

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday, October 27th, 2014

The Municipal Utilities Board convened in regular session at the Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday October 27th, 2014 at Noon with President Wayne Schultz presiding.

Board members present: Wayne Schultz, Ernie Wight, Dustin Padgett, Dave Strait and Mike Luken. Board Liaison, member of City Council, Don Roby. Staff members present: Steve Lehner, Todd Chambers, Adam Karst, Jeff DeVille, Rich Schmidt, Doug Enstad, Mark Meier, Mark Haider, Kevin Kruiter, Sheila Mennenga, Stephanie Ries and Lisa Pahl. Guest: Dave Berg of Dave Berg Consulting Inc. Press: Sam Wilmes, Public Opinion.

ITEM 6551

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

ITEM 6552

Motion by Wight with second by Padgett to approve minutes of the regular Board meeting on September 29th, 2014. Motion carried.

ITEM 6553

Dave Berg of Dave Berg Consulting Inc., presented results of the Gas Rate Study which included projected operating results, existing rates, cost of services and proposed rate analysis. Watertown Municipal Utilities is consistent with remaining as one of the lowest natural gas energy providers in the region based on the survey. The recommendation from Dave Berg Consulting Inc. to the Board was no overall rate increase. However, certain rate redesign within each class of customers has been recommended. In general, this includes increases in monthly customer charges and decreases in gas commodity rates. No action required at this time.

ITEM 6554

Motion by Luken second by Padgett to approve the renewal of the Group Health Insurance Plan. The renewal premiums for plan 1 increased by 6.45%, Plan 2 increased by 5.49% and Plan 3 increased by 5.01%. Motion carried.

ITEM 6555

Board set date of Wednesday, November 12, 2014 at 7am in the Municipal Utilities Board Room for a Special Board Meeting primarily to discuss 2015 budget items and rate recommendations.

ITEM 6556

Open: Chambers and Schultz discussed the Missouri River Energy Services area meeting they attended. Some things discussed were the EPA rulings, Haze Rule, member surveys, rates and budget and the progress on the Red Rock Hydro Plant. Lehner discussed state legislative meetings with Deb Bergen.

ITEM 6557

Chambers presented the report on Operations and Projects: Electric Department, Projects Completed this Month: Installed underground primary for round-about on 14th Ave, Williston Addition on South Lake Drive and Dakota Butcher. Projects in Progress: Installing primary at the new Middle School. Projects Starting Next Month: Replacing rejected poles. Gas Department, Projects Completed this Month: Relocated 500 ft. of the gas service to Benchmark Foam for a building addition, Installed 200 ft. of main on 27th St NE, Installed 600 ft. of main west of Sandy Shores by Lake Kampeska. Water Department, Projects Completed this Month: 1 replaced hydrant, 2 Replacement taps, 5 new taps, 4 shut mains down. Projects to Start Next Month: Laying up the MIEX process for the winter. Engineering Tech Department: Projects Completed this Month: 385 One-Call locates Oct. 1 - Oct. 22, 2014, 477 One-Call locates total September, 2014, 15 Emergency locates (11 private contractors & 4 Watertown Utilities), Next Month: Average 220 One-Call Locates in November, Begin updating utility maps.

ITEM 6558

Karst presented the report on Administration and Financial Statements: Building/Grounds and Purchasing, Projects in Progress: Boiler #2 was fixed and is in operation, purchased new snow plow for unit #17 as budgeted. Projects in Progress: Getting price on removing trees on the west side of building and the price of putting in new trees. Projects to Start Next Month: Prepare for physical inventory in December. Office, 13,539 payments collected for a total of \$4,183,091; Total of 52,302 services billed for a total of \$3,522,517. Projects in Progress: Preparing information for the Natural Gas Rate Study, Preparing the 2015 Budget, Preparing information for the Strategic Planning Meeting. Human Resources/Risk Management: Preparing for open enrollment for 2015 employee's insurance changes, Receiving the Gold Loss Control/Safety Achievement Award from Safety Benefits at the Annual Safety Benefits Safety & Loss Control Banquet, Interviewing for Water Treatment Plant Foreman position. IT: 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 \$1,694,968 under budget for the Nine months ending September 30th, 2014. Total Capital Additions are \$2,353,269 under budget for the Nine months ending September 30th, 2014.

ITEM 6559

Motion made by Strait with second by Padgett to approve the following verified salary claims and bills. Motion carried unanimously upon roll call vote. Total Municipal Utilities Dept Net Payroll for October, 2014 Plus ACH Payroll Payments 389,022.77. Info: D. Brage 18.99/hr effective 10/16/2014.

