

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday, August 29th, 2016

The Municipal Utilities Board convened in regular session at the Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday, August 29th, 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, Doug Enstad, Mark Meier, Mark Haider, Kevin Kruiter, Sheila Mennenga, Stephanie Ries, Justin Goetz and Lisa Pahl. Press Don Eggert, KXLG radio.

ITEM 6821

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

ITEM 6822

Motion by Luken with second by Padgett to approve Minutes of regular meeting on July 25th, 2016. Motion carried.

ITEM 6823

Utility Financial Solutions, LLC from Leland, MI presented three separate reports, Electric Cash Reserve Policy, Water Cash Reserve Policy and Natural Gas Reserve Policy. The purpose of the studies and reports from Utility Financial Solutions, LLC were to identify major risk categories for each utility service, establish a risk factor for each exposure and determine and recommend a minimum cash reserve methodology for each department. The Board and staff discussed that the next steps should be to incorporate the recommendations into next year's budget and financial planning for the future.

ITEM 6824

Open: Karst provided an update on the Missouri River Energy Services organized tour of the Laramie River Station and Gray Rocks Dam and Reservoir near Wheatland, WY and the Dry Fork Coal Mine Tour near Gillette, WY. Karst, Schmidt and Board Members Holley and Solum attended the tour. Karst shared pictures that he took during the tour and shared some of the discussion topics that were related to issues facing coal fired power plants. Missouri River Energy Services owns 16.47% of the Laramie River Station and that Watertown receives about one third of its power from this coal fired power plant. Lehner added to the discussion that the additional regulations and rules by the U.S. Environmental Protection Agency on existing coal-fired plants are causing and will continue to cause significant increases to Missouri River Energy Services and its member communities.

ITEM 6825

Chambers presented the Report on Operations and Projects: Electric Department, Projects Completed This Month: Removed Tarbell Hall 4KV switching building not needed after uptown alley project was complete, Installed Primary to Hobby Lobby, Hometown Ready Built Home lot and Stone's Truck Stop who upgraded existing primary, Repaired hit pole by Spies Corporation building outage caused by this was larger than what would have been on this circuit because some lines that were out of service for GLE rail loop, Pole replacement took over 7 hours using 10 lineman. Projects Starting 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 86 meter sets, installed 7 new house service lines (2 over a 1000') and Dug up and raised the emergency valve on 19th St & 14th Ave NE. Water Department, Projects Completed this Month: 4 hydrant maintenance, 8 main shut downs, 10 new taps, 8 replacement taps, Drained the north lake tower so it could be painted. The tower has been painted on the interior and the exterior. It has been put back into service, Drained the 14th Ave tower and the exterior has been power washed, Mark McLaughlin attended a distribution school in Watertown and wrote and passed the class 3 certification. Projects in Progress: the 14th Ave tower will have the interior dry portion sand blasted and painted and the interior of the tank will be washed out. Engineering Tech Department, Projects Completed this Month: 401 One-Call locates August 1st - 25th, 398 One-Call locates total July, 2016, 8 emergency locates (4 private contractor & 4 WMU). Next Month: 450 One-Call locates in September.

ITEM 6826

Karst presented the report on Administration and Financial Statements: Purchasing, Accounting and Facilities, Projects Completed This Month: Financial Reserve Study was reviewed and is to be presented to Board. Warehouse Addition Update: Concrete floors for the truck wash and the warehouse addition are complete, The steel structure for the walls and roof is complete for the warehouse addition, Removing bad subgrade material for parking lot and adding the good material is in process, The block for the truck wash walls have been laid, Continue to work with the consultant on the Water Rate Study, we are still on schedule with a planned presentation at the September 26th board meeting. Customer Service, Projects Completed this Month: 13,760 payments collected for a total of \$4,078,883 total of 53,077 services billed for a total of \$4,366,827. Human Resources/Risk Management, Continue to evaluate the South Dakota Public Alliance annual insurance renewal, gathering information from SDPAA to help us understand the premium increase, researching other ways to split the general liability premium with the city (i.e. by claims history, number of employees, etc.), Will continue to work with SDPAA and city hall to review the current allocation. 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 \$591,877 over budget compared to

the budget for the seven months ending July 31st, 2016. Total Capital Additions are \$1,132,128 under budget for the seven months ending July 31st, 2016.

