

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday, September 26th, 2016

The Municipal Utilities Board convened in regular session at the Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday, September 26th, 2016 at 12:00 p.m. with President Dave Strait presiding.

Board members present: Dave Strait, Dustin Padgett, John Holley, Mike Luken and Greg Solum. Board Liaison, member of City Council, Glen Vilhauer. Staff members present: Steve Lehner, Todd Chambers, Adam Karst, Jeff DeVille, Doug Enstad, Mark Meier, Mark Haider, Kevin Kruiter, Sheila Mennenga, Justin Goetz and Lisa Pahl. Press Don Egert, KXLG radio. Guest Troy Hieb from William Neale, Co., P.C.

ITEM 6829

Motion by Luken with second by Padgett to approve the Agenda with change by moving Item 7 Hometown Building Water Agreement to Executive Session. Motion carried.

ITEM 6830

Motion by Luken with second by Padgett to approve Minutes of regular meeting on August 29th, 2016. Motion carried.

ITEM 6831

Presentation was made by Troy Hieb of William Neale & Co P.C. for the 2015 audit. There were no audit findings to be included in the Schedule of audit findings. Motion by Luken with second by Holley to accept 2015 audit as presented. Motion carried. Vilhauer said not to find any audit findings in a facility our size is very unusual and should be commended.

ITEM 6832

Karst presented a report of unclaimed property to be reported to the state. Motion by Padgett with second by Solum to approve submittal to the state. Motion carried.

ITEM 6833

Motion by Luken with second by Padgett to approve General Manager to sign the SPP Transmission Facilities Assignment Agreement with Missouri River Energy Services. This is to include the 115 facilities into the market and replace the SPP Transmission Facilities Assignment Agreement from April 2015. Motion carried.

ITEM 6834

This being the time and place set for consideration of bids, the following was presented. Installation of Water Mains. The bids were opened Thursday, September 22nd, 2016 at 1:30 PM by Municipal Utilities Department Staff as authorized by the Board.

Installation of Water Mains: Two bids were received and upon review and recommendation by Chambers, motion by Luken with second by Holley to award bid to the low valid bidder, AP & Sons LLC, Summit, SD awarded on total bid price of \$96,380.00. Motion carried.

ITEM 6835

Open: Lehner presented the bill stuffer, living safely with natural gas. He also invited the Board to attend one of the Missouri River Energy Services Area Meetings coming in October. Lehner gave an update on the Mid-West Electric Consumers Association Meeting that he attended. Lehner sits on the Resolutions Committee and the Board of Directors and he offered the Board to take a look at the Resolutions book he brought back. There were several speakers that gave presentations on topics such as Spring Run Off, Exercising Dams, and Endangered species.

ITEM 6836

Chambers presented the Report on Operations and Projects: Electric Department, Projects Completed This Month: Disconnected power at three buildings for Worthington Industries on Saturday Sept. 17, so main breakers could be tested, Disconnected power to three buildings of Magellan pipeline on Tuesday Sept 20 so main breakers could be tested, Completed installing primary and transformer at Odyssey Theatre and connected temporary service to new transformer. Projects in Progress: Terminating primary North of 10th Ave and West of 4th St NW. Projects Staring Next Month: Contractor will be installing new transmission poles and relocating existing transmission line for the GLE rail loop. Gas Department, Projects Completed this Month: Installed or removed 52 meter sets, Abandoned the remaining 4" steel main on the north 81 project between 10th and 12th Ave. Projects in Progress: Annual leak survey is done. Water Department, Projects Completed this Month: 3 main shut downs, 10 new taps, 1 replacement tap, The 14th Ave tower is back into service after the exterior power wash and interior sand blast and recoat, Verified depth of water main by Stony Point. There is about 200 feet of main that had about 4' of additional fill put over the main. This will be adjusted up to a normal depth. Projects in Progress: Working with Ethanol Plant to get the 10" main on South Broadway lowered and cased for the rail loop. Engineering Tech Department, Projects Completed this Month: 320 One-Call locates Sept. 1st - 22nd, 509 One-Call locates total August 2016. Next Month: 490 One-Call locates in October.

