

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday October 29, 2012

The Municipal Utilities Board convened in regular session at the Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday October 29, 2012 at Noon with President Dustin Padgett presiding.

Board members present: Dustin Padgett, Wayne Schultz, Ernie Wight, Mike Luken; Members absent: Dave Strait. Liaison Member of City Council Bruce Buhler. Staff Members present: Steve Lehner, Adam Karst, Todd Chambers, Jeff DeVille, Mark Meier, Mark Haider, Kevin Kruiter, Stephanie Ries, Sheila Mennenga, Lisa Pahl, Stanton Fox. Press: Don Egert, KXLG Radio. Guest Troy Hieb of William Neale & Co., P.C.

ITEM 6280

Motion by Schultz with second by Luken to approve the Agenda. Motion carried.

ITEM 6281

Motion by Luken with second by Wight to approve minutes of regular meeting on September 28, 2012. Motion carried.

ITEM 6282

Presentation was made by Troy Hieb of William Neale & Co PC for the 2011 audit. There were no audit findings that were considered significant and relevant to be included in Schedule of Audit Findings. Motion by Wight with second by Schultz to accept 2011 audit as presented. Motion carried.

ITEM 6283

Motion by Luken with second by Schultz to approve a Water Service and Voluntary Annexation Agreement with Leon and Sadonna Cordell to serve water outside city limits. Motion carried

ITEM 6284

Motion by Schultz with second by Wight to approve Communications Tower Lease Agreement with Brookings Municipal Utilities dba Swiftel. Motion carried.

ITEM 6285

Chambers discussed the Missouri River Energy Services area meeting he attended with three board members. MRES staff discussed several Federal and Regulatory Items, State Legislative issues, went over 2012 members' survey, Power supply issues, Rates for next year, Budget and Bond rating.

ITEM 6286

Board set date of Tuesday, November 20th, 2012 at 7am at the Municipal Utilities Board Room for a Finance Committee Meeting.

ITEM 6287

Chambers presented report on Operations and Projects: Electric Department, Projects Completed this Month: Installed Rooster Rush banners on Hwy 212, Completed terminating of underground wire north of Brown Clinic and removed overhead line, Completed maps and cost estimate of projects for 2013 budget, Completed maintenance and testing of breakers, relays and transformer at East Substation. Projects in Progress: Installing underground services and primary wire, Installing primary wire and transformers at Farm Credit Service new building, Fire Station Addition, Qdoba Mexican Restaurant, Year-round-Brown, Fed Ex new building, Installing primary wire at Prairie Hills development, Installing wire to Watertown Development Building Pheasant Ridge. Projects Starting Next Month: Installing Christmas Decorations and Tree Trimming. Gas Department, Projects Completed this Month: Installed or removed 41 meter sets, 2012 residential leak survey is completed. Projects In Progress: Finish installing gas services before freeze-up. Water Department, Projects Completed this Month: 5 new taps, 2 replacement taps, 6" C.I. Main Break at 11th St. & 1st Ave. SE and found a crack on the 6" cast iron pipe, Installed the two meter pits to meter the entire ethanol plant site. Projects in Progress: Removing seasonal meters. Projects to Start Next Month: Do annual inspection on all of the fire hydrants, Drain upflow basin on side #3 for warranty work to be done on the paint. Engineering Tech Department, Projects Completed this Month: 380 One-Call locates Oct. 1 to 24th, 2012. 471 One-Call locates total September, 2012, 5 emergency locates 4 private and 1 Watertown Utilities. Projects in Progress: Working with Departments on 2013 Project Quantities. Projects Starting Next Month: Average 275 One-Call locates in November, drafting plans for 2013 Projects, Begin Updating Utility Distribution Maps.

Chambers mentioned the Watertown Municipal Utilities was highlighted in the SDMEA (South Dakota Municipal Electric Association) Hometown Power Newsletter.

