

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday, July 25th, 2016

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

Board members present: Ernie Wight, Mike Luken, John Holley, Dave Strait, Dustin Padgett and Incoming Board Member Greg Solum. Board Liaison, member of City Council, Glen Vilhauer. Staff members present: Steve Lehner, Todd Chambers, Adam Karst, Rich Schmidt, Jeff DeVille, Doug Enstad, Mark Meier, Mark Haider, Kevin Kruiter, Sheila Mennenga, Stephanie Ries, Justin Goetz and Lisa Pahl. Guests Mayor Steve Thorson and Fire Chief Doug Kranz. Press Dan Crisler, Public Opinion Newspaper.

ITEM 6810

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

ITEM 6811

Motion by Strait with second by Holley to approve Minutes of regular meeting on June 27th, 2016. Motion carried.

ITEM 6812

Guest, Mayor Steve Thorson introduced Doug Kranz the Fire Chief for Watertown. Kranz had a presentation for the Board regarding Fire Hydrants. The Watertown Fire Rescue (WFR) pays an annual fire system charge per hydrant. The proposal was for the WFR to take over the maintenance of all hydrants which would include hydrant inspections, painting, flushing, flow tests, maintenance and documentation. The Board will get more info from the utilities and have further future discussion on this.

ITEM 6813

Open: Lehner presented the Colordash 5K run bill stuffer for the Watertown Police Department. He also reminded the Board members that the cancellation deadline for the Laramie River Station and Grayrocks Dam & Reservoir Tour is July 31st. An invitation was made to the Board to attend the Missouri River Energy Services Leadership Academy on Oct. 5 & 6.

ITEM 6814

New Business: City Council Liaison Vilhauer asked Lehner if he had any comments on the weir situation. Lehner said that the Watertown Municipal Utilities was put in charge of the weir because we are a non-political entity. There is lots of controversy whenever the weir is opened or shut.

There are two weir's and one is compromised. The gate we operate by Lunkers has nothing to do with the lake level. The breach around the second weir has to be fixed by the city. The Utilities get their instructions from DENR State Water board. If we don't follow their strict instructions we would be in violation of our permit. Vilhauer mentioned that the city is getting engineering estimates for closing up that breach. So things have been set in motion.

ITEM 6815

Chambers presented the Report on Operations and Projects: Electric Department, Projects Completed This Month: Switched out Ethanol Plant and transferred load to new 1000 MCM primary underground that was relocated for their rail loop, Energized 2 transformers at new softball complex. Projects in Progress: Working on a plan to relocate poles for GLE rail loop, Installing primary to new addition in Eastwood's. Projects Starting Next Month: Key Construction will be installing new overhead lines and removing existing line for the Ethanol Plant rail loop. Gas Department, Projects Completed this Month: Installed or removed 78 meter sets, Relocated 600' of 4" steel main for the new movie theater and Installed 1100' of 2" main on 460th Ave. Water Department, Projects Completed this Month: 2 hydrant maintenance, 6 main shut downs, 2 new taps, 2 replacement taps, Exercised and left open the Lake Kampeska weir gates. The lake level reached 30 inches below full. Projects in Progress: HWY 81 main replacement, Replacement taps for the HWY 81 project. Engineering Tech Department, Projects Completed this Month: 279 One-Call locates July 1st - 20th, 548 One-Call locates total June, 425 One-Call locates in August.

ITEM 6816

Karst presented the report on Administration and Financial Statements: Purchasing, Accounting and Facilities, Projects Completed This Month: Had a progress report from AE2S on WMU water study and they are on target for the study to be complete for the Sept. 26th board meeting, Warehouse addition update, Underground and underfloor plumbing is complete for both truck wash and the warehouse addition, The concrete block firewall new addition and existing warehouse is complete, Preparing the subgrade and to start pouring the concrete floors, Project is on schedule, Consultant working on Financial Reserve Study with a planned completion for presentation at the August 29th board meeting. Customer Service, Projects Completed this Month: 13,547 payments collected for a total of \$3,919,281 total of 53,307 services billed for a total of \$4,070,937. Human Resources/Risk Management, Completed South Dakota Public Assurance Alliance annual insurance renewal. The 2016-2017 total premium, which is for General Liability, Auto, Property and Equipment Breakdown, is shared with the City and increased approximately 4%, however WMU's portion of this premium, increased 28%, from approximately \$161,000 to \$204,862.80. We are continuing to research why WMU's share of the premium increased by such a large amount and will be working with SDPAA and the City to evaluate the current and future allocation method used. 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 \$114,389 over budget compared to the budget for the six months ending June 30th, 2016. Total Capital Additions are \$1,206,208 under budget for the six months ending June 30th, 2016.

