

# MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday July 30, 2012

The Municipal Utilities Board convened in regular session at the Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday July 30, 2012 at Noon with President Dave Strait presiding.

Board members present: Dave Strait, Mike Luken, Ernie Wight, Wayne Schultz and Dustin Padgett. Liaison Member of City Council Bruce Buhler. Staff Members present: Steve Lehner, Adam Karst, Todd Chambers, Jeff DeVille, Rich Schmidt, Mark Haider, Mark Meier, Stephanie Ries, Lisa Pahl, Stanton Fox. Press: Don Egert, KXLG Radio.

## ITEM 6245

Motion by Luken with second by Wight to approve the Agenda with an addition under Open, c) Laramie River Station Outage Update. Motion carried.

## ITEM 6246

Motion by Luken with second by Wight to approve minutes of regular meeting on June 27, 2012. Motion carried.

## ITEM 6247

Motion by Padgett with second by Schultz to approve a Water Service and Voluntary Annexation Agreement with Mark and Carol Veach to serve water outside city limits. Motion carried

## ITEM 6248

Motion by Wight with second by Padgett to return communications building at Mellette to Codington County Emergency Management. Motion carried.

## ITEM 6249

Motion by Padgett with second by Luken to declare as surplus WAPA 115KV Switches and related Equipment. Motion carried.

## ITEM 6250

Lehner updated the Board on the WAPA Agreement that was signed last month. WAPA gave the utilities a detailed cost assessment but they said the concrete work was not included in the assessment that was received.

## ITEM 6251

Board President Dave Strait turned the meeting over to General Manager Steve Lehner. Lehner announced that Dave Strait was re-appointed by Mayor Gary Williams for a five-year term and also noted that Bruce Buhler has

been appointed by the Mayor to be liaison to the Utilities Board from the City Council.

Lehner requested reorganization of the Board. Motion by Luken with second by Schultz to nominate Dustin Padgett as President with nominations to cease and unanimous ballot be cast for nominee. Motion carried. Motion by Schultz with second by Wight to nominate Mike Luken as Vice-President with nominations to cease and a unanimous ballot be cast for nominee. Motion carried

President Padgett made the following committee appointments:

RATES & TRANSFERS: MIKE LUKEN & ERNIE WIGHT

WAGES & PERSONNEL: ERNIE WIGHT & MIKE LUKEN

PRODUCTION & DISTRIBUTION: WAYNE SCHULTZ & DAVE STRAIT

BUILDINGS & EQUIPMENT: DAVE STRAIT & WAYNE SHCULTZ

INVENTORY CONTROL: WAYNE SCHULTZ & ERNIE WIGHT

FINANCE: ALL WITH DUSTIN PADGETT AS CHAIRMAN

FIRST NAMED MEMBER TO BE CHAIRMAN OF COMMITTEE

Motion by Strait with second by Luken to approve Committee appointments. Motion carried.

#### **ITEM 6252**

Lehner presented the bill stuffer Watertown 2020 Information Insert. Karst presented the bill stuffer for the Watertown Police Department's 7<sup>th</sup> Annual National Night Out. Lehner gave an update on the Laramie River Station Outage. The Unit one generator went out. The bushing failed and burned up. It is in the process of being replaced.

#### **ITEM 6253**

Motion by Schultz with second by Wight to approve Insurance carrier change for Property, Boiler and Machinery Coverage from Travelers to SD Public Assurance Alliance/Hagan Benefits. Motion carried.

#### **ITEM 6254**

Chambers presented report on Operations and Projects: Electric Department, Projects Completed this Month: Installed transformer and 600 feet of underground primary at City Park for Cookin' on Kampeska, Installed primary to Munger's storage garages on West 212, Installed primary and transformer to CHS fertilizer plant, Moved 6 poles for South Bypass road work. Projects Starting Next Month: Relocating primary and transformer for LATI Phase 4 addition. Gas Department, Projects Completed this Month: Responded to 13 gas smell calls, Completed the downstream tie-in connections for the new TBS, Pressured the new TBS gas line to 250 pounds. Projects In Progress: Updating the O & M manuals to include the new updates for the new pipeline. Water Department, Projects Completed this Month: New Taps, Hydrants Replaced, Tested 30 lead and copper sample sites. This testing is done every three years. All samples were below regulated limits. Projects in Progress: Working with HR Green on the

design of the 3 million gallon replacement reservoir. Engineering Tech Department, Projects Completed this Month: 404 One-Call locates July 1 - 26<sup>th</sup>, 2012, 492 One-Call locates total June, 2012. Projects Starting Next Month: Average 450 One-Call locates in August.

