

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday, April 27th, 2015

The Municipal Utilities Board convened in regular session at the Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday, April 27th, 2015 at 12:00 p.m. with President Wayne Schultz presiding.

Board members present: Wayne Schultz, 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, Rich Schmidt, Doug Enstad, Mark Meier, Mark Haider, Kevin Kruiter, Stephanie Ries, Sheila Mennenga, Stanton Fox and Lisa Pahl. Press: Sam Wilmes, Public Opinion and Don Eggert, KXLG.

ITEM 6627

Motion by Wight with second by Strait to approve the Agenda with change to the wording in Item 5 to read Board Approval of Lease Agreement with MRES and recommendation to the Watertown City Council to approve. Motion carried.

ITEM 6628

Motion by Strait with second by Luken to approve minutes of the regular Board Meeting on March 30th, 2015. Motion carried.

ITEM 6629

Lehner reviewed the three SPP agreements handed out at the March 30, 2015 Board Meeting. This allows Watertown Municipal Utilities to offer our 115KV into the Southwest Power Pool Market.

Motion by Padgett with second by Strait to approve Southwest Power Pool Transmission Facilities Assignment Agreement. Motion carried.

Motion by Luken with Second by Wight to approve Transmission Owner Revenue Sharing Services Agreement. Motion carried

Motion by Padgett with second by Luken to approve Professional Service Agreement. Motion carried.

ITEM 6630

Missouri River Energy Services operates the Watertown Power Plant and they need to amend the current lease agreement with the City to allow Watertown Municipal Utilities to offer our 115KV into the Southwest Power Pool Market. Motion by Padgett with second by Strait to approve the lease amendment and recommend the lease agreement with the City of Watertown and Missouri River Energy Services to the City Council for approval. Motion carried.

ITEM 6631

Motion by Luken with second by Padgett to authorize General Manager to sign feasibility study with Todd Architects for proposal of Building Additions. This proposed building addition is to relieve parking of the trucks and equipment. Motion carried.

ITEM 6632

The Wage and Personnel Committee, along with Steve Lehner, met on April 16, 2015 for the General Managers performance review. Lehner handed out a copy of the overview. They discussed goals and strategies that have been met and ones for the future.

ITEM 6633

This being the time and place set for consideration of bids, the following were presented. Bids for Painting Rehab for Two Water Tanks, Hydrants and PVC Pipe for the Water Department. The bids were opened Thursday, April 23rd, 2015 at 1:30 PM by Municipal Utilities Department Staff as authorized by the Board.

Painting Rehab for Two Water Tanks for the Water Department: Four bids were received and upon review and recommendation by DGR Engineering, motion by Wight with second by Strait to award bid to low valid bidder Maguire Iron, Inc. of Sioux Falls, SD for \$303,360 base bid plus Alternate #3 at \$6 per linear foot for caulking. Motion carried.

Hydrants for the Water Department: Two bids were received and upon review and recommendation by Chambers, motion by Luken with second by Padgett to award bid to low valid bidder HD Supply Waterworks of Sioux Falls, SD for \$55,225.80. Motion carried.

PVC Pipe for the Water Department: Five bids were received and upon review and recommendation by Chambers, motion by Padgett with second by Luken to award bid to low valid bidder Milbank Winwater Works, Milbank, SD for \$24,000. Motion carried.

ITEM 6634

Open: Lehner presented the two bill stuffers, Mosquito Control and Recycling. Lehner also extended an invitation to the Board to attend the APPA Annual Conference in Minneapolis, MN on June 8-10.

ITEM 6635

Old Business: Lehner handed out an updated copy of the 5 year Strategic Plan. Approval will be asked at the next Board Meeting.

