

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday, January 25th, 2016

The Municipal Utilities Board convened in regular session at the Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday, January 25th, 2016 at 12:00 p.m. with Vice-President Dave Strait presiding.

Board members present: Dave Strait, Mike Luken, Dustin Padgett and John Holley. Board President Ernie Wight Absent. Board Liaison, member of City Council, Glen Vilhauer. Staff members present: Steve Lehner, Todd Chambers, Adam Karst, Rich Schmidt, Jeff DeVille, Doug Enstad, Mark Haider, Mark Meier, Kevin Kruiter, Stephanie Ries, Sheila Mennenga and Lisa Pahl.

ITEM 6735

Motion by Padgett with second by Luken to approve the Agenda with changes to the Consent Agenda changing the wording to Item F and adding Items G and H. Motion carried.

ITEM 6736

Motion by Luken with second by Holley to approve Consent agenda, which gives authorization to Declare as Surplus and authorization for the General Manager to sign annual contracts for the following items: Motion carried.

1. DECLARE AS SURPLUS
 - a) 2000 GMC C7500 Truck w/aerial device
 - b) 2004 Ford F450 Truck
 - c) 2007 Ford Expedition
 - d) Heath Consultants Model DP II Serial #2971 Leak Detector
 - e) Homemade Hydrant Trailer
 - f) Exterior painting of South Lake Water tower
 - g) Interior painting of South Lake Water tower
 - h) Exterior painting of 19th Street Water tower
2. 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) Lime Sludge Removal Contracts as acquired with quotes
 - g) Fire Protection System Inspection
 - h) Authorization for Staff to Open Bids
 - i) SCADA Maintenance Agreements
 - j) MMUA Safety Management Program
 - k) GlobalView Software Inc.
 - l) Right of First Refusal with Northern Natural Gas
 - m) Geotek Engineering & Testing Services, Inc.

ITEM 6737

Motion by Padgett with second by Luken to approve Minutes of regular meeting on December 28th, 2015. Motion carried.

ITEM 6738

This being the time and place set for consideration of bids, the following were presented. Bids for Transformers, Wire, Gas Pipe and Janitorial Service. The bids were opened Thursday, January 21st, 2016 at 1:30 PM by Municipal Utilities Department Staff as authorized by the Board.

TRANSFORMERS: Five bids were received and upon review and recommendation by Chambers, motion by Luken with second by Holley to award bid to low valid bidders, Items 1-4 and Items 6-11 to RESCO, Co. Moorhead, MN for total of \$258,633.00 and Item 5 to Stuart C. Irby Co., Eagan, MN for total of \$13,419.00. Motion carried.

WIRE: Six bids were received and upon review and recommendation by Chambers, motion by Padgett with second by Luken to award bid to low valid bidders, Item I to Border States Electric, Sioux Falls, SD for \$92,164.80 and Item II, III, IV, V to WESCO, Sioux City, IA for a total of \$94,855.00. Alternate Items I and II not awarded. Motion carried.

GAS PIPE: One bid was received and upon review and recommendation by Chambers, motion by Luken with second by Padgett to award bid to low valid bidder, Border States Electric, Sioux Falls awarded on total bid price of \$8,378.00. Motion carried.

JANITORIAL SERVICE: Two bids were received. Watertown Municipal Utilities received a low bid from Supreme Pro Clean of Rapid City, SD for a total of three years \$81,066.96. This bid did not meet bid specifications, therefore it was rejected. The bid specifications required five days of cleaning, Supreme Pro Clean's bid included only three days of cleaning. The bid specifications required semi-annual cleaning of all windows, semi-annual stripping, sealing and waxing of the title floors. Supreme Pro Clean's bid did not include the semi-annual processes as stated above. The bid specifications required two letters of reference. Supreme Pro Clean's bid provided none. The bid of the next lowest bidder was from Servicemaster of Watertown, Watertown, SD for a total of three years \$129,600.00. Upon review and recommendation by Karst, motion by Padgett with second by Luken to award bid to low valid bidder that met specifications Servicemaster of Watertown, Watertown, SD for a total of three years \$129,600.00. Motion carried.

ITEM 6739

Motion by Luken with second by Padgett to authorize to call for bids for Warehouse Addition. Motion carried.