ITEM 6288

Karst presented report on Administration and Financial Statements: Building/Grounds and Purchasing, Projects Completed This Month: Lonnie Davis Excavating finished the dirt work and Brandon Davis finished the hydro-seeding around the Pelican substation. Sprinkler systems have been blown out for the year, Nova Fire Protection had to install two new heads which were broken off and received the new Chipper from Aspen Equipment. Attended MMUA's Firstline Supervision Program in Plymouth, MN. Projects in Progress: Working on 2013 budget items, Ordered four overhead doors for the warehouse area. Office, Projects Completed this Month: 13,172 Payments collected with a total of \$3,695,708.69, Total of 51,241 services billed for a total of \$3,534,964.47; Current and Future Projects: Stephanie

attended the APPA Customers' Connection Conference in Indianapolis, IN, Working on the initial Budget and rates for 2013 to present to the board in November. Human Resources/Risk Management: Received the 2012 Gold Safety Achievement Award from Safety Benefits, Inc., Received the 2012 Platinum Loss Control Award from Safety Benefits for receiving the Gold Level Achievement Award and having a combined loss ratio of less than 60% for each pool that we belong to. Preparing data and wage comparisons for union negotiations. Information Systems: Current Projects, Implementing Document Management, Consort Demand Side Management, next training meeting for WMU customers is scheduled for 3 pm on Thursday, November 1st at the Watertown Municipal Utilities, Planning and budgeting for 2013.

Statements of revenue and expenses were presented to the Board for review. Year to date net income is \$1,115,486 below budget due to a warmer winter than average and the donation of the Kampeska Filtration Plant.

ITEM 6289

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 October, 2012 Plus ACH Payroll Payments \$323,745.26. Info: A. Jonnes \$29.85/hr.

Name	Payable Description	Nov. 1, 2012 Payment Amount
ABC EMBROIDERY	LOGO EMBROIDERY	\$ 56.85
ACTIVE HEATING INC	MAINTENANCE	\$ 375.08
ADVANCE AUTO PARTS PROFESSIONAL	SUPPLIES	\$ 5.99
ADVANCED ENGINEERING & ENVIRONMENT	WATER SYSTEM IMPROVEMENTS	\$ 11,473.02
AFLAC	INSURANCE	\$ 1,995.82
AMERICAN FENCE COMPANY INC	FENCE INSTALLATION ON NEW TBS	\$ 6,160.00
APPLIED INDUSTRIAL TECH	SUPPLIES	\$ 278.20
ASPEN EQUIPMENT COMPANY	BANDIT 200 XP CHIPPER AS BID	\$ 28,960.00
AVANTI FEDERAL CREDIT UNION	CREDIT UNION	\$ 17,252.61
BATTERIES UNLIMITED	BATTERY	\$ 22.00
BENDIX IMAGING INC	OFFICE SUPPLIES	\$ 169.97
BEST BUSINESS PRODUCTS INC TX	COPIER LEASE	\$ 139.01
BORDER STATES ELECTRIC SUPPLY	SUPPLIES	\$ 16,873.09
BORNS GROUP	POSTAGE & MAILING	\$ 7,036.20
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWORK USAGE	\$ 100.39
CARTNEY BEARING & SUPPLY	SUPPLIES	\$ 368.69
CHAMBERS, TODD	REIMBURSEMENT EXPENSE	\$ 429.09
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$ 3,795.10
CLIMATE SYSTEMS INC	SUPPLIES	\$ 703.31
CODINGTON COUNTY REGISTER OF DEEDS	EASEMENTS	\$ 132.00
CODINGTON-CLARK ELECTRIC COOPERATIVE	ELECTRIC SERVICE - NEW WELLFIELD	\$ 5,360.83
CONNECTING POINT	INSTALL. AND UPGRADING SERVER	\$ 1,035.00
CREDIT BUREAU OF WATERTOWN INC	COLLECTIONS	\$ 966.09
CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$ 142.31

