

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday, July 27th, 2015

The Municipal Utilities Board convened in regular session at the Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday, July 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. New Board Member John Holley present. Board Liaison, member of City Council, Glen Vilhauer. Staff members present: Steve Lehner, Todd Chambers, Adam Karst, Jeff DeVille, Rich Schmidt, Doug Enstad, Mark Haider, Mark Meier, Kevin Kruiter, Stephanie Ries and Lisa Pahl. Press: Wayne Hammond, Public Opinion and Don Eggert, KXLG Radio.

ITEM 6663

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

ITEM 6664

Motion by Padgett with second by Strait to approve minutes of the regular Board Meeting on June 29th, 2015. Motion carried.

ITEM 6665

This being the time and place set for consideration of bids, the following was presented. Bid for Installation of Water Mains for the Water Department. The bid was opened Thursday, July 23rd, 2015 at 1:30 PM by Municipal Utilities Department Staff as authorized by the Board.

Installation of Water Mains: Two vendors provided bids and upon review and recommendation by Chambers, motion by Padgett with second by Strait to award bid to low valid bidder AP & Sons, Summit, SD for \$88,177.75. Motion carried.

ITEM 6666

Open: Lehner presented the bill stuffers, The City Ordinance on outside storage/parking for residential uses and the Police Department's Colordash 5K run. Lehner also invited the Board to the Missouri River Energy Service Power Leadership Academy Sept. 16-17 in Sioux Falls.

ITEM 6667

Old Business: Lehner discussed and handed out a Summary Report on the results of the Missouri River Energy Services 5th Grade School Program. It described what the kids learned through this program and a survey on the home check-ups the kids participated in.

ITEM 6668

Chambers presented the report on Operations and Projects: Electric Department, Projects Completed This Month: Completed terminating wire and installed three transformers in Midway alley poles and overhead were removed for alley resurfacing project, Energized new transformer for 24 plex apartment by LATI, Installed Fiber Optic to the new Middle School, Installed 4 security lights at Anza Parking lot. Projects in Progress: Working with CEG on transformer change out at the Uptown Sub and Transformer addition at the Pelican Sub: Projects Starting Next Month: Installing primary at Dakota Commons, pre-construction meeting for our substation upgrade. Gas Department, Projects Completed this Month: Installed 500' of new 2" plastic gas main in Stromseth Addition, Installed 600' of new 2" plastic gas main on 12th Ave NE. Projects Starting Next Month: Installation of 4" steel main in the Pheasant Ridge Industrial Park, Installing 4" main on north Hwy 81 for 2016 road construction project. Water Department, Projects Completed this Month: 1 Hydrant Maintenance, 1 Replacement Taps, 1 new tap, 2 main leaks and 5 main shut downs, Isolated the leak on 19th St. 12" main to a 1500 foot section. Leak detection is ongoing to pin point the leak. Engineering Tech Department, Projects Completed this Month: 315 One-Call locates July 1st - July 23rd, 2015, 507 One-Call locates total June, 2015, 9 emergency locates (6 private contractor and 3 WMU). Next Month: Average 425 One-Call locates in August, Stake and locate misc. Alley projects - Electric Contractor, Stake and Locate Dakota Commons Electric Project.

ITEM 6669

Karst presented the report on Administration and Financial Statements: Purchasing, Accounting and Facilities. Projects in Progress: Ordering, receiving and stocking materials, Supply Contractors with materials as needed, Working with Todd Architects on a plan for an addition to our current warehouse for additional parking for vehicles and equipment. Customer Service, Projects Completed this Month: 13,950 payments collected for a total of \$3,796,255 total of 53,048 services billed for a total of \$3,879,008. New bill presentation with graphs will be added to customer bills that will show 13 months of history for each service. Human Resources/Risk Management: Attended NE South Dakota Safety Conference in Watertown, Our insurance premiums for Liability, Auto, Property, Boiler and Machinery decreased 7% from approximately 181,000 to 168,000. IT, Normal 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 \$78,710 over budget for the six months ending June 30th, 2015, Total Capital Additions are \$440,108 under budget for the six months ending June 30th, 2015.

