

## MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday, August 25<sup>th</sup>, 2014

The Municipal Utilities Board convened in regular session at the Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday August 25<sup>th</sup>, 2014 at Noon with President Wayne Schultz presiding.

Board members present: Wayne Schultz, Ernie Wight, Dave Strait, Dustin Padgett and Mike Luken. 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 and Stanton Fox. Press: Sam Wilmes, Public Opinion and Don Eggert, KWAT. Guests: Troy Hieb from William Neale & Company, Pete Malamen with CEG (Consulting Engineers Group).

### ITEM 6531

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

### ITEM 6532

Motion by Padgett with second by Luken to approve minutes of the regular Board meeting on July 28, 2014. Motion carried.

### ITEM 6533

Presentation was made by Troy Hieb of William Neale & Co PC for the 2013 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 Strait to accept 2013 audit as presented. Motion carried.

### ITEM 6534

Pete Malamen from Consulting Engineers Group (CEG) presented the Long Range Distribution Planning Study. Malamen went through the Projects, the issues and when plan should be implemented with Estimated Costs. See chart:

Project Name-Issue	When?	Estimated Cost
Add Voltage Regulators to West Sub-West Fdr	0-1 yrs	\$50,000
Change T1 from 22 MVA unit to 28 MVA unit	0-5 yrs	\$650,000
Add Capacitor Banks (total of 5 banks)	0-1 yrs	\$50,000
Alternate Feeder Source for Hospital-Switch/line work	0-5 yrs	\$50,000
New Feeder to Ethanol Plant and rebuild Pelican Sub	Load issue	\$2,500,000
Kampeska Blvd Underground crossing	0-1 yrs	\$10,000
Uptown 115KV Source	0-1 yrs	\$15,000

### ITEM 6535

Motion by Luken with second by Strait to approve the change order with Nelson Technologies for the Line Heater. There will be a deduction of

\$1,500.00 for the deletion of the interconnection piping fabrication by factory. It's more inexpensive to fabricate onsite in field. Motion carried.

**ITEM 6536**

Open: Lehner announced to the Board that the Strategic Planning Session will be Oct. 28<sup>th</sup>, 2014 at 7am in the Minerva's Board Room.

**ITEM 6537**

Old Business: Missouri River Energy Service's Board had a ground breaking for the Red Rock Hydro facility in Pella, Iowa. It is a \$390 million dollar facility to be operational 2018.

**ITEM 6538**

Chambers presented the report on Operations and Projects: Electric Department, Projects Completed this Month: Energized transformers at Watertown Auction (formerly Fireside Camper), Dakota Bodies new addition, and Taco Bell, Linemen and Terex personnel from Peru, Brazil and Chile observed and filmed our line crew working on energized lines so they could use it for training at their utilities. Projects in Progress: Working with Key Contractor transferring load from old overhead line and connecting to new overhead line on 3<sup>rd</sup> Ave NW and 11<sup>th</sup> Street SE, Moving overhead primary line on Hwy 20 and 4<sup>th</sup> Ave SW for new signal lights. Projects Starting Next Month: SBS pole inspection company will begin inspecting approximately 1,000 distribution poles and 100 transmission poles. Gas Department, Projects Completed this Month: Installed the new gas service to the new Middle School, Taco Bell and Caribou Coffee, Bored in a new 4" steel main under Highway 20 in front of the Utilities, Raised the gas main in 6 locations on 3<sup>rd</sup> Ave NW, Built and installed 6 horseshoes in the gas main on 3<sup>rd</sup> Ave to clear new sewer lines, Lowered the gas main in 3 locations on 3<sup>rd</sup> Ave. Water Department, Projects Completed this Month: 1 hydrant moved, 4 Replacement taps, 6 new taps, Shut mains down 14 times for work we did and for contractors. Projects in Progress: Installing new 12" main on 19<sup>th</sup> St from Runnings to 3<sup>rd</sup> Ave N. Engineering Tech Department: Projects Completed this Month: 270 One-Call locates Aug. 1 - 20<sup>th</sup>, 2014, 487 One-Call locates total July, 2014, 7 Emergency locates (2 private contractors & 5 Watertown Utilities), Next Month: Average 425 One-Call Locates in August.

