

## **MINUTES OF MUNICIPAL UTILITIES BOARD MEETING**

**Monday, January 27, 2014**

The Municipal Utilities Board convened in regular session at the Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday January 27, 2014 at Noon with President Mike Luken presiding.

Board members present: Mike Luken, Dustin Padgett, Wayne Schultz via teleconference and Board Liaison Member of City Council Don Roby. Staff Members present: Steve Lehner, Todd Chambers, Adam Karst, Jeff DeVille, Doug Enstad, Mark Meier, Mark Haider, Kevin Kruiter, Sheila Mennenga, Stephanie Ries, Lisa Pahl and Stanton Fox. Press: Don Eggert, KXLG Radio.

### **ITEM 6457**

Motion by Padgett with second by Schultz to approve the Agenda. Motion carried unanimously upon roll call vote.

### **ITEM 6458**

Motion by Schultz with a second by Padgett to approve consent agenda which included Declare as Surplus with the omission of number 7 under A. 2007 Ditch Witch 420SX Trencher. This then included 1987 GMC 2500 4WD Pickup - Gray, 2005 Ford F150 Pickup, 2004 F450 Truck, 2004 Ford F150 Pickup, 2002 GMC 7500 Truck with Aerial Bucket (Terex), 2001 Dodge Ram 1500 Van - Dark Green, 1992 Ingersoll-Rand P125 (Engine 03046-L04RG), 1995 Ditch Witch 3500 Trencher w/Digging Attachment, 1995 Model H3500 Digger for Unit 107 3500 Trencher, Two 1989 Ditch Witch 2020 Trenchers, 1969 Miller Welder Model 40 w/Trailer, Electric Meter Test Bench, 1997 Snapper 1030 5E Snow Blower and a Pallet Jack. Also approved on the consent agenda was the Authorization for General Manager to sign Contracts/Agreements signed annually. List includes First District Association of Local Governments, HVAC Maintenance, Lawn Care, Group Health Insurance, Monitor Contract for Fire Alarm System, Lime Sludge Removal Contracts as acquired with quotes, Fire Protection System Inspection, Authorization for Staff to Open Bids, SCADA Maintenance Agreements and MMUA Safety Management Program, GlobalView Software Inc., Right of First Refusal with Northern Natural Gas. Motion carried unanimously upon roll call vote.

### **ITEM 6459**

Motion by Padgett with second by Schultz to approve minutes of the regular Board meeting on December 30, 2013, with the typo correction to Item 6448 Resolution of Salaries, Salary for D. Enstad from 7662 to 7761. Motion carried unanimously upon roll call vote.

### **ITEM 6460**

This being the time and place set for consideration of bids, the following were presented. Bids for Transformers, Wire and Bucket Truck. Received no bids for Wire and Transformers will re-bid in February. The Bucket Truck

bid was opened Thursday, January 23, 2014 at 1:30 PM by Municipal Utilities Department Staff as authorized by the Board.

BUCKET TRUCK: DUECO Watertown SD Option #1 205,560.00 less trade-in 9,500.00 Net Cost 196,060.00; Option #2 205,560.00 with no trade-in Net Cost 205,560.00. Bidder submitted a 10% Bid Bond as bid security. Upon review and recommendation by Chambers, motion by Padgett with second by Schultz to award bid using Option #1 with trade-in to low valid bidder DUECO Watertown SD. Motion carried unanimously upon roll call vote.

**ITEM 6461**

Motion by Padgett with second by Schultz to authorize the purchase of a Ford F-150 4x4 extended cab short box from Watertown Ford 1600 9<sup>th</sup> Ave SE, Watertown, SD at a price less than \$23,626.00 from the State Contract #16546 for total cost including delivery and options of \$23,483.08. Motion carried unanimously upon roll call vote.

Motion by Schultz with second by Padgett to authorize the purchase of a Ford F-250 4x4 regular cab long box from Boyer Trucks of Sioux Falls, SD. State Contract #16544 for total cost including delivery and options of \$22,669.82. Motion carried unanimously upon roll call vote.

