

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday, April 28th, 2014

The Municipal Utilities Board convened in regular session at the Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday April 28th, 2014 at Noon with President Mike Luken presiding.

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

ITEM 6495

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

ITEM 6496

Motion by Wight with second by Schultz to approve minutes of the regular Board meeting on March 31, 2014. Motion carried.

ITEM 6497

This being the time and place set for consideration of bids, the following were presented. Bids for Natural Gas Fired Indirect Water Bath Heater for Gas Department, Hydrants, PVC Pipe, Installation of Water Mains, Carbon Dioxide, Directional Drilling for the Water Department. The bids were opened Thursday, April 24th, 2014 at 1:30 PM by Municipal Utilities Department Staff as authorized by the Board.

Natural Gas Fired Indirect Water Bath Heater: One Bid was received and upon review and recommendation by Chambers, motion by Schultz with second by Wight to award bid to low valid bidder to Nelson Technology of Eden Prairie, MN for \$47,470.00. Motion carried.

Water Hydrants: Two Bids were received and upon review and recommendation by Chambers, motion by Strait with second by Wight to award bid to low valid bidder to HD Supply Waterworks LTD of Sioux Falls, SD for total cost of \$52,645.38. Motion carried.

PVC Pipe: Four Bids were received and upon review and recommendation by Chambers, motion by Padgett with second by Schultz to award bid to low valid bidder to Dakota Supply Group of Sioux Falls, SD for \$114,460.80. Motion carried.

Installation of Water Mains: Three Bids were received and recommendation by Chambers, motion by Strait with second by Padgett to award bid to low

valid bidder to AP & Sons Construction Inc. for \$50,786.50. Motion carried.

Carbon Dioxide: One qualified Bid was received and recommendation by Chambers, motion by Strait with second by Schultz to award bid to Poet Ethanol Products, Wichita, KS for \$ 83.00 per ton. Motion carried.

Directional Drilling: Two Bids were received and recommendation by Chambers, motion by Wight with second by Schultz to award bid to low valid bidder to K & L Mechanical, Watertown, SD for \$305,046.10. Motion carried.

ITEM 6498

Motion by Padgett with second by Strait to return check of unsuccessful bidder for Installation of Water Mains. Motion carried.

ITEM 6499

Open: Bill stuffers were presented by Lehner they were Mosquito Control and a reminder to cut and maintain weeds and grasses. Also, an invitation was giving to the Board to attend the APPA National Conference June 13-18.

ITEM 6500

Chambers presented the report on Operations and Projects: Electric Department, Projects Completed this Month: Infrared thermo scanning of overhead lines, substations and underground equipment by MRES, Tree trimming. Projects in Progress: Key Contracting started 3rd Ave and 11th Street overhead rebuild project per contract, Review our new switches in WAPA substation to satisfy contract. Projects Starting Next Month: Engelstad Electric installing primary and secondary wire per contract, Meter Department will be setting up and training on their new meter test bench. Gas Department, Projects Completed this Month: Finished emergency valve maintenance, Completed 3 ½ days of annual inspection by the state pipeline inspectors. Projects in Progress: Preparing for 1 day of annual inspection by state and federal pipeline inspectors on May 8th. Water Department, Projects Completed this Month: 21 main breaks for the season, 1 replacement tap, 87 calls for frozen lines. The up flow cone has one coat of primer on it now. It will need 4 coats of epoxy paint yet. Projects to Start Next Month: Completing work on leaks that could not be done with frost in the ground, Start replacing hydrant and setting new hydrants along HWY 212 from Tractor Supply Co. to the new Titan. Engineering Tech Department: Projects Completed this Month: 285 One-Call locates April 1-23rd, 2014, 44 One-Call locates total for March, 2014, 6 Emergency locates (4 private contractors & 2 Watertown Utilities), Next Month: Between 600 One-Call Locates in May.

