

**MINUTES OF MUNICIPAL UTILITIES BOARD MEETING**

**Wednesday, July 27, 2022**

The Municipal Utilities Board convened in regular session at the Watertown Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Wednesday, July 27, 2022, at 12:00 p.m. with President Lisa Carrico presiding.

Board members present: Lisa Carrico, Chris Carter, Dan Brenden and Rich Thomas. Mike Luken Absent. Board Liaison, member of City Council, Mike Danforth absent. Staff members present: Steve Lehner, Wayne Lovelis, Brian Benson, Dan LeVasseur, Mark Meier, Kevin Kruiter, Sheila Mennenga, Gina Brown, Lisa Pahl and Attorney Vince Foley. Adam Karst and Bert Magstadt Via Teams Meeting. Media Steve Jurrens and Jen Pendley, KXLG Radio. Guest Michelle Kakacek, Watertown Development Company.

**ITEM 7721**

Motion by Carter with second by Brenden to approve the agenda. Motion carried.

**ITEM 7722**

Motion by Brenden with second by Thomas to approve minutes of regular Board Meeting held on June 27, 2022. Motion carried.

**ITEM 7723**

Public Comment - None

**ITEM 7724**

This being the time and place set for consideration of bids, the following were presented. Bids for Transformers and Wire. These bids were opened Thursday, July 21, 2022, at 1:30 pm by the Watertown Municipal Utilities Staff as authorized by the Board.

Motion by Thomas with second by Brenden to reject WESCO Distribution bid for Transformers for not meeting specs. Motion carried.

Transformers: Three bids were received and upon review and recommendation by Magstadt, Motion by Carter with second by Brenden to award bid to the top two low valid bidders. Items 1-4 awarded to Dakota Supply Group for a total of \$288,706.44 and Items 1-4 awarded to Irby Utilities for a total of \$378,057.00. Motion carried. Wire was double awarded because of lead times.

Motion by Thomas with second by Brenden to reject WESCO Distribution low bid for Transformers for not meeting specs. Motion carried.

Wire: Five Bids were received and upon review and recommendation by Magstadt, Motion by Carter with second by Thomas to award bid to low valid bidders, Item 1 and Item 2 awarded to WESCO, Sioux City, IA, for a total of \$384,900.00, Item 3 Border States Electric, Sioux Falls, SD for a total of \$59,880.00, Item 4 Graybar Electric, Sioux Falls, SD for a total of \$60,720.00. Motion carried.

#### **ITEM 7725**

Open: a) Lehner extended an invite to the Board to the MRES Municipal Power Leadership Academy on September 21-22, 2022, in Sioux Falls.

#### **ITEM 7726**

Old Business: a) CPEP #5

Magstadt gave an update on the gas prepay. This prepay will have a savings of 9.2 million dollars. 70% of our average gas usage is now under a prepay. One thing we do have to do with this prepay is to line up our own transportation of the supply. Magstadt is working on a ten year agreement with Sequent Energy for transporting volumes to Watertown Municipal Utilities. CPEP #5 is about a 51.4 cent savings and close to 43 cents after the transportation of the supply.

#### **ITEM 7727**

Magstadt presented the Report on Operations and Projects. Electric, Projects completed this Month: Completed the overhead services on 7<sup>th</sup> Ave SW from Oakwood Road to 21<sup>st</sup> St. SW., Dakota Directional installing innerduct, wire and PME basements for LATC conversion project, talks with CEG on doing a load management forecast modeling. Gas, Projects Completed this Month: Cut off 2" and 4" mains abandoned for 212 project 11<sup>th</sup> St. to 13<sup>th</sup> St E, Cut off 1 ¼", 3" and 4" mains abandoned for 212 project 13<sup>th</sup> St. to 17<sup>th</sup> St. E. Water, The South Dakota DENR Public Water System On-site Evaluation inspection. Projects Starting Next Month: Plant chemical trials based on AE2S information on plant optimization. Engineering, Projects in Progress: 645 one-call locates June, 2022, Busy staking projects.