**ITEM 6539**

Karst presented the report on Administration and Financial Statements: Building/Grounds and Purchasing, Projects in Progress: Working on getting quotes to reside and install new doors on the pump houses located at the North and South Lake towers, Arranging and identifying all of our partial wire reels for specific projects/better organization. Projects to Start Next Month: Fall Spraying to all of our properties. Office, Projects Completed This Month: 13,674 Payments collected with a total of \$3,909,648; Total of 52,199 services billed for a total of \$3,817,522. Projects in Progress: We went live with our new billing software upgrade on August 18<sup>th</sup>, Adam will be attending the APPA Business and Financial Conference in September. Human

Resources/Risk Management: Completed New Hire Orientation/Training Robert Haliburton - Water Plant Foreman, Effective 8/11/2014, Completed Water Plant Operator Interviews, 2 - offers made and accepted - both to start 8/29/2014 pending pre-employment screening. Information Systems: Will be attending the annual American Public Power Association Business & Financial Conference in Portland, OR in September, Normal monthly IT maintenance and troubleshooting, Northstar upgrade.

Statements of Revenue and Expenses and Capital Additions were presented to the Board for review. Year to date net income is \$1,523,813 under budget for the seven months ending August 31<sup>st</sup>, 2014. Total Capital Additions are \$2,085,536 under budget for the seven months ending August 31<sup>st</sup>, 2014.

### ITEM 6540

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 August, 2014 Plus ACH Payroll Payments 409,666.55. Info: S. Catlette 33.11/hr. effective 7/23/2014, S. Witte 23.11/hr. effective 8/10/2014. Add: Rob Haliburton 28.29 effective 8/11/2014.

SEPT. 2, 2014

Name	Payable Description	Payment Amount
ABC LOCK & KEY	SUPPLIES	\$500.00
ADV. ENGINEER.& ENVIRON. SERV	I & C SYSTEM SERVICES	\$4,124.02
AFLAC	CANCER PT	\$2,166.91
AMERICAN ENGINEERING TESTING INC	SLUDGE ANALYSIS	\$265.00
ANDREWS, MIKE	REIMBURSEMENT EXPENSES	\$39.00
A-OX WELDING SUPPLY INC	SUPPLIES	\$549.44
AP & SONS CONSTRUCTION INC	EXCAVATION	\$16,768.00
BORDER STATES ELECTRIC SUPPLY	SUPPLIES	\$23,060.67
BORNS GROUP	POSTAGE & MAILING	\$7,485.25
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWORK USAGE	\$55.51
BUSINESS TELEPHONE CO INC	MAINTENANCE	\$74.50
CARQUEST #2197	SUPPLIES	\$79.08
CHAMBERS, TODD	REIMBURSEMENT EXPENSES	\$38.64
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$3,420.83
CITY FINANCE OFFICE	WASTEWATER DISCHARGE PERMIT	\$30.00
CITY OF WATERTOWN	2014 CITY ATTORNEY SERVICES	\$40,805.00
CODINGTON CTY REGISTER OF DEEDS	COPIES, AGREEMENT	\$64.00
CODINGTON-CLARK ELECTRIC COOP INC	ELECTRIC SERVICE-NEW WELLFIELD	\$5,058.92
CONSULTING ENGINEERS GROUP INC	REBUILD PROJECTS	\$4,380.00
COTEAU SHOPPER	PUBLISHINGS	\$152.95
CREDIT BUREAU OF WATERTOWN INC	COLLECTIONS	\$959.12
CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$2,408.55
DAKOTA DATA SHRED	SHREDDING SERVICE	\$92.25
DAKOTA RIGGERS & TOOL	SUPPLIES	\$111.13
DEPARTMENT OF REVENUE	WATER SAMPLES	\$377.00
DIAMOND VOGEL PAINT CENTER	SUPPLIES	\$128.51
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$12,621.12
DUECO INC	SUPPLIES	\$2,078.28
ELITE CONCRETE	CONCRETE WORK	\$408.00
ENDRESS+HAUSER INC	SUPPLIES	\$159.89
ENGELSTAD ELECTRIC COMPANY	BORING SERVICES	\$9,828.00
EXHAUST PROS	SUPPLIES	\$184.00
FARNAMS GENUINE PARTS	SUPPLIES	\$1,010.89
FASTENAL COMPANY	SUPPLIES	\$834.13
GRAINGER	SUPPLIES	\$40.04