#### **ITEM 6255**

Karst presented report on Administration and Financial Statements: Building/Grounds and Purchasing, Projects Completed This Month: Completed the pallet racking and placement of items in Morton Building. Projects in Progress: Sioux Valley Nurseries is installing sprinkler systems at Water Treatment Plant and then will move up to Mellette Booster Station to install a sprinkler system there, Begin cleaning fenced in yard behind Morton building and rearranging. Office, Projects Completed this Month: 13,233 Payments collected with a total of \$3,371,241.10; Total of 50,490 services billed for a total of \$3,431,620.60; Projects in Progress: Finished the 2011 financial statement audit - he will be here in August to present the audit report with no findings. Projects Starting Next Month: Implementation of the new document management system. Human Resources/Risk Management: Attended Watertown 2020 HR Focus Group Meeting, Completed review of property and equipment valuations for new insurance plan, Completed interviews for Purchasing, Facilities & Accounting Supervisor position, Promotion Kevin Kruiter, Purchasing, Facilities & Accounting Supervisor effective 8/1/12, Advertising for Water Distribution & Maintenance position - will interview in mid-August. Information Systems, Current Projects: Document Management, Consort Demand Side Management, ERT Maintenance check. The Top 10 Webpages Visited: The Agendas & Minutes we added last month hit number ten on webpages visited.

Statements of revenue and expenses were presented to the Board. Year to date net income is approximately \$867,135.00 below budget thru July 2012 due to the warmer winter weather.

#### **ITEM 6256**

Motion made by Luken with second by Wight to approve the following verified Salary claims and bills. Motion carried unanimously upon roll call vote. Total Municipal Utilities Dept Net Payroll for July, 2012 Plus ACH Payroll Payments \$341,675.98. Retirement Tim Johnson, effective 6/29/2012.

<b>Name</b>	<b>Payable Description</b>	<b>Payment Amount</b>
<b>August 1, 2012</b>		
ADVANCED ENGINEERING & ENVIRONMENT	WATER SYSTEM IMPROVEMENTS	\$4,583.41
AFLAC	CANCER PT	\$1,995.82
AMERICAN ENGINEERING TESTING INC	GAS MAIN WELD TEST	\$15,450.62
ANGUS PALM	ENERGY INCENTIVE REBATE	\$49,300.00
A-OX WELDING SUPPLY INC	SUPPLIES	\$38.80
APPLIED INDUSTRIAL TECH	SUPPLIES	\$42.88
ARGUS LEADER	PUBLISHINGS	\$156.24
AUSTIN LAW OFFICE	ENERGY INCENTIVE REBATE	\$936.00
AVANTI FEDERAL CREDIT UNION	CREDIT UNION	\$17,382.61
BELL LUMBER & POLE CO	BELL POLE ORDER AS PER BID	\$18,680.00
BENDIX IMAGING INC	SUPPLIES	\$159.97