Motion by Padgett with second by Schultz to authorize the purchase of two Ford F-250 4x4 extended cab short box from Boyer Trucks of Sioux Falls, SD. State Contract #16544 for total cost including delivery and options of \$24,700.82 each. Motion carried unanimously upon roll call vote.

Motion by Schultz with second by Padgett to authorize the purchase of a Ford F-550 4x4 cab chassis, regular cab 108" cab to axle from Boyer Trucks of Sioux Falls, SD. State Contract #16544 for total cost including delivery and options of \$42,322.00. Motion carried unanimously upon roll call vote.

Motion by Schultz with second by Padgett to authorize the purchase of a Ford F-550 4x4 cab chassis extended cab, 84" cab to axle from Boyer Trucks of Sioux Falls, SD. State Contract #16544 for total cost including delivery and options of \$45,191.00. Motion carried unanimously upon roll call vote.

**ITEM 6462**

Karst presented the 2013 Fixed Assets & Solid Waste Disposal Report According to Policy Section #49. This included removal of 50 poles, removal of 5,890 feet of overhead wire, abandoned 73,048 feet of underground wire, retired 6,743 KVA of line transformers, junked 142 electric meters, removed 64 street lights, junked 271 water meters, removed and replaced 9 hydrants, removed 2160 ton of lime sludge, abandoned 1,282 feet of service line, junked out 229 gas meters, Abandoned 220 feet of gas mains.

**ITEM 6463**

Motion by Padgett with second by Schultz to authorize General Manager to sign amendment to the Flex Plan to allow a carry over maximum of \$500.00 per year. Motion carried unanimously upon roll call vote.

**ITEM 6464**

Motion by Schultz with a second by Padgett to approve General Manager to sign Engineer Service Agreement with CEG Consulting for Power Line Construction on 3<sup>rd</sup> Ave NW from Kampeska Blvd over to 4<sup>th</sup> Ave SW and 11<sup>th</sup> St. SE. Motion carried unanimously upon roll call vote.

**ITEM 6465**

Motion by Padgett with second by Schultz to approve policy change outlined and presented at the December 30, 2013 Board Meeting that being: to the General Policy Section 4.1 Deposit adjustment for non-heating deposits to \$75.00 and heating deposits \$200.00. Motion carried unanimously upon roll call vote.

Motion by Schultz with second by Padgett to approve policy change outlined and presented at the December 30, 2013 Board Meeting that being: to the General Policy Section 48.1 Financial Reserve wording change by inserting the word unrestricted. Motion carried unanimously upon roll call vote.

Motion by Padgett with second by Schultz to approve policy changes outlined and presented at the December 30, 2013 Board Meeting those being: to the Electric Policy Sections 2.8 Backup Generators 8.1 and 8.6 Installation of Service adjustments in the fee structure for new electric services and upgrades. Motion carried unanimously upon roll call vote.

**ITEM 6466**

Open: Karst presented the bill stuffer, 2014 Residential Rate Comparison. Watertown is 8 to 22 percent lower than other communities in the region.

**ITEM 6467**

Chambers presented report on Operations and Projects: Electric Department, Projects Completed this Month: Removed Christmas decorations and banners, Making maps for future electric construction projects in 2014, Energized KXLG radio station's new building. Projects Starting Next Month: Terminating underground wire installed by Engelstad Electric at Burger King, Terminating primary at John Deere, Overhead Line Maintenance, Working with CEG on Future Load study for Electric system, Working with CEG on 3<sup>rd</sup> Avenue and 11<sup>th</sup> Street overhead rebuild projects. Gas Department, Projects in Progress: 2014 Regulator maintenance required by the code, 2014 Valve maintenance required by the code, 2014 Business leak survey required by the code. Water Department, Projects Completed this Month: 7 Main break, 1 Main Shut down, 1 Hydrant break. Projects in Progress: Annual maintenance on upflow side #1, Sand blast and repaint the entire

cone in upflow basin on side #1. This was last done 20 years ago.  
 Engineering Tech Department: Projects Completed this Month: 18 One-Call locates January 1 - 21th, 2014, 26 One-Call locates total December, 2013, 10 Emergency locates (6 private contractors & 4 Watertown Utilities), Next Month: Average 12 One-Call Locates in February, Updating maps and getting ready to send out plans to potential bid contracts.