#### **ITEM 7728**

Karst presented the report on Administration and Financial Statements, Purchasing, Accounting and Facilities, Projects in Progress: Working on ordering, receiving and stocking materials, working on FEMA event from the May 12<sup>th</sup> storm. Customer Service: 14,708 payments collected for a total of \$4,573,468 and 56,113 services billed for a total of \$4,578,562, Social Services will be giving 773 customers, who were using the Energy

Assistance program last winter, \$1,025.00 toward their electric bill, Human Resources/Risk Management: Continuing to facilitate and review health insurance renewal options for 2023, HR and the Insurance Committee will meet with the personnel committee in August, will host lunch and learns for retirees to educate them on insurance options. Information Systems: Normal monthly IT maintenance and troubleshooting, busy with cyber security.

Statements of Revenue and Expenses and Capital Additions were presented to the Board for review. Year to date net income is \$105,065 under budget for the six months ending June 30<sup>th</sup>, 2022. Total Capital Additions are \$1,243,379 under budget for the six months ending June 30<sup>th</sup>, 2022.

**ITEM 7729**

Motion made by Carter with second by Brenden to approve the following verified salary claims and bills. Motion carried unanimously upon roll call vote. Total Watertown Municipal Utilities Net Payroll for July 2022 Plus ACH Payroll Payments \$631,918.43. Term: M. Haider effective 6/30/2022, Change: S. Erickson \$37.70/hr. effective 6/21/2022, J. Kudrna \$36.77/hr. effective 7/1/2022, L. Redlin \$26.04/hr. effective 7/18/2022.

Name	Payable Description	Payment Amount
AUGUST 1, 2022		
ABC EMBROIDERY	SERVICE	\$4.95
ABC LOCK & KEY	SUPPLIES	\$722.00
ACTIVE HEATING INC	ENERGY INCENTIVE REBATE	\$500.00
ADVANCED ENGINEERING AND ENVIRONMENTAL SERVICES, LLC	STUDY & REPORT	\$11,234.75
AFLAC	CANCER PT	\$1,662.25
ANDOR INC	GAS METER RELOCATIONS	\$11,180.00
A-OX WELDING SUPPLY INC	CYLINDER RENTAL	\$22.07
AP & SONS CONSTRUCTION INC	SERVICE - HARMONY HILL	\$281,100.00
APPLIED INDUSTRIAL TECH INC	SUPPLIES	\$279.20
AQUA-PURE INC	SODIUM TRIPOLYPHOSPHATE, SUPPLIES	\$5,770.50
ARGUS LEADER MEDIA	SUBSCRIPTION	\$575.04
AUTO BODY SPECIALTIES	SUPPLIES	\$522.42
AUTO VALUE WATERTOWN	SUPPLIES	\$390.74
BITUMINOUS PAVING, INC.	SERVICE	\$1,560.40
BORDER STATES ELECTRIC SUPPLY	GAS PIPE AS PER BID	\$94,364.02
BORNS GROUP	POSTAGE & MAILING	\$9,183.01
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWORK USAGE	\$139.39
BUTLER MACHINERY CO	SERVICE	\$1,124.00
CARTNEY BEARING & SUPPLY	SUPPLIES	\$58.36
CENTURY LINK	PHONE SERVICE	\$313.21
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$3,942.04
CHILD SUPPORT PAYMENT CENTER	EMPLOYEE DEDUCTION: CHILD SUPPORT	\$750.00
CLIMATE SYSTEMS INC	SUPPLIES	\$117.52
CODINGTON COUNTY REGISTER OF DEEDS	EASEMENT	\$49.00
CODINGTON-CLARK ELECTRIC COOPERATIVE INC	WELLFIELD ELECTRIC SERVICE	\$7,125.20
CONNECTING POINT	SERVICE	\$2,775.00
CORE & MAIN LP	HYDRANTS	\$43,510.91
CREDIT COLLECTIONS BUREAU	COLLECTIONS	\$124.68
CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$415.31
DAKOTA DATA SHRED	SHREDDING SERVICE	\$73.44
DEPARTMENT OF HEALTH	WATER SAMPLES	\$755.00
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$273.73
DTN, LLC	SUBSCRIPTION	\$541.00
DUININCK INC	GRAVEL, ROCK, DIRT	\$3,759.07
ENERGY ECONOMICS INC	SERVICE	\$563.82
ENGELSTAD ELECTRIC COMPANY	SERVICE	\$4,814.29
ETHANOL PRODUCTS LLC	BULK CO2	\$3,921.90
FEDERAL EXPRESS CORP	SERVICE	\$37.39
FERGUSON ENTERPRISES, LLC	SUPPLIES	\$909.00
FIDELITY SECURITY LIFE INSURANCE CO. (EYEMED)	VISION INSURANCE	\$421.43
FOLEY AND FOLEY LAW OFFICE, PC	JUNE LEGAL FEES	\$592.50
GAS PRODUCTS SALES, INC	REGULATORS	\$23,723.44