ITEM 6740

Karst presented the 2015 Fixed Asset Report & Solid Waste Disposal Report according to Policy Section #49. There is one note of correction the Ditch Witch RT36 Trencher was traded not junked. This report included removal of 105 poles, removal of 5,285 feet of overhead wire, abandoned 206 feet of underground wire, retired 4,796 KVA of line transformers, retired 796 electric meters, removed 3 street lights, retired 36 water meters, abandoned 3,794 feet of water main, abandoned 98 water service connections, removed or replaced 11 hydrants, removed 9,566 ton of lime sludge, abandoned 2,461 feet of gas services, retired 328 gas meters.

ITEM 6741

Lehner handed out proposed changes to the Employee Personnel Manual. The Board is asked to look these over and approval will be asked for next month.

ITEM 6742

Open: Lehner presented two bill stuffers: Watertown Recreation Center's Rumble on the Ranch and Watertown Landfill's Collection Schedule Change.

ITEM 6743

Chambers presented the Report on Operations and Projects: Electric Department, Projects Completed This Month: Contractor Paradigm finished installing new substation and transformer went on line on January 12th, Removed Christmas decorations, Installed Terry Redlin banners on Hwy 212. Projects in Progress: Delivery of new Boom truck from Terex. Projects Starting Next Month: Working on a plan to relocate poles for GLE rail loop. Gas Department, Projects Completed this Month: Completed 3 days of records inspection by the South Dakota Office of Pipeline Safety. Projects in Progress: Changing OQ provider from MEA to Energy Worldnet, Re-writing the O & M manual to reflect all changes to the OQ program. Water Department, Projects Completed this Month: 2 main breaks, 2 hydrants that were hit and broke. Projects in Progress: Drained side #3 up flow and touching up the paint on the cone and troughs, Plant #3 equipment maintenance. Projects to Start Next Month: Installing flow correction piping on side #1 filters, Draining side #1 up flow. Engineering Tech Department, Projects Completed this Month: 11 One-Call locates Jan. 1st - Jan. 21st, 2016, 34 One-Call locates total December, 2015, total 3,935 one-call locates for 2015. Projects in Progress: Update electric DS Maps, Update Electric and Gas Locating Maps. Next Month: Average 15 One-Call locates in February.

ITEM 6744

Karst presented the report on Administration and Financial Statements: Purchasing, Accounting and Facilities, Projects Completed This Month: Finished up physical inventory for 2015 and Troy Hieb from William Neale & Co., came on site and completed his verifications. Projects In Progress: Working with Todd Architects on the plan for the addition to our current warehouse for additional parking for vehicles and equipment, Purchase items

with long lead times and bid items for 2016 spring projects. Customer Service, Projects Completed this Month: 13,488 payments collected for a total of \$4,074,753 total of 52,411 services billed for a total of \$4,434,048. Human Resources/Risk Management, Completed employee pay rate changes for first payroll of 2016, Completed payroll deduction changes for first payroll of 2016, including 457 supplemental retirement, United Way, Union Dues, AFLAC, TASC and new dental deductions. IT, Current Projects: 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 \$1,094,453 over budget compared to the budget for the twelve months ending December 31st, 2015. Total Capital Additions are \$1,187,816 under budget for the twelve months ending December 31st, 2015. Info: T. Starr 22.91 effective 12/21/15, A. Schultz 30.59 effective 1/2/2016.

ITEM 6745

Motion made by Luken 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 January 31st, 2016 Plus ACH Payroll Payments 421,190.25.