ITEM 6501

Karst presented the report on Administration and Financial Statements: Building/Grounds and Purchasing, Projects in Progress: Mechanic has serviced and inspected the trenchers in preparation for the construction

season. Projects in Progress: Purchasing items for projects scheduled for the 2014 construction season, Getting our equipment and vehicles ready for the City Surplus Auction scheduled in the month of May, Getting quotes for mowing our WMU properties. Projects to Start Next Month: Applying herbicide to our substations. Office, Projects Completed This Month: 13,466 Payments collected with a total of \$5,483,984; Total of 51,433 services billed for a total of \$4,879,887. Projects in Progress: Preparing information for the Natural Gas Rate Study, Sent out 2,365 budget bill letters, the average customer's budget bill increased by 4%. Human Resources/Risk Management, 5 returning summer employees, 5 new summer employees, retirement notice of Brian Robinson, Journeyman Lineman, effective 5/1/14 - 35 years of service, Position posted externally until April 30, 2014, New position - Equipment Operator Interviewed 4 internal candidates offer has been made and will be announced after acceptance of position. Information Systems, Current Projects: Installing and setting up new hardware and software, Assisting customers with their Consort thermostat switch over.

Statements of Revenue and Expenses and Capital Additions were presented to the Board for review. Year to date net income is \$1,303,453 under budget for the three months ending March 31, 2014. The unfavorable variance is due to the higher priced natural gas purchases. Total Capital Additions are \$319,717 under budget for the three months ending March 31, 2014.

ITEM 6502

Motion made by Strait 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 April, 2014 Plus ACH Payroll Payments 349,221.94.

May 1, 2014

Name	Payable Description	Payment Amount
ABC EMBROIDERY	SUPPLIES	\$468.40
ACTIVE HEATING INC	SUPPLIES	\$85.50
AFLAC	CANCER PT	\$2,173.71
A-OX WELDING SUPPLY INC	SUPPLIES	\$206.21
APPLIED INDUSTRIAL TECH INC	SUPPLIES	\$1,484.15
AUTO BODY SPECIALTIES	SUPPLIES	\$274.82
AVANTI FEDERAL CREDIT UNION	CREDIT UNION	\$15,802.53
BORDER STATES ELECTRIC SUPPLY	SUPPLIES	\$46,032.12
BORNS GROUP	POSTAGE & MAILING	\$8,032.84
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWORK USAGE	\$64.22
BUSINESS TELEPHONE CO INC	PHONE MAINTENANCE	\$74.50
CARQUEST #2197	SUPPLIES	\$124.01
CASHWAY LUMBER INC	SUPPLIES	\$176.78
CHAMBERS, TODD	REIMBURSEMENT EXPENSES	\$54.56
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$5,373.51
CLIMATE SYSTEMS INC	SUPPLIES	\$775.59
CODINGTON CO HWY DEPT	SUPPLIES	\$145.80
CODING.-CLARK ELECTRIC COOP. INC	ELECTRIC SERVICE-WELLFIELD	\$5,308.72
CONSULTING ENGINEERS GROUP INC	DISTRIBUTION SYSTEM IMPROVEMENT	\$12,390.00
CREDIT BUREAU OF WATERTOWN INC	COLLECTIONS	\$1,166.03
CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$244.52