ITEM 6837

Karst presented the report on Administration and Financial Statements: Purchasing, Accounting and Facilities, Projects Completed This Month: Assisted Safety Benefits as they conducted property valuation inspection for insurance purposes on WMU properties. Warehouse Addition Update: Warehouse structure is complete. The interior work has started which includes insulation, electrical conduit and plumbing, Truck wash structure is complete. Adding exterior insulation and steel liner is in process, Gravel is being trucked in and packed for preparation of asphalt parking lot. 64% complete and we are on schedule to be completed by January 31st. Consultants working on Water Rate Study with a planned presentation during the October board meeting. Upcoming Projects: Preparing for 2017 budget. Customer Service, Projects Completed this Month: 13,909 payments collected for a total of \$4,684,701 total of 53,393 services billed for a total of \$4,668,236. Human Resources/Risk Management, Continue to evaluate the South Dakota Public Assurance Alliance annual insurance renewal, Prepared information for triennial property inspection, conducted by Safety Benefits, Inc., Will begin reviewing health insurance renewal - should receive renewal and quotes first part of October. IT, Attended the 2016 APPA Business and Financial Conference, Working on Gas SCADA, 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 \$776,757 over budget compared to the budget for the eight months ending August 31st, 2016. Total Capital Additions are \$1,276,821 under budget for the eight months ending August 31st, 2016.

ITEM 6838

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 September 30th, 2016 Plus ACH Payroll Payments \$471,304.99. Info: S. Witte 30.59 effective 9/9/16.

Name	Payable Description	Payment Amount
October 3rd, 2016		
AASON ENGINEERING CO INC	WAREHOUSE ADDITION	\$1,295.00
ACTIVE HEATING INC	ENERGY INCENTIVE REBATE	\$300.00
AFLAC	CANCER PT	\$2,134.88
A-OX WELDING SUPPLY INC	SUPPLIES	\$130.74
BENDIX IMAGING INC	SUPPLIES	\$346.96
BORDER STATES ELECTRIC SUPPLY	SUPPLIES	\$12,881.72
BORNS GROUP	POSTAGE & MAILING	\$7,748.72
BOYER TRUCKS SIOUX FALLS, INC	TRUCK PER BID	\$56,822.00

