

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday, April 25th, 2016

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

Board members present: Ernie Wight, Dave Strait, Mike Luken and John Holley. Board Member Dustin Padgett 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, Lisa Pahl and Interim City Attorney Lisa Carrico. Press Aaron Matson, Public Opinion Newspaper, Don Eggert KXLG radio. Guests Dennis and Kay Solberg.

ITEM 6775

Motion by Strait with second by Luken to approve the Agenda with a change by moving Item 13, new business, right after Item 3 so that Kay and Dennis Solberg can address the Board. Motion carried.

ITEM 6776

Motion by Holley with second by Luken to approve Minutes of regular meeting on March 28th, 2016. Motion carried.

ITEM 6777

New Business: Dennis and Kay Solberg addressed the Board concerning their use of property owned by the Watertown Municipal Utilities. The Solberg's rental property is on 1st Ave NE close to our uptown substation. The Utilities own the piece of land right behind or North of the building the Solberg's rent out. There was a damaged pole on that property that is going to cost the utilities near \$30,000 to replace and the utilities believe damage was related to use of the lot. To prevent further costly damages the utilities want to fence off this area. The Solberg's want the renters to have continued use of the area for parking and their use. The Solberg's believe by adjusting their cameras and the utilities putting cement pillars around poles this will prevent any further damages. Board President Wight said it would be discussed further in executive session and they would be informed of a decision.

ITEM 6778

Motion by Luken with second by Strait to Declare as Surplus unit 26, 2000 Ford F450 4 x 4. Motion carried.

ITEM 6779

Lehner went over an outline of his Performance Review. Strait also thanked Lehner and the whole staff for keeping our rates the lowest in the state and all the hard work.

ITEM 6780

Motion by Strait second by Holley to authorize the General Manager to sign Financial Reserve Analysis agreement with Utility Financial Solutions, LLC of Leland, MI to review and make recommendations on our cash reserves for \$10,465. Motion carried.

ITEM 6781

Motion by Luken second by Holley to authorize the General Manager to sign a 2016 Water Rate Study agreement with AE2S, Sioux Falls, SD for \$33,046. Motion carried.

ITEM 6782

Motion by Luken second by Holley to authorize General Manager to sign change orders up to \$5,000 for construction projects and equipment during 2016.

ITEM 6783

This being the time and place set for consideration of bids, the following were presented. Bids for Dump Truck, Water Meters, Carbon Dioxide and Water Hydrants for Water Department and Flatbed Dump Truck for Electric Department were opened Thursday, April 21st, 2016 at 1:30 PM by Municipal Utilities Department Staff as authorized by the Board. Also, Bid for Warehouse addition was opened Tuesday, April 19th, 2016 at 10:30 AM by Municipal Utilities Department Staff as authorized by the Board and Todd Architects. Dump Truck: Four bids were received and upon review and recommendation by Chambers, Motion by Luken with second by Strait to award to low valid bidder Istate Truck, Sioux Falls, SD for Option #1 with less trade-in for \$98,492.57. Motion carried.

Water Meters: Three bids were received and upon review and recommendation by Chambers, Motion by Strait with second by Luken to award Item 3 to low valid bidder Metering Technology Solutions, Burnsville, MN for \$17,200.00 and Item 1, 2, 4, 5 and 6 to low valid bidder Dakota Supply Group, Sioux Falls, SD for total of \$24,272.00. Motion carried.

Carbon Dioxide: One bid was received and upon review and recommendation by Chambers, Motion by Luken with second by Strait to award to Poet Ethanol Products, Wichita, KS for \$116.00 per ton. Motion carried.

Water Hydrants: Two bids were received and upon review and recommendation by Chambers, Motion by Luken with second by Holley to award to low valid bidder HD Supply Waterworks, Sioux Falls, SD for \$71,377.80. Motion carried.

Flatbed Dump Truck: Two bids were received and upon review and recommendation by Chambers, Motion by Strait with second by Luken to award to low valid bidder to Boyer Trucks, Sioux Falls, SD for \$56,822.00. Motion carried.

Warehouse: Five bids were received and upon review of a recommendation letter from Todd Architects and recommendation by Chambers, Motion by Luken with second by Holley to award to low valid bidder Gray Construction, Watertown, SD for \$1,316,300.00. Motion carried.

