

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Wednesday, November 26th, 2014

The Municipal Utilities Board convened in regular session at the Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Wednesday, November 26th, 2014 at Noon with President Wayne Schultz presiding.

Board members present: Wayne Schultz, Ernie Wight, Dustin Padgett, and Dave Strait. Board Member Mike Luken absent. 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, Stephanie Ries, Stanton Fox and Lisa Pahl. Press: Kayla Prasek, Public Opinion.

ITEM 6565

Motion by Strait with second by Padgett to approve the Agenda with change to Item 5, approval of 2015 Budget, by moving it to executive session for potential contract negotiations. Motion carried.

ITEM 6566

Motion by Strait with second by Wight to approve minutes of the regular Board Meeting on October 27th, 2014 and Special Session Board Meetings on October 28, 2014 and November 12, 2014. Motion carried.

ITEM 6567

Karst presented information on rates: as outlined and presented at the Special Session Board Meeting overall change on Electric Rates will increase by 3%. The Gas Department will follow most of the recommendations from the Natural Gas Rate Study completed by Dave Berg Consulting, LLC. The study suggested no overall rate increase, however, certain rate redesign within each class of customers was recommended. No change in Water rates except for those over 30,000 Cu. Ft from \$2.24 to \$2.35 per 100 Cu. Ft. All changes are effective with the January 2015 readings to be billed February 1, 2015. Motion by Padgett with second by Strait to approve utility rates for 2015. Motion carried.

ITEM 6568

Open: Lehner presented to the Board the APPA Legislative Rally March 9-11, 2015.

ITEM 6569

Chambers presented the report on Operations and Projects: Electric Department, Projects Completed this Month: Energized transformers at the new Middle School, JMS at Airport, Moffatt's at airport, New boom truck was delivered from Dueco. Projects in Progress: Terminating underground wire installed by Engelstad Electric near Burger King, Airport Industrial Park,

Qwest Alley, Carquest Alley and Roundabout. Projects Starting Next Month: Installing Christmas decorations and banners. Gas Department, Projects Completed this Month: OQ Inspection by the South Dakota Office of Pipeline Safety. Projects Starting Next Month: Installing the new line heater behind Walmart. Water Department, Projects Completed this Month: 1 hydrant maintenance, 3 Replacement taps, 40 new taps, 1 main shut down. Projects in Progress: Checking all of the fire hydrants in the system. Engineering Tech Department: Projects Completed this Month: 149 One-Call locates Nov. 1 - Nov. 24, 2014, 496 One-Call locates total October, 2014, 10 Emergency locates (7 private contractors & 3 Watertown Utilities), Next Month: Average 40 One-Call Locates in December.

ITEM 6570

Karst presented the report on Administration and Financial Statements: Building/Grounds and Purchasing, Projects in Progress: Winterizing our equipment and moving it to the Morton Building. Projects to Start Next Month: Taking physical inventory in December. Office, 13,630 payments collected for a total of \$3,780,503; Total of 52,157 services billed for a total of \$3,355,278. Major Projects in Progress: Preparing the 2015 Budget. Human Resources/Risk Management: Completed Open enrollment for 2015. Completed enrollment of new vision plan offered through AFLAC - 28 employees signed up for vision insurance. All premiums are paid by the employee. Attended Workforce Summit meetings facilitated by Watertown Development Company. 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 \$1,704,927 under budget for the Ten months ending October 31, 2014. Total Capital Additions are \$2,300,982 under budget for the Ten months ending October 31st, 2014.

ITEM 6571

Motion made by Padgett with second by Strait to approve the following verified salary claims and bills. Motion carried unanimously upon roll call vote. Total Municipal Utilities Dept Net Payroll for November, 2014 Plus ACH Payroll Payments 391,132.15. Info: A. Schultz 25.73/hr effective 11/19/2014.

Name	Payable Description	Payment Amount
12/1/2014		
ABC EMBROIDERY	SERVICE	\$18.95
ADVANCED CONCRETE LLC	SERVICE	\$816.33
AFLAC	CANCER PT	\$2,243.48
A-OX WELDING SUPPLY INC	SUPPLIES	\$434.88
AP & SONS CONSTRUCTION INC	MAIN INSTALLATION	\$39,843.53
APPLIED INDUSTRIAL TECH INC	SUPPLIES	\$318.60
BATTERIES UNLIMITED	SUPPLIES	\$200.00
BENDIX IMAGING INC	SUPPLIES	\$143.99
BORDER STATES ELECTRIC SUPPLY	SUPPLIES	\$36,441.28
BORNS GROUP	POSTAGE & MAILING	\$7,460.05
BRIAN'S GLASS & DOOR INC	SUPPLIES	\$40.00
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWORK USAGE	\$77.68
BUTLER MACHINERY CO	SUPPLIES	\$18.00
CARQUEST #2197	SUPPLIES	\$114.62
CASHWAY LUMBER INC	SUPPLIES	\$56.63
CHAMBERS, TODD	REIMBURSEMENT EXPENSES	\$294.56