ITEM 6636

Chambers presented the report on Operations and Projects: Electric Department, Projects in Progress: Transformer Maintenance at Pelican and

Uptown Substation, Moved elbow cabinet for the new Middle School & Rec Center. Projects in Progress: Contractor is changing rejected poles, Efraimson Electric installing primary and secondary wire per contract, Efraimson Electric installing secondary service wire per contract. Gas Department, Projects Completed this Month: Below ground valve maintenance is completed, Built and installed a 4" horseshoe to relocate the gas main for the round-a-bout. Projects in Progress: Working on completing Operator Qualifications. Water Department, Projects Completed this Month: 14 total Main Breaks for the winter season. Projects in Progress: Road box maintenance. Projects to Start Next Month: Drain side #2 upflow and start on the maintenance of its equipment. Engineering Tech Department: Projects Completed this Month: 472 One-Call locates April 1st - April 22nd, 2015, 187 One-Call locates total March, 2015, 6 emergency locates. Next Month: Average 600 One-Call locates in May.

ITEM 6637

Karst presented the report on Administration and Financial Statements: Purchasing, Accounting and Facilities, Projects in Progress: Ordering, receiving and stocking materials, 2014 Financial Audit is in progress, State Sales and Excise Tax Audit in progress and working with Todd Architects on a plan for an addition to our current warehouse for additional parking for vehicles and equipment. Upcoming Projects: Energize sprinkler systems on WMU properties, Start applying herbicides to our WMU properties. Customer Service: Projects Completed this Month: 13,655 payments collected for a total of \$5,104,272; Total of 51,889 services billed for a total of \$4,578,156, Major Projects in Progress: Sent out 2,277 budget bill letters. The average customer's budget bill decreased by 7% to \$217. Human Resources/Risk Management: Preparing for summer temp employees to start, 5 returning summer employees, 2 new summer employees in electric department, New Hire: Tanner Starr, apprentice Water Plant Operator, effective 4/13/2015. Conducted phone interviews and one in-person interview for Water Plant Foreman - no decision made at this time. IT: Working on telephone system upgrade.

Statements of Revenue and Expenses and Capital Additions were presented to the Board for review. Year to date net income is \$121,222 under budget for the three months ending March 31st, 2015. Total Capital Additions are \$165,764 under budget for the three months ending March 31st, 2015.

ITEM 6638

Motion made by Strait with second by Luken to approve the following verified salary claims and bills. Motion carried unanimously upon roll call vote. Total Municipal Utilities Dept Net Payroll for April, 2015 Plus ACH Payroll Payments 370,025.96. Info: Term, John Killoran effective 3/20/2014, Monty Waite 14.25 effective 4/6/2015, Tanner Starr 16.95 effective 4/13/2015.

Name	Payable Description	Payment Amount
May 1, 2015		
ABC EMBROIDERY	SERVICE	\$121.20
ADVANCED ENGINEERING & ENVIRON. SERV.	WTP 2014 I&C SERVICES	\$630.00
AFLAC	CANCER PT	\$2,036.68