GREAT WESTERN BANK	TASC MED	\$6,426.29
GROEBNER	SUPPLIES	\$747.60
HACH COMPANY	SUPPLIES	\$446.82
HAWKINS, INC.	BULK FLOURIDE	\$3,215.52
HEDAHLS AUTO PARTS	SUPPLIES	\$18.22
IBEW LOCAL 426	UNION DUES	\$3,163.00
INTERSTATE ALL BATTERY CENTER	SUPPLIES	\$104.92
J C PENNEY CORPORATION INC	ENERGY INCENTIVE REBATE	\$5,188.00
J H LARSON COMPANY	SUPPLIES	\$2,978.31
JURGENS PRINTING & COPY CENTER INC	SUPPLIES	\$587.00
KARST, ADAM	REIMBURSEMENT EXPENSES	\$645.00
KEY CONTRACTING INC	OVERHEAD LINE REBUILD	\$87,000.00
KXLG	ENERGY INCENTIVE REBATE	\$1,300.00
LAKE CITY FIRE EQUIPMENT LLC	EXTINGUISHER MAINTENANCE	\$410.12
LEHNER, STEVE	REIMBURSEMENT EXPENSES	\$488.84
LOCATORS & SUPPLIES INC	SUPPLIES	\$1,405.13
LUKONEN'S TOOL SERVICE INC	SUPPLIES	\$215.64
M E BARBER CO INC	SUPPLIES	\$360.58
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$77.90
MAC'S INC	SUPPLIES	\$366.94
MAHOWALD'S HARDWARE & RENTAL	SUPPLIES	\$98.96
MARCO INC	MAINTENANCE AGREEMENT	\$42.22
MARCO INC	MAINTENANCE AGREEMENT	\$252.63
MC KEEVER INC	SUPPLIES	\$192.12
MEL DAHLE TIRE CO	SUPPLIES	\$479.80
MENARDS INC	SUPPLIES	\$763.44
MENNENGA, SHEILA	REIMBURSEMENT EXPENSES	\$949.40
MET LIFE	LIFE INSURANCE	\$1,039.03
METERING & TECHNOLOGY SOLUTIONS	SUPPLIES	\$315.73
MIDCONTINENT COMMUNICATIONS	INTERNET SERVICE	\$105.00
MIDWEST UNDERGROUND SUPPLY	SUPPLIES	\$1,268.02
MILBANK WINWATER WORKS	SUPPLIES	\$7,773.79
MUELLER CO	SUPPLIES	\$668.17
MUNICIPAL UTILITIES - PC	PETTY CASH	\$278.81
MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND #976-4	\$84.44
MUNICIPAL UTILITIES-REFUND ACCT	REFUND OVERPAYMENT OF FINAL BILL	\$7,062.69
NELSON TECHNOLOGIES INC	NATURAL GAS LINE HEATER AS BID	\$45,970.00
NEW YORK LIFE INS.	LIFE INSURANCE	\$181.00
NORTH AMERICAN SALT COMPANY	SUPPLIES	\$3,981.60
NORTHERN TRUCK EQUIP CORP	SUPPLIES	\$317.12
NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$5,624.01
NOVA FIRE PROTECTION INC	ANNUAL INSPECTION	\$150.00
OFFICE PEEPS	SUPPLIES	\$52.49
PETE LIEN & SONS	SUPPLIES	\$24,767.29
PHYSIO-CONTROL	SUPPLIES	\$96.49
PRAXAIR DISTRIBUTION INC	CYLINDER RENTAL	\$128.45
PROFESSIONAL COMPUTER SERV.LLP	REPAIRS	\$335.45
REDLINGER BROS PLUMBING & HEATING	SUPPLIES	\$12.39
RESCO	SUPPLIES	\$9,324.50
RON'S SAW SHOP	SUPPLIES	\$83.76
RUNNING'S SUPPLY INC	SUPPLIES	\$556.38
S E Y LLC	LIME HAULING	\$11,253.00
SD MUNICIPAL LEAGUE	ANNUAL CONF. REGIST.	\$100.00
SD ONE CALL	LOCATES	\$540.75
SD WATER & WASTEWATER ASSN	REGISTRATION	\$200.00
SENSIT TECHNOLOGIES INC	SUPPLIES	\$529.18
SERVICEMASTER	JANITORIAL SERVICE	\$3,120.00
SEVERN TRENT SERVICES	SUPPLIES	\$611.10
SHERMAN CANVAS	SUPPLIES	\$20.00
SHERWIN WILLIAMS CO	SUPPLIES	\$222.95
SIOUX VALLEY GREENHOUSES	SPRINKLER SYSTEM REPAIR	\$85.00
STUART C IRBY CO	SUPPLIES	\$12,086.31
STURDEVANTS AUTO PARTS	SUPPLIES	\$810.13
T & R ELECTRIC SUPPLY COMPANY INC	SERVICE	\$1,210.00

