

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday, February 29TH, 2016

The Municipal Utilities Board convened in regular session at the Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday, February 29th, 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. Press Wayne Hammond, Public Opinion Newspaper, Guests Lisa Carrico, Carrico law Prof. LLC and Nichole Grasma, Utility Service Group.

ITEM 6747

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

ITEM 6748

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

ITEM 6749

Motion by Luken second by Padgett for approval for General Manager to sign Appendix E - Certification of Compliance with Rate Covenant. Motion carried.

ITEM 6750

Motion by Luken second by Holley for approval for General Manager to sign six contracts with Utility Services for water tower maintenance for a total of \$231,327.00. Motion carried.

ITEM 6751

Motion by Padgett second by Holley for approval for General Manager to sign Distribution Model Calibration Agreement with Advanced Engineering and Environmental Service Inc. in the amount of \$46,000.00. Motion carried.

ITEM 6752

This being the time and place set for consideration of bids, the following were presented. Bids for Dump Truck, Lime Sludge Removal, Installation of URD Primary and Secondary and Installation of Electric Services. The bids were opened Thursday, February 25th, 2016 at 1:30 PM by Municipal Utilities Department Staff as authorized by the Board.

DUMP TRUCK: Six bids were received. The Watertown Municipal Utilities received lower bids from Istate Truck of Sioux Falls, SD, Kenworth of Sioux Falls, SD,

Boyer Trucks of Sioux Falls, SD and Fargo Freightliner of Fargo, ND but the Hydraulic Cylinder Lifts for the dump bodies did not meet specifications. The Utilities opted not to award the alternate bid for analysis software of engine. So upon review and recommendation by Chambers, motion by Luken with second by Holley to award bid to next lowest valid bidder Sioux Falls Trailer Sales for a total of \$115,486.00. Motion carried.

LIME SLUDGE REMOVAL: Two bids were received and upon review and recommendation by Chambers, motion by Luken with second by Holley to award bid to low valid bidder, Gacke Enterprises, Canton, SD awarded on price per yard of \$6.20. Motion carried.

INSTALLATION OF URD PRIMARY AND SECONDARY: Two bids were received and upon review and recommendation by Chambers, motion by Padgett with second by Holley to award bid to low valid bidder, Efraimson, Bryant, SD awarded on total bid price of \$339,950.00. Motion carried.

INSTALLATION OF ELECTRIC SERVICES: Two bids were received and upon review and recommendation by Chambers, motion by Padgett with second by Holley to award bid to low valid bidder, Dakota Underground, Baltic, SD awarded on total bid price of \$48,200.00. Motion carried.

ITEM 6753

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

ITEM 6754

Open: Karst presented the bill stuffer, Utility Rate Comparison, which shows Watertown ranking in the bottom third, 23% below the average for Eastern South Dakota. Lehner presented the bill stuffer for the Watertown School District's Kindergarten/Preschool Screening. Also, Lehner invited the Board to the Bisco Luncheon on March 9th.

ITEM 6755

Old Business: Lehner asked the Board to look over some added changes to the Employee Personnel Manual and General Policies. He will ask for Board approval at next month's Board meeting.

ITEM 6756

Chambers presented the Report on Operations and Projects: Electric Department, Projects Completed This Month: Delivery of new boom truck from Terex, Installed LED lighting on 11th St NE from 1st Ave North to Hwy 212. Projects in Progress: Working on a plan to relocate poles for GLE rail loop. Projects Starting Next Month: Pre-construction meeting with wire installation and service installation contractors. Gas Department, Projects Completed this Month: Annual maintenance on TBS regulators is completed as required by the code, Relief valve testing and maintenance is completed as required. Projects in Progress: Business leak survey. Water Department,

Projects Completed this Month: 1 main break, 1 hydrant maintenance that was hit by a car. Projects in Progress: Installing flow correction piping on side #1 filters. Engineering Tech Department, Projects Completed this Month: 18 One-Call locates Feb. 1st - Feb. 25th, 2016, 13 One-Call locates total January, 2016, 5 Emergency Locates (3 private contractor, 2 WMU. Next Month: Average 100 One-Call locates in March.