A-OX WELDING SUPPLY INC	SUPPLIES	\$58.75
APPLIED INDUSTRIAL TECH INC	SUPPLIES	\$318.60
BATTERIES UNLIMITED	SUPPLIES	\$80.00
BISCO	TICKET	\$20.00
BORDER STATES ELECTRIC SUPPLY	ELECTRIC METERS PER BID	\$87,501.51
BORNS GROUP	POSTAGE & MAILING	\$9,743.61
BURCHATZ CONSTRUCTION COMPANY INC	CONCRETE WORK	\$2,271.71
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWORK USAGE	\$63.94
BURY PLUMBING	SERVICE	\$735.34
CHAMBERS, TODD	REIMBURSEMENT EXPENSES	\$405.76
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$1,289.86
CHILD SUPPORT PAYMENT CENTER	Child Support - Case #247392027A	\$275.00
CODINGTON-CLARK ELECTRIC COOP. INC	ELECTRIC SERVICE-NEW WELLFIELD	\$4,291.04
COMPASS MINERALS	SUPPLIES	\$4,606.42
CONNECTING POINT	SUPPLIES	\$38.00
CONSULTING ENGINEERS GROUP INC	TRANSFORMER CHANGE	\$6,300.00
CREDIT BUREAU OF WATERTOWN INC	COLLECTIONS	\$1,786.19
CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$391.16
DAKOTA DATA SHRED	SHREDDING SERVICE	\$63.25
DAKOTA RIGGERS & TOOL	SUPPLIES	\$34.12
DITCH WITCH OF SOUTH DAKOTA, INC	REEL TRAILER PER BID	\$14,635.02
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$18,809.80
F J MC LAUGHLIN CO.	SUPPLIES	\$1,222.27
FARNAMS GENUINE PARTS	SUPPLIES	\$590.88
FASTENAL COMPANY	SUPPLIES	\$48.60
GAS PRODUCTS SALES	SUPPLIES	\$6,311.28
GRAINGER	SUPPLIES	\$150.60
GRAYBAR ELECTRIC CO INC	SUPPLIES	\$89.12
GREAT WESTERN BANK	TASC MED	\$6,391.35
GROEBNER	SUPPLIES	\$6,549.52
HAWKINS, INC.	SUPPLIES	\$2,727.82
HUMAN SERVICE AGENCY	EAP SERVICES	\$360.00
IBEW LOCAL 426	UNION DUES	\$3,285.00
INTERSTATE ALL BATTERY CENTER	SUPPLIES	\$187.52
J H LARSON COMPANY	SUPPLIES	\$3,563.05
JURGENS PRINTING & COPY CENTER INC	SUPPLIES	\$310.00
LEHNER, STEVE	REIMBURSEMENT EXPENSES	\$201.05
LIFT PRO EQUIP CO	SUPPLIES	\$303.47
LOCATORS & SUPPLIES INC	SUPPLIES	\$314.64
LUKONEN'S TOOL SERVICE INC	SUPPLIES	\$183.80
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$260.42
MAC'S INC	SUPPLIES	\$36.75
MARCO INC	MAINTENANCE AGREEMENT	\$353.57
MARCO INC	MAINTENANCE AGREEMENT	\$74.53
MENARDS INC	SUPPLIES	\$1,073.33
MET LIFE	LIFE INSURANCE	\$1,130.64
METERING & TECHNOLOGY SOLUTIONS	SUPPLIES	\$2,718.51
MIDCONTINENT COMMUNICATIONS	INTERNET SERVICE	\$105.00
MIDWEST ENERGY ASSOCIATION	SUBSCRIPTIONS/LICENSES	\$870.00
MILBANK WINWATER WORKS	SUPPLIES	\$1,661.60
MINNESOTA MUNICIPAL UTILITIES ASSN	SAFETY MANAGEMENT PROGRAM	\$6,975.00
MISSOURI RIVER ENERGY SERVICES	INSPECTION/TESTING	\$248.75
MISSOURI RIVER ENERGY SERVICES	INSPECTION SERVICES	\$3,542.50
MISSOURI RIVER ENERGY SERVICES	INSPECTION/TESTING	\$333.75
MOTION INDUSTRIES	SUPPLIES	\$1,639.22
MUELLER CO	SUPPLIES	\$5,231.83
MUNICIPAL UTILITIES - PC	PETTY CASH	\$857.10
MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND #7456-0	\$137.45
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCOUNTS	\$8,277.75
NESD SHRM	REGISTRATION	\$65.00

