

# MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday, June 30, 2014

The Municipal Utilities Board convened in regular session at the Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday June 30th, 2014 at Noon with President Mike Luken presiding.

Board members present: Mike Luken, Ernie Wight, Wayne Schultz, Dave Strait and Dustin Padgett. 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, Stephanie Ries, Lisa Pahl and Stanton Fox. Press: Don Eggert, KXLG Radio and Sam Wilmes, Public Opinion.

## ITEM 6514

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

## ITEM 6515

Motion by Wight with second by Strait to approve minutes of the regular Board meeting on May 28th, 2014. Motion carried.

## ITEM 6516

This being the time and place set forth for public hearing on Integrated Resource Plan, President Luken declared the Public Hearing to be opened on Information and discussion on purpose of Integrated Resource Plan. Luken requested comments from the public. Upon hearing no comments, Luken closed the public hearing. Motion by Schultz with second by Wight to adopt resolution for Integrated Resource Plan. Motion carried unanimously on roll call vote.

### **RESOLUTION PROVIDING FOR THE ADOPTION OF AN INTEGRATED RESOURCE PLAN (IRP) AS REQUIRED BY WESTERN AREA POWER ADMINISTRATION TO COMPLY WITH LONG-TERM POWER SUPPLY AGREEMENT**

**WHEREAS** the Watertown Municipal Utilities Department purchases a significant portion of its power supply from the Western Area Power Administration (Western); and

**WHEREAS** Western has recently published its Energy Planning and Management Program Rules specifying the requirements for preparing and filing an Integrated Resource Plan (IRP); and

**WHEREAS** the Municipal Utility staff has prepared an IRP Summary Report describing the IRP process used and the information and assumption used to develop the IRP; and

**WHEREAS** our customers were informed of our IRP and resulting Action Plans through various means including a public meeting where public questions and comments were encouraged; and

**WHEREAS** any public comments received have been addressed in order to strengthen the Utility's Integrated Resource Plan; and  
**WHEREAS** the IRP Summary Report included 5-year and 2-year action plans outlining actions to be taken by the Municipal Utilities Department during the next several years  
**NOW THEREFORE BE IT RESOLVED** by the Watertown Municipal Utilities Department as follows:

That the "Integrated Resource Plan Summary Report for the Watertown Municipal Utilities Department dated September 1, 2014 shall be approved for filing with Western under the Energy Planning and Management Program"

Dated at Watertown, South Dakota, this 30<sup>th</sup> Day of June 2014  
Watertown Municipal Utilities

**ITEM 6517**

Motion by Schultz with second by Padgett to adopt resolution authorizing the execution of updated and extended contracts with Western Area Power. Motion carried unanimously upon roll call vote.

**RESOLUTION AUTHORIZING THE EXECUTION OF THE FOLLOWING DOCUMENTS WITH THE WESTERN AREA POWER ADMINISTRATION: FIRM ELECTRIC SERVICE CONTRACT NO. 12-UGPR-1105; AMENDMENT NO. 3 TO WATERTOWN'S CURRENT FIRM ELECTRIC SERVICE CONTRACT NO. 90-BAO-566; INTERCONNECTION CONTRACT NO. 12-UGPR-2105 AND A CONSOLIDATED FACILITIES ARRANGEMENTS CONTRACT NO. 12-UGPR-3105**