DAKOTA DATA SHRED	SHREDDING SERVICE	\$129.93
DAKOTA RIGGERS & TOOL	SUPPLIES	\$73.58
DE VILLE, JEFF	REIMBURSEMENT EXPENSES	\$54.88
DEPARTMENT OF REVENUE	WATER SAMPLES	\$364.00
DEPENDABLE SANITATION INC.	EWASTE	\$291.60
DIAMOND VOGEL PAINT CENTER	SUPPLIES	\$31.82
DIVERSIFIED PRODUCTS	SUPPLIES	\$299.00
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$4,950.00
DSG DAKOTA SUPPLY GROUP	WIRE AS PER BID	\$20,980.82
DUECO INC	SUPPLIES	\$1,360.45
EAST RIVER ELEC POWER COOP	ANNUAL SVC AGREE./SWITCH. SCHOOL	\$8,100.00
ETHANOL PRODUCTS LLC	SUPPLIES	\$1,769.75
FARNAMS GENUINE PARTS	SUPPLIES	\$1,214.53
FASTENAL COMPANY	SUPPLIES	\$460.48
GAS PRODUCTS SALES	GAS ERTS	\$5,904.65
GRAINGER	SUPPLIES	\$208.60
GREAT WESTERN BANK	TASC MED	\$6,634.29
H & B TRUCK SHOP INC	SUPPLIES	\$3,944.00
H R GREEN	BRINE DISPOSAL STUDY	\$389.00
HARRIS COMPUTER SYSTEMS	2014 SOFTWARE MAINTENANCE	\$1,283.33
HEDAHLS AUTO PARTS	SUPPLIES	\$98.80
HOMETOWN BUILDING CENTER	SUPPLIES	\$439.50
IBEW LOCAL 426	UNION DUES	\$3,285.00
INTERSTATE ALL BATTERY CENTER	SUPPLIES	\$55.96
J H LARSON COMPANY	SUPPLIES	\$3,575.41
KARST, ADAM	REIMBURSEMENT EXPENSES	\$89.00
KOONS GAS MEASUREMENT	SUPPLIES	\$3,119.06
LAKE AREA DOOR INC	SUPPLIES	\$71.43
LEHNER, STEVE	REIMBURSEMENT EXPENSES	\$325.48
LOCATORS & SUPPLIES INC	SUPPLIES	\$1,793.11
LUKONEN'S TOOL SERVICE INC	SUPPLIES	\$1,249.00
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$93.39
MAC'S INC	SUPPLIES	\$153.07
MARCO INC	MAINTENANCE AGREEMENT	\$293.68
MARCO INC	MAINTENANCE AGREEMENT	\$37.37
MATHISON COMPANY	SUPPLIES	\$399.53
MC FARLAND CASCADE	POLES PER BID	\$56,515.00
MC KEEVER INC	SUPPLIES	\$162.11
MEGGER	SUPPLIES	\$371.43
MEL DAHLE TIRE CO	SUPPLIES	\$218.00
MENARDS INC	SUPPLIES	\$617.80
MERCURY INSTRUMENTS LLC	SUPPLIES	\$177.19
MESA PRODUCTS INC	SUPPLIES	\$99.53
MET LIFE	LIFE INSURANCE	\$1,092.73
METERING & TECHNOLOGY SOLUTIONS	SUPPLIES	\$1,230.18
MIDCONTINENT COMMUNICATIONS	INTERNET SERVICE	\$105.00
MIDWEST UNDERGROUND SUPPLY	SUPPLIES	\$873.91
MINNESOTA MUNICIPAL UTILITIES ASSN	SAFETY MANAGEMENT PROGRAM	\$9,005.00
MISSOURI RIVER ENERGY SERVICES	REGISTRATION FEE	\$100.00
MUNICIPAL UTILITIES - PC	PETTY CASH	\$185.72
MUNI UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND #751-1	\$1,486.61
MUNICIPAL UTILITIES-REFUND ACCT	REFUND OVERPAY. OF FINAL BILLS	\$3,425.06
NEW PIG CORP	SUPPLIES	\$170.95
NEW YORK LIFE INS.	LIFE INSURANCE	\$181.00
NORTHERN TRUCK EQUIP CORP	SUPPLIES	\$1,301.99
NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$6,039.12
OFFICE MAX CONTRACT INC	OFFICE SUPPLIES	\$39.99
OFFICE PEEPS	OFFICE SUPPLIES	\$1,049.89
O'REILLY AUTOMOTIVE INC	SUPPLIES	\$87.40
PETE LIEN & SONS	SUPPLIES	\$11,691.50
PRAXAIR DISTRIBUTION INC	CYLINDER RENTAL	\$117.83
PRINT-EM-NOW INC	SUPPLIES	\$82.50
PRO LINE INC	SUPPLIES	\$143.87
RESCO	SUPPLIES	\$19,047.94