#### **ITEM 6468**

Karst presented report on Administration and Financial Statements: Building/Grounds and Purchasing, Projects in Progress: Purchasing longer lead time items for the 2014 construction season, Working on issues from our annual safety inspection checklist, Small cement repair and floor markings, Signage on eyewash stations, Storage and housekeeping issues. Projects to start next month: Purchasing various bid items for the 2014 construction season, Work on surplus list for 2014 Annual Surplus Property Sale which is scheduled in the month of May. Office, Projects Completed This Month: 13,332 Payments collected with a total of \$4,677,560.21; Total of 51,392 services billed for a total of \$5,357,208.17, 4000 ACH payments-automatic direct deposits were made. Human Resources/Risk Management, Completed employee pay rate changes for first payroll of 2014. Information Systems, Current Projects: Implementing Document Management, Normal monthly IT maintenance and troubleshooting, Retiring old PC's and related equipment, Ordered new hardware and software for 2014, Installing and setting up new hardware and software.

Statements of Revenue and Expenses and Capital Additions were presented to the Board for review. Year to date net income is \$2,299,103 over Budget for the twelve months ending December 31, 2013. Total Capital Additions is \$623,897 under budget for the twelve months ending December 31, 2013.

#### **ITEM 6469**

Motion made by Padgett with second by Schultz to approve the following verified salary claims and bills. Motion carried unanimously upon roll call vote. Total Municipal Utilities Dept Net Payroll for January, 2014 Plus ACH Payroll Payments 360,894.61. Info: M. Andrews 28.29/hr Effective 1/1/2014.

Name	Payable Description	Payment Amount
#1 WELDING PORTABLE WELDING & FABRI	SUPPLIES	\$227.08
AFLAC	CANCER PT	\$2,173.71
ALTHOFF LAWN SERVICE	IRRIGATION REPAIR	\$110.00
A-OX WELDING SUPPLY INC	5 YEAR CYLINDER LEASE	\$971.45
AP & SONS CONSTRUCTION INC	2013 LIME REMOVAL	\$650.77
APPLIED INDUSTRIAL TECH INC	SUPPLIES	\$373.13
AUTOMATIC TRANSMISSION & GEAR	TRANSMISSION REPAIR	\$1,588.00
AVANTI FEDERAL CREDIT UNION	CREDIT UNION	\$15,882.53
BATTERIES UNLIMITED	SUPPLIES	\$22.00
BENDIX IMAGING INC	SUPPLIES	\$139.99
BORDER STATES ELECTRIC SUPPLY	SUPPLIES	\$3,177.65
BORNS GROUP	POSTAGE & MAILING	\$7,235.63
BTE CORPORATION	SUPPORT CONTRACT	\$2,450.00
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWORK USAGE	\$54.17