**WHEREAS** pursuant to previous action taken, Watertown Municipal Utilities ("WMU") has entered into an agreement to obtain a firm power allocation of federal hydroelectricity from the United States Department of Energy, Western Area Power Administration, Pick-Sloan Missouri Basin Program, Eastern Division, ("Western") pursuant to a Contract for Firm Electric Service for an initial term extending through December 31, 2020; and  
**WHEREAS** WMU and Western desire to enter into new agreements providing for the continued allocation of federal hydroelectricity; and  
**WHEREAS** Western has asked WMU to consider approving a new Contract for Firm Electric Service and its associated exhibits, each effective commencing on January 1, 2021 and continuing for a term through December 31, 2050; and  
**WHEREAS** Western has advanced the contract extension discussions through an open and collaborative public process referred to as the "2021 Power Marketing Initiative" or the 2021 PMI which concluded with the publication in the November 16, 2011 Federal Register of the contract details; and  
**WHEREAS** the City Attorney has reviewed the agreements and has concluded WMU's governing board has the authority and right to enter into these agreements; and  
**WHEREAS** the WMU Board finds that it is in the public interest to enter into this long-term agreement to provide its customers with a reliable, low-cost and environmentally friendly source of power and energy;  
**NOW, THEREFORE, BE IT RESOLVED** by WMU as follows:

- 1) That Firm Electric Service Contract No. 12-UGPR-1105 be signed by the Board President in the form presented; and
- 2) That proposed Amendment No. 3 to WMU's current Firm Electric Service Contract No. 90-BAO-566 be signed by the Board President in the form presented; and
- 3) That proposed Interconnection Contract No. 12-UGPR-2105 be signed by the Board President in the form presented; and
- 4) That Consolidated Facility Arrangements Contract No. 12-UGPR-3105 be signed by the Board President in the form presented.

Dated this 30<sup>th</sup> day of June 2014.

WATERTOWN MUNICIPAL UTILITIES

**ITEM 6518**

OPEN: Lehner presented the two-sided bill stuffer Clean Water and Cookin' on Kampeska. DeVille attended the AWWA Annual Conference in Boston and gave an update on several presentations he went to.

**ITEM 6519**

Old Business: Lehner got a response from the School District that they are interested in being part of Missouri River Energy Service Schools Program. This program will be for 5<sup>th</sup> graders and will be paid half by MRES and the other half by Watertown Municipal Utilities. Lehner also acknowledged that the mayor has reappointed Mike Luken to another term on the Watertown Municipal Utilities Board.

**ITEM 6520**

Chambers presented the report on Operations and Projects: Electric Department, Projects Completed this Month: Installed primary cable at Meadow Drive, Energized transformer for new Co-op Elevator on 20<sup>th</sup> Ave SW. Projects in Progress: Working with CEG on 3<sup>rd</sup> Ave and 11<sup>th</sup> St overhead rebuild projects, Key Contracting starting 3<sup>rd</sup> Ave overhead rebuild project per contract, Installing primary to Watertown Auction (Formerly Fireside Camper). Projects Starting Next Month: Terminating underground Primary wire at Carquest Alley. Gas Department, Projects Completed this Month: Installed or removed 85 meter sets, Finished meter guards and cemented them in, Installed 4" main from 14<sup>th</sup> Ave NE to Cherry. Water Department, Projects Completed this Month: 4 hydrant maintenance, 2 replacement taps, 6 new taps, Loaded all of the resin back into the MIEUX system and started it up, received a thank you from the Big Sioux Water Festival for the school program we donated to. Engineering Tech Department: Projects Completed this Month: 458 One-Call locates June 1-26<sup>th</sup>, 2014, 609 One-Call locates total May, 2014, 9 Emergency locates (7 private contractors & 2 Watertown Utilities), Next Month: Average 450 One-Call Locates in July.

**ITEM 6521**

Karst presented the report on Administration and Financial Statements: Building/Grounds and Purchasing, Projects in Progress: West Substation fence

needs repair on 10 posts that have pushed up and need to be reinstalled with new concrete, Continue to receive items from our bids. Wire, Transformers and Water Pipe. Office, Projects Completed This Month: 13,393 Payments collected with a total of \$4,260,308; Total of 52,030 services billed for a total of \$3,512,310. Projects in Progress: Continue testing on the new billing software. Human Resources/Risk Management, Personnel changes, Retirement: Gary Olson - Gas Meter Foreman, effective 6/20/14, Promotions: Doug Riley to Gas Meter Foreman, effective 6/23/2014, Bryan Warborg - Apprentice Gas Meter Person, effective 6/25/2014, Current Openings Apprentice Equipment Operator and Water Plant Foreman. Information Systems: Normal monthly IT maintenance and upgrading NorthStar System.

