

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday, January 26th, 2015

The Municipal Utilities Board convened in regular session at the Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday, January 26th, 2015 at 12:00 p.m. with President Wayne Schultz presiding.

Board members present: Wayne Schultz, via teleconference, Ernie Wight, Mike Luken, Dustin Padgett and Dave Strait. Board Liaison, member of City Council, Don Roby absent. Staff members present: Steve Lehner, Todd Chambers, Adam Karst, Jeff DeVille, Doug Enstad, Mark Meier, Mark Haider, Kevin Kruiter, Stephanie Ries, Sheila Mennenga, Stanton Fox and Lisa Pahl. Press: Don Eggert, KXLG, Sam Wilmes, Public Opinion.

ITEM 6589

Board President Schultz called meeting to order. Schultz was attending via teleconference so he asked Vice President Wight to take over as interim president and run the meeting, which Wight agreed.

Motion by Strait with second by Padgett to approve the Agenda. Motion carried unanimously upon roll call vote.

ITEM 6590

Motion by Strait with second by Schultz to approve Consent agenda, which gave authorization to call for bids, authorization to Declare as Surplus and authorize General Manager to sign annual contracts for the following items: Motion carried unanimously upon roll call vote:

1. AUTHORIZE CALL FOR BID

- a) Painting Rehab for two water tanks - Water Department
- b) Residential Regulators - Gas Department
- c) Upgrade Peak Shaving Plant Valve System - Gas Department
- d) Wood Poles - Electric Department
- e) Underground Electric Service Installation - Electric Department

2. DECLARE AS SURPLUS

- a) 2000 GMC C7500 Truck w/aerial device
- b) 2005 Ditch Witch Trencher RT36
- c) 1989 Ditch Witch 2020 Trencher
- d) 1970 Reel Trailer #1 Homemade
- e) 1970 Reel Trailer #2 Homemade
- f) 2004 Ford F450 Truck
- g) 28 MVA Transformer from Pelican Substation
- h) 20 MVA Transformer from Uptown Substation
- i) Heath Consultants Model 11M Lazor Leak Detector
- j) Lincoln Ideal Arc SP-250 Welder
- k) 2000 Meter Test Bench
- l) 1988 Backhoe Attachment A-220
- m) 1986 Magnetic Tape Streamer

- n) 2003 Digital Video Recording System
- o) 2000 Qty. 2 Compac Proliant 1600 Server
- p) 2001 Proliant ML370 P3 Server
- q) 2012 Load Management Pilot program and components

3. CONTRACTS SIGNED ANNUALLY BY GENERAL MANAGER

- a) First District Association of Local Governments
- b) HVAC Maintenance
- c) Lawn Care
- d) Group Health Insurance
- e) Monitor Contract for Fire Alarm System
- f) Fire Protection System Inspection
- g) Authorization for Staff to Open Bids
- h) SCADA Maintenance Agreements
- i) MMUA Safety Management Program
- j) GlobalView Software Inc.
- k) Right of First Refusal with Northern Natural Gas

ITEM 6591

Motion by Luken with second by Strait to approve minutes of the regular Board Meeting on December 29th, 2014. Motion carried unanimously upon roll call vote.

ITEM 6592

Motion by Padgett with second by Luken to award \$63,000 contract with CEG, Consulting Engineers for Engineering Services for Substation Transformers. Motion carried unanimously upon roll call vote.

ITEM 6593

This being the time and place set for consideration of bids, the following were presented. Bids for Electric Watthour Meters, Trencher, Lime Sludge Removal and Bill Processing & Mailing Service. The bids were opened Thursday, January 22nd, 2015 at 1:30 PM by Municipal Utilities Department Staff as authorized by the Board.

ELECTRIC WATTHOUR METERS FOR ELECTRIC DEPARTMENT: Three bids were received and upon review and recommendation by Chambers, motion by Padgett with second by Luken to award bid to low valid bidder Border States Electric of Fargo, ND for \$38,280.00. Motion carried unanimously upon roll call vote.

TRENCHER FOR GAS DEPARTMENT: One bid was received and upon review and recommendation by Chambers, motion by Schultz with second by Padgett to award bid to low valid bidder Ditch Witch of SD for \$35,356.06. Motion carried unanimously upon roll call vote.