ITEM 6827

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 August 31st, 2016 Plus ACH Payroll Payments \$477,056.20.

Name	Payable Description	Payment Amount
Sept. 1, 2016		
#1 WELDING PORTABLE WELDING & FAB.	SUPPLIES	\$50.00
AASON ENGINEERING CO INC	WAREHOUSE ADDITION	\$6,621.00
ACTIVE HEATING INC	ENERGY INCENTIVE REBATE	\$500.00
ADVANCED ENGINEER. & ENVIRON. SERV.	FIELD TESTING & MODEL CALIBRATION	\$24,088.10
AFLAC	CANCER PT	\$2,134.88
ANDOR INC	SUPPLIES	\$257.93
A-OX WELDING SUPPLY INC	SUPPLIES	\$657.58
AQUA-PURE INC	SUPPLIES	\$5,475.00
BENDIX IMAGING INC	SUPPLIES	\$313.96
BORDER STATES ELECTRIC SUPPLY	SUPPLIES	\$31,782.17
BORNS GROUP	POSTAGE & MAILING	\$7,719.10
BRIAN'S GLASS & DOOR INC	SUPPLIES	\$120.00
BROWN, GINA L	REIMBURSEMENT EXPENSES	\$55.86
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWORK USAGE	\$46.36
BURNS, JERRY	REIMBURSEMENT EXPENSES	\$54.34
CARQUEST #2197	SUPPLIES	\$50.08
CENTURY LINK	CELL PHONE SERVICE	\$310.72
CHAMBERS, TODD	REIMBURSEMENT EXPENSES	\$373.06
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$582.59
CHILD SUPPORT PAYMENT CENTER	Child Support - Case # 322244010A	\$1,931.00
CODINGTON CTY REGISTER OF DEEDS	EASEMENT	\$36.00
CODINGTON-CLARK ELECTRIC COOP.	WELLFIELD ELECTRIC SERVICE	\$4,567.40
COMPASS MINERALS	BULK SALT	\$9,467.70
CREATIVE REWARDS	PLAQUE	\$90.00
CREDIT COLLECTIONS BUREAU	COLLECTIONS #25245 4/25244 4	\$348.55
CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$1,312.13
DAKOTA DATA SHRED	SHREDDING SERVICE	\$63.25
DE NORA WATER TECHNOLOGIES	SUPPLIES	\$5,814.24
DEPARTMENT OF REVENUE	WATER SAMPLES	\$1,017.00
DESIGN SOLUTIONS & INTEGRATION	SUPPLIES	\$2,206.83
DIAMOND VOGEL PAINT CENTER	SUPPLIES	\$82.96
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$4,978.16
DUININCK INC	GRAVEL,ROCK,DIRT	\$1,943.24
EAST RIVER ELEC POWER COOP	POLE REPLACEMENT	\$9,076.41
EDGEN MURRAY CORPORATION	GAS PIPE	\$6,592.95
EFRAIMSON ELECTRIC INC	SERVICE	\$24,445.50
ENERGY LABORATORIES INC	WATER TESTS	\$1,240.00
ENGELSTAD ELECTRIC COMPANY	SERVICE	\$61.22
ETHANOL PRODUCTS LLC	BULK CO2	\$1,827.06
FARNAMS GENUINE PARTS	SUPPLIES	\$1,464.56
FASTENAL COMPANY	SUPPLIES	\$109.42
FORMAN, CHRIS	REIMBURSEMENT EXPENSES	\$967.78
GLASS PRODUCTS INC	SUPPLIES	\$158.87
GRAINGER	SUPPLIES	\$116.10
GRAY CONSTRUCTION CO INC	WAREHOUSE ADDITION	\$88,791.30
GREAT WESTERN BANK	TASC MED	\$6,481.09