Name	Payable Description	Payment Amount
February 1st, 2016		
ADVANCED ENGINEERING & ENVIRON. SERVICES	STUDY & REPORT	\$2,050.63
AFLAC	CANCER PT	\$2,105.59
A-OX WELDING SUPPLY INC	SUPPLIES	\$69.21
AP & SONS CONSTRUCTION INC	LIME REMOVAL	\$3,551.54
BATTERIES UNLIMITED INC	SUPPLIES	\$54.36
BENDIX IMAGING INC	SUPPLIES	\$656.95
BENSON, BRIAN	REIMBURSEMENT EXPENSES	\$958.14
BORDER STATES ELECTRIC SUPPLY	SUPPLIES	\$11,663.98
BORNS GROUP	POSTAGE & MAILING	\$7,667.30
BRIAN'S GLASS & DOOR INC	SUPPLIES	\$690.00
BTE CORPORATION	SUPPORT CONTRACT	\$2,450.00
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWORK USAGE	\$63.34
CHAMBERS, TODD	REIMBURSEMENT EXPENSES	\$237.10
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$735.76
CHEMCO SYSTEMS, LP	SUPPLIES	\$1,597.93
CHILD SUPPORT PAYMENT CENTER	CHILD SUPPORT - CASE #247392027A	\$275.00
CODINGTON COUNTY AG BUILDING	ENERGY INCENTIVE REBATE	\$1,818.00
CODINGTON-CLARK ELECTRIC COOP. INC	WELLFIELD ELECTRIC SERVICE	\$4,944.32
CREDIT COLLECTIONS BUREAU	COLLECTIONS	\$159.52
CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$1,427.19
DAKOTA DATA SHRED	SHREDDING SERVICE	\$63.25
DAKOTA PUMP & CONTROL CO	SERVICE	\$251.22
DAKOTA RIGGERS & TOOL	SUPPLIES	\$89.17
DEL-MAR UPHOLSTERY	SUPPLIES	\$250.00
DITCH WITCH OF SOUTH DAKOTA, INC	REEL TRAILER	\$18,390.00
DLT SOLUTIONS, LLC	SUBSCRIPTION RENEWAL	\$2,986.92
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$3,207.35
ENERGY WORLDNET, INC	TRAINING	\$974.00
ETHANOL PRODUCTS LLC	BULK CO2	\$939.85
F J MC LAUGHLIN CO.	GRAVEL, ROCK, CRUSHED CONCRETE	\$1,070.46
FARNAMS GENUINE PARTS	SUPPLIES	\$968.35
FASTENAL COMPANY	SUPPLIES	\$300.80

GREAT WESTERN BANK	TASC MED	\$6,699.32
GROEBNER	SUPPLIES	\$496.75
HACH COMPANY	SUPPLIES	\$177.64
HAWKINS, INC.	SUPPLIES	\$1,607.76
HEATH CONSULTANTS INC	SUPPLIES	\$355.74
IBEW LOCAL 426	UNION DUES	\$3,392.00
INGERSOLL RAND COMPANY	SUPPLIES	\$320.16
INNOVYZE	YEARLY LICENSE AGREE. WATER SOFTWARE	\$2,500.00
INTERSTATE ALL BATTERY CENTER	SUPPLIES	\$124.92
J H LARSON COMPANY	SUPPLIES	\$5,810.99
KOONS GAS MEASUREMENT	SUPPLIES	\$6,663.62
LAKE AREA DOOR INC	SERVICE	\$459.20
LEHNER, STEVE	REIMBURSEMENT EXPENSES	\$182.55
LOCATORS & SUPPLIES INC	SUPPLIES	\$1,473.37
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$25.11
MAC'S INC	SUPPLIES	\$234.73
MAHOWALD'S HARDWARE & RENTAL	SUPPLIES	\$113.91
MARCO INC	MAINTENANCE AGREEMENT	\$308.74
MATHESON TRI-GAS INC	SUPPLIES	\$78.29
MC KEEVER INC	SUPPLIES	\$31.01
MENARDS INC	SUPPLIES	\$320.28
MERCURY INSTRUMENTS LLC	SUPPLIES	\$155.32
MET LIFE	LIFE INSURANCE	\$1,178.09
METERING & TECHNOLOGY SOLUTIONS	SUPPLIES	\$5,843.28
MIDCONTINENT COMMUNICATIONS	INTERNET SERVICE	\$105.00
MIDWEST UNDERGROUND SUPPLY, LLC	SUPPLIES	\$358.04
MINNESOTA MUNICIPAL UTILITIES ASSN	2016 1ST QTR SAFETY MANAGEMENT PROGRAM	\$7,050.00
MONITOR TECHNOLOGIES LLC	SUPPLIES	\$424.88
MUNICIPAL UTILITIES - PC	PETTY CASH	\$343.62
MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND #5318-18	\$159.75
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCOUNTS	\$8,064.77
NELSON TECHNOLOGIES INC	SUPPLIES	\$6,125.72
NESD SHRM	2016 LOCAL SHRM MEMBERSHIP	\$60.00
NEW YORK LIFE INS.	LIFE INSURANCE	\$106.00
NORTHERN TRUCK EQUIP CORP	SUPPLIES	\$1,452.94
NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$3,312.60
NORTHWESTERN ENERGY	4TH QUARTER SERVICE RIGHTS	\$2,835.78
OFFICE PEEPS	SUPPLIES	\$519.18
PARADIGM UX	HOSTING	\$100.00
PETE LIEN & SONS	SUPPLIES	\$5,791.13
PIPEHORN LOCATING TECHNOLOGY	SUPPLIES	\$202.00
PRAXAIR DISTRIBUTION INC	CYLINDER RENTAL	\$134.85
PRINCIPAL FINANCIAL GROUP	DENTAL INSURANCE	\$851.56
PRINT 'EM NOW INC	SUPPLIES	\$73.00
PRO LINE INC	SUPPLIES	\$211.50
REDLINGER BROS PLUMBING & HEATING	SUPPLIES	\$815.91
RESCO	SUPPLIES	\$7,953.85
RON'S SAW SHOP	SUPPLIES	\$312.00
RUNNING'S SUPPLY INC	SUPPLIES	\$147.17
SCHAEFFER OIL	SUPPLIES	\$515.28
SCHMIDT, RICHARD	REIMBURSEMENT EXPENSES	\$1,743.40
SD MUNICIPAL ELECTRIC ASSN	CONFERENCE REGISTRATION	\$422.50
SD ONE CALL	LOCATES	\$36.75
SD PUBLIC ASSURANCE ALLIANCE	2016 PUBLIC EMPLOYEE BOND	\$25.00
SDWWA	2016 SEMINAR REGISTRATION	\$285.00
SERVICEMASTER	JANITORIAL SERVICE	\$3,120.00
SHERWIN WILLIAMS CO	SUPPLIES	\$39.09
SHI INTERNATIONAL CORP	SOFTWARE RENEWAL & NEW LICENSES	\$1,236.00
SHIRTS IN THE WORKS	SUPPLIES	\$1,362.00
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$4,294.78
STAN HOUSTON EQUIP CO	SUPPLIES	\$212.27
STAR LAUNDRY INC	RUG SERVICE	\$365.13
STEVE'S WORLD	SUPPLIES	\$75.00
STUART C IRBY CO	SUPPLIES	\$624.00