REMOVAL OF LIME SLUDGE FOR WATER DEPARTMENT: Three bids were received and upon review and recommendation by Chambers, motion by Strait with second by Padgett to award bid to low valid bidder Gacke Enterprises of Canton, SD for \$6.30 per cubic yard. Motion carried unanimously upon roll call vote.

BILL PROCESSING AND MAILING SERVICE FOR OFFICE: One bid was received and upon review and recommendation by Karst, motion by Strait with second by Padgett to award bid to low valid bidder Borns Group Aberdeen, SD for \$.555 each piece. Motion carried unanimously upon roll call vote.

ITEM 6594

Karst presented the 2014 Fixed Assets & Solid Waste Disposal Report According to Policy Section #49. This included removal of 107 poles, removal of 25,882 feet of overhead wire, abandoned 9,294 feet of underground wire, retired 12,204 KVA of line transformers, retired 205 electric meters, removed 65 street lights, retired 295 water meters, abandoned 363 feet of water main, retired 29 service connections, removed and replaced 14 hydrants, removed 6980 ton of lime sludge, abandoned 764 feet of gas service line, retired out 212 gas meters, Abandoned 120 feet of gas mains.

ITEM 6595

Motion by Strait with second by Luken to approve General Policy changes to section 4.1 which included some verbiage along with an addition of a \$30 disconnect fee and deletion of policy number 6 and 6.1, authorization for Vice-President to sign checks. It is no longer needed for the Vice President to do this. Motion carried unanimously upon roll call vote.

ITEM 6596

Motion by Padgett with second by Strait to approve Gas Policy terminology changes to Section 3.3, 3.9 & 7 - 7.5, also deletion of police numbers 7.6 - 8.2. Motion carried unanimously upon roll call vote.

ITEM 6597

New Business: Lehner sent an invitation out to all the Board Members that the American Water Works Association Annual Conference will be held in Anaheim, California June 7-10, 2015, if interested in going.

ITEM 6598

Chambers presented the report on Operations and Projects: Electric Department, Projects Completed this Month: Removed all the Christmas decorations and banners. Projects in Progress: Terminating underground primary wire in the Qwest Alley and the Carquest Alley, Primary wire on Roundabout, Replacing rejected poles, writing specs for construction projects and equipment. Gas Department, Projects Completed this Month: Inspected and preformed maintenance on 16 district regulator stations, 10% of the 2015 business leak survey is completed. Projects in Progress: Annual maintenance on regulators at the TBS sites, Annual testing of relief valves. Water Department, Projects Completed this Month: 7 main breaks, 4 hydrant maintenance. Projects in Progress: Laying up the MIEX process for the winter. Projects to Start Next Month: Start to replace leaking chlorine lines and storage tanks. Engineering Tech Department: Projects Completed this Month: 28 One-Call locates Jan. 1 - Jan. 21, 2015, 42 One-Call locates

total December, 2014, 7 emergency locates. Next Month: Average 20 One-Call locates in February, Plans for 2015 Utility Projects, Update H2O Map Data Program.

ITEM 6599

Karst presented the report on Administration and Financial Statements: Purchasing, Accounting and Facilities, Projects in Progress: Purchasing long lead time materials for 2015, Working on the MRES transmission cost recovery report for the SPP market, Finalizing 2014 year end. Upcoming Projects: Audit of 2014 financials and a State Sales Tax audit both in March. Customer Service: Projects Completed this Month: 13,664 payments collected for a total of \$4,609,110; Total of 51,911 services billed for a total of \$4,982,088. Human Resources/Risk Management: Completed employee pay rate changes for first payroll of 2015, Changed payroll distribution percentages for all employees who have a split-distribution of their time, Preparing payroll data for MRES' Transmission Cost Recovery report for the SPP Market. 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 \$458,122 under budget for the Twelve months ending December 31, 2014. Total Capital Additions are \$1,589,282 under budget for the twelve months ending December 31th, 2014.

ITEM 6600

Motion made by Luken 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 January, 2015 Plus ACH Payroll Payments 388,101.68. Info: B. Warborg 29.42 as of 12/25/2014.