ITEM 6670

Motion made by Luken 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 July 31st, 2015 Plus ACH
Payroll Payments 400,581.81. Info: B. Warborg 33.27 effective 6/25/15.

Name	Payable Description	Payment Amount
August 3, 2015		
AFLAC	CANCER PT	\$2,067.10
A-OX WELDING SUPPLY INC	SUPPLIES	\$59.96
AP & SONS CONSTRUCTION INC	WATER MAIN REPLACEMENT	\$173,232.50
APPLIED INDUSTRIAL TECH INC	SUPPLIES	\$318.60
BENCHMARK FOAM INC	ENERGY INCENTIVE REBATE	\$5,318.00
BENDIX IMAGING INC	SUPPLIES	\$139.99
BORDER STATES ELECTRIC SUPPLY	SUPPLIES	\$6,339.66
BORNS GROUP	POSTAGE & MAILING	\$7,893.23
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWORK USAGE	\$86.80
BURY PLUMBING	SERVICE	\$125.02
CARQUEST #2197	SUPPLIES	\$237.24
CHAMBERS, TODD	REIMBURSEMENT EXPENSES	\$161.00
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$2,396.30
CHEMCO SYSTEMS, LP	SUPPLIES	\$330.50
CHILD SUPPORT PAYMENT CENTER	Child Support - Case #247392027A	\$275.00
CODINGTON COUNTY REGISTER OF DEEDS	COPIES, EASEMENTS, AGREEMENTS	\$227.00
CODINGTON-CLARK ELECTRIC COOP. INC	WELLFIELD ELECTRIC SERVICE	\$6,211.60
CONSULTING ENGINEERS GROUP INC	TRANSFORMER CHANGE	\$6,300.00
CREATIVE REWARDS	SUPPLIES	\$90.00
CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$913.98
DAKOTA DRILLERS	DRILLING	\$4,795.34
DAKOTA RIGGERS & TOOL	SUPPLIES	\$225.20
DAKOTA TUBE INC	ENERGY INCENTIVE REBATE	\$5,280.00
DE VILLE, JEFF	REIMBURSEMENT EXPENSES	\$55.20
DIAMOND VOGEL PAINT CENTER	SUPPLIES	\$34.80
DSG DAKOTA SUPPLY GROUP	TRANSFORMERS AS PER BID	\$73,598.38
EFRAIMSON ELECTRIC INC	UNDERGROUND INSTALLATION	\$116,894.42
ENERGY ECONOMICS INC	METER REPAIR	\$1,192.10
ENERGY LABORATORIES INC	WATER TESTING	\$240.00
ENGELSTAD ELECTRIC COMPANY	BORING	\$1,514.29
ETHANOL PRODUCTS LLC	SUPPLIES	\$1,037.92
F J MC LAUGHLIN CO.	GRAVEL, ROCK	\$4,805.18
FARNAMS GENUINE PARTS	SUPPLIES	\$298.36
FASTENAL COMPANY	SUPPLIES	\$620.94
GCR TIRE CENTER	SUPPLIES	\$352.01
GRAINGER	SUPPLIES	\$243.15
GRAYBAR ELECTRIC CO INC	SUPPLIES	\$210.27
GREAT WESTERN BANK	TASC MED	\$6,554.36
GROEBNER	SUPPLIES	\$5,554.45
HANSON FLOOR COVERING	ENERGY INCENTIVE REBATE	\$720.00
HARRIS COMPUTER SYSTEMS	BILL ENHANCEMENT	\$3,990.00
HAWKINS, INC.	BULK FLOURIDE	\$4,823.28
HEATH CONSULTANTS INC	SUPPLIES	\$329.94
HIGHLINE CONSTRUCTION INC.	CHANGING REJECTED DISTRIBUTION POLES	\$94,096.50
HUEHL, BUCKIE A	UB REFUND #4675-0	\$500.00
IBEW LOCAL 426	UNION DUES	\$3,354.00
INDELCO PLASTICS CORPORATION	SUPPLIES	\$3,550.58
INTERSTATE ALL BATTERY CENTER	SUPPLIES	\$615.85
J H LARSON COMPANY	SUPPLIES	\$6,112.88
KARST, ADAM	REIMBURSEMENT EXPENSES	\$139.00

