

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday, August 31, 2020

The Municipal Utilities Board convened in regular session at the Watertown Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday, August 31st, 2020 at 12:00 p.m. with President Greg Solum presiding.

Board members present: Greg Solum, Lisa Carrico, Chris Carter. Mike Luken and Dan Brenden via teleconference. Board Liaison, member of City Council, Glen Vilhauer via teleconference. Staff members present: Steve Lehner, Adam Karst, Bert Magstadt, Mark Haider, Mark Meier, Lisa Pahl and Attorney Vince Foley. Staff members via teleconference Jeff DeVille, John Lunde, Doug Enstad, Kevin Kruiter, Sheila Mennenga and Gina Brown. Guests via teleconference Mayor Sarah Caron, City Council Member Adam Lalim, City Council Member Ried Holien, City Finance Officer Kristen Bobzien, Chris Schilken of Watertown Development Company and Troy Hieb of William Neale & Co. PC. Media Dan Crisler from the Watertown Public Opinion.

ITEM 7391

Motion by Carter with second by Carrico to approve the Agenda. Motion carried unanimously upon roll call vote.

ITEM 7392

Motion by Carter with second by Carrico to approve minutes of regular Board Meeting on July 27th, 2020. Motion carried unanimously upon roll call vote.

ITEM 7393

Public Comment - City Liaison Vilhauer wanted to publicly thank those from our staff and the Board that met with the few from the City last Friday afternoon. It was good conversation and he hoped that there would be similar meetings like that in the future.

ITEM 7394

Chris Schilken's from the Watertown Development Company (WDC) gave a presentation. The WDC is organized as a private non-profit economic development corporation for the purpose of establishing, funding, and directing programs designed to promote and increase the commercial, financial, and economic vitality of the City of Watertown and its citizens. He also shared the accomplishments they have had over the past couple years. Board Member Luken wanted to add that the South Dakota Department of Economic Development, Steve Westra and his staff love working with Chris and his staff they feel they are very efficient and do a great job.

ITEM 7395

Presentation was made by Troy Hieb of William Neale & Co P.C. for the 2019 audit. There were no audit findings related to Watertown Municipal Utilities to be included in the Schedule of audit findings. Motion by Carter with second by Luken to accept 2019 audit as presented. Motion carried unanimously upon roll call vote.

ITEM 7396

Karst presented a report of unclaimed property to be reported to the state. Motion to cancel these check numbers and direct funds to the South Dakota Unclaimed Property division. Motion by Carter with second by Carrico to approve submittal to the state. Motion carried unanimously upon roll call vote.

ITEM 7397

Open: a) The Board was invited to the Red Rock Hydroelectric Project Video Dedication Ceremony September 2, 2020 at 2 p.m. b) An invite for the MRES Municipal Power Leadership Academy Virtual Meeting Sept. 16-17 was extended to the Board.

ITEM 7398

Old Business: Motion by Luken second by Carrico to un-table Resolution 7385. Resolution Establishing Transfer from Municipal Utilities Department to the General Fund of the City of Watertown for the Year 2021. Motion carried unanimously upon roll call vote.

ITEM 7399

Motion by Carrico second by Brenden to move Resolution 7385 to Executive Session. Motion carried unanimously upon roll call vote.

ITEM 7400

Magstadt presented the Report on Operations and Projects. Magstadt addressed the storm we had last night. There was one power outage, about 200 customers for about 2 hours. Electric, Projects Completed this Month: Loaded and scrapped the three 4kV transformers. Nothing is left of the old 4kV system. Gas, Projects in Progress: Tapped 4" main for Regulator Station #17, Installing main at S. Lake Dr and Williston addition. Water, Projects Completed this Month: Removed 3 hydrants on Broadway, New service line tap on Grant Dr and 7th St NW in River Ridge addition, Joey S. and Mark M. passed their certification test. Engineering Tech Department: Working on 2021 Budget, South Dakota one call Board Meetings and South Dakota One Call Enforcement Committee Meetings. Northern Border Tap: Regulator station is set, Welder completed about 60% of all welds and

American Testing x-rayed them all. Every weld passed without repairs needed. NBPL purged and loaded their station. They are done as of August 24th.