BUSINESS TELEPHONE CO INC	PHONE MAINTENANCE	\$18.63
BVH LLC	ENERGY INCENTIVE REBATE	\$3,600.00
CARQUEST #2197	SUPPLIES	\$223.85
CASHWAY LUMBER INC	SUPPLIES	\$4.25
CHAMBERS, TODD	REIMBURSEMENT EXPENSES	\$379.32
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$2,599.39
CODINGTON COUNTY REGISTER OF DEEDS	COPIES	\$16.00
CODINGTON-CLARK ELECTRIC COOP INC	ELECTRIC SERVICE-NEW WELLFIELD	\$4,886.64
CONSERT INC	SUPPORT & MAINTENANCE FEE	\$1,260.00
CREDIT BUREAU OF WATERTOWN INC	COLLECTIONS	\$473.91
CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$498.42
D & B DREAMS LLC	ENERGY INCENTIVE REBATE	\$2,200.00
DAKOTA DATA SHRED	SHREDDING SERVICE	\$59.90
DAKOTA RIGGERS & TOOL	SUPPLIES	\$246.66
DE VILLE, JEFF	REIMBURSEMENT EXPENSES	\$460.24
DEPARTMENT OF REVENUE	WATER SAMPLES	\$364.00
DLT SOLUTIONS	SUBSCRIPTION RENEWAL	\$2,717.12
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$2,608.86
DUECO INC	ENERGY INCENTIVE REBATE	\$3,780.00
DYNAMIC ENGINEERING	ENERGY INCENTIVE REBATE	\$7,700.00
ELECTRIC MOTORS & MOORE INC	SUPPLIES	\$498.00
ELEMENT MATERIALS TECHNOLOGY	PIPE WELD QUALIFICATION	\$225.00
ETHANOL PRODUCTS LLC	CO2	\$1,698.67
F J MC LAUGHLIN CO.	GRAVEL	\$1,417.15
FARNAMS GENUINE PARTS	SUPPLIES	\$595.36
FASTENAL COMPANY	SUPPLIES	\$452.27
FIRST DISTRICT ASSN OF LOCAL GOVTS	GIS WEBSITE DEVELOPMENT & HOSTING	\$1,500.00
GAS PRODUCTS SALES	SUPPLIES	\$11,687.60
GLACIAL LAKES RADIATOR	SUPPLIES	\$82.50
GLOBAL VIEW SOFTWARE INC.	ANNUAL MARKET FEES	\$4,320.00
GRAINGER	SUPPLIES	\$535.35
GREAT WESTERN BANK	TASC MED	\$6,634.29
GROEBNER	SUPPLIES	\$1,840.11
HARRIS COMPUTER SYSTEMS	NORTHSTAR SOFTWARE UPGRADE	\$21,462.00
IBEW LOCAL 426	UNION DUES	\$3,247.00
INNOVYZE	SUBSCRIPTION RENEWAL	\$2,000.00
INTERSTATE ALL BATTERY CENTER	SUPPLIES	\$67.98
J H LARSON COMPANY	SUPPLIES	\$3,057.08
LAKE AREA TECH INSTITUTE	ENERGY INCENTIVE REBATE	\$600.00
LAKE CITY PLUMBING SERVICE LLC	PLUMBING SERVICES	\$240.00
LEHNER, STEVE	REIMBURSEMENT EXPENSES	\$107.61
LOCATORS & SUPPLIES INC	SUPPLIES	\$327.75
LUKONEN'S TOOL SERVICE INC	SUPPLIES	\$149.99
MAC'S INC	SUPPLIES	\$71.36
MAHOWALD'S HARDWARE & RENTAL	SUPPLIES	\$12.97
MARCO INC	MAINTENANCE AGREEMENT	\$53.72
MARCO INC	MAINTENANCE AGREEMENT	\$231.50
MC KEEVER INC	SUPPLIES	\$258.67
MEL DAHLE TIRE CO	SUPPLIES	\$888.40
MENARDS INC	SUPPLIES	\$584.67
MERCURY INSTRUMENTS LLC	SUPPLIES	\$591.61
MET LIFE	LIFE INSURANCE	\$1,096.03
MIDCONTINENT COMMUNICATIONS	INTERNET SERVICE	\$105.00
MILBANK COMMUNICATIONS INC	FCC LICENSE APPLICATION RENEWAL	\$75.00
MINNESOTA MUNICIPAL UTILITIES ASSN	SAFETY PROGRAM	\$7,340.00
MUNICIPAL UTILITIES - PC	PETTY CASH	\$900.51
MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND #298-7	\$327.62
MUNICIPAL UTILITIES-REFUND ACCT	REFUND OVERPAYMENT OF FINAL BILLS	\$3,683.57
MYERS, STEPHANIE	REIMBURSEMENT EXPENSES	\$1,436.34
NESD SHRM	2014 MEMBERSHIP RENEWAL	\$125.00
NEW YORK LIFE INS.	LIFE INSURANCE	\$181.00
NORTHERN TRUCK EQUIP CORP	SUPPLIES	\$215.87
NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$614.75
NORTHWESTERN ENERGY	SERVICE RIGHTS-TITAN MACHINERY	\$316.45