ITEM 6817

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 July 31st, 2016 Plus ACH Payroll Payments \$481,821.15.

Name	Payable Description	Payment Amount
August 1, 2016		
ABC EMBROIDERY	SERVICE	\$94.75
ABC LOCK & KEY	SERVICE	\$718.64
ACTIVE HEATING INC	ENERGY INCENTIVE PROGRAM	\$100.00
ADV. ENGINEERING & ENVIRONMENTAL SERVICES	FIELD TESTING & MODEL CALIBRATION	\$25,289.80
AFLAC	CANCER PT	\$2,134.88
A-OX WELDING SUPPLY INC	CYLINDER RENTAL	\$18.66
ARROW EDUCATION FOUNDATION OFFICE	CONTRIBUTION	\$1,000.00
BORDER STATES ELECTRIC SUPPLY	SUPPLIES	\$15,031.34
BORNS GROUP	POSTAGE & MAILING	\$7,721.40
BROWN, GINA L	REIMBURSEMENT EXPENSES	\$177.16
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWORK USAGE	\$63.71
BURY PLUMBING	SERVICE	\$105.77
BUSINESS TELEPHONE CO INC	SERVICE	\$260.49
BYER, NICHOLE A	CREDIT REFUND	\$856.72
C & S PEST CONTROL LLC	SERVICE	\$75.00
CENTURY LINK	CELL PHONE SERVICE	\$621.44
CERTIFIED LABORATORIES	SUPPLIES	\$189.75
CHAMBERS, TODD	REIMBURSEMENT EXPENSES	\$1,190.38
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$2,187.06
CHILD SUPPORT PAYMENT CENTER	Child Support - Case # 322244010A	\$1,931.00
CODINGTON COUNTY REGISTER OF DEEDS	EASEMENT	\$78.00
CODINGTON-CLARK ELECTRIC COOPERATIVE INC	WELLFIELD ELECTRIC SERVICE	\$5,390.86
COMPASS MINERALS	BULK SALT	\$4,681.60
CONSULTING ENGINEERS GROUP INC	TRANSFORMER CHANGE	\$1,134.73
CREDIT COLLECTIONS BUREAU	COLLECTIONS	\$177.98
CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$32.84
CRESTONE BUILDERS INC	SERVICE	\$5,558.10
DAKOTA DATA SHRED	SHREDDING SERVICE	\$106.77
DE VILLE, JEFF	REIMBURSEMENT EXPENSES	\$1,816.46
DEPARTMENT OF REVENUE	WATER SAMPLES	\$696.00
DSG DAKOTA SUPPLY GROUP	WATER METERS AS PER BID	\$39,809.77
EACHEN INC	SERVICE	\$1,581.32
EDGEWOOD PRAIRIE CROSSINGS	CREDIT REFUND	\$31,344.17
EFRAMSON ELECTRIC INC	SERVICE	\$42,598.32
ENGELSTAD ELECTRIC COMPANY	SERVICE	\$2,938.78
ETHANOL PRODUCTS LLC	SUPPLIES	\$3,724.99
FARNAMS GENUINE PARTS	SUPPLIES	\$532.90
FARWEST LINE SPECIALTIES, LLC	SUPPLIES	\$660.50
FASTENAL COMPANY	SUPPLIES	\$401.58
FIRST BANK & TRUST	CREDIT REFUND	\$171.38
FORMAN, CHRIS	REIMBURSEMENT EXPENSES	\$32.22
GCR TIRE CENTER	SUPPLIES	\$1,163.52
GRAINGER	SUPPLIES	\$237.00
GRAY CONSTRUCTION CO INC	WAREHOUSE ADDITION	\$338,274.90
GRAYBAR ELECTRIC CO INC	SUPPLIES	\$1,213.36
GREAT WESTERN BANK	TASC MED	\$6,481.09
HANISCH, KYLIE M	CREDIT REFUND	\$186.48
HANSEN, BRENT	REIMBURSEMENT EXPENSES	\$1,175.27
HAWKINS, INC.	SUPPLIES	\$357.23
HIGHLINE CONSTRUCTION INC.	POLE REPLACEMENT	\$18,216.00
HIGHWAY 81 LIQUOR	ENERGY INCENTIVE PROGRAM	\$261.30
HIGHWAY 81 WELDING	SUPPLIES	\$61.27
HURKES IMPLEMENT CO	SUPPLIES	\$700.00
IBEW LOCAL 426	UNION DUES	\$3,160.00
J H LARSON COMPANY	SUPPLIES	\$2,784.34
JENSEN, BRINN L	CREDIT REFUND	\$261.41
KARST, ADAM	REIMBURSEMENT EXPENSES	\$219.00
KRAEMER, DAN	REIMBURSEMENT EXPENSES	\$725.43
LAKE AREA DOOR INC	SERVICE	\$383.12
LAMB, WILLARD L	CREDIT REFUND	\$588.38