DAKOTA DATA SHRED	SHREDDING SERVICE	\$	57.05
DAN'S EXCAVATING	EXCAVATING SERVICES	\$	918.00
DAVES CONSTRUCTION INC	SUPPLIES	\$	950.00
DAVIS EXCAVATING	BERM ADDITION AT PELICAN SUBSTAT	\$	7,471.50
DE VILLE, JEFF	REIMBURSEMENT EXPENSE	\$	18.32
DEPARTMENT OF REVENUE	WATER SAMPLES	\$	482.00
DITCH WITCH OF SOUTH DAKOTA, INC	SUPPLIES	\$	86.28
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$	13,819.70
DUECO INC	REPAIRS	\$	3,000.00
E & M LAWN CARE AND SNOW REMOVAL	LAWN SERVICE	\$	750.00
EAST RIVER ELEC POWER COOP	MOVE & RELOCATE ELECTRIC POLES	\$	13,368.37
ETHANOL PRODUCTS LLC	CO2	\$	1,133.87
F J MC LAUGHLIN CO.	SUPPLIES	\$	926.40
FARM & HOME PUBLISHERS LTD	SUPPLIES	\$	125.00
FARNAMS GENUINE PARTS	SUPPLIES	\$	50.62
FASTENAL COMPANY	SUPPLIES	\$	984.63
FERM PROPERTIES	ENERGY INCENTIVE REBATE	\$	650.00
FIRESIDE CAMPER INC	SUPPLIES	\$	171.26
G & R CONTROLS INC.	PREVENTIVE MAINT.SERV. PER AGREE	\$	2,932.66
GAS PRODUCTS SALES	GAS METERS, SUPPLIES	\$	13,735.54
GLACIAL LAKES EROSION CONTROL	HYDRO-SEEDING AT PELICAN SUBSTAT	\$	4,378.04
GREAT WESTERN BANK	DEDUCTIONS	\$	6,397.17
H R GREEN	ENG. SERV. FOR 3 MG WATER RESERVO	\$	4,714.50
HAIDER, MARK	REIMBURSEMENT EXPENSE	\$	955.16
HAWKINS, INC.	CHEMICALS, SUPPLIES	\$	2,801.66
HD SUPPLY WATERWORKS	WATER DEPT. SUPPLIES	\$	3,123.55
HEDAHLS AUTO PARTS	SUPPLIES	\$	13.98
HENRY'S WATERWORKS INC	SUPPLIES	\$	871.00
HUMAN SERVICE AGENCY	EAP SERVICES	\$	157.50
IBEW LOCAL 426	UNION DUES	\$	2,758.00
INTERSTATE BATTERIES	BATTERIES, SUPPLIES	\$	65.95
J H LARSON COMPANY	2 POSITION METER SOCKETS	\$	5,785.14
KARST, ADAM	REIMBURSEMENT EXPENSE	\$	1,013.38
LAKE AREA DOOR INC	SUPPLIES	\$	97.92
LAKE CITY FIRE EQUIPMENT LLC	NEW FIRE EXTINGUISHER, MAINT.	\$	1,048.40
LEHNER, STEVE	REIMBURSEMENT EXPENSE	\$	411.45
LOCATORS & SUPPLIES INC	MARKING PAINT, SUPPLIES	\$	2,278.77
LUKONEN'S TOOL SERVICE INC	TOOLS, SUPPLIES	\$	385.00
M & T FIRE & SAFETY INC	SUPPLIES	\$	73.00
MAC'S INC	RACKING, SUPPLIES	\$	632.50
MAHOWALD'S HARDWARE & RENTAL	SUPPLIES	\$	129.53
MARCO INC	MAINTENANCE AGREEMENT	\$	119.22
MC KEEVER'S VENDING	SUPPLIES	\$	245.66
MEL DAHLE TIRE CO	TIRE REPAIR	\$	18.00
MENARDS INC	SUPPLIES	\$	110.03
MERCHANT JOB TRAINING & SAFETY INC	LINEMAN TRAINING SERVICES	\$	650.00
MET LIFE	LIFE INSURANCE	\$	933.32
MIDCONTINENT COMMUNICATIONS	INTERNET SERVICE	\$	105.00