STURDEVANTS AUTO PARTS	SUPPLIES	\$80.41
TEREX	SERVICE	\$1,344.06
TITAN MACHINERY- WTN	SUPPLIES	\$579.37
TYNDALE COMPANY INC	SUPPLIES	\$945.95
ULINE INC	SUPPLIES	\$126.85
UPS	SHIPPING	\$332.69
USA BLUE BOOK	SUPPLIES	\$155.45
UTILITIES PLUS ENERGY SERVICES INC	SERVICE	\$1,620.00
UTILITY SERVICE CO., INC	LEAK DETECTION SERVICE	\$12,000.00
VISION SERVICE PLAN (VSP) (CA)	VISION INSURANCE	\$435.29
WALMART COMMUNITY	SUPPLIES	\$73.81
WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN PUBLIC OPINION	PUBLISHINGS	\$388.46
WATERTOWN UNITED WAY	United Way	\$483.50
WATERTOWN WHOLESALE	SUPPLIES	\$540.16
WELLMARK BLUE CROSS/BLUE SHIELD	HEALTH INSURANCE	\$65,193.81
WESCO DISTRIBUTION INC	SUPPLIES	\$5,877.15
ZEP SALES AND SERVICE	SUPPLIES	\$1,262.17
	TOTAL	\$273,216.59

Total January 2016 273,216.59; Transfer to City's General Fund 99,885, Qtrly First Nat'l Bank - SF 413,660.20, Muni Utilities Electric Water Gas 34,629.09; Northern Natural Gas 6,061.20; Missouri River Energy Services Power 1,816,479.94; BP Canada Energy Marketing Natural Gas 662,240.78; Dept. of Revenue Sales/Excise Tax 197,562.61; CPEP Natural Gas 75,051.78, City Finance Office Garbage Sewer 390,266.20.

ITEM 6746

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 expect to take action when they reconvene to regular session. Motion carried.

Vice-President Strait declared Executive Session done and they reconvened to regular session.

Motion by Luken with second by Padgett to approve the Natural Gas Supply and Delivery agreement for 2016 - 2020 with Glacial Lakes Energy. Motion carried.

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 on the basis of race, color, religion, sex, national origin, age, disability, or any other characteristic protected by law.

Dated at Watertown, South Dakota this 25th day of January, 2016

ATTEST: _____

Lisa Pahl

Dave Strait

Executive Secretary
Municipal Utilities Board

Board Vice President
Municipal Utilities Department