ITEM 7401

Karst presented the report on Administration and Financial Statements, Purchasing, Accounting and Facilities, Projects in Progress: New sign installed in front of our main office. Upcoming Projects: Final gravel and lawn seeding at our new Walmart substation. Customer Service, Projects Completed this Month: 304 payments collected at the front counter, a lot of people using the drive up, 172 Customers on the shut off list (did not shut off in July). Human Resources/Risk Management: Prepared report to calculate estimated work comp premium for 2021, Met with our health insurance broker Marsh & McClennan, to begin the review for our 2021 health insurance renewal, Organized educational sessions for employees on health savings accounts, a plan option that may be considered during open enrollment, Retirement of Dave Meseberg, effective October 20, 2020 He has been with us 33 ½ years, Completed summer temp exit interviews. IT: Normal monthly IT maintenance and troubleshooting along with Website Stats and top 10 webpages visited.

Statements of Revenue and Expenses and Capital Additions were presented to the Board for review. Year to date net income is \$670,677 above budget for the seven months ending July 31st, 2020. Total Capital Additions are \$787,622 under budget for the seven months ending July 31st,2020.

ITEM 7402

Motion made by Carter with second by Carrico to approve the following verified salary claims and bills. Motion carried unanimously upon roll call vote. Total Watertown Municipal Utilities Net Payroll for August 2020 Plus ACH Payroll Payments \$563,689.31. Change: M. Meseberg 30.18/hr. effective 7/23/2020, A. Niemann 41.68/hr. effective 7/31/2020, M. Rue 23.48/hr. effective 8/5/2020 and M. Wilson 23.85/hr. effective 7/27/2020.

| Name | Payable Description | Payment Amount |
|---|-------------------------|----------------|
| SEPTEMBER 1, 2020 | | |
| ABC EMBROIDERY | SERVICE | \$4.95 |
| ABC LOCK & KEY | SERVICE | \$60.00 |
| ACTIVE HEATING INC | ENERGY INCENTIVE REBATE | \$900.00 |
| ADVANCED ENGINEERING & ENVIRONMENTAL SERVICES | I & C SYSTEM SERVICES | \$1,256.84 |
| AFLAC | SHORT TERM DISABILITY | \$1,882.18 |
| AMERICAN ENGINEERING TESTING INC | NBPL SERVICE | \$2,848.50 |
| AMERICAN ENGINEERING TESTING INC | NBPL SERVICE | \$3,502.50 |
| AMERICAN LEGION | SUPPLIES | \$240.00 |
| A-OX WELDING SUPPLY INC | SUPPLIES | \$333.51 |
| AQUA-PURE INC | BULK LOAD AF 1102 | \$10,675.50 |
| AUTO BODY SPECIALTIES | SUPPLIES | \$208.50 |
| BENDIX IMAGING INC | SUPPLIES | \$139.98 |
| BLACKBURN MFG COMPANY | LOCATE FLAGS | \$2,793.31 |