MID-WEST ELECTRIC CONSUMERS ASSN	CONFRENCE REGISTRATION	\$	290.00
MILBANK COMMUNICATIONS INC	RADIO REPAIR	\$	493.88
MILBANK WINWATER WORKS	SUPPLIES	\$	476.20
MINNESOTA MUNICIPAL UTILITIES ASSN	SAFETY PROGRAM	\$	6,819.20
MISSOURI RIVER ENERGY SERVICES	REGISTRATION FEES	\$	450.00
MUELLER WATER CO	SUPPLIES	\$	149.46
MUNICIPAL UTILITIES - PC	PETTY CASH	\$	245.91
MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND	\$	70.00
MUNICIPAL UTILITIES-REFUND ACCT	REFUND OVERPYMT OF FINAL BILLS	\$	6,908.93
MUNICIPAL UTILITIES-TERM LIFE PAY	TERM LIFE	\$	1,156.20
MUTH ELECTRIC INC	PILOT PROGRAM INSTALLATION	\$	666.00
NESD SHRM	SHRM MEETING	\$	60.00
NEW PIG CORP	SUPPLIES	\$	86.69
NEW YORK LIFE INS.	LIFE INSURANCE	\$	196.00
NORTH AMERICAN SALT COMPANY	WATER TREATMENT PLANT SUPPLIES	\$	4,016.06
NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$	354.68
NOVASPECT, INC.	SUPPLIES	\$	573.30
OFFICE PEEPS	OFFICE SUPPLIES	\$	329.27
O'REILLY AUTOMOTIVE INC	SUPPLIES	\$	79.04
OVERHEAD DOOR CO OF WTN	OVERHEAD DOOR REPAIRS	\$	153.93
PETE LIEN & SONS	LIME, SUPPLIES	\$	17,567.76
PIPEHORN LOCATING TECHNOLOGY	REPAIR LOCATOR	\$	233.00
PRAIRIE CONSULTING GROUP INC	DISPOSAL OF HAZARDOUS MATERIALS	\$	1,974.04
PRAXAIR DISTRIBUTION INC	CYLINDER RENTAL	\$	118.84
PRINT-EM-NOW INC	SUPPLIES	\$	41.00
REDLINGER BROS PLUMBING & HEATING	PLUMBING REPAIR	\$	713.15
RESCO	TRANSFORMERS	\$	12,169.90
RUNNING'S SUPPLY INC	SUPPLIES	\$	51.15
SAFETY BENEFITS INC	SAFETY & LOSS CONTROL TRAINING	\$	195.00
SANFORD WATERTOWN OCCUPATIONAL	SCREENINGS	\$	319.00
SCHMIDT, RICHARD	REIMBURSEMENT EXPENSE	\$	529.13
SD ELECTRICAL COUNCIL	2013 MEMBERSHIP DUES	\$	40.00
SD ONE CALL	LOCATES	\$	494.55
SERVICEMASTER	JANITORIAL SERVICE	\$	3,320.00
SHERWIN WILLIAMS CO	SUPPLIES	\$	82.48
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$	7,759.54
SOUTHERN CROSS CORP	REPAIRS	\$	219.03
STAN HOUSTON EQUIP CO	CALIBRATION GAS	\$	228.00
STAR LAUNDRY INC	RUG SERVICE	\$	219.64
STUART C IRBY CO	SUPPLIES	\$	1,599.20
STURDEVANTS AUTO PARTS	SUPPLIES	\$	56.74
TAECKER PLUMBING & HEATING	SERVICE CALL	\$	91.80
TELVENT DTN	GAS TRAINING SUBSCRIPTION	\$	4,272.00
TOOL TIME	MOWER RENTAL	\$	225.00
TRAV'S OUTFITTER	ELECTRIC DEPT. UNIFORMS	\$	480.00
UPS	SHIPPING	\$	178.54
USA BLUEBOOK	SUPPLIES	\$	184.80
WATERTOWN IND DEV FOCUS WTN	INDUSTRIAL DEVELOPMENT EXPENSE	\$	8,690.00

WATERTOWN PUBLIC OPINION	PUBLISHINGS	\$	466.23
WATERTOWN UNITED WAY	United Way	\$	359.00
WATERTOWN WHOLESALE	SUPPLIES	\$	329.84
WELLMARK BLUE CROSS/BLUE SHIELD	HEALTH INSURANCE	\$	64,159.04
WESCO DISTRIBUTION INC	SUPPLIES	\$	733.65
WESTERN AREA POWER ADMINISTRATION	MAINTENANCE	\$	3,000.00
WILSON BOHANNAN COMPANY	BRASS PADLOCKS	\$	662.83
	Total	\$	361,073.31

Total October, 2012 361,073.31; Transfer to City General Fund 101,533.00; First Nat'l Bank SRF Loan 413,660.20, Muni Utilities Electric Water Gas 59,235.06; Northern Natural Gas 2,273.20; Missouri River Energy Services Power 1,293,719.25; BP Canada Energy Marketing Natural gas 138,780.00; Dept of Revenue Sales/Excise Tax 134,839.61; CPEP Natural Gas 9,391.65, City Finance Office Garbage Sewer 396,475.44.

ITEM 6290

Board set date of Thursday, November 29th, 2012 at noon for the regular November Board Meeting.

ITEM 6291

Pursuant to SDCL 1-25-2(3) Luken moved with second by Wight 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.

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 29th day of October, 2012

ATTEST: _____

Lisa Pahl

Dustin J. Padgett

Executive Secretary

President

Municipal Utilities Board

Municipal Utilities Board