GRAINGER	SUPPLIES	\$156.20
GROEBNER	SUPPLIES	\$2,110.71
HAWKINS, INC.	HYDROFLUOSILICIC ACID	\$4,306.93
HY-VEE FOODS	SUPPLIES	\$85.98
IBEW LOCAL 426	UNION DUES	\$3,372.00
IMEG	HWY 212 EAST WATERMAIN REPLACEMENT	\$15,668.24
INTERSTATE ALL BATTERY CENTER	SUPPLIES	\$111.60
J & J EARTHWORKS	HWY 212 WATERMAIN REPLACEMENT	\$37,234.90
J H LARSON COMPANY	SUPPLIES	\$333.72
JOSEPH MEDANICH ASPHALT SERVICES	ASPHALT REPAIR	\$17,103.09
LEHNER, STEVE	REIMBURSEMENT EXPENSE	\$660.02
LINDE GAS & EQUIPMENT INC.	CYLINDER RENTAL	\$205.47
LL & SONS EXCAVATING INC	SERVICE - LAKES OF WILLOW CREEK	\$89,107.29
LOVELIS, WAYNE	REIMBURSEMENT EXPENSE	\$109.64
LUNDE, JOHN	REIMBURSEMENT EXPENSE	\$1,039.33
MACK, ROBIN	REIMBURSEMENT EXPENSE	\$419.68
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$186.82
MAC'S HARDWARE	SUPPLIES	\$601.11
MAGSTADT, BERT	REIMBURSEMENT EXPENSE	\$943.46
MARCO	COPIER LEASE	\$572.22
MATHESON TRI-GAS INC	SUPPLIES	\$211.10
MCKEEVER INC	SUPPLIES	\$226.90
MENARDS INC	SUPPLIES	\$729.03
MET LIFE	LIFE INSURANCE	\$1,313.73
MIDCONTINENT COMMUNICATIONS	INTERNET & CABLE SERVICE	\$239.86
MIDWEST UNDERGROUND SUPPLY, LLC	SUPPLIES	\$2,683.38
MILBANK WINWATER WORKS	WATER PIPE AS PER BID	\$54,765.67
MINNESOTA MUNICIPAL UTILITIES ASSN	SAFETY PROGRAM	\$9,927.50
MINSAIT ACS, INC.	SCADA UPGRADE	\$4,117.59
MITCHELL 1	2022 SUBSCRIPTION	\$2,700.00
MUELLER CO	SUPPLIES	\$3,024.04
MUNICIPAL UTILITIES - PC	REPLENISH PETTY CASH	\$511.95
MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND	\$845.60
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCOUNTS	\$23,355.62
NAPA CENTRAL	SUPPLIES	\$300.30
OFFICE PEEPS	SUPPLIES	\$621.95
PETE LIEN & SONS	BULK LIME	\$41,529.25
POLLARD WATER	SUPPLIES	\$256.95
POMP'S TIRE SERVICE, INC.	SUPPLIES	\$268.54
PRINCIPAL FINANCIAL GROUP	DENTAL INSURANCE	\$1,203.75
PRO LINE INC	SUPPLIES	\$257.12
REDLINGER BROS PLUMBING & HEATING	SUPPLIES	\$77.98
RELIABANK DAKOTA	FLEX MED	\$7,614.13
RESCO	CUTOUTS	\$6,215.20
RISING STAR HYDRAULICS	SUPPLIES	\$87.84
RODENBURG LAW FIRM	EMPLOYEE DEDUCTION	\$150.00
RODNEY HUNT	SUPPLIES	\$3,380.00