ITEM 6757

Karst presented the report on Administration and Financial Statements: Purchasing, Accounting and Facilities, Projects Completed This Month: on 2/25/2016 we met with West Plains Engineering, Aason Engineering and Todd Architects for discussion on mechanical, electrical and structural areas for the warehouse addition, Purchased items with long lead times and bid items for 2016 spring projects. Upcoming Projects: William Neale & Co. will be auditing our 2015 year end financials starting February 29th. Customer Service, Projects Completed this Month: 13,410 payments collected for a total of \$4,520,977 total of 52,442 services billed for a total of \$4,953,284. Human Resources/Risk Management, Completed payroll tax filing process with IRS for 2015, Working with the City payroll department to set up the ACA reporting process that is required to submit ACA information to the IRS for 2015, Received final approval from IBEW for 2016-2018 union contract - has been submitted to printer to make booklets for all employees. IT, Current Projects: Offsite backup project - met with Marshall Municipal Utilities staff & consultant. They visited our office for a discussion about sharing space in each of our data rooms to house equipment that would host off-site backups for both utilities. We continue to review the equipment needed, data connection options between the two utilities, and other off-site options.

Statements of Revenue and Expenses and Capital Additions were presented to the Board for review. Year to date net income is \$220,814.00 over budget compared to the budget for the one month ending January 31st, 2016. Total Capital Additions are \$1,359,645 under budget for the one month ending January 31st, 2016.

ITEM 6758

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 February 29th, 2016 Plus ACH Payroll Payments \$406,918.85.

Name	Payable Description	Payment Amount
March 1, 2016		
#1 WELDING PORTABLE WELDING & FABRICATION	SUPPLIES	\$105.00
ABC EMBROIDERY	SERVICE	\$251.60
ADVANCED ENGINEERING & ENVIRONMENTAL SERV.	P00847-2015-002	\$1,713.25
AFLAC	CANCER PT	\$2,105.59
ALPS INC	SUPPLIES	\$421.88
AMERICAN ELECTRIC CONSTRUCTION INC	SUPPLIES	\$67.56
AP & SONS CONSTRUCTION INC	LIME REMOVAL	\$2,924.09
APPLIED INDUSTRIAL TECH INC	SUPPLIES	\$202.16
AQUA-PURE INC	SUPPLIES	\$7,125.00