| | | |
|--|-----------------------------------|--------------|
| BORDER STATES ELECTRIC SUPPLY | SUPPLIES | \$24,316.18 |
| BORNS GROUP | POSTAGE & MAILING | \$8,571.33 |
| BRIAN'S GLASS & DOOR INC | SUPPLIES | \$1,355.04 |
| BUREAU OF ADMINISTRATION | STATE TELEPHONE NETWORK USAGE | \$109.06 |
| CARTNEY BEARING & SUPPLY | SUPPLIES | \$75.02 |
| CENTURY LINK | PHONE SERVICE | \$598.80 |
| CHASE CARDMEMBER SERVICE | CREDIT CARD | \$4,710.42 |
| CHILD SUPPORT PAYMENT CENTER | EMPLOYEE DEDUCTION: CHILD SUPPORT | \$750.00 |
| CIVIL DESIGN INC | SERVICE | \$1,080.00 |
| CMG CONSULTING LLC | SERVICES FOR AMI PROJECT | \$14,750.00 |
| CODINGTON COUNTY REGISTER OF DEEDS | WATER LINE AGREEMENT | \$46.00 |
| CODINGTON-CLARK ELECTRIC COOPERATIVE INC | WELLFIELD ELECTRIC SERVICE | \$7,433.74 |
| CONNECTING POINT | SOFTWARE MAINTENANCE | \$611.00 |
| CONSULTING ENGINEERS GROUP INC | ELECTRIC LOAD ANALYSIS AGREEMENT | \$12,887.50 |
| CORE & MAIN LP | SUPPLIES | \$3,830.11 |
| CREDIT COLLECTIONS BUREAU | COLLECTIONS | \$6.17 |
| CRESCENT ELECTRIC SUPPLY CO | SUPPLIES | \$1,239.37 |
| DAKOTA DATA SHRED | SHREDDING SERVICE | \$68.45 |
| DAKOTA DIRECTIONAL LLC | INSTALLATION OF WIRE | \$159,302.00 |
| DAKOTA UNDERGROUND CONSTRUCTION LLC | INSTALLATION OF UNDERGROUND | \$11,743.00 |
| DE NORA WATER TECHNOLOGIES | SUPPLIES | \$803.67 |
| DEPARTMENT OF HEALTH | WATER SAMPLES | \$1,017.00 |
| DGR ENGINEERING | REVENUE METERING RELOCATION | \$92.50 |
| DIAMOND VOGEL PAINT CENTER | SUPPLIES | \$247.58 |
| DISCOUNT SEEDS, INC. | SUPPLIES | \$625.00 |
| DOUG'S UPHOLSTERY | SUPPLIES | \$92.50 |
| DOUG'S UPHOLSTERY | SERVICE | \$75.00 |
| DSG DAKOTA SUPPLY GROUP | SUPPLIES | \$294.89 |
| DTN, LLC | SUBSCRIPTION | \$489.00 |
| DUININCK INC | GRAVEL, DIRT & CRUSHED CONCRETE | \$11,392.19 |
| EACHEN INC | SERVICE | \$153.06 |
| ELECTRIC MOTORS & MOORE INC | SERVICE | \$200.00 |
| ELEMENT MATERIALS TECHNOLOGY | WELDER QUALIFICATION | \$675.00 |
| ENGELSTAD ELECTRIC COMPANY | SERVICE | \$3,979.60 |
| ENSTAD, DOUG | REIMBURSEMENT EXPENSE | \$215.63 |
| ETHANOL PRODUCTS LLC | BULK CO2 | \$3,043.50 |
| FARWEST LINE SPECIALTIES, LLC | SUPPLIES | \$375.50 |
| FASTENAL COMPANY | SUPPLIES | \$1,229.94 |
| FASTENER SOLUTIONS INC | SUPPLIES | \$266.09 |
| FOLEY AND FOLEY LAW OFFICE, PC | JULY LEGAL FEES | \$1,140.00 |
| FRIENDS OF THE GOSS OPERAHOUSE, INC. | ENERGY INCENTIVE REBATE | \$5,120.00 |
| GAS PRODUCTS SALES, INC | 100G ERTS | \$3,317.50 |
| GRAINGER | SUPPLIES | \$327.24 |
| GREGG E STRUWE | ENERGY INCENTIVE REBATE | \$750.00 |
| GROEBNER | RISERS | \$6,719.05 |
| HAIDER, MARK | REIMBURSEMENT EXPENSE | \$111.53 |
| IBEW LOCAL 426 | UNION DUES | \$2,839.00 |
| INDELCO PLASTICS CORPORATION | SUPPLIES | \$68.18 |
| INTERSTATE ALL BATTERY CENTER | SUPPLIES | \$29.40 |
| J H LARSON COMPANY | SUPPLIES | \$3,924.65 |
| JOHN KASDORF | ENERGY INCENTIVE REBATE | \$350.00 |
| JOSEPH MEDANICH | ASPHALT REPAIR | \$10,043.89 |
| KARST, ADAM | REIMBURSEMENT EXPENSE | \$1,154.00 |