ITEM 6784

Motion by Strait with second by Luken to return checks of unsuccessful bidders. Motion carried

ITEM 6785

Open: Lehner presented several bill stuffers, The City of Watertown West Nile Virus Control Program, Watertown Regional Landfill Holiday Collection Schedule Change, Watertown Police Department and Watertown Healthy Youth Parents Matter and the Watertown Community Recreation Center 2016 Summer Event Schedule. Lehner also gave each Board Member a booklet from Missouri River Energy Services about environmental stewardship called Brighter Today Brighter Tomorrow, Energy for Everyday Sustainable Living.

ITEM 6786

Chambers presented the Report on Operations and Projects: Electric Department, Projects Completed This Month: Terminated wire at Memorial Park and removed old overhead lines, Installed Primary loop Hwy 81 & 10th Ave to 12th Ave joint construction project with Gas Department gas line relocation. Projects in Progress: Working on a plan to relocate poles for GLE rail loop. Projects Staring Next Month: Efraimson Electric will start installing wire in the uptown alley. Gas Department, Projects Completed this Month: Below ground valve maintenance is completed. Projects in Progress: Relocating the 4" steel gas main along North Hwy 81 from the west side to the east side, Replacing two emergency valves on 9th Ave NE. Water Department, Projects Completed this Month: Four main shut downs, 2 new taps, New chlorine feed line and chlorine storage tanks are in service. Projects in Progress: Hwy 81 main replacement. Engineering Tech Department, Projects Completed this Month: 345 One-Call locates April 1st - 21st, 230 One-Call locates total March, 2016, 3 Emergency Locate (1 private contractor & 2 WMU). Projects in Progress: Working with GLE on relocating utilities for South Broadway. Next Month: Average 600 One-Call locates in May. Staking and locating utility projects for contractors, Planning Commission and Board of Adjustments agendas.

ITEM 6787

Karst presented the report on Administration and Financial Statements: Purchasing, Accounting and Facilities, Projects Completed This Month: Ordering, receiving and stocking materials, Warehouse addition update: Bid opening was held on April 19, 2016, Todd Architects compiled the bids, Consideration of bids were approved at April 25th, 2016 Board Meeting, Central Power is working on our generator which has not been operating correctly, Spraying all WMU properties for weed control. Customer Service, Projects Completed this Month: 13,751 payments collected for a total of

\$4,794,313 total of 52,528 services billed for a total of \$4,032,534. Major Projects in Progress: We mailed out 2,250 budget bill letters in April, The average customer's budget bill decreased by 11% to \$190. Human Resources/Risk Management, Retirement of Dan Voight effective June 20, 2016, Promotion for Mike Andrews to Apprentice Gas Meter Person, Transition date to be determined, Promotion for Tim Pahl to Apprentice Equipment Operator Transition date to be determined, Return of Monty Waite, ROM and Dale Brinkman, Warehouse effective April 4th, 2016. 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 \$334,837 under budget compared to the budget for the three months ending March 31st, 2016, mostly due to the warmer winter. Total Capital Additions are \$1,141,439.00 under budget for the three months ending March 31st, 2016.

ITEM 6788

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 29th, 2016 Plus ACH Payroll Payments \$417,978.27. D. Brage 29.23 effective 4/12/2016, T. Starr 27.00 effective 4/19/2016.

Name	Payable Description	Payment Amount
May 2, 2016		
ABC EMBROIDERY	SERVICE	\$9.90
ADVANCE ENGINEERING CORP	SUPPLIES	\$1,234.13
ADVANCED ENG. & ENVIRON. SERVICES	WTP 2014 I & C SERVICES	\$144.00
AFLAC	CANCER PT	\$2,105.34
A-OX WELDING SUPPLY INC	CYLINDER RENTAL	\$17.84
APPLIED INDUSTRIAL TECH INC	SUPPLIES	\$920.89
AQUA-PURE INC	SUPPLIES	\$9,000.00
BENDIX IMAGING INC	SUPPLIES	\$276.97
BORDER STATES ELECTRIC SUPPLY	WIRE AS PER BID	\$105,835.99
BORNS GROUP	POSTAGE & MAILING	\$8,738.50
CARQUEST #2197	SUPPLIES	\$21.50
CASHWAY LUMBER INC	SUPPLIES	\$81.59
CHAMBERS, TODD	REIMBURSEMENT EXPENSES	\$36.72
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$1,311.36
CHILD SUPPORT PAYMENT CENTER	Child Support - Case #247392027A	\$275.00
CLIMATE SYSTEMS INC	SUPPLIES	\$1,232.90
CODINGTON-CLARK ELEC COOP. INC	WELLFIELD ELECTRIC SERVICE	\$4,223.18
CONNECTING POINT	SUPPLIES	\$5,762.02
CORNERSTONE METHODIST CHURCH	ENERGY INCENTIVE REBATE	\$1,200.00
COTEAU SHOPPER	PUBLISHINGS	\$133.90
CREDIT COLLECTIONS BUREAU	COLLECT. CSF 25245/CSF 25244	\$300.19
CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$291.70
CUMMINS CENTRAL POWER LLC	SUPPLIES	\$642.17
DAKOTA DATA SHRED	SHREDDING SERVICE	\$63.25
DAKOTA RIGGERS & TOOL	SUPPLIES	\$211.30
DE VILLE, JEFF	REIMBURSEMENT EXPENSES	\$838.36
DITCH WITCH OF SOUTH DAKOTA, INC	SUPPLIES	\$132.45
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$705.11
ELC SECURITY PRODUCT INC	SUPPLIES	\$215.95