RUNNING'S SUPPLY INC	SUPPLIES	\$391.52
SBS INSPECTIONS	LINE INSPECTIONS	\$15,431.66
SD DEPT OF LABOR AND REGULATION	UNEMPLOYMENT REIMBURSEMENT	\$38.65
SD ONE CALL	LOCATES	\$703.50
SDWWA	TRAINING EXPENSE	\$520.00
SERVICEMASTER OF WATERTOWN	JANITORIAL SERVICE	\$4,120.00
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$14,981.01
SIOUX VALLEY GREENHOUSES	SERVICES	\$4,510.00
STADHEIM LAWN CARE	JUNE LAWN CARE	\$2,225.85
STAN HOUSTON EQUIP CO	EQUIPMENT RENTAL	\$2,879.25
STAR LAUNDRY INC	SERVICE	\$511.84
STUART C IRBY CO	SUPPLIES	\$462.00
**Void**		\$0.00
TECH SALES CO	SERVICE	\$750.00
TEREX GLOBAL GMBH	SUPPLIES	\$38.81
TERRY-DURIN CO.	SUPPLIES	\$563.98
THEIN WELL	WELL REPAIR/MAINTENANCE	\$24,048.58
TITAN MACHINERY- WTN	SUPPLIES	\$498.97
TRAV'S OUTFITTER	SAFETY CLOTHING	\$460.00
TYNDALE COMPANY INC	SAFETY CLOTHING	\$12.95
USA BLUEBOOK	SUPPLIES	\$645.39
WARD, MARK	REIMBURSEMENT EXPENSE	\$744.22
WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN PUBLIC OPINION	PUBLISHINGS	\$860.56
WATERTOWN UNITED WAY	United Way	\$290.00
WATERTOWN WHOLESALE INC	SUPPLIES	\$73.70
WESCO DISTRIBUTION INC	TRANSFORMERS AS PER BID	\$91,858.00
WINSUPPLY OF WATERTOWN	SUPPLIES	\$105.33
TAECKER PLUMBING & HEATING	SUPPLIES	\$452.00

**TOTAL**

**\$1,037,713.14**

Total July \$1,037,713.14; Transfer to City's General Fund \$114,675.00, Muni Utilities Electric Water Gas \$58,415.83; Missouri River Energy Services Power \$2,212,510.91; BP Canada Energy Marketing Natural Gas \$37,762.20; Dept. of Revenue Sales/Excise Tax \$194,293.37; CPEP #3 Natural Gas \$36,257.25, CPEP #4 Natural Gas \$45,829.13, Sequent Energy Mgmt. Natural Gas \$234,118.98, City Finance Office Garbage/Sewer \$533,697.38.

**ITEM 7730**

Motion by Carter with second by Thomas to adjourn. Motion carried.

The Watertown Municipal Utilities 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 27<sup>th</sup>, day of July 2022.

ATTEST: \_\_\_\_\_

\_\_\_\_\_

Lisa Pahl  
Board Secretary  
Municipal Utilities Board

Lisa Carrico  
Board President  
Municipal Utilities Department