November 3, 2014

Name	Payable Description	Payment Amount
ADVANCE ENGINEERING CORP	SUPPLIES	\$433.10
AFLAC	CANCER PT	\$2,243.48
AMERICAN ENGINEERING TESTING INC	WATER TESTING	\$53.00
AMERICAN WATER WORKS ASSOCIATION	MEMBERSHIP DUES	\$1,698.00
A-OX WELDING SUPPLY INC	SUPPLIES	\$379.73
AP & SONS CONSTRUCTION INC	PROJECT 20030 DAKOTA COMMONS	\$41,727.00
APGA	2015 MEMBERSHIP DUES	\$6,892.20
BATTERIES UNLIMITED	SUPPLIES	\$44.00
BENDIX IMAGING INC	SUPPLIES	\$635.94
BORDER STATES ELECTRIC SUPPLY	SUPPLIES	\$24,660.32
BORNS GROUP	POSTAGE & MAILING	\$7,465.88
BRIAN'S GLASS & DOOR INC	SUPPLIES	\$140.00
BURCHATZ CONSTRUCTION COMPANY INC	CONCRETE WORK	\$9,695.43
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWORK USAGE	\$68.86
CHAMBERS, TODD	REIMBURSEMENT EXPENSES	\$939.18
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$1,431.80
CHILD SUPPORT PAYMENT CENTER	Child Support - Case #247392027A	\$275.00
CODINGTON COUNTY REGISTER OF DEEDS	COPIES	\$10.00
CODINGTON-CLARK ELECTRIC COOP. INC	ELECTRIC SERVICE WELLFIELD	\$5,325.31
CONSULTING ENGINEERS GROUP INC	OVERHEAD LINE REBUILD	\$2,190.00
COUNTY FAIR FOOD STORE	SUPPLIES	\$12.80
CREDIT BUREAU OF WATERTOWN INC	COLLECTIONS	\$833.91
CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$1,632.67
DAKOTA DATA SHRED	SHREDDING SERVICE	\$61.18
DAKOTA RIGGERS & TOOL	SUPPLIES	\$713.01
DE VILLE, JEFF	REIMBURSEMENT EXPENSES	\$53.76
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$7,217.52
EAST RIVER ELEC POWER COOP	SERVICE WORK ON LINE SWITCH	\$2,233.49
ELEMENT MATERIALS TECHNOLOGY	PIPE WELD QUALIFICATION	\$450.00
ENERGY ECONOMICS INC	METER REPAIR	\$589.80
ENERGY LABORATORIES INC	WATER SAMPLES	\$1,120.00
ENGELSTAD ELECTRIC COMPANY	ELECTRICAL CONTRACTING	\$40,972.40
F J MC LAUGHLIN CO.	GRAVEL, CONCRETE, SAND	\$1,611.15
FARNAMS GENUINE PARTS	SUPPLIES	\$309.87
FASTENAL COMPANY	SUPPLIES	\$769.71
FIRST ADVANTAGE	BACKGROUND VERIFICATION	\$188.20
G & R CONTROLS INC.	SERVICE AGREEMENT	\$3,050.01
GCR TIRE CENTER	SUPPLIES	\$15.81
GREAT WESTERN BANK	TASC MED	\$6,220.79
H & B TRUCK SHOP INC	SUPPLIES	\$2,947.58
HAWKINS, INC.	BULK FLOURIDE	\$1,924.44
HD SUPPLY WATERWORKS, LTD	SUPPLIES	\$4,453.10
HUMAN SERVICE AGENCY	EAP SERVICES	\$180.00
IBEW LOCAL 426	UNION DUES	\$3,098.00
INTERSTATE ALL BATTERY CENTER	SUPPLIES	\$114.94
J H LARSON COMPANY	SUPPLIES	\$1,319.41
JEFFERSON ELEMENTARY SCHOOL	ENERGY INCENTIVE REBATE	\$792.00
LARRY'S LUMBER INC	SUPPLIES	\$4,760.49
LATI FOUNDATION	2014 ANNUAL SCHOLARSHIP CONTRIB.	\$10,000.00
LEE'S STUMP REMOVAL	SERVICE	\$1,400.00
LEHNER, STEVE	REIMBURSEMENT EXPENSES	\$304.88
LOCATORS & SUPPLIES INC	SUPPLIES	\$2,623.43
LUKONEN'S TOOL SERVICE INC	SUPPLIES	\$41.66
M CHEMICAL COMPANY INC	ODORANT	\$22,970.00
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$101.63
MAC'S INC	SUPPLIES	\$33.16
MARCO INC	MAINTENANCE AGREEMENT	\$44.94
MARCO INC	MAINTENANCE AGREEMENT	\$278.62
MATHESON TRI-GAS INC	SUPPLIES	\$168.29
MC KEEVER INC	SUPPLIES	\$96.56
MEL DAHLE TIRE CO	SUPPLIES	\$18.00
MELLETTE ELEMENTARY SCHOOL	ENERGY INCENTIVE REBATE	\$603.00