F J MC LAUGHLIN CO.	GRAVEL DIRT ROCK	\$1,450.54
FARNAMS GENUINE PARTS	SUPPLIES	\$430.27
FARWEST LINE SPECIALTIES, LLC	SUPPLIES	\$408.00
FASTENAL COMPANY	SUPPLIES	\$1,635.26
FIRST CHOICE SEWER & SEPTIC CO.	SERVICE	\$100.00
GAS PRODUCTS SALES, INC	METERS	\$2,422.14
GCR TIRE CENTER	SUPPLIES	\$534.96
GREAT WESTERN BANK	TASC MED	\$7,173.34
GROEBNER	SUPPLIES	\$2,837.30
HAWKINS, INC.	SUPPLIES	\$2,795.50
HEATH CONSULTANTS INC	SUPPLIES	\$267.37
HENRY'S WATERWORKS INC	SUPPLIES	\$162.74
HUMAN SERVICE AGENCY	EAP SERVICES	\$517.50
IBEW LOCAL 426	UNION DUES	\$3,330.00
INDELCO PLASTICS CORPORATION	SUPPLIES	\$4,696.29
INTERSTATE ALL BATTERY CENTER	SUPPLIES	\$233.76
J H LARSON COMPANY	SUPPLIES	\$5,980.91
KLUTE INC.	SUPPLIES	\$4,197.20
LAKE AREA DOOR INC	SERVICE	\$353.92
LAKE CITY FIRE EQUIPMENT LLC	INSPECTIONS	\$46.27
LARRY'S LUMBER INC	SUPPLIES	\$184.51
LEHNER, STEVE	REIMBURSEMENT EXPENSES	\$227.96
LOCATORS & SUPPLIES INC	SUPPLIES	\$153.75
M & T FIRE & SAFETY INC	SUPPLIES	\$215.50
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$182.42
MAC'S INC	SUPPLIES	\$340.52
MAHOWALD'S HARDWARE & RENTAL	SUPPLIES	\$55.93
MARCO INC	MAINTENANCE AGREEMENT	\$393.78
MARCO TECHNOLOGIES LLC	SERVICE	\$300.66
MEL DAHLE TIRE CO	SUPPLIES	\$25.00
MENARDS INC	SUPPLIES	\$790.81
MENNENGA, SHEILA	REIMBURSEMENT EXPENSES	\$216.78
MET LIFE	LIFE INSURANCE	\$1,221.79
METERING & TECHNOLOGY SOLUTIONS	SUPPLIES	\$1,081.21
MIDCONTINENT COMMUNICATIONS	INTERNET SERVICE	\$105.00
MIDWEST REG. GAS TASK FORCE ASSN	MEMBERSHIP DUES	\$1,000.00
MIDWEST UNDERGROUND SUPPLY, LLC	SUPPLIES	\$901.11
MINNESOTA MUNICIPAL UTILITIES ASSN	2016 2 QTR SAFETY PROGRAM	\$7,050.00
MISSOURI RIVER ENERGY SERVICES	REGISTRATION	\$600.00
MISSOURI RIVER ENERGY SERVICES	SPP FILING FEES	\$10,305.60
MISSOURI RIVER ENERGY SERVICES	INFRARED INSPECTION SERVICE	\$3,702.00
MUNICIPAL UTILITIES - PC	PETTY CASH	\$447.90
MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND #14819-24	\$495.02
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCTS.	\$12,887.15
NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$1,716.50
NORTHWESTERN ENERGY	SERVICE RIGHTS	\$3,054.53
NOVASPECT, INC.	SUPPLIES	\$25,571.89
OFFICE PEEPS	SUPPLIES	\$475.71
O'REILLY AUTOMOTIVE INC	SUPPLIES	\$42.96
PARADIGM ENTERPRISES INC	SERVICE	\$21,370.00
PETE LIEN & SONS	BULK LIME	\$7,919.78
PIPEHORN LOCATING TECHNOLOGY	SUPPLIES	\$519.00
PRAXAIR DISTRIBUTION INC	CYLINDER RENTAL	\$134.73
PRINCIPAL FINANCIAL GROUP	DENTAL INSURANCE	\$851.56
PRINT 'EM NOW INC	SUPPLIES	\$58.50
REDLINGER BROS PLUMBING & HEATING	SUPPLIES	\$922.54
REEDE CONSTRUCTION INC.	HWY 81 MAIN REPLACEMENT	\$67,615.56
RESCO	TRANSFORMERS AS PER BID	\$219,295.00
RON'S SAW SALES	SUPPLIES	\$536.82
ROTH, KEENAN M	REIMBURSEMENT EXPENSES	\$1,000.00
RUNNING'S SUPPLY INC	SUPPLIES	\$980.90
SD ELECTRICAL COUNCIL	2016 RENEWAL	\$40.00
SD GOV'T FINANCE OFFICERS' ASSOC	REGISTRATION	\$75.00
SD ONE CALL	LOCATES	\$252.00