NOVASPECT, INC.	SUPPLIES	\$214.99
OFFICE OF ENERGY ASSISTANCE	REIMBURSE ENERGY ASSISTANCE	\$431.24
OFFICE PEEPS	SUPPLIES	\$442.64
PARADIGM UX	2014 WEBSITE HOSTING	\$100.00
PESCO DISTRIBUTORS INC	SUPPLIES	\$412.95
PETE LIEN & SONS	LIME	\$11,631.51
PRAXAIR DISTRIBUTION INC	CYLINDER RENTAL	\$124.75
PRO LINE INC	SUPPLIES	\$21.96
PROBUILD	SUPPLIES	\$54.74
QUEST ENGINEERING INC	SUPPLIES	\$275.04
RESCO	SUPPLIES	\$7,843.60
RON'S SAW SHOP	SUPPLIES	\$444.85
RUNNING'S SUPPLY INC	SUPPLIES	\$391.47
SCHAEFFER MANUFACTURING COMPANY	SUPPLIES	\$636.38
SD ONE CALL	LOCATES	\$27.30
SERVICEMASTER	JANITORIAL SERVICE	\$3,120.00
STAR LAUNDRY INC	SUPPLIES	\$270.78
STUART C IRBY CO	SUPPLIES	\$2,975.85
STURDEVANTS AUTO PARTS	SUPPLIES	\$151.21
T & M AUTOBODY INC	SUPPLIES	\$1,035.00
T & R ELECTRIC CO	LAB SAMPLING	\$95.00
TITAN MACHINERY-SF	SUPPLIES	\$234.68
TRACTOR SUPPLY CO	SUPPLIES	\$82.99
TRAV'S OUTFITTER	SUPPLIES	\$374.97
TYNDALE COMPANY INC	SUPPLIES	\$573.90
UPS	SHIPPING	\$395.35
UTILITIES PLUS ENERGY SERVICES INC	OIL SAMPLE ANALYSIS	\$1,529.22
WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN FORD CHRYSLER	SUPPLIES	\$34.31
WATERTOWN PUBLIC OPINION	PUBLISHINGS	\$680.40
WATERTOWN UNITED WAY	United Way	\$359.50
WATERTOWN WHOLESALE	SUPPLIES	\$289.20
WATERTOWN WINNELSON CO	SUPPLIES	\$151.55
WELLMARK BLUE CROSS/BLUE SHIELD	HEALTH INSURANCE	\$64,303.83
WESCO DISTRIBUTION INC	SUPPLIES	\$3,558.70
	Total	\$262,968.91

Total December, 2013 262,968.91; Transfer to City's General Fund 95,700; Qtrly First Nat'l Bank - SF 413,660.20, Muni Utilities Electric Water Gas 45,541.84; Northern Natural Gas 6,061.20; Missouri River Energy Services Power 1,887,895.08; BP Canada Energy Marketing Natural gas 905,580.16; Dept of Revenue Sales/Excise Tax 241,143.29; CPEP Natural Gas 124,969.53, City Finance Office Garbage Sewer 374,408.82.

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

The Watertown Municipal Utilities Department does not discriminate in employment opportunities or provision of services 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 January, 2014

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

Lisa Pahl

Executive Secretary

Municipal Utilities Board

Michael V. Luken

President

Municipal Utilities Board