BEST BUSINESS PRODUCTS INC TX	COPIER LEASE	\$139.01
BORDER STATES ELECTRIC SUPPLY	WIRE	\$45,007.65
BORNS GROUP	POSTAGE & MAILING	\$6,907.45
BRITESWITCH	ENERGY INCENTIVE REBATE	\$540.00
BURCHATZ CONSTRUCTION COMPANY INC	CEMENT REPAIR FOR MISC BORES	\$3,969.72
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWORK USAGE	\$123.33
CABINET CONCEPTS INC	ENERGY INCENTIVE REBATE	\$255.00
CASHWAY LUMBER INC	SUPPLIES	\$226.29
CENTURY LINK	PHONE SERVICE	\$310.52
CHAMBERS, TODD	REIMBURSEMENT EXPENSE	\$451.49
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$1,711.69
CHICAGO TUBE & IRON	SUPPLIES	\$542.34
CITY OF WATERTOWN	PROPERTY INSURANCE FEB. 2012-AUG. 2012	\$50,215.00
CODINGTON COUNTY REGISTER OF DEEDS	COPIES	\$11.00
CODINGTON-CLARK ELECTRIC COOPERATIVE INC	ELECTRIC SERVICE - NEW WELLFIELD	\$5,553.58
COTEAU SHOPPER	PUBLISHING EXPENSE	\$150.00
CREDIT BUREAU OF WATERTOWN INC	COLLECTIONS	\$687.28
CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$359.87
CUMMINS CENTRAL POWER LLC	SUPPLIES	\$515.67
DAKOTA DATA SHRED	SHREDDING SERVICE	\$87.63
DAKOTA SECURITY SYSTEMS, INC	SUPPLIES	\$130.36
DEL-MAR UPHOLSTERY	SEAT REPAIR	\$425.00
DEPARTMENT OF REVENUE	WATER TESTING FEES	\$3,058.00
DEROSSETT COMPANY	5M ROOTS GAS METER	\$2,078.22
DIAMOND VOGEL PAINT CENTER	SUPPLIES	\$151.56
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$1,199.24
DYNAMIC ENGINEERING	WELD TUBES	\$350.00
E & M LAWN CARE AND SNOW REMOVAL	LAWN SERVICE	\$1,310.00
ETHANOL PRODUCTS LLC	CARBON DIOXIDE	\$2,495.33
F J MC LAUGHLIN CO.	ROCK, GRAVEL, DIRT , SUPPLIES	\$7,104.39
FASTENAL COMPANY	SUPPLIES	\$1,002.30
FRIESEN, DAN	ENERGY INCENTIVE REBATE	\$100.00
GRAINGER	SUPPLIES	\$211.83
GREAT WESTERN BANK	TASC MED	\$6,379.60
GROEBNER & ASSOCIATES INC	SUPPLIES	\$577.66
H R GREEN	3 MILLION GALLON TANK REHAB	\$5,838.73
HAWKINS, INC.	WATER TREATMENT SUPPLIES	\$4,052.59
HD SUPPLY WATERWORKS	HYDRANT/VALVES	\$69,305.10
HIGHWAY 81 WELDING	SUPPLIES	\$37.36
IBEW LOCAL 426	UNION DUES	\$2,772.00
J H LARSON COMPANY	SUPPLIES	\$1,721.27
JURGENS PRINTING & COPY CENTER INC	BUSINESS CARDS	\$49.00
L & L SUBSTATIONS INC	SURGE ARRESTER	\$3,223.83
LARSON DATA COMMUNICATIONS	RADIO REPAIR	\$848.20
LEHNER, STEVE	REIMBURSEMENT EXPENSE	\$768.22
LUKONEN'S TOOL SERVICE INC	SUPPLIES	\$400.00
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$575.98
MAC'S INC	SUPPLIES	\$222.01
MAHOWALD'S HARDWARE & RENTAL	SUPPLIES	\$85.25
MARCO INC	MAINTENANCE AGREEMENT	\$119.22
MC KEEVER'S VENDING	ENERGY INCENTIVE REBATE & SUPPLIES	\$6,473.14
MENARDS INC	SUPPLIES	\$308.02
MET LIFE	LIFE INSURANCE	\$932.02
MIDCONTINENT COMMUNICATIONS	INTERNET SERVICE	\$170.00
MILBANK COMMUNICATION INC	RADIO REPAIR	\$1,396.36
MILBANK WINWATER WORKS	SUPPLIES	\$823.37
MINNESOTA MUNICIPAL UTILITIES ASSN	SAFETY PROGARM	\$6,661.45
MUELLER WATER PRODUCTS INC	SUPPLIES	\$543.96
MUNICIPAL UTILITIES	PETTY CASH	\$687.56
MUNICIPAL UTILITIES-NSF CHECK ACCO	NSF REIMBURSEMENT	\$340.15
MUNICIPAL UTILITIES-REFUND ACCT	REFUND OVERPAYMENT OF FINAL BILLS	\$14,788.98
MUTH ELECTRIC INC	PILOT PROGRAM INSTALLATION	\$28,258.00
NELSON TECHNOLOGIES	GAS REGULATORS	\$10,975.00
NEW YORK LIFE INS.	LIFE INSURANCE	\$196.00