Name	Payable Description	Payment Amount
February 2, 2015		
AFLAC	CANCER PT	\$2,036.68
ANDREWS, MIKE	REIMBURSEMENT EXPENSES	\$62.00
A-OX WELDING SUPPLY INC	SUPPLIES	\$517.40
BATTERIES UNLIMITED	SUPPLIES	\$165.00
BENDIX IMAGING INC	SUPPLIES	\$209.98
BENET PLACE	ENERGY INCENTIVE REBATE	\$930.61
BORDER STATES ELECTRIC SUPPLY	SUPPLIES	\$13,630.89
BORNS GROUP	POSTAGE & MAILING	\$7,563.76
BTE CORPORATION	SERVICE	\$2,450.00
BUREAU OF ADMINISTRATION	STATE TELE. NETWORK USAGE	\$35.89
CARQUEST #2197	SUPPLIES	\$146.99
CARTNEY BEARING & SUPPLY	SUPPLIES	\$39.44
CHAMBERS, TODD	REIMBURSEMENT EXPENSES	\$22.40
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$3,437.36
CHILD SUPPORT PAYMENT CENTER	Child Support - Case #247392027A	\$275.00
CODINGTON-CLARK ELECTRIC COOP.INC	WELLFIELD ELECTRIC SERVICE	\$4,131.20
CREDIT BUREAU OF WATERTOWN INC	COLLECTIONS	\$224.61
CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$181.59
DAKOTA DATA SHRED	SERVICE	\$139.35
DE VILLE, JEFF	REIMBURSEMENT EXPENSES	\$57.68
DLT SOLUTIONS, LLC	SUBSCRIPTION RENEWAL	\$2,983.28
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$2,418.78
ELLWANGER'S GREENHOUSE & FLORAL	FUNERAL PLANT	\$43.00
ENERGY LABORATORIES INC	SUPPLIES	\$1,120.00

ETHANOL PRODUCTS LLC	SUPPLIES	\$1,470.01
F J MC LAUGHLIN CO.	GRAVEL	\$1,159.21
FARNAMS GENUINE PARTS	SUPPLIES	\$126.19
FARWEST LINE SPECIALTIES, LLC	SUPPLIES	\$987.00
FASTENAL COMPANY	SUPPLIES	\$311.78
GLOBAL VIEW SOFTWARE INC.	ANNUAL MARKET FEES	\$4,320.00
GRAY CONSTRUCTION CO INC	SUPPLIES	\$2,081.64
GREAT WESTERN BANK	TASC MED	\$6,391.35
GROEBNER	SUPPLIES	\$355.74
HARRIS COMPUTER SYSTEMS	2015 SOFTWARE MAINTENANCE	\$46,853.68
HAWKINS, INC.	SUPPLIES	\$5,304.67
HEDAHLS AUTO PARTS	SUPPLIES	\$202.58
HIGHWAY 81 WELDING	SUPPLIES	\$64.57
HUMAN SERVICE AGENCY	EAP SERVICES	\$90.00
IBEW LOCAL 426	UNION DUES	\$3,270.00
INNOVYZE	SUPPLIES	\$2,500.00
INTERSTATE ALL BATTERY CENTER	SUPPLIES	\$119.92
J H LARSON COMPANY	SUPPLIES	\$5,412.93
JASPER ENGINEERING & EQUIPMENT	SUPPLIES	\$2,705.23
KOONS GAS MEASUREMENT	SUPPLIES	\$7,790.00
LAKE AREA TECH INSTITUTE	ENERGY INCENTIVE REBATE	\$19,429.80
LAKE CITY FIRE EQUIPMENT LLC	SUPPLIES	\$140.43
LEHNER, STEVE	REIMBURSEMENT EXPENSES	\$201.41
LOCATORS & SUPPLIES INC	SUPPLIES	\$314.53
LUKONEN'S TOOL SERVICE INC	SUPPLIES	\$4,509.60
LUNDE, JOHN	REIMBURSEMENT EXPENSES	\$84.00
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$341.94
MAC'S INC	SUPPLIES	\$32.94
MAHOWALD'S HARDWARE & RENTAL	SUPPLIES	\$46.96
MARCO INC	MAINTENANCE AGREEMENT	\$347.77
MARCO INC	MAINTENANCE AGREEMENT	\$45.72
MC KEEVER INC	SUPPLIES	\$258.67
MEGGER	SUPPLIES	\$365.16
MENARDS INC	SUPPLIES	\$1,606.62
MENNENGA, SHEILA	REIMBURSEMENT EXPENSES	\$328.20
MET LIFE	LIFE INSURANCE	\$1,130.64
MIDCONTINENT COMMUNICATIONS	INTERNET SERVICE	\$105.00
MIDWEST UNDERGROUND SUPPLY, LLC	SUPPLIES	\$859.10
MILBANK WINWATER WORKS	SUPPLIES	\$61.83
MINNESOTA MUNICIPAL UTILITIES ASSN	SAFETY MANAGEMENT PROGRAM	\$7,325.00
MUNICIPAL UTILITIES - PC	PETTY CASH	\$231.26
MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND #5930-14	\$235.09
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CRED. ON ACCTS	\$5,753.19
NESD SHRM	2015 MEMBERSHIP REGISTRATION	\$60.00
NEW YORK LIFE INS.	LIFE INSURANCE	\$106.00
NORTHERN LAKE SERVICE INC	WATER SAMPLES	\$1,008.00
NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$1,248.66
NORTHWESTERN ENERGY	SERVICE RIGHTS-TITAN MACHINERY	\$2,945.60
OFFICE MAX CONTRACT INC	SUPPLIES	\$99.99
OFFICE OF ENERGY ASSISTANCE	LIEAP ADJUSTMENT	\$147.28
OFFICE PEEPS	SUPPLIES	\$73.20
O'REILLY AUTOMOTIVE INC	SUPPLIES	\$42.96
PARADIGM UX	SERVICE	\$100.00
PETE LIEN & SONS	BULK LIME	\$12,296.99
PRAXAIR DISTRIBUTION INC	CYLINDER RENTAL	\$131.15
PRINT-EM-NOW INC	SUPPLIES	\$64.00
PRO LINE INC	SUPPLIES	\$284.63
PROFESSIONAL DEVELOPMENT SYSTEMS	REGISTRATION	\$525.00
PROFESSIONAL DEVELOPMENT SYSTEMS	REGISTRATION	\$350.00
REDLINGER BROS PLUMBING & HEATING	SUPPLIES	\$1,572.70
RESCO	SUPPLIES	\$2,305.20
RON'S SAW SHOP	SUPPLIES	\$567.02
RUNNING'S SUPPLY INC	SUPPLIES	\$257.34
SD ONE CALL	LOCATES	\$47.25