CHASE CARDMEMBER SERVICE	CREDIT CARD	\$1,869.18
CHILD SUPPORT PAYMENT CENTER	Child Support - Case #247392027A	\$275.00
CODINGTON-CLARK ELECTRIC CO-OP INC	ELECTRIC SERVICE-WELLFIELD	\$4,530.44
COMPASS MINERALS	SOLAR SALT-BULK	\$8,029.56
CONSTRUCTION SIGNING CORPORATION	SUPPLIES	\$4,309.01
CREDIT BUREAU OF WATERTOWN INC	COLLECTIONS	\$868.81
CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$40.52
DAKOTA DATA SHRED	SHREDDING SERVICE	\$61.18
DAVE BERG CONSULTING, LLC	GAS RATE STUDY	\$18,656.10
DEPARTMENT OF REVENUE	WATER SAMPLES	\$403.00
DSG DAKOTA SUPPLY GROUP	SUPLLIES	\$10,387.51
DUECO INC	BOOM TRUCK PER BID	\$196,887.11
ENERGY ECONOMICS INC	METER REPAIR	\$404.83
ENGELSTAD ELECTRIC COMPANY	SERVICE	\$28,293.54
ETHANOL PRODUCTS LLC	SUPPLIES	\$1,577.75
FASTENAL COMPANY	SUPPLIES	\$1,096.89
GCR TIRE CENTER	SUPPLIES	\$1,672.44
GLASS PRODUCTS INC	SUPPLIES	\$44.00
GRAY CONSTRUCTION CO INC	CRANE RENTAL	\$252.25
GREAT WESTERN BANK	TASC MED	\$6,220.79
GROEBNER	SUPPLIES	\$1,763.47
HAWKINS, INC.	SUPPLIES	\$3,166.80
HENRY'S WATERWORKS INC	SUPPLIES	\$1,973.00
HUMAN SERVICE AGENCY	EAP SERVICES	\$427.50
IBEW LOCAL 426	UNION DUES	\$3,084.00
INTERSTATE ALL BATTERY CENTER	SUPPLIES	\$163.93
J H LARSON COMPANY	SUPPLIES	\$4,073.69
KEROTEST MANUFACTURING CORP	SUPPLIES	\$4,234.65
KEY CONTRACTING INC	CHANGING REJECTED DIST. POLES	\$67,447.00
KOONS GAS MEASUREMENT	SUPPLIES	\$3,533.62
LEHNER, STEVE	REIMBURSEMENT EXPENSES	\$170.80
LOCATORS & SUPPLIES INC	SUPPLIES	\$69.81
LYLE SIGNS INC	SUPPLIES	\$675.65
M & T FIRE & SAFETY INC	SUPPLIES	\$124.00
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$565.15
MAC'S INC	SUPPLIES	\$142.70
MAHOWALD'S HARDWARE & RENTAL	SUPPLIES	\$21.99
MARCO INC	MAINTENANCE AGREEMENT	\$42.22
MARCO INC	MAINTENANCE AGREEMENT	\$289.63
MC FARLAND CASCADE	SUPPLIES	\$23,153.00
MC KEEVER INC	SUPPLIES	\$258.67
MEL DAHLE TIRE CO	SUPPLIES	\$107.00
MENARDS INC	SUPPLIES	\$674.22
MERCURY INSTRUMENTS LLC	SUPPLIES	\$143.19
MET LIFE	LIFE INSURANCE	\$1,054.03
METERING & TECHNOLOGY SOLUTIONS	SUPPLIES	\$13,948.23
MIDCONTINENT COMMUNICATIONS	INTERNET SERVICE	\$105.00
MID-WEST ELECTRIC CONSUMERS ASSN	REGISTRATION	\$315.00
MIDWEST UNDERGROUND SUPPLY	SUPPLIES	\$530.53
MUNICIPAL UTILITIES - PC	PETTY CASH	\$334.20
MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND #184876-0	\$110.83
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCOUNTS	\$8,998.33
NEW YORK LIFE INS.	LIFE INSURANCE	\$106.00
NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$9,492.35
OFFICE PEEPS	SUPPLIES	\$529.43
O'REILLY AUTOMOTIVE INC	SUPPLIES	\$255.59
PETE LIEN & SONS	SUPPLIES	\$12,269.33
PRAXAIR DISTRIBUTION INC	CYLINDER RENTAL	\$128.45
PRINT-EM-NOW INC	SUPPLIES	\$90.00
REDLINGER BROS PLUMBING & HEATING	SERVICE	\$1,113.06
RESCO	SUPPLIES	\$18,502.63
RON'S SAW SHOP	SUPPLIES	\$387.93
RUNNING'S SUPPLY INC	SUPPLIES	\$2,392.24
SAFETY BENEFITS INC	REGISTRATIONS	\$195.00