Statements of Revenue and Expenses and Capital Additions were presented to the Board for review. Year to date net income is \$1,573,443 under budget for the five months ending May 31<sup>st</sup> due to expensive gas purchases this winter. Total Capital Additions are \$1,191,043 under budget for the five months ending May 31<sup>st</sup>, 2014.

### ITEM 6522

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 June, 2014 Plus ACH Payroll Payments 429,377.28. Info: S. Myers 19.90 effective 5/21/2014, L.Tolley 30.67 effective 5/29/2014, M.Andrews 23.11 effective 6/9/2014, Summer Temp, D.Helgelien 11.00 effective 5/21/2014 Retirement B. Robinson effective 5/1/2014.

July 1, 2014

Name	Payable Description	Payment Amount
AASON ENGINEERING CO INC	OVERHEAD LINE REBUILD	\$1,245.00
ABC LOCK & KEY	SUPPLIES	\$1,263.00
AFLAC	CANCER PT	\$2,166.91
AMERICAN ENGINEERING TESTING INC	WATER TESTING	\$1,153.25
A-OX WELDING SUPPLY INC	SUPPLIES	\$122.45
APPLIED INDUSTRIAL TECH INC	SUPPLIES	\$318.60
AQUA-PURE INC	SUPPLIES	\$5,382.00
ARGUS LEADER MEDIA	ADVERTISING	\$836.91
AUTO BODY SPECIALTIES	SUPPLIES	\$108.62
BALLANTINE INC	SUPPLIES	\$5,241.37
BENDIX IMAGING INC	SUPPLIES	\$139.99
BENSON, BRIAN	REIMBURSEMENT EXPENSES	\$572.83
BORDER STATES ELECTRIC SUPPLY	SUPPLIES	\$20,583.75
BORNS GROUP	POSTAGE & MAILING	\$8,441.16
BOYER TRUCKS SIOUX FALLS, INC	SUPPLIES	\$723.59
BURCHATZ CONSTRUCTION CO. INC	CONCRETE WORK	\$17,821.13
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWORK USAGE	\$64.06
CARQUEST #2197	SUPPLIES	\$102.22
CASHWAY LUMBER INC	SUPPLIES	\$76.39
CERTIFIED LABORATORIES	SUPPLIES	\$397.23
CHAMBERS, TODD	REIMBURSEMENT EXPENSES	\$1,226.78
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$911.37
CITY FINANCE OFFICE	SDPAA PREMIUM	\$336.00
CODINGTON COUNTY REGISTER OF DEEDS	ANNEXATION AGREEMENT	\$32.00