GROEBNER	SUPPLIES	\$963.52
HAIDER, MARK	REIMBURSEMENT EXPENSES	\$1,149.20
HANSEN, BRENT	REIMBURSEMENT EXPENSES	\$1,175.27
HAWKINS, INC.	SUPPLIES	\$3,146.25
HD SUPPLY WATERWORKS, LTD	SUPPLIES	\$1,861.58
HEIG, H G	REIMBURSEMENT EXPENSES	\$77.79
HENRY'S WATERWORKS INC	SUPPLIES	\$1,518.40
HM CRAGG	SUPPLIES	\$4,620.00
IBEW LOCAL 426	UNION DUES	\$3,160.00
IDEAL ENERGY, LLC	ENERGY INCENTIVE REBATE	\$10,985.00
INGERSOLL RAND COMPANY	SUPPLIES	\$629.82
INTERSTATE ALL BATTERY CENTER	SUPPLIES	\$407.15
J H LARSON COMPANY	SUPPLIES	\$1,480.49
KARST, ADAM	REIMBURSEMENT EXPENSES	\$1,627.20
KLUTE INC.	SUPPLIES	\$871.35
KUNKEL, DEANNA	REIMBURSEMENT EXPENSES	\$125.99
LAKE AREA DOOR INC	SERVICE	\$3,216.03
LAKE CITY FIRE EQUIPMENT LLC	MAINTENANCE	\$655.97
LEHNER, STEVE	REIMBURSEMENT EXPENSES	\$263.40
LIFT PRO EQUIP CO	SUPPLIES	\$125.34
LL & SONS EXCAVATING INC	SERVICE	\$2,969.39
LOCATORS & SUPPLIES INC	SUPPLIES	\$238.07
LUKONEN'S TOOL SERVICE INC	SUPPLIES	\$273.75
LYLE SIGNS INC	SUPPLIES	\$333.81
M & T FIRE & SAFETY INC	SUPPLIES	\$182.00
M E BARBER CO INC	SUPPLIES	\$251.78
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$330.30
MAC'S INC	SUPPLIES	\$237.88
MAHOWALD'S HARDWARE & RENTAL	SUPPLIES	\$45.42
MARCO INC	COPIER PRINTS	\$292.51
MC KEEVER INC	SUPPLIES	\$354.23
MC LAUGHLIN, MARK	REIMBURSEMENT EXPENSES	\$38.61
MEL DAHLE TIRE CO	SUPPLIES	\$62.00
MENARDS INC	SUPPLIES	\$983.54
MESA PRODUCTS INC	SUPPLIES	\$1,900.17
MET LIFE	LIFE INSURANCE	\$1,226.91
MIDCONTINENT COMMUNICATIONS	INTERNET SERVICE	\$105.00
MILBANK WINWATER WORKS	SUPPLIES	\$899.53
MISSOURI RIVER ENERGY SERVICES	REGISTRATION	\$175.00
MISSOURI RIVER ENERGY SERVICES	TESTING	\$486.50
MUELLER CO	SUPPLIES	\$4,973.56
MUNICIPAL UTILITIES - PC	PETTY CASH	\$375.14
MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND #710-5	\$1,054.53
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCOUNTS	\$8,200.17
NEW PIG CORP	SUPPLIES	\$88.38
NORTHERN TRUCK EQUIP CORP	SUPPLIES	\$221.22
NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$6,383.00
NOVA FIRE PROTECTION INC	SERVICE	\$150.00
OFFICE PEEPS	SUPPLIES	\$347.96
PETE LIEN & SONS	BULK LIME	\$28,289.50
PETERSON, TRAVIS	REIMBURSEMENT EXPENSES	\$2,353.78
PIPELINE ASSN FOR PUBLIC AWARENESS	CONFERENCE	\$60.00
PRAXAIR DISTRIBUTION INC	CYLINDER RENTAL	\$280.92
PRINCIPAL FINANCIAL GROUP	DENTAL INSURANCE	\$877.05
PRINT 'EM NOW INC	SUPPLIES	\$137.00
PRO LINE INC	SUPPLIES	\$23.88
REDLINGER BROS PLUMBING & HEATING	SERVICE	\$1,331.76
REEDE CONSTRUCTION INC.	HWY 81 MAIN REPLACEMENT	\$87,011.48
RESCO	SUPPLIES	\$6,003.20
RONKE, SHANE	REIMBURSEMENT EXPENSES	\$203.42