NEW YORK LIFE INS.	LIFE INSURANCE	\$106.00
NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$3,832.25
NORTHWESTERN ENERGY	SERVICE RIGHTS	\$2,958.02
OFFICE PEEPS	SUPPLIES	\$252.16
OVERHEAD DOOR CO OF WTN	SUPPLIES	\$168.00
PETE LIEN & SONS	SUPPLIES	\$6,091.70
PRAXAIR DISTRIBUTION INC	CYLINDER RENTAL	\$124.87
PRINT 'EM NOW INC	SUPPLIES	\$214.25
QUALITY FIRST PLUMBING & HEATING I	SERVICE	\$147.18
RESCO	SUPPLIES	\$8,013.97
RON'S SAW SHOP	SUPPLIES	\$37.98
RUNNING'S SUPPLY INC	SUPPLIES	\$634.63
SANFORD WATERTOWN OCCUPATIONAL MEDICINE	DRUG SCREENS	\$374.00
SCHAEFFER MANUFACTURING COMPANY	SUPPLIES	\$537.24
SCHAEFFER MANUFACTURING COMPANY	SUPPLIES	\$1,137.05
SCHMIDT, RICHARD	REIMBURSEMENT EXPENSES	\$137.76
SD GOVERNMENTAL HUMAN RESOURCE ASSOC.	2015 MEMBERSHIP DUES	\$25.00
SD GOVERNMENTAL HUMAN RESOURCE ASSOC.	REGISTRATION	\$50.00
SD ONE CALL	LOCATES	\$197.40
SERVICEMASTER	JANITORIAL SERVICE	\$3,120.00
SIGN PRO	SUPPLIES	\$294.00
SOCIETY FOR HUMAN RESOURCE MGMT	MEMBERSHIP DUES	\$190.00
STAR LAUNDRY INC	SERVICE	\$406.65
STEVE'S WORLD	SUPPLIES	\$93.75
STUART C IRBY CO	SUPPLIES	\$3,665.34
STURDEVANTS AUTO PARTS	SUPPLIES	\$375.53
T & R ELECTRIC SUPPLY COMPANY INC	SERVICE	\$52.00
TRAV'S OUTFITTER	SUPPLIES	\$1,228.00
TSCHAKERT, MERLE	BUILDING LEASE	\$100.00
TYNDALE COMPANY INC	SUPPLIES	\$347.95
UPS	SHIPPING	\$97.59
USA BLUE BOOK	SUPPLIES	\$408.99
UTILITIES PLUS ENERGY SERVICES INC	SERVICE	\$13,968.90
VAN DIEST SUPPLY COMPANY	SUPPLIES	\$3,656.20
VERMEER HIGH PLAINS	TRENCHER	\$107,402.00
VISION SERVICE PLAN (VSP) (CA)	VISION INSURANCE	\$508.07
WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN FLOWERS INC	FUNERAL PLANT	\$42.00
WATERTOWN FORD CHRYSLER	SUPPLIES	\$154.94
WATERTOWN PUBLIC OPINION	PUBLISHINGS	\$760.87
WATERTOWN UNITED WAY	United Way	\$414.00
WATERTOWN WHOLESALE	SUPPLIES	\$630.96
WELLMARK BLUE CROSS/BLUE SHIELD	HEALTH INSURANCE	\$67,956.26
WENCK ASSOCIATES	WATERMAIN REPLACEMENT	\$16,193.97
WESCO DISTRIBUTION INC	SUPPLIES	\$2,437.00
WILTECH INC	SERVICE	\$2,447.45
TOTAL		\$485,571.51

Total March, 2015 485,571.51; Transfer to City's General Fund 99,865; Muni Utilities Electric Water Gas 39,493.09; Northern Natural Gas 6,905.91; Missouri River Energy Services Power 1,604,660.29; BP Canada Energy Marketing Natural Gas 693,660.77; Dept of Revenue Sales/Excise Tax 201,242.47; CPEP Natural Gas 85,147.31, Qtrly. First Nat'l Bank-SF 913,660.20, City Finance Office Garbage Sewer 384,196.60.

ITEM 6639

Board set date of Thursday, May 28th, 2015 at Noon for May Board Meeting.

ITEM 6640

Pursuant to SDCL 1-25-2(3) Luken moved with second by Padgett to move to Executive Session for discussion of contractual matters and pending litigation. The Board does not expect to take action when they reconvene to regular session. Motion carried.

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

Motion by Wight 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 27th day of April, 2015

ATTEST: _____

Lisa Pahl
Executive Secretary
Municipal Utilities Board

Wayne Schultz
Board President
Municipal Utilities Department