SDML WORKERS COMP FUND	2015 WORKERS COMP ADD'L PREM	\$150.00
SERVICEMASTER	JANITORIAL SERVICE	\$3,120.00
SHERMAN CANVAS	SUPPLIES	\$50.00
STANDARD PUMP INC	SUPPLIES	\$164.42
STAR LAUNDRY INC	SERVICE	\$364.88
STEVE'S WORLD	SERVICE	\$214.71
STUART C IRBY CO	SUPPLIES	\$1,209.53
STURDEVANTS AUTO PARTS	SUPPLIES	\$82.46
TITAN MACHINERY- WTN	SERVICE	\$586.60
TSCHAKERT, MERLE	BUILDING LEASE	\$100.00
UPS	SHIPPING	\$108.32
US PLASTICS CORP	SUPPLIES	\$475.26
USA BLUE BOOK	SUPPLIES	\$88.34
VISION SERVICE PLAN (VSP) (CA)	VISION INSURANCE	\$497.10
WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVEL. EXPENSE	\$8,690.00
WATERTOWN FLOWERS INC	FUNERAL PLANT	\$42.00
WATERTOWN PUBLIC OPINION	PUBLISHINGS	\$446.56
WATERTOWN UNITED WAY	United Way	\$414.00
WATERTOWN WHOLESALE	SUPPLIES	\$553.58
WELLMARK BLUE CROSS/BLUE SHIELD	HEALTH INSURANCE	\$68,421.76
WESCO DISTRIBUTION INC	SUPPLIES	\$2,984.00
WW TIRE SERVICE INC	SUPPLIES	\$894.00
	TOTAL	\$291,984.74

Total December, 2014 291,984.74; Transfer to City's General Fund 99,885; Qtrly First Nat'l Bank - SF 413,660.20, Muni Utilities Electric Water Gas 38,904.59; Northern Natural Gas 6,061.20; Missouri River Energy Services Power 1,839,306.63; BP Canada Energy Marketing Natural Gas 947,943.97; Dept of Revenue Sales/Excise Tax 221,955.95; CPEP Natural Gas 173,135.78, City Finance Office Garbage Sewer 370,479.64.

ITEM 6601

Board set date of Friday, February 27th, 2015 at Noon for February Board Meeting.

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 January, 2015

ATTEST: _____

Lisa Pahl
Executive Secretary
Municipal Utilities Board

Ernie Wight
Vice President acting as
Interim President
Municipal Utilities Board