KUNKEL, RICHARD A	REFUND OVERPAYMENT	\$1,000.00
LARRY'S LUMBER INC	ENERGY INCENTIVE REBATE	\$2,486.48
LEHNER, STEVE	REIMBURSEMENT EXPENSES	\$847.78
LOCATORS & SUPPLIES INC	SUPPLIES	\$1,210.30
M & T FIRE & SAFETY INC	SUPPLIES	\$172.50
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$177.80
MAC'S INC	SUPPLIES	\$2,788.62
MAHOWALD'S HARDWARE & RENTAL	SUPPLIES	\$48.96
MARCO INC	MAINTENANCE AGREEMENT	\$284.61
MC KEEVER INC	SUPPLIES	\$96.56
MEGGER	SUPPLIES	\$442.69
MENARDS INC	SUPPLIES	\$751.46
MET LIFE	LIFE INSURANCE	\$1,161.94
MIDCONTINENT COMMUNICATIONS	INTERNET SERVICE	\$105.00
MILBANK WINWATER WORKS	WATER PIPE AS PER BID	\$28,110.06
MINNESOTA MUNICIPAL UTILITIES ASSN	3RD QUARTER SAFETY PROGRAM	\$6,975.00
MUELLER CO	SUPPLIES	\$4,832.40
MUNICIPAL UTILITIES - PC	PETTY CASH	\$348.53
MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND #14609-14	\$128.00
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCOUNTS	\$14,678.13
NESD SHRM	REGISTRATION	\$59.00
NEW YORK LIFE INS.	LIFE INSURANCE	\$106.00
NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$11,083.82
NORTHWESTERN ENERGY	MACHINERY	\$2,535.98
NOVA FIRE PROTECTION INC	ANNUAL INSPECTION	\$150.00
OFFICE PEEPS	SUPPLIES	\$470.13
PETE LIEN & SONS	SUPPLIES	\$12,794.23
PRAXAIR DISTRIBUTION INC	CYLINDER RENTAL	\$135.79
REDLINGER BROS PLUMBING & HEATING	SUPPLIES	\$336.40
RESCO	TRANSFORMERS AS PER BID	\$15,462.85
S & K PROPERTIES	ENERGY INCENTIVE REBATE	\$945.00
SCHAEFFER MANUFACTURING CO.	SUPPLIES	\$471.60
SCHMIDT, RICHARD	REIMBURSEMENT EXPENSES	\$175.38
SD ONE CALL	LOCATES	\$542.85
SD PUBLIC ASSURANCE ALLIANCE	INSURANCE RENEWAL-LIABILITY & AUTO	\$168,222.27
SDSU FOUNDATION ACCT #70507	CENTER FOR POWER SYSTEMS STUDIES ANNUAL SUPPORT	\$350.00
SERVICEMASTER	JANITORIAL SERVICE	\$3,120.00
SHIRTS IN THE WORKS	SUPPLIES	\$100.00
SIGN PRO	SUPPLIES	\$147.00
STAR LAUNDRY INC	SUPPLIES	\$319.58
STUART C IRBY CO	TESTING	\$1,205.27
STURDEVANTS AUTO PARTS	SUPPLIES	\$369.52
TAC SERVICES LLC	LAWN SERVICE	\$2,010.00
TOOL TIME RENTAL	SUPPLIES	\$150.00
TRAV'S OUTFITTER	SUPPLIES	\$70.00
UPS	SHIPPING	\$672.72
USA BLUE BOOK	SUPPLIES	\$2,179.22
UTILITIES PLUS ENERGY SERVICES INC	TESTING	\$46,275.00
VISION SERVICE PLAN (VSP) (CA)	VISION INSURANCE	\$508.07
WALMART COMMUNITY	SUPPLIES	\$69.96
WATERTOWN DEVELOPMENT CO.	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN ELKS LODGE 838	ENERGY INCENTIVE REBATE	\$1,515.00
WATERTOWN FORD CHRYSLER	SUPPLIES	\$49.28
WATERTOWN PUBLIC OPINION	PUBLISHINGS	\$591.38
WATERTOWN UNITED WAY	United Way	\$414.00
WATERTOWN WHOLESALE	SUPPLIES	\$765.09