RON'S SAW SHOP	SUPPLIES	\$137.74
RUNNING'S SUPPLY INC	SUPPLIES	\$259.62
SANFORD WTN OCCUP. MEDICINE	DRUG SCREENINGS	\$55.00
SCHMIDT, RICHARD	REIMBURSEMENT EXPENSES	\$25.76
SD ONE CALL	LOCATES	\$47.25
SERVICEMASTER	JANITORIAL SERVICE	\$3,120.00
SHERWIN WILLIAMS CO	SUPPLIES	\$296.08
SIGN PRO	SUPPLIES	\$357.60
SOCIETY FOR HUMAN RES. MGMT	MEMBERSHIP DUES	\$185.00
STAR LAUNDRY INC	RUG SERVICE	\$330.95
STUART C IRBY CO	SUPPLIES	\$49,377.86
STURDEVANTS AUTO PARTS	SUPPLIES	\$419.05
SWANSON FLO-SYSTEMS CO.	SUPPLIES	\$393.00
T & R ELECTRIC SUPPLY COMPANY INC	PCB LAB TESTING	\$310.00
TECHNOLOGY FOR ENERGY CORP.	3 PHASE ANALYZER	\$22,511.06
TITAN MACHINERY- WTN	TRUCK #28 MAINTENANCE	\$2,514.76
TITAN MACHINERY-SF	SUPPLIES	\$342.56
TRACTOR SUPPLY CO	SUPPLIES	\$371.95
TRAV'S OUTFITTER	SUPPLIES	\$310.00
TSCHAKERT, MERLE	CARQUEST BUILDING LEASE	\$100.00
UPS	SHIPPING	\$35.58
UTILITIES PLUS ENERGY SERVICES INC	RELAY REPAIR	\$1,607.28
VAN DIEST SUPPLY COMPANY	SUPPLIES	\$3,603.69
VESSCO INC	SUPPLIES	\$441.16
WALMART COMMUNITY	SUPPLIES	\$36.63
WATERTOWN DEVELOPMENT CO.	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN FLOWERS INC	FUNERAL PLANT	\$47.00
WATERTOWN PUBLIC OPINION	PUBLISHINGS	\$927.52
WATERTOWN UNITED WAY	UNITED WAY	\$359.50
WATERTOWN WHOLESALE	SUPPLIES	\$725.72
WATERTOWN WINNELSON CO	SUPPLIES	\$63.44
WELLMARK BLUE CROSS/BLUE SHIELD	HEALTH INSURANCE	\$65,097.89
WESCO DISTRIBUTION INC	WIRE AS PER BID	\$38,435.37
WILSON BOHANNAN COMPANY	SUPPLIES	\$1,025.79
WITTE, STEVE	REIMBURSEMENT EXPENSES	\$506.00
	TOTAL	\$492,669.08

Total March, 2014 492,669.08; Transfer to City's General Fund 95,700; Qtrly First Nat'l Bank - SF 413,660.20, Muni Utilities Electric Water Gas 39,467.18; Northern Natural Gas 6,061.20; Missouri River Energy Services Power 1,534,629.19; BP Canada Energy Marketing Natural gas 1,393,152.43; Dept of Revenue Sales/Excise Tax 217,324.05; CPEP Natural Gas 273,465.34, City Finance Office Garbage Sewer 376,040.06.

ITEM 6503

Board set date of Wednesday, May 28th, 2014 at Noon for May Board Meeting due to Memorial Day Holiday.

Pursuant to SDCL 1-25-2(3) Strait moved with second by Schultz to move to Executive Session for discussion of contractual matters and pending litigation. No Board action is expected. Motion carried.

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

Motion by Strait 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 28th day of April, 2014

ATTEST: _____

Lisa Pahl

Michael V. Luken

Executive Secretary

President

Municipal Utilities Board

Municipal Utilities Board