TAC SERVICES LLC	LAWN SERVICE	\$2,140.00
TAECKER PLUMBING & HEATING	MAINTENANCE	\$142.80
TERMINAL SUPPLY CO.	SUPPLIES	\$170.01
TITAN MACHINERY-SF	SUPPLIES	\$40.66
TRAV'S OUTFITTER	SUPPLIES	\$570.97
TSCHAKERT, MERLE	CARQUEST BUILDING LEASE	\$100.00
TYLER BUSINESS FORMS	SUPPLIES	\$222.20
UPS	SHIPPING	\$677.42
VERIFICATIONS INC	APPLICANT VERIFICATIONS	\$105.20
VERMEER HIGH PLAINS	SUPPLIES	\$167.16
VESSCO INC	SUPPLIES	\$434.50
WALMART COMMUNITY	SUPPLIES	\$67.64
WARBORG, BRYAN	REIMBURSEMENT EXPENSES	\$39.00
WATERTOWN DEVELOPMENT COMPANY	INDUST'L DEVELOP.EXPENSE	\$8,690.00
WATERTOWN FLOWERS INC	FUNERAL PLANT	\$47.00
WATERTOWN FORD CHRYSLER	SUPPLIES	\$190.78
WATERTOWN PUBLIC OPINION	PUBLISHINGS	\$938.82
WATERTOWN UNITED WAY	United Way	\$359.50
WATERTOWN WHOLESALE	SUPPLIES	\$859.99
WEISMANTEL RENT-ALL	EQUIPMENT RENTAL	\$603.50
WELD IT ALL	SUPPLIES	\$360.00
WELLMARK BLUE CROSS/BLUE SHIELD	HEALTH INSURANCE	\$65,771.13
WESCO DISTRIBUTION INC	SUPPLIES	\$19,782.79
WHEELCO	SUPPLIES	\$270.90
	TOTAL	\$502,000.03

Total August, 2014 502,000.03; Transfer to City's General Fund 95,700; Muni Utilities Electric Water Gas 54,350.79; Northern Natural Gas 2,273.20; Missouri River Energy Services Power 2,063,631.86; BP Canada Energy Marketing Natural Gas 96,675.75; Dept of Revenue Sales/Excise Tax 152,630.93; CPEP Natural Gas 14,236.60, City Finance Office Garbage Sewer 385,673.89.

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 25<sup>th</sup> day of August, 2014

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

Lisa Pahl  
Executive Secretary  
Municipal Utilities Board

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Wayne E. Schultz  
President  
Municipal Utilities Board