LEE'S STUMP REMOVAL	SERVICE	\$1,510.00
LEHNER, STEVE	REIMBURSEMENT EXPENSES	\$633.48
LOCATORS & SUPPLIES INC	SUPPLIES	\$1,235.05
LUKEN, MIKE	REIMBURSEMENT EXPENSES	\$1,000.00
M & T FIRE & SAFETY INC	SUPPLIES	\$138.00
MAC'S INC	SUPPLIES	\$644.83
MAHOWALD'S HARDWARE & RENTAL	SUPPLIES	\$39.76
MARCO INC	COPIER PRINTS	\$277.99
MARSHALL MUNICIPAL UTILITIES	SHARED DISASTER RECOVERY ASSESS.	\$1,306.33
MC LAUGHLIN, MARK	REIMBURSEMENT EXPENSES	\$897.50
MENARDS INC	SUPPLIES	\$1,609.36
MET LIFE	LIFE INSURANCE	\$1,226.91
MIDCONTINENT COMMUNICATIONS	INTERNET SERVICE	\$105.00
MIGHTY THOMAS CARNIVAL	CREDIT REFUND	\$69.56
MILBANK WINWATER WORKS	SUPPLIES	\$927.69
MILLER, KATHY	CREDIT REFUND	\$358.77
MINNESOTA MUNICIPAL UTILITIES ASSN	2016 3RD QTR SAFETY MGMT PROGRAM	\$7,050.00
MUELLER CO	SUPPLIES	\$3,129.70
MUNICIPAL UTILITIES - PC	PETTY CASH	\$674.46
MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND #9276-2	\$534.37
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCOUNTS	\$14,855.97
NATIONSTAR MORTGAGE	CREDIT REFUND	\$224.07
NEW PIG CORP	SUPPLIES	\$97.47
NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$1,632.78
NORTHWESTERN ENERGY	SERVICE RIGHTS	\$2,718.61
OFFICE PEEPS	SUPPLIES	\$336.26
O'REILLY AUTOMOTIVE INC	SUPPLIES	\$168.68
PETE LIEN & SONS	BULK LIME	\$30,600.80
PHEASANTLAND INDUSTRIES	SUPPLIES	\$1,165.41
PRINCIPAL FINANCIAL GROUP	DENTAL INSURANCE	\$877.05
REALTY INCOME CORP	CREDIT REFUND	\$2,929.26
REEDE CONSTRUCTION INC.	MAIN REPLACEMENT	\$98,843.31
REICHLING, JOHN JR	CREDIT REFUND	\$234.63
RESCO	SUPPLIES	\$5,482.30
RON'S SAW SHOP	SUPPLIES	\$121.65
ROTH, KEENAN M	REIMBURSEMENT EXPENSES	\$322.60
RUFFENACH, SHANE A	CREDIT REFUND	\$200.00
RUNNING'S SUPPLY INC	SUPPLIES	\$221.70
SANFORD HEALTH OCCUP. MEDICINE CLINIC	SCREENS	\$218.00
SANMIGUEL, EZEKIEL	CREDIT REFUND	\$327.56
SCHAEFFER MFG CO	SUPPLIES	\$507.48
SCHMIDT, RICHARD	REIMBURSEMENT EXPENSES	\$117.18
SCOTT ENGINEERING CO	WATER MAIN PROJECT	\$1,970.00
SD ONE CALL	LOCATES	\$607.95
SD PUBLIC ASSURANCE ALLIANCE	2016 GENERAL LIABILITY PREMIUM	\$204,862.80
SDSU FOUNDATION ACCT #70507	CENTER FOR POWER SYSTEMS STUDIES	\$350.00
SEARS HOLDINGS MANAGEMENT CORP	CREDIT REFUND	\$2,009.56
SERVICEMASTER	JANITORIAL SERVICE	\$3,600.00
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$5,908.62
SNYDER, STEPHEN E	CREDIT REFUND	\$734.53
SPECSYS INC	CREDIT REFUND	\$30,000.00
SPIES CORPORATION	ENERGY INCENTIVE REBATE	\$5,000.00
STAN HOUSTON EQUIP CO	SUPPLIES	\$206.60
STAR LAUNDRY INC	SUPPLIES	\$374.59
STUART C IRBY CO	SUPPLIES	\$584.98
STURDEVANTS AUTO PARTS	SUPPLIES	\$215.21
TAC SERVICES LLC	LAWN SERVICE	\$1,470.00
THOMPSON MECHANICAL INC	SERVICE	\$285.60
TITAN MACHINERY- WTN	SUPPLIES	\$999.78
TRAV'S OUTFITTER	SUPPLIES	\$720.00
TYNDALE COMPANY INC	SUPPLIES	\$183.00
UPS	SUPPLIES	\$15.21
USA BLUE BOOK	SUPPLIES	\$491.34
UTILITIES PLUS ENERGY SERVICES INC	SERVICE	\$12,495.00
VERIFIED CREDENTIALS	SERVICE	\$106.50
VISION SERVICE PLAN (VSP) (CA)	VISION INSURANCE	\$435.29
WALMART COMMUNITY	SUPPLIES	\$171.70
WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVEL. EXPENSE	\$8,690.00
WATERTOWN PUBLIC OPINION	PUBLISHINGS	\$475.51
WATERTOWN UNITED WAY	United Way	\$383.50
WATERTOWN WHOLESALE	SUPPLIES	\$381.98
WEISMANTEL RENT-ALL	RENTAL	\$750.00
WESCO DISTRIBUTION INC	SUPPLIES	\$2,131.00
WHEEL INN	MEALS	\$23.85
WILTECH INC	SERVICE	\$2,085.46
	TOTAL	\$1,053,977.41