AUTO BODY SPECIALTIES	SUPPLIES	\$126.24
AUTOMATIC BUILDING CONTROLS	ANNUAL CHECKOUT OF ALARM SYSTEMS	\$759.00
BENDIX IMAGING INC	SUPPLIES	\$248.97
BIG SIOUX WATER FESTIVAL	CONTRIBUTION	\$1,250.00
BISCO	MEMBERSHIP	\$300.00
BORDER STATES ELECTRIC SUPPLY	SUPPLIES	\$27,012.51
BORNS GROUP	POSTAGE & MAILING	\$7,813.94
BRAGE, DOUGLAS J	REIMBURSEMENT EXPENSES	\$97.00
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWORK USAGE	\$77.88
CARTNEY BEARING & SUPPLY	SUPPLIES	\$129.15
CHASE CARDMEMBER SERVICE	PETTY CASH	\$3,632.81
CHILD SUPPORT PAYMENT CENTER	Child Support - Case #247392027A	\$275.00
CODINGTON-CLARK ELECTRIC COOPERATIVE INC	WELLFIELD ELECTRIC SERVICE	\$5,146.48
CONNECTING POINT	COMPUTERS	\$18,334.89
CONSULTING ENGINEERS GROUP INC	SERVICE	\$5,160.45
COWBOY COUNTRY STORE	ENERGY INCENTIVE REBATE	\$2,550.00
CREDIT COLLECTIONS BUREAU	COLLECTIONS CSF 25244/CSF 25245	\$801.54
CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$634.30
DAKOTA DATA SHRED	SHREDDING SERVICE	\$99.43
DEPARTMENT OF REVENUE	WATER SAMPLES	\$957.00
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$5,401.15
EFRAIMSON ELECTRIC INC	3 PHASE-HOSPITAL LOOP	\$5,895.00
ENERGY ECONOMICS INC	METER REPAIR	\$566.49
ENERGY WORLDNET, INC	TRAINING	\$4,245.00
ETHANOL PRODUCTS LLC	BULK CO2	\$722.81
FAMILY WORSHIP CENTER/	ENERGY INCENTIVE REBATE	\$1,260.00
FARNAMS GENUINE PARTS	SUPPLIES	\$821.64
FASTENAL COMPANY	SUPPLIES	\$955.58
GAS PRODUCTS SALES, INC	SUPPLIES	\$3,862.96
GCR TIRE CENTER	SUPPLIES	\$387.44
GEOTEK ENGINEERING & TESTING SERVI	SERVICES	\$2,951.00
GLACIAL LAKES ENERGY LLC	DEPOSIT REFUND #16894-1	\$200,000.00
GLASS PRODUCTS INC	SUPPLIES	\$77.76
GRAINGER	SUPPLIES	\$304.80
GREAT WESTERN BANK	TASC MED	\$6,699.32
GROEBNER	SUPPLIES	\$245.40
GROUND SPECIALTIES INC	SUPPLIES	\$233.00
HACH COMPANY	SUPPLIES	\$502.02
HARRIS COMPUTER SYSTEMS	2016 SOFTWARE MAINTENANCE	\$46,468.63
HAWKINS, INC.	BULK FLOURIDE	\$2,104.70
HEDAHLS AUTO PARTS	SUPPLIES	\$98.80
HELSPER, MC CARTY, MAHLKE & KLEINJAN	SERVICES	\$60.00
IBEW LOCAL 426	UNION DUES	\$3,392.00
INCON	SUPPLIES	\$1,052.80
J H LARSON COMPANY	SUPPLIES	\$1,555.45
JURGENS PRINTING & COPY CENTER INC	SUPPLIES	\$349.00
KLM ENGINEERING, INC	SERVICES	\$2,271.00
LATI FOUNDATION	ANNUAL CONTRIBUTION	\$10,000.00
LEHNER, STEVE	REIMBURSEMENT EXPENSES	\$432.68
LUKONEN'S TOOL SERVICE INC	SUPPLIES	\$203.60
LUNDE, JOHN	REIMBURSEMENT EXPENSES	\$113.25
LYLE SIGNS INC	SUPPLIES	\$433.52
M & T FIRE & SAFETY INC	SUPPLIES	\$114.00
M CHEMICAL COMPANY INC	SUPPLIES	\$20,800.00
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$22.83
MAC'S INC	SUPPLIES	\$172.63
MAHOWALD'S HARDWARE & RENTAL	SUPPLIES	\$128.63
MARCO INC	MAINTENANCE AGREEMENT	\$301.03
MATHISON COMPANY	SUPPLIES	\$964.90
MC KEEVER INC	SUPPLIES	\$545.82
MENARDS INC	SUPPLIES	\$2,001.53
MET LIFE	LIFE INSURANCE	\$1,223.09
MIDCONTINENT COMMUNICATIONS	INTERNET SERVICE	\$105.00
MILBANK COMMUNICATIONS INC	SUPPLIES	\$224.66