NORTH AMERICAN SALT COMPANY	WATER TREATMENT SUPPLIES	\$7,873.55
NORTHERN TRUCK EQUIP CORP	SHELVING UNITS FOR NEW GAS VAN	\$1,322.76
NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$1,419.47
NOVASPECT, INC.	GAS SUPPLIES	\$1,120.01
OFFICE PEEPS	OFFICE SUPPLIES	\$684.99
O'REILLY AUTOMOTIVE INC	SUPPLIES	\$157.94
OVERHEAD DOOR CO OF WTN	REPAIRED WEST GARAGE DOOR	\$856.12
PETE LIEN & SONS	WATER TREATMENT SUPPLIES	\$23,833.23
PRAXAIR DISTRIBUTION INC	CYLINDER RENTAL	\$118.84
PRINT-EM-NOW INC	SUPPLIES	\$903.00
PROFESSIONAL COMPUTER SERVICES LLP	SUPPLIES	\$338.61
PRO-TEC ROOFING INC	REPAIR	\$142.86
REDLINGER BROS PLUMBING & HEATING	SUPPLIES	\$76.84
RESCO	SUPPLIES	\$5,238.00
ROBERT E LEE	STUMP REMOVAL	\$1,925.00
RUNNING'S SUPPLY INC	SUPPLIES	\$270.90
SCHMIDT, RICHARD	REIMBURSEMENT EXPENSE	\$27.00
SD ONE CALL	LOCATES	\$516.60
SD PUBLIC ASSURANCE ALLIANCE	PROPERTY INSURANCE AUG. 2012-AUG. 2013	\$44,887.00
SD PUBLIC UTILITIES COMMISSION	PIPELINE SAFETY ASSESSMENT 2011	\$5,955.10
SDSU FOUNDATION ACCT #70507	CENTER FOR POWER SYSTEMS STUDIES ANNUAL SUP.	\$350.00
SEARS	SUPPLIES	\$59.97
SERVICEMASTER	JANITORIAL SERVICE	\$3,320.00
SHERMAN CANVAS	REPAIRS	\$45.00
SIOUX VALLEY COOP	FUEL, SUPPLIES	\$8,648.73
SIOUX VALLEY GREENHOUSES	STUMP CLEAN UP	\$1,925.00
STANDARD PUMP INC	SUPPLIES	\$84.41
STAR LAUNDRY INC	RUG SERVICE	\$285.46
STUART C IRBY CO	SUPPLIES	\$10,023.71
SYLVANIA LIGHTING SERVICES	ENERGY INCENTIVE REBATE	\$2,055.00
TAECKER PLUMBING & HEATING	SUPPLIES	\$464.62
THOMPSON MECHANICAL INC	CO2 CHILLER REPAIR	\$336.20
TRAV'S OUTFITTER	SUPPLIES	\$180.00
UPS	SHIPPING	\$130.10
USA BLUEBOOK	SUPPLIES	\$105.16
WALMART COMMUNITY	SUPPLIES	\$77.65
WATERTOWN CO-OP ELEVATOR ASSN	LAWN SUPPLIES	\$149.85
WATERTOWN FLOWERS INC	FUNERAL PLANT	\$46.00
WATERTOWN IND DEV FOCUS WTN	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN PUBLIC OPINION	PUBLISHINGS	\$1,046.03
WATERTOWN UNITED WAY	United Way	\$359.00
WATERTOWN WHOLESALE	SUPPLIES	\$280.25
WATERTOWN WINNELSON CO	SUPPLIES	\$109.37
WELLMARK BLUE CROSS/BLUE SHIELD	HEALTH INSURANCE	\$62,903.41
WESCO DISTRIBUTION INC	SUPPLIES	\$151.55
WESTERN AREA POWER ADMINISTRATION	SWITCH REPLACEMENT	\$91,000.00
WW GOETSCH	MELLETT PUMPS	\$13,846.00
ZEP MANUFACTURING CO	SUPPLIES	\$389.78
<b>Total</b>		<b>\$720,367.20</b>

Total July, 2012 720,367.20; Transfer to City General Fund 101,533.00; First Nat'l Bank - SF 413,660.20, Muni Utilities Electric Water Gas 51,292.47; Northern Natural Gas 1,606.99; Missouri River Energy Services Power 1,917,049.82; BP Canada Energy Marketing Natural gas 81,254.39; Dept of Revenue Sales/Excise Tax 131,786.16; CPEP Natural Gas 7,730.25, City Finance Office Garbage Sewer 376,756.37

**ITEM 6257**

Pursuant to SDCL 1-25-2(3) Strait moved with second by Luken to move to Executive Session for discussion of contractual matters and pending litigation. Motion carried.

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

**ITEM 6258**

Motion by Schultz with second by Luken to authorize the Board President to sign a final change order on the Mellette Water Tower Project WITH Landmark Structures in accordance with the terms outlined in executive session. Motion carried.

Motion by Schultz with second by Wight to adjourn. Motion carried.

The Watertown Municipal Utilities Department does not discriminate against the handicapped in employment or admission or access to its programs and activities or the provision of services.

Dated at Watertown, South Dakota this 30th day of July, 2012

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

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Lisa Pahl

Dustin J. Padgett

Executive Secretary

President

Municipal Utilities Board

Municipal Utilities Board