Total July 2016 1,053,977.41; Transfer to City's General Fund 99,865, Qtrly First Nat'l Bank - SF 413,660.20, Muni Utilities Electric Water Gas 51,183.51; Northern Natural Gas 2,273.20; Missouri River Energy Services Power 2,261,787.60; BP Canada Energy Marketing Natural Gas 9,631.89; Dept. of Revenue Sales/Excise Tax 176,645.92; CPEP Natural Gas 5,618.25, City Finance Office Garbage Sewer 402,176.83.

ITEM 6818

Wight turned the meeting over to General Manager Steve Lehner and Lehner noted that Greg Solum 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 Ernie Wight.

Motion by Strait with second by Padgett to approve the resolution for Ernie Wight. Motion carried.

RESOLUTION OF APPRECIATION FOR
Ernie Wight
WATERTOWN MUNUCIPAL UTILITY BOARD
JULY 2011 TO JULY 2016

WHEREAS, Ernie Wight was first appointed in July, 2011 to the Watertown Municipal Utilities Board by the Mayor and City Council of the City of Watertown, South Dakota, and

WHEREAS, Ernie Wight 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, Ernie Wight 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, therefore

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 Ernie Wight 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 Ernie Wight'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 25th day of July 2016.

ITEM 6819

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

Board President Strait appointed the committees, they are as follows:

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

ITEM 6820

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.

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

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 July, 2016

ATTEST: _____

Lisa Pahl
Executive Secretary
Municipal Utilities Board

David Strait
Board President
Municipal Utilities Department