MENARDS INC	SUPPLIES	\$391.90
MET LIFE	LIFE INSURANCE	\$1,054.03
MIDCONTINENT COMMUNICATIONS	INTERNET SERVICE	\$105.00
MIDWEST UNDERGROUND SUPPLY	SUPPLIES	\$214.95
MILBANK WINWATER WORKS	SUPPLIES	\$7,763.86
MINNESOTA MUNICIPAL UTILITIES ASSN	SAFETY MANAGEMENT PROGRAM	\$6,975.00
MUELLER CO	SUPPLIES	\$366.71
MUNICIPAL UTILITIES - PC	PETTY CASH	\$264.70
MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND #12659-3	\$468.18
MUNICIPAL UTILITIES-REFUND ACCT	REFUND CREDITS ON ACCOUNTS	\$3,917.79
MUNICIPAL UTILITIES-TERM LIFE PAY	TERM LIFE	\$1,156.20
NEW YORK LIFE INS.	LIFE INSURANCE	\$106.00
NORTHERN TRUCK EQUIP CORP	SNOWPLOW AS BUDGETED	\$6,621.00
NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$9,431.51
NORTHWESTERN ENERGY	3RD QTR SERVICE RIGHTS - TITAN MACH.	\$1,859.28
OFFICE PEEPS	SUPPLIES	\$847.82
PETE LIEN & SONS	BULK LIME	\$14,137.76
PLATTS	SUBSCRIPTION	\$5,155.00
PRAXAIR DISTRIBUTION INC	CYLINDER RENTAL	\$132.00
PRO LINE INC	SUPPLIES	\$164.33
REDLINGER BROS PLUMBING & HEATING	SUPPLIES	\$35.88
RESCO	SUPPLIES	\$3,997.70
RON'S SAW SHOP	SUPPLIES	\$285.96
RUNNING'S SUPPLY INC	SUPPLIES	\$548.56
SANFORD WATERTOWN OCCUP. MEDICINE	SCREENS	\$219.00
SCHMIDT, RICHARD	REIMBURSEMENT EXPENSES	\$100.96
SD ELECTRICAL COUNCIL	2015 MEMBERSHIP DUES	\$40.00
SD ONE CALL	LOCATES	\$513.45
SERVICEMASTER	JANITORIAL SERVICE	\$3,120.00
SIOUX VALLEY GREENHOUSES	STUMP REMOVAL	\$1,400.00
SOUTH DAKOTA RURAL WATER	SUPPLIES	\$150.00
SOUTHERN CROSS CORP	SUPPLIES	\$1,075.61
STAR LAUNDRY INC	RUG SERVICE	\$313.62
STEVE'S WORLD	SERVICE	\$225.00
STUART C IRBY CO	SUPPLIES	\$3,240.78
STURDEVANTS AUTO PARTS	SUPPLIES	\$42.31
TAC SERVICES LLC	LAWN SERVICE	\$1,265.00
TAECKER PLUMBING & HEATING	SERVICE	\$96.90
TITAN MACHINERY- WTN	SUPPLIES	\$201.03
TOOL TIME RENTAL	SUPPLIES	\$825.00
TSCHAKERT, MERLE	CARQUEST BUILDING LEASE	\$100.00
TYLER TECHNOLOGIES	WEBINAR	\$137.50
UPS	FREIGHT	\$59.22
USA BLUEBOOK	SUPPLIES	\$22.85
UTILITIES PLUS ENERGY SERVICES INC	TRANSFORMER TESTING	\$3,290.00
VESSCO INC	SUPPLIES	\$3,260.00
WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN FLOWERS INC	PLANT	\$25.00
WATERTOWN PUBLIC OPINION	PUBLISHINGS	\$388.46
WATERTOWN UNITED WAY	United Way	\$359.50
WATERTOWN WHOLESALE	SUPPLIES	\$849.74
WATERTOWN WINNELSON CO	SUPPLIES	\$67.58
WEISMANTEL RENT-ALL	RENTAL	\$945.00
WELLMARK BLUE CROSS/BLUE SHIELD	HEALTH INSURANCE	\$64,977.07
WESCO DISTRIBUTION INC	SUPPLIES	\$4,342.22
WORTHINGTON INDUSTRIES	ENERGY INCENTIVE REBATE	\$1,070.00
	TOTAL	<u>\$400,052.36</u>

Total October, 2014 400,052.36; Transfer to City's General Fund 95,700; Qtrly First Nat'l Bank - SF 413,660.20; Muni Utilities Electric Water Gas 42,360.26; Northern Natural Gas 2,273.20; Missouri River Energy Services Power 1,315,919.38; BP Canada Energy Marketing Natural Gas 133,260.00; Dept

of Revenue Sales/Excise Tax 141,161.33; CPEP Natural Gas 14,487.53, City Finance Office Garbage Sewer 403,056.63.

ITEM 6560

Board set date of Wednesday, November 26, 2014 at noon for November Board Meeting.

ITEM 6561

Motion by Luken with second by Padgett 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 October, 2014

ATTEST: _____

Lisa Pahl
Executive Secretary
Municipal Utilities Board

Wayne E. Schultz
President
Municipal Utilities Board