CODINGTON-CLARK ELECTRIC COOP. INC	ELECTRIC SERVICE-WELLFIELD	\$5,179.12
CONSULTING ENGINEERS GROUP INC	CEG DIST. SYSTEM IMPROVEMENT	\$15,070.00
COTEAU SHOPPER	PUBLISHINGS	\$144.90
CREDIT BUREAU OF WATERTOWN INC	COLLECTIONS	\$383.62
CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$308.60
CROCKER'S COLLISION CENTER	REPAIRS	\$738.00
DAKOTA DATA SHRED	SHREDDING SERVICE	\$147.32
DE VILLE, JEFF	REIMBURSEMENT EXPENSES	\$2,514.42
DEPARTMENT OF REVENUE	WATER SAMPLES	\$455.00
DIAMOND VOGEL PAINT CENTER	SUPPLIES	\$279.41
DSG DAKOTA SUPPLY GROUP	WATER PIPE AS PER BID	\$30,925.17
DUECO INC	SUPPLIES	\$1,056.72
DUGAN SALES & SERVICE	SERVICE CALL	\$178.95
ELECTRIC MOTORS & MOORE INC	SUPPLIES	\$118.00
ENERGY LABORATORIES INC	WATER SAMPLES	\$1,120.00
ENGELSTAD ELECTRIC COMPANY	BORING	\$30,096.80
ETHANOL PRODUCTS LLC	SUPPLIES	\$1,667.76
F J MC LAUGHLIN CO.	GRAVEL,DIRT,ROCK	\$3,193.13
FARNAMS GENUINE PARTS	SUPPLIES	\$903.70
FARWEST LINE SPECIALTIES, LLC	SUPPLIES	\$182.00
FASTENAL COMPANY	SUPPLIES	\$690.29
GAS PRODUCTS SALES	GAS METERS	\$38,262.47
GCR TIRE CENTER	SUPPLIES	\$934.84
GRAINGER	SUPPLIES	\$347.82
GRAY CONSTRUCTION CO INC	CRANE RENTAL	\$387.35
GREAT WESTERN BANK	TASC MED	\$6,763.98
GROEBNER	SUPPLIES	\$3,238.79
HAWKINS, INC.	SUPPLIES	\$4,823.28
HD SUPPLY WATERWORKS, LTD	FIRE HYDRANTS AS PER BID	\$69,200.89
HY-VEE FOODS	SAFETY PICNIC	\$580.53
IBEW LOCAL 426	UNION DUES	\$3,215.70
INTERSTATE ALL BATTERY CENTER	SUPPLIES	\$89.96
J & B SCREENPRINTING	SUPPLIES	\$174.00
J H LARSON COMPANY	SUPPLIES	\$6,626.05
KARST, ADAM	REIMBURSEMENT EXPENSES	\$580.15
KEY CONTRACTING INC	OVERHEAD LINE REBUILD	\$30,000.00
LAKE CITY FIRE EQUIPMENT LLC	SUPPLIES	\$842.58
LEHNER, STEVE	REIMBURSEMENT EXPENSES	\$817.20
LOCATORS & SUPPLIES INC	SUPPLIES	\$2,291.43
M E BARBER CO INC	SUPPLIES	\$1,002.80
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$125.31
MAC'S INC	SUPPLIES	\$370.78
MAHOWALD'S HARDWARE & RENTAL	SUPPLIES	\$63.32
MARCO INC	MAINTENANCE AGREEMENT	\$41.64
MARCO INC	MAINTENANCE AGREEMENT	\$267.41
MATHESON TRI-GAS INC	SUPPLIES	\$66.42
MEL DAHLE TIRE CO	SUPPLIES	\$18.00
MENARDS INC	SUPPLIES	\$1,763.01
MESA PRODUCTS INC	SUPPLIES	\$380.64
MET LIFE	LIFE INSURANCE	\$1,030.23
METERING & TECHNOLOGY SOLUTIONS	WATER METERS AS PER BID	\$23,260.00
MIDCONTINENT COMMUNICATIONS	INTERNET SERVICE	\$105.00
MIDWEST UNDERGROUND SUPPLY	SUPPLIES	\$119.28
MILBANK WINWATER WORKS	SUPPLIES	\$9,017.16
MISSOURI RIVER ENERGY SERVICES	REGISTRATIONS	\$150.00
MUNICIPAL UTILITIES - PC	PETTY CASH	\$328.70

MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND #751-1	\$315.79
MUNICIPAL UTILITIES-REFUND ACCT	REFUND OVERPAYMENT OF FINAL BILLS	\$8,535.60
NEW YORK LIFE INS.	LIFE INSURANCE	\$181.00
NORTHERN LAKE SERVICE INC	WATER SAMPLES	\$1,008.00
NORTHERN TRUCK EQUIP CORP	SUPPLIES	\$915.00
NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$10,780.41
NOVASPECT, INC.	REGULATORS	\$23,929.12
NPI LLC	REPAIRS	\$78.97
OFFICE PEEPS	OFFICE SUPPLIES	\$495.44
O'REILLY AUTOMOTIVE INC	SUPPLIES	\$89.98
PARADIGM UX	WEB DEVELOPMENT	\$45.00
PETE LIEN & SONS	SUPPLIES	\$23,465.30
PRAIRIE LAKES HEALTH CARE SYSTEM	ENERGY INCENTIVE REBATE	\$3,885.00
PRAXAIR DISTRIBUTION INC	CYLINDER RENTAL	\$125.75
REDLINGER BROS PLUMBING & HEATING	SUPPLIES	\$971.36
REGIS CORPORATION	ENERGY INCENTIVE REBATE	\$1,034.00
RESCO	SUPPLIES	\$10,604.02
RON'S SAW SHOP	SUPPLIES	\$36.97
SANFORD WATERTOWN OCCUP. MEDICINE	DRUG SCREENS	\$329.00
SCHAEFFER MANUFACTURING COMPANY	SUPPLIES	\$1,157.87
SD ASSOC. OF RURAL WATER SYSTEMS	ADS	\$50.00
SD DENR	ANNUAL FEES	\$7,000.00
SD ONE CALL	ONE CALL	\$670.95
SD PUBLIC ASSURANCE ALLIANCE	2014 GENERAL LIABILITY RENEWAL	\$180,265.52
SDRS SPECIAL PAY PLAN	401a VAC	\$34,385.89
SERVICEMASTER	JANITORIAL SERVICE	\$3,120.00
SHIRTS IN THE WORKS	REIMBURSEMENT EXPENSES	\$1,628.00
SIOUX VALLEY GREENHOUSES	LANDSCAPING REPAIRS	\$244.80
SLUMBERLAND FURNITURE	ENERGY INCENTIVE REBATE	\$1,719.00
STAR LAUNDRY INC	SUPPLIES	\$330.95
STUART C IRBY CO	SUPPLIES	\$10,501.24
STURDEVANTS AUTO PARTS	SUPPLIES	\$303.28
TAC SERVICES LLC	LAWN SERVICE	\$1,630.00
TERMINAL SUPPLY CO.	SUPPLIES	\$430.18
TSCHAKERT, MERLE	CARQUEST BUILDING LEASE	\$100.00
UPS	SHIPPING	\$185.91
USA BLUEBOOK	SUPPLIES	\$834.32
VERIFICATIONS INC	APPLICANT VERIFICATIONS	\$113.85
VESSCO INC	SUPPLIES	\$3,260.00
WALMART COMMUNITY	SUPPLIES	\$20.01
WATERTOWN CO-OP ELEVATOR ASSN	SUPPLIES	\$352.80
WATERTOWN DEVELOPMENT CO.	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN FORD CHRYSLER	SUPPLIES	\$229.49
WATERTOWN PUBLIC OPINION	PUBLISHINGS	\$1,136.20
WATERTOWN UNITED WAY	United Way	\$359.50
WATERTOWN WHOLESALE	SUPPLIES	\$745.71
WATERTOWN WINNELSON CO	SUPPLIES	\$124.60
WELLMARK BLUE CROSS/BLUE SHIELD	HEALTH INSURANCE	\$64,416.49
WESCO DISTRIBUTION INC	ELECTRIC WIRE AS PER BID	\$183,598.95
	TOTAL	\$966,337.46

Total May, 2014 966,337.46; Transfer to City's General Fund 95,700; Muni Utilities Electric Water Gas 37,242.41; Northern Natural Gas 2,273.20;

Missouri River Energy Services Power 1,387,213.61; BP Canada Energy Marketing Natural Gas 289,970.00; Dept of Revenue Sales/Excise Tax 145,238.51; CPEP Natural Gas 24,897.26, City Finance Office Garbage Sewer 381,809.98.

**ITEM 6523**

Motion by Schultz 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 30<sup>th</sup> day of June, 2014

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

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Lisa Pahl

Michael V. Luken

Executive Secretary

President

Municipal Utilities Board

Municipal Utilities Board