WATERTOWN WINNELSON CO	SUPPLIES	\$387.51
WELLMARK BLUE CROSS/BLUE SHIELD	HEALTH INSURANCE	\$69,199.18
WENCK ASSOCIATES	WATER MAIN REPLACEMENT	\$7,345.00
WESCO DISTRIBUTION INC	SUPPLIES	\$549.00
WILLIAMS CARPET & FLOORS	ENERGY INCENTIVE REBATE	\$750.00
WILTECH INC	TRANSFORMER	\$10,015.32
YRC FREIGHT	FREIGHT	\$904.09
ZEP SALES AND SERVICE	SUPPLIES	\$438.68
TOTAL		\$993,759.87

Total June 2015 993,759.87; Transfer to City's General Fund 99,865, 1st Nat'l Bank - SF 413,660.20, Muni Utilities Electric Water Gas 51,678.42; Northern Natural Gas 2,273.20; Missouri River Energy Services Power 2,058,802.35; BP Canada Energy Marketing Natural Gas 76,914.46; Dept. of Revenue Sales/Excise Tax 159,486.88; CPEP Natural Gas 8,357.25, City Finance Office Garbage Sewer 399,741.65

ITEM 6671

Schultz turned the meeting over to General Manager Steve Lehner and Lehner noted that John Holley was appointed by Mayor Steve Thorson for a five-year term on the Board. Lehner also noted that Glen Vilhauer has been appointed by the Mayor to be liaison to the Utilities Board from the City Council. Lehner presented resolution of appreciation to outgoing Board Member Wayne Schultz.

Motion by Wight with second by Padgett to approve the resolution for Wayne Schultz. Motion carried.

RESOLUTION OF APPRECIATION FOR **WAYNE SCHULTZ** WATERTOWN MUNICIPAL UTILITY BOARD JULY 2010 TO JULY 2015

WHEREAS, Wayne Schultz was first appointed in July, 2010 to the Watertown Municipal Utilities Board by the Mayor and City Council of the City of Watertown, South Dakota, and

WHEREAS, Wayne Schultz has held one five year term of distinguished service working for and in the best interest of the Municipal Utilities Department and the Municipal Utilities Board, and

WHEREAS, Wayne Schultz has served as president of the Board working willingly and untiringly for the betterment of the Municipal Utilities Department and the City of Watertown, South Dakota, and

BE IT RESOLVED, that the Members of the Municipal Utilities Board and the entire Municipal Utilities Department, take this means to express their deep appreciation and gratitude to Wayne Schultz for giving of his time and talents in service to the community, and especially his service to the direction and management of the Municipal Utilities Department of the City of Watertown, by his willingness to serve as a Member of the Municipal Utilities Board, and

BE IT FURTHER RESOLVED, that Wayne Schultz's friendliness and pleasant personality, as well as his business insight and dedication to the business

of the Municipal Utilities Department, is recognized and appreciated. Dated this 27th day of July 2015.

ITEM 6672

Lehner requested reorganization of the Board. Motion by Luken with second by Padgett to appoint Ernie Wight as President and Dave Strait as Vice President. Motion carried.

Board President Wight handed out the appointment of committees, they are as follows:

Rates & Transfers	Dustin Padgett and Mike Luken
Wages & Personnel	Dave Strait and Dustin Padgett
Production & Distrib.	John Holley and Mike Luken
Buildings & Equipment	Mike Luken and John Holley
Inventory Control	John Holley and Dave Strait
Finance: All with Ernie Wight as Chairman	First named member to be Chairman of Committee

ITEM 6673

Motion by Strait with second by Luken to authorize an addendum to the Fiber Optic Lease with the Watertown School District 14-4, adding the new middle school and removing Grant school, contingent on approval of the School Board at their August meeting. Motion carried.

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 27th day of July, 2015

ATTEST: _____

Lisa Pahl
Executive Secretary
Municipal Utilities Board

Ernie Wight
Board President
Municipal Utilities Department