| | | |
|------------------------------------|--------------------------------|-------------|
| KRUITER, KEVIN | REIMBURSEMENT EXPENSE | \$220.99 |
| LAKE CITY FIRE EQUIPMENT LLC | SUPPLIES | \$96.05 |
| LARRY BACHMAN | SERVICE | \$1,200.00 |
| LEHNER, ALEX | REIMBURSEMENT EXPENSE | \$481.28 |
| LEHNER, STEVE | REIMBURSEMENT EXPENSE | \$550.44 |
| LOCATORS & SUPPLIES INC | SUPPLIES | \$1,653.94 |
| LUNDE, JOHN | REIMBURSEMENT EXPENSE | \$219.07 |
| MACKSTEEL WAREHOUSE INC | SUPPLIES | \$393.05 |
| MAC'S HARDWARE | SUPPLIES | \$220.78 |
| MAGSTADT, BERT | REIMBURSEMENT EXPENSE | \$136.85 |
| MALLOY ELECTRIC SUPPLY | SERVICE | \$4,865.06 |
| MARCO | COPIER LEASE | \$442.29 |
| MARCO TECHNOLOGIES LLC | MFILES CONTRACT | \$10,374.00 |
| MATHESON TRI-GAS INC | SUPPLIES | \$424.51 |
| MENARDS INC | SUPPLIES | \$1,575.54 |
| MENNENGA, SHEILA | REIMBURSEMENT EXPENSE | \$822.30 |
| MESA PRODUCTS INC | SUPPLIES | \$2,198.82 |
| MET LIFE | LIFE INSURANCE | \$1,331.75 |
| MIDCONTINENT COMMUNICATIONS | INTERNET & CABLE SERVICE | \$215.72 |
| MIDWEST AUTOMOTIVE INC | SUPPLIES | \$109.99 |
| MILBANK COMMUNICATIONS INC | SUPPLIES | \$590.00 |
| MILBANK WINWATER WORKS | SUPPLIES | \$6,045.71 |
| MINNESOTA MUNICIPAL UTILITIES ASSN | SUPPLIES | \$400.00 |
| MUNICIPAL UTILITIES - PC | REPLENISH PETTY CASH | \$413.43 |
| MUNICIPAL UTILITIES-NSF CHECK ACCO | REIMBURSE NSF FUND | \$28.43 |
| MUNICIPAL UTILITIES-REFUND ACCT | REFUNDS OF CREDITS ON ACCOUNTS | \$8,242.53 |
| NORTH STAR LOGISTICS | WALMART PRESSURE CORRECTION | \$63,739.95 |
| NORTHWEST PIPE FITTINGS INC | SUPPLIES | \$11,943.47 |
| NOVA FIRE PROTECTION INC | INSPECTIONS | \$370.00 |
| OFFICE PEEPS | SUPPLIES | \$842.58 |
| PETE LIEN & SONS | BULK LIME | \$28,766.97 |
| PETERSON, DELORES | REIMBURSEMENT EXPENSE | \$385.49 |
| POMP'S TIRE SERVICE, INC. | SUPPLIES | \$482.28 |
| PRAXAIR DISTRIBUTION INC | CYLINDER RENTAL | \$183.30 |
| PRINCIPAL FINANCIAL GROUP | DENTAL INSURANCE | \$1,048.78 |
| PRINT 'EM NOW INC | SUPPLIES | \$401.00 |
| PRO LINE INC | SUPPLIES | \$1,093.48 |
| PROBEWELL LAB INC | SUPPLIES | \$485.00 |
| PROFESSIONAL COMPUTER SERVICES LLP | SERVICE | \$998.21 |
| R & L SUPPLY LTD | SUPPLIES | \$2,210.02 |
| RC FIRST AID | SUPPLIES | \$199.25 |
| REDLINGER BROS PLUMBING & HEATING | SUPPLIES | \$143.40 |
| RELIABANK DAKOTA | TASC MED | \$6,099.64 |
| RESCO | BASEMENTS | \$8,267.70 |
| RISING STAR HYDRAULICS INC | SUPPLIES | \$2,764.27 |
| ROST, MICHAEL | REIMBURSEMENT EXPENSE | \$72.39 |
| RUNNING'S SUPPLY INC | SUPPLIES | \$1,725.45 |
| SCOTWOOD INDUSTRIES, INC. | BULK SOLAR | \$4,008.46 |
| SD ONE CALL | LOCATES | \$480.90 |
| SERVICEMASTER | JANITORIAL SERVICE | \$9,085.00 |
| SHERWIN WILLIAMS CO | SUPPLIES | \$68.20 |
| SIGN PRO | SUPPLIES | \$30.00 |
| SIOUX VALLEY CO-OP | FUEL, SUPPLIES | \$6,598.56 |

| | | |
|-------------------------------|--------------------------------|---------------------|
| SPEE-DEE DELIVERY SERVICE INC | SERVICE | \$120.62 |
| STADHEIM LAWN CARE | SERVICE | \$1,375.00 |
| STAN HOUSTON EQUIP CO | RENTAL | \$1,120.00 |
| STAR LAUNDRY INC | SERVICE | \$364.62 |
| STRUSS, SCOTT | REIMBURSEMENT EXPENSE | \$211.32 |
| STUART C IRBY CO | SUPPLIES | \$4,738.11 |
| STURDEVANTS AUTO PARTS | SUPPLIES | \$130.62 |
| TEREX USA, LLC | INSTALLED BODY PER QUOTE | \$9,233.98 |
| TITAN MACHINERY- WTN | SERVICE | \$4,184.86 |
| TOOL TIME RENTAL | RENTAL | \$800.00 |
| TRAV'S OUTFITTER | SAFETY CLOTHING | \$118.99 |
| TRILOGY