RON'S SAW SHOP	SUPPLIES	\$79.95
ROTH, KEENAN M	REIMBURSEMENT EXPENSES	\$378.50
RUNNING'S SUPPLY INC	SUPPLIES	\$1,051.59
SCHMIDT, RICHARD	REIMBURSEMENT EXPENSES	\$188.00
SCHUCHARD'S WESTSIDE GMC	SUPPLIES	\$1,687.50
SD ONE CALL	LOCATES	\$444.15
SDWWA	REGISTRATION	\$360.00
SECOND STREET STATION	ENERGY INCENTIVE REBATE	\$1,656.00
SENSIT TECHNOLOGIES INC	SUPPLIES	\$370.01
SERVICEMASTER	JANITORIAL SERVICE	\$3,600.00
SHOPKO	ENERGY INCENTIVE REBATE	\$3,466.00
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$5,859.82
SIOUX VALLEY GREENHOUSES	SERVICE	\$1,160.00
SPX COMPONENTS GROUP	SUPPLIES	\$589.77
STAN HOUSTON EQUIP CO	SUPPLIES	\$120.00
STAR LAUNDRY INC	SUPPLIES	\$444.78
STEVE'S WORLD	SUPPLIES	\$56.25
STUART C IRBY CO	SUPPLIES	\$3,484.26
STURDEVANTS AUTO PARTS	SUPPLIES	\$391.83
STURDEVANT'S DELIVERY	SHIPPING	\$25.00
T & R ELECTRIC SUPPLY COMPANY INC	SUPPLIES	\$5,909.00
TAC SERVICES LLC	LAWN SERVICE	\$1,275.00
TEREX SERVICES	SUPPLIES	\$726.67
TITAN MACHINERY- WTN	SUPPLIES	\$2,308.62
TITAN MACHINERY-SF	SUPPLIES	\$1,313.54
TOOL TIME RENTAL	RENTAL	\$50.00
TOOLING SOLUTIONS WORLDWIDE INC.	DEPOSIT REFUND	\$4,000.00
UPS	SHIPPING	\$518.90
US PLASTICS CORP	SUPPLIES	\$46.94
USA BLUE BOOK	SUPPLIES	\$4,099.38
VISION SERVICE PLAN (VSP) (CA)	VISION INSURANCE	\$435.29
WALMART COMMUNITY	SUPPLIES	\$268.82
WATERTOWN CO-OP ELEVATOR ASSN	SUPPLIES	\$302.60
WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN PUBLIC OPINION	PUBLISHINGS	\$402.31
WATERTOWN UNITED WAY	United Way	\$383.50
WATERTOWN WHOLESALE	SUPPLIES	\$168.45
WEISMANTEL RENT-ALL	RENTAL	\$675.00
WESCO DISTRIBUTION INC	SUPPLIES	\$5,381.05
WHEEL INN	MEALS	\$21.42
WILTECH INC	SERVICE	\$2,721.94
WINSUPPLY OF WATERTOWN	SUPPLIES	\$114.51
WW TIRE SERVICE INC	SERVICE	\$535.00

\$519,956.90

Total August 2016 519,956.90; Transfer to City's General Fund 99,865, Muni Utilities Electric Water Gas 77,188.36; Northern Natural Gas 2,273.20; Missouri River Energy Services Power 2,283,392.28; BP Canada Energy Marketing Natural Gas 95,834.95; Dept. of Revenue Sales/Excise Tax 182,602.54; CPEP Natural Gas 8,264.29, City Finance Office Garbage Sewer 415,540.68.

ITEM 6828

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 29th day of August, 2016

ATTEST: _____

Lisa Pahl
Executive Secretary
Municipal Utilities Board

Dave Strait
Board President
Municipal Utilities Department