININCK INC | GRAVEL, ROCK, DIRT | \$7,929.11 |
| DYNAMIC ENGINEERING | SUPPLIES | \$697.00 |
| EMERGENT SAFETY SUPPLY | SUPPLIES | \$2,239.81 |
| ENERGY LABORATORIES INC | WATER TESTING | \$1,328.00 |
| ENGELSTAD ELECTRIC COMPANY | SERVICE | \$1,753.06 |
| ETHANOL PRODUCTS LLC | BULK CO2 | \$1,202.82 |
| FEDERAL EXPRESS CORP | SERVICE | \$7.62 |
| FIDELITY SECURITY LIFE INSURANCE CO. (EYEMED) | VISION INSURANCE | \$421.43 |
| FOLEY AND FOLEY LAW OFFICE, PC | MAY LEGAL FEES | \$750.00 |
| GLACIAL LAKES EROSION CONTROL | 15TH AVE SUBSTATION LAWN SEEDING | \$5,406.00 |
| GRAF SIGN PRO OF WATERTOWN LLC | SUPPLIES | \$750.00 |
| GRAINGER | SUPPLIES | \$400.51 |
| GROEBNER | HOT TAPE | \$4,587.91 |
| HACH COMPANY | SUPPLIES | \$589.12 |
| HAWKINS, INC. | HYDROFLUOSILICIC ACID | \$4,291.02 |
| IBEW LOCAL 426 | UNION DUES | \$3,372.00 |
| J & J EARTHWORKS | HWY 212 WATERMAIN REPLACEMENT | \$119,244.23 |
| J H LARSON COMPANY | SUPPLIES | \$2,003.81 |
| JURGENS PRINTING INC | SUPPLIES | \$59.00 |
| KEY CONTRACTING INC | SERVICE | \$3,636.74 |
| KOONS GAS MEASUREMENT | SUPPLIES | \$1,243.18 |
| KXLG | SERVICE | \$600.00 |
| LEHNER, STEVE | REIMBURSEMENT EXPENSE | \$139.34 |
| LINDE GAS & EQUIPMENT INC. | SUPPLIES | \$200.36 |
| LOCATORS & SUPPLIES INC | TRAFFIC CONES | \$2,408.07 |
| LUNDE, JOHN | REIMBURSEMENT EXPENSE | \$62.01 |
| MAC'S HARDWARE | SUPPLIES | \$103.95 |
| MAGSTADT, BERT | REIMBURSEMENT EXPENSE | \$201.24 |
| MARCO | COPIER LEASE | \$630.00 |
| MARCO TECHNOLOGIES LLC | MFILES CONTRACT | \$10,374.00 |
| MATHESON TRI-GAS INC | SUPPLIES | \$216.94 |
| MCKEEVER INC | SUPPLIES | \$347.85 |
| MENARDS INC | SUPPLIES | \$1,700.24 |
| MENNENGA, SHEILA | REIMBURSEMENT EXPENSE | \$111.75 |
| MET LIFE | LIFE INSURANCE | \$1,313.73 |
| MIDCONTINENT COMMUNICATIONS | INTERNET & CABLE SERVICE | \$239.86 |
| MIDWEST UNDERGROUND SUPPLY, LLC | SUPPLIES | \$857.03 |
| MILBANK WINWATER WORKS | WATER PIPE AS PER BID | \$45,889.59 |
| MISSOURI RIVER ENERGY SERVICES | SERVICE | \$224.25 |
| MUELLER CO | SUPPLIES | \$1,489.50 |
| MUNICIPAL UTILITIES - PC | REPLENISH PETTY CASH | \$370.44 |
| MUNICIPAL UTILITIES-NSF CHECK ACCO | REIMBURSE NSF FUND | \$811.06 |
| MUNICIPAL UTILITIES-REFUND ACCT | REFUNDS OF CREDITS ON ACCOUNTS | \$9,152.46 |
| NAPA CENTRAL | SUPPLIES | \$549.09 |
| NORTHWEST PIPE FITTINGS INC | SUPPLIES | \$1,475.40 |
| NOVASPECT, INC. | REGULATORS | \$8,519.50 |
| OFFICE PEEPS | SUPPLIES | \$998.64 |
| O'REILLY AUTOMOTIVE INC | SUPPLIES | \$20.54 |
| PAYMENTUS GROUP INC. | SUPPLIES | \$750.00 |
| PETE LIEN & SONS | BULK LIME | \$15,881.87 |
| POMP'S TIRE SERVICE, INC. | SERVICE | \$38.50 |
| PRINCIPAL FINANCIAL GROUP | DENTAL INSURANCE | \$1,203.75 |
| PRO LINE INC | SUPPLIES | \$136.60 |
| RC FIRST AID | SUPPLIES | \$152.50 |
| RELIABANK DAKOTA | FLEX MED | \$7,614.13 |
| RESCO | SUPPLIES | \$5,781.92 |
| ROBERT E. LEE | SERVICE | \$3,200.00 |
| RODENBURG LAW FIRM | EMPLOYEE DEDUCTION | \$150.00 |
| RON'S SAW SALES | SERVICE | \$76.19 |
| RUNNING'S SUPPLY INC | SUPPLIES | \$848.65 |
| SANFORD WATERTOWN OCCUPATIONAL MEDICINE | SERVICE | \$210.00 |
| SD ONE CALL | LOCATES | \$693.00 |
| SDRS SPECIAL PAY PLAN | 401a VAC | \$42,911.15 |
| SERVICEMASTER OF WATERTOWN | JANITORIAL SERVICE | \$4,120.00 |
| SIOUX VALLEY CO-OP | FUEL, SUPPLIES | \$19,262.72 |
| STADHEIM LAWN CARE | LAWN CARE | \$2,711.78 |
| STAN HOUSTON EQUIP CO | SUPPLIES | \$210.00 |
| STAR LAUNDRY INC | SERVICE | \$511.84 |
| STUART C IRBY CO | METER CANS | \$10,670.74 |
| T & R ELECTRIC SUPPLY COMPANY INC | TRANSFORMERS | \$6,989.08 |
| TECH PRODUCTS INC | SUPPLIES | \$54.20 |
| TEREX GLOBAL GMBH | SUPPLIES | \$76.93 |
| TITAN MACHINERY- WTN | SERVICE UNIT 24 | \$8,876.14 |
| TRAV'S OUTFITTER | SAFETY CLOTHING | \$1,273.00 |
| USA BLUEBOOK | SUPPLIES | \$1,831.82 |