BUREAU OF ADMINISTRATION	SERVICE	\$156.84
BURNS, JERRY	REIMBURSEMENT EXPENSES	\$105.00
CARIBOU COFFEE COMPANY INC 131	DEPOSIT REFUND	\$2,000.00
CARRICO LAW PROF. LLC	PROFESSIONAL FEES	\$2,046.00
CENTURY LINK	TELEPHONE EXPENSE	\$310.72
CHAMBERS, TODD	REIMBURSEMENT EXPENSES	\$429.58
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$1,092.14
CHILD SUPPORT PAYMENT CENTER	Child Support - Case # 322244010A	\$1,931.00
CITY OF WATERTOWN	2016 OPEB REPORT	\$3,900.00
CODINGTON-CLARK ELEC. COOP. INC	WELLFIELD ELECTRIC SERVICE	\$3,577.50
COMPASS MINERALS	BULK SALT	\$4,687.30
CONNECTING POINT	OFFICE SUPPLIES & EXPENSE	\$170.00
CREDIT COLLECTIONS BUREAU	COLLECTIONS	\$287.49
CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$25.78
CRESTONE BUILDERS INC	SERVICE	\$2,761.01
DAKOTA DATA SHRED	SHREDDING SERVICE	\$63.25
DAKOTA URD CONSTRUCTION LLC	INSTALLATION OF UNDERGROUND SERV	\$26,164.00
DE NORA WATER TECHNOLOGIES	SERVICE	\$4,577.00
DE VILLE, JEFF	REIMBURSEMENT EXPENSES	\$336.47
DEPARTMENT OF REVENUE	WATER SAMPLES	\$560.00
DESIGN SOLUTIONS & INTEGRATION	SERVICE	\$1,662.79
DIAMOND VOGEL PAINT CENTER	SUPPLIES	\$31.70
DISCOUNT SEEDS, INC.	SUPPLIES	\$400.00
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$10,126.14
DUININCK INC	GRAVEL, DIRT, ROCK	\$1,436.87
EAST RIVER ELEC POWER COOP	SUPPLIES	\$1,631.76
ENDERSON, MARSHA	REIMBURSEMENT EXPENSES	\$1,764.66
ENERGY ECONOMICS INC	MAINTENANCE OF METERS	\$503.87
ENSTAD, DOUG	REIMBURSEMENT EXPENSES	\$22.14
ETHANOL PRODUCTS LLC	SUPPLIES	\$1,921.13
FARNAMS GENUINE PARTS	SUPPLIES	\$200.33
FASTENAL COMPANY	SUPPLIES	\$442.86
FORMAN, CHRIS	REIMBURSEMENT EXPENSES	\$1,000.00
FRANKLIN PRESS INC	PUBLIC AWARENESS	\$2,993.61
GRAINGER	SUPPLIES	\$161.25
GRAY CONSTRUCTION CO INC	WAREHOUSE ADDITION	\$308,140.20
GREAT WESTERN BANK	TASC MED	\$6,481.09
HAWKINS, INC.	SUPPLIES	\$34.84
HD SUPPLY WATERWORKS, LTD	SUPPLIES	\$1,681.63
HEIG, H G	REIMBURSEMENT EXPENSES	\$114.99
HORST, ROBERT W	DEPOSIT REFUND	\$200.00
IBEW LOCAL 426	UNION DUES	\$3,160.00
INGERSOLL RAND COMPANY	SUPPLIES	\$683.34
INTERSTATE ALL BATTERY CENTER	SUPPLIES	\$129.91
J H LARSON COMPANY	SUPPLIES	\$8,273.35
KRAEMER, DAN	REIMBURSEMENT EXPENSES	\$234.98
KUNKEL, DEANNA	REIMBURSEMENT EXPENSES	\$52.54
LEHNER, STEVE	REIMBURSEMENT EXPENSES	\$155.18
LOCATORS & SUPPLIES INC	SUPPLIES	\$1,449.50
MAC'S INC	SUPPLIES	\$78.76
MAHOWALD'S HARDWARE & RENTAL	SUPPLIES	\$37.46
MARCO INC	COPIER PRINTS	\$315.13
MARSHALL MUNICIPAL UTILITIES	HYDRO ELECTRIC DAM PICTURES	\$103.51
MC LAUGHLIN, MARK	REIMBURSEMENT EXPENSES	\$25.00
MEL DAHLE TIRE CO	SUPPLIES	\$20.00
MENARDS INC	SUPPLIES	\$772.40
MERCURY INSTRUMENTS LLC	METERS	\$4,467.20
MET LIFE	LIFE INSURANCE	\$1,226.91
MIDCONTINENT COMMUNICATIONS	INTERNET SERVICE	\$105.00
MILBANK WINWATER WORKS	SUPPLIES	\$163.40