SDRS SPECIAL PAY PLAN	401a VAC	\$3,206.52
SECOND STREET STATION	CALL BEFORE YOU DIG BANQUET	\$2,045.41
SERVICEMASTER	JANITORIAL SERVICE	\$3,600.00
SIGN PRO	SUPPLIES	\$30.00
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$3,843.73
SOLUS LED	ENERGY INCENTIVE REBATE	\$2,145.00
STAN HOUSTON EQUIP CO	SUPPLIES	\$525.74
STAR LAUNDRY INC	SUPPLIES	\$45.55
STUART C IRBY CO	SUPPLIES	\$34,939.00
STURDEVANTS AUTO PARTS	SUPPLIES	\$330.89
TECHNOLOGY FOR ENERGY CORP.	SUPPLIES	\$1,053.93
TELVENT DTN	SUBSCRIPTION	\$2,892.00
TITAN MACHINERY-SF	SUPPLIES	\$1,037.01
TRAV'S OUTFITTER	SUPPLIES	\$390.00
TRI-ED DISTRIBUTION INC	SECURITY CAMERA EQUIPMENT	\$4,851.00
ULINE INC	SUPPLIES	\$241.28
UPS	SHIPPING	\$194.98
USA BLUE BOOK	SUPPLIES	\$256.76
VERMEER HIGH PLAINS	SUPPLIES	\$543.92
VESSCO INC	SUPPLIES	\$26,964.00
VISION SERVICE PLAN (VSP) (CA)	VISION INSURANCE	\$435.29
WALMART COMMUNITY	SUPPLIES	\$16.55
WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVEL. EXPENSE	\$8,690.00
WATERTOWN PUBLIC OPINION	PUBLISHINGS	\$506.76
WATERTOWN UNITED WAY	United Way	\$383.50
WATERTOWN WHOLESALE	SUPPLIES	\$819.37
WATERTOWN WINNELSON CO	SUPPLIES	\$25.00
WELLMARK BLUE CROSS/BLUE SHIELD	HEALTH INSURANCE	\$62,706.42
TOTAL		<u>\$743,572.47</u>

Total April 2016 743,572.47; Transfer to City's General Fund 99,865, Qtrly First Nat'l Bank - SF 913,660.20, Muni Utilities Electric Water Gas 40,433.27; Northern Natural Gas 6,061.20; Missouri River Energy Services Power 1,563,774.74; BP Canada Energy Marketing Natural Gas 501,493.52; Dept. of Revenue Sales/Excise Tax 172,142.29; CPEP Natural Gas 38,498.51, City Finance Office Garbage Sewer 394,049.13.

ITEM 6789

Board set date of Tuesday, May 31st, 2016 at Noon for May Board Meeting.

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

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

Motion by Luken 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 25th day of April, 2016

ATTEST: _____

Lisa Pahl
Executive Secretary
Municipal Utilities Board

Ernie Wight
Board President
Municipal Utilities Department