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| WATERTOWN DEVELOPMENT COMPANY | INDUSTRIAL DEVELOPMENT EXPENSE | \$8,690.00 |
| WATERTOWN DEVELOPMENT COMPANY | 2022 GROW WATERTOWN PLEDGE | \$60,000.00 |
| WATERTOWN UNITED WAY | United Way | \$390.00 |
| WATERTOWN WHOLESALE INC | SUPPLIES | \$864.20 |
| WESCO DISTRIBUTION INC | TRANSFORMERS AS PER BID | \$75,446.50 |
| WILSON BOHANNAN COMPANY | SUPPLIES | \$2,362.80 |
| WINSUPPLY OF WATERTOWN | SUPPLIES | \$91.65 |
| WW TIRE SERVICE INC | SERVICE | \$75.00 |
| | TOTAL | <u>\$1,452,387.09</u> |

Total May \$1,452,387.09; Transfer to City's General Fund \$114,675.00, Muni Utilities Electric Water Gas \$46,024.02; Missouri River Energy Services Power \$1,379,580.37; BP Canada Energy Marketing Natural Gas \$75,581.10; Dept. of Revenue Sales/Excise Tax \$173,224.84; CPEP #3 Natural Gas \$48,773.08, CPEP #4 Natural Gas \$56,003.90, Sequent Energy Mgmt. Natural Gas \$96,901.35, City Finance Office Garbage/Sewer \$534,657.71.

ITEM 7720

The Board set date of Wednesday, July 27th, 2022, at noon for July Board Meeting.

Pursuant to SDCL 1-25-2(3), (4), (5) Luken moved with second by Carter to move to Executive Session for discussion of contract negotiations, consult with legal counsel and pricing strategies. The Board does expect to take-action when they reconvene to regular session. Motion carried.

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

Motion by Luken with second by Brenden to approve raising the gas rates as follows: Residential and Commercial gas rates from .52 cents to .65 cents per ccf, Large firm gas rates from .505 cents to .635 cents per ccf. These will start with July, 2022 reads. Motion carried unanimously upon roll call vote.

Motion by Luken with second by Thomas 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 27th, day of June 2022.

ATTEST: _____

Lisa Pahl
Board Secretary
Municipal Utilities Board

Lisa Carrico
Board President
Municipal Utilities Department