SANFORD WTN OCCUPATIONAL MEDICINE	SCREENS	\$319.00
SCHAEFFER MANUFACTURING COMPANY	SUPPLIES	\$1,019.15
SD MUNICIPAL ELECTRIC ASSN	2015 DUES	\$23,170.00
SD ONE CALL	LOCATES	\$533.40
SERVICEMASTER	JANITORIAL SERVICE	\$3,120.00
SEVERN TRENT WATER PURIFICATION, INC	SUPPLIES	\$7,810.33
STAR LAUNDRY INC	RUG SERVICE	\$730.64
STUART C IRBY CO	SUPPLIES	\$2,870.17
STURDEVANTS AUTO PARTS	SUPPLIES	\$773.27
TAC SERVICES LLC	LAWN SERVICE	\$1,115.00
TRAV'S OUTFITTER	SUPPLIES	\$186.00
TSCHAKERT, MERLE	CARQUEST BUILDING LEASE	\$100.00
TYLER BUSINESS FORMS	SUPPLIES	\$107.12
TYLER TECHNOLOGIES	2015 SOFTWARE MAINTENANCE	\$12,867.03
TYNDALE COMPANY INC	SUPPLIES	\$190.95
UPS	SHIPPING	\$355.42
UTILITIES PLUS ENERGY SERVICES INC	SUBSTATION INSPECTION	\$7,250.00
WALMART COMMUNITY	SUPPLIES	\$130.60
WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN FORD CHRYSLER	SUPPLIES	\$157.36
WATERTOWN PUBLIC OPINION	PUBLISHINGS	\$427.68
WATERTOWN UNITED WAY	United Way	\$359.50
WATERTOWN WHOLESALE	SUPPLIES	\$329.84
WELLMARK BLUE CROSS/BLUE SHIELD	HEALTH INSURANCE	\$64,977.07
WESCO DISTRIBUTION INC	SUPPLIES	\$5,442.30
WESTECH ENGINEERING INC	REBUILD AERATOR	\$54,398.00
TOTAL		\$758,996.17

Total November, 2014 758,996.17; Transfer to City's General Fund 95,700; Muni Utilities Electric Water Gas 38,309.48; Northern Natural Gas 2,273.20; Missouri River Energy Services Power 1,322,710.96; BP Canada Energy Marketing Natural Gas 284,108.20; Dept of Revenue Sales/Excise Tax 137,568.02; CPEP Natural Gas 34,274.38, City Finance Office Garbage Sewer 383,611.08.

ITEM 6572

Pursuant to SDCL 1-25-2(3) Motion by Strait with second by Padgett to move to Executive Session to discuss contract negotiations. The Board does expect to take action when they reconvene to regular session. Motion carried.

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

ITEM 6573

Motion by Ernie second by Padgett to approve agenda Item #5, Approval of the 2015 budget as presented with the addition of \$50,000 added to the transfer to the city's general fund. Motion carried.

	BUDGET 2015
OPERATING REVENUES:	
ELECTRIC SALES	28,621,384
WATER SALES	5,054,368
GAS SALES	10,966,610
TOTAL OPERATING REVENUES	44,642,362
OPERATING EXPENSES:	
PURCHASED ELECTRICITY	22,055,853
PURCHASED GAS	6,143,239
OTHER PROD EXPENSES	1,521,358
TRANS & DIST EXPENSES	4,255,216
COMML & GEN EXPENSES	2,346,105
DEPRECIATION & AMORT EXP	3,640,666
TOTAL OPERATING EXPENSES	39,962,437
NET OPERATING INCOME(LOSS)	4,679,925
OTHER INCOME OR EXPENSES	
INTEREST INCOME	39,000
INTEREST EXPENSE	-590,341
OTHER INCOME OR EXPENSE	569,396
TOTAL NON-OPERATING REVENUES	18,055
INCOME (LOSS) BEFORE TRANSFERS	4,697,980
Transfer to City of Watertown	-1,198,400
Income (Loss) After Transfer to City of Watertown	3,499,580

WATERTOWN MUNICIPAL UTILITIES DEPARTMENT
2015 BUDGET - COMBINED CAPITAL BUDGET AND WATER
TREATMENT PLANT PRINCIPAL LOAN PAYMENTS
11/26/2014

	BUDGET 2015
CASH APPLICATION:	
TOTAL CAPITAL ADDITIONS	6,903,450
WATER TREATMENT PLANT PRINCIPAL LOAN PAYMENTS	1,064,300
TOTAL APPLICATION OF CASH	7,967,750

ITEM 6574

Board changed time of the December 29, 2014 Board Meeting from noon to 4:00 pm at the Watertown Municipal Utilities Board Room.

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 26th day of November, 2014

ATTEST: _____

Lisa Pahl
Executive Secretary
Municipal Utilities Board

Wayne E. Schultz
President
Municipal Utilities Board