MN MUNICIPAL UTILITIES ASSN	TRAINING EXPENSES	\$1,320.00
MISSOURI RIVER ENERGY SERVICES	CHARTER	\$1,600.00
MUELLER CO	SUPPLIES	\$841.53
MUNICIPAL UTILITIES - PC	PETTY CASH	\$423.53
MUNICIPAL UTILITIES-NSF CHECK ACC	REIMBURSE NSF FUND #2220-0	\$440.75
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCOUNTS	\$7,238.31
NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$1,045.40
OFFICE PEEPS	OFFICE SUPPLIES	\$167.88
PEDERSON, MIKE	REIMBURSEMENT EXPENSES	\$634.36
PETE LIEN & SONS	BULK LIME	\$18,172.85
PRAXAIR DISTRIBUTION INC	CYLINDER RENTAL	\$142.37
PRINCIPAL FINANCIAL GROUP	DENTAL INSURANCE	\$877.05
REDLINGER BROS PLUMBING & HTG	SERVICE	\$1,658.85
REEDE CONSTRUCTION INC.	HWY 81 MAIN REPLACEMENT	\$6,180.87
RESCO	SUPPLIES	\$2,212.35
RONKE, SHANE	REIMBURSEMENT EXPENSES	\$1,335.54
ROTH, KEENAN M	REIMBURSEMENT EXPENSES	\$357.48
RUDEBUSCH, JAMES	REIMBURSEMENT EXPENSES	\$61.00
RUNNING'S SUPPLY INC	SUPPLIES	\$320.74
SCHAEFFER MFG CO	SUPPLIES	\$997.15
SCHUNEMAN EQUIPMENT CO.	RENTAL	\$400.00
SCOTT ENGINEERING CO	HWY 81 MAIN REPLACEMENT	\$560.00
SD ONE CALL	LOCATES	\$571.20
SD PUBLIC ASSURANCE ALLIANCE	INSURANCE	\$523.86
SERVICEMASTER	JANITORIAL SERVICE	\$3,600.00
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$5,378.56
STAN HOUSTON EQUIP CO	SUPPLIES	\$600.00
STANLEY, JUSTIN	REIMBURSEMENT EXPENSES	\$61.00
STAR LAUNDRY INC	RUG RENTAL	\$365.13
STATE TREASURER	2016 UNCLAIMED PROPERTY	\$2,025.43
STEVE'S WORLD	SUPPLIES	\$37.50
STUART C IRBY CO	SUPPLIES	\$1,410.00
TAC SERVICES LLC	LAWN SERVICE	\$1,690.00
TEAM ELECTRONICS	SUPPLIES	\$75.00
TERMINAL SUPPLY CO.	SUPPLIES	\$756.97
UPS	SHIPPING	\$366.81
USA BLUE BOOK	SUPPLIES	\$1,546.01
UTILITY SERVICE CO., INC	MIXER INSTAL. 19TH ST & S LAKE TOWERS	\$43,258.00
VISION SERVICE PLAN (VSP) (CA)	VISION INSURANCE	\$435.29
WALMART COMMUNITY	SUPPLIES	\$135.27
WATERTOWN CO-OP ELEVATOR ASSN	SUPPLIES	\$74.25
WATERTOWN DEVELOPMENT CO.	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN PUBLIC OPINION	PUBLISHINGS	\$446.79
WATERTOWN UNITED WAY	United Way	\$383.50
WATERTOWN WHOLESALE	SUPPLIES	\$447.72
WEISMANTEL RENT-ALL	RENTAL	\$1,075.00
WESCO DISTRIBUTION INC	SUPPLIES	\$5,545.70
WINSUPPLY OF WATERTOWN	SUPPLIES	\$99.50
ZEP SALES AND SERVICE	SUPPLIES	\$985.05
TOTAL		\$626,818.08

Total September 2016 626,818.08; Transfer to City's General Fund 99,865,Muni Utilities Electric Water Gas 75,622.59; Northern Natural Gas 2,273.20; Missouri River Energy Services Power 2,401,974.84; BP Canada Energy Marketing Natural

Gas 74,035.88; Dept. of Revenue Sales/Excise Tax 208,077.40; CPEP Natural Gas 7,935.69, City Finance Office Garbage Sewer 411,270.80.

ITEM 6839

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.

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

Motion by Luken with second by Padgett to Authorize General Manager to sign the Hometown Building Water Service Agreement. Motion carried.

Motion by Padgett with second by Holley 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 26th day of September, 2016

ATTEST: _____

Lisa Pahl
Executive Secretary
Municipal Utilities Board

Dave Strait
Board President
Municipal Utilities Department