MILBANK WINWATER WORKS	SUPPLIES	\$4,990.16
MUELLER CO	SUPPLIES	\$221.30
MUNICIPAL UTILITIES - PC	PETTY CASH	\$1,181.46
MUNICIPAL UTILITIES CREDIT CARD FU	REIMBURSE CC FUND FOR MTHLY FEES	\$71.40
MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND #14469-4	\$1,506.52
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCOUNTS	\$7,423.20
NEW YORK LIFE INS.	LIFE INSURANCE	\$106.00
NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$2,611.13
NOVASPECT, INC.	SUPPLIES	\$605.47
OFFICE PEEPS	SUPPLIES	\$1,554.05
PETE LIEN & SONS	BULK LIME	\$11,723.61
PRAXAIR DISTRIBUTION INC	CYLINDER RENTAL	\$138.58
PRINCIPAL FINANCIAL GROUP	DENTAL INSURANCE	\$851.56
PRINT 'EM NOW INC	SUPPLIES	\$60.00
REDLINGER BROS PLUMBING & HEATING	SERVICE	\$2,498.82
RESCO	SUPPLIES	\$8,442.00
RITALKA - SPEC SYS	ENERGY INCENTIVE REBATE	\$7,000.00
RON'S SAW SHOP	SUPPLIES	\$124.94
RUNNING'S SUPPLY INC	SUPPLIES	\$845.50
SD ONE CALL	LOCATES	\$13.65
SD PUBLIC ASSURANCE ALLIANCE	INS PREM FOR NEW BOOM TRUCK	\$696.00
SD RETIREMENT SYSTEM	ADDITIONAL CONTRIBUTIONS	\$2,979.85
SDWWA	SEMINAR REGISTRATION	\$285.00
SERVICEMASTER	JANITORIAL SERVICE	\$3,600.00
SHERMAN CANVAS	SUPPLIES	\$201.00
SHERWIN WILLIAMS CO	SUPPLIES	\$36.99
SIGN PRO	SUPPLIES	\$311.40
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$2,800.71
SOLUS LED	ENERGY INCENTIVE REBATE	\$7,695.00
SOUTH DAKOTA SHRM	REGISTRATION	\$209.00
SPIES CORPORATION	ENERGY INCENTIVE REBATE	\$4,284.00
STAR LAUNDRY INC	RUG RENTAL	\$694.32
STEVE'S WORLD	SUPPLIES	\$112.50
STUART C IRBY CO	SUPPLIES	\$2,815.10
STURDEVANTS AUTO PARTS	SUPPLIES	\$92.92
SUPER 8	ENERGY INCENTIVE REBATE	\$4,773.00
TELVENT DTN	SUBSCRIPTION	\$766.38
TEREX SERVICES	SERVICES	\$10,033.17
TEREX UTILITIES INC.	NEW BOOM TRUCK	\$199,142.00
TITAN MACHINERY- WTN	SUPPLIES	\$105.05
TITAN MACHINERY-SF	INSPECTION	\$2,101.47
TODD ARCHITECTS LTD	FEASIBILITY STUDY	\$2,600.00
TRAVELERS INN	ENERGY INCENTIVE REBATE	\$5,001.00
TRAV'S OUTFITTER	SUPPLIES	\$5,274.00
TYLER BUSINESS FORMS	SUPPLIES	\$723.90
TYNDALE COMPANY INC	SUPPLIES	\$120.00
UPS	SHIPPING	\$753.89
UTILITIES PLUS ENERGY SERVICES INC	SERVICE	\$660.00
VESSCO INC	SUPPLIES	\$391.59
VISION SERVICE PLAN (VSP) (CA)	VISION INSURANCE	\$435.29
WALMART COMMUNITY	SUPPLIES	\$175.38
WATERTOWN AREA CHAMBER OF COMMERCE	MEMBERSHIP DUES	\$484.81
WATERTOWN BOX CORP	SUPPLIES	\$70.00
WATERTOWN CROP NUTRIENTS LLC	DEPOSIT REFUND #6508-2	\$3,500.00
WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN FORD CHRYSLER	SUPPLIES	\$270.00
WATERTOWN PUBLIC OPINION	PUBLISHINGS	\$718.24
WATERTOWN PUBLIC OPINION	SUBSCRIPTION #8776	\$139.92
WATERTOWN PUBLIC OPINION	SUBSCRIPTION RENEWAL #69661	\$139.92
WATERTOWN UNITED WAY	United Way	\$383.50
WATERTOWN WINNELSON CO	SUPPLIES	\$854.76
WELLMARK BLUE CROSS/BLUE SHIELD	HEALTH INSURANCE	\$64,677.84
WESCO DISTRIBUTION INC	WIRE AS PER BID	\$45,423.33
WILLIAM E YOUNG CO., INC	SUPPLIES	\$6,032.24

YRC FREIGHT

SHIPPING

\$152.00

Total

\$863,969.46

Total January 2016 863,969.46; Transfer to City's General Fund 99,865, Muni Utilities Electric Water Gas 36,395.48; Northern Natural Gas 6,061.20; Missouri River Energy Services Power 2,048,873.49; BP Canada Energy Marketing Natural Gas 765,339.57; Dept. of Revenue Sales/Excise Tax 221,641.78; CPEP Natural Gas 84,076.65, City Finance Office Garbage Sewer 394,919.24.

ITEM 6759

Pursuant to SDCL 1-25-2(3) Padgett moved with second by Luken 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.

Vice-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 February, 2016

ATTEST: _____

Lisa Pahl
Executive Secretary
Municipal Utilities Board

Dave Strait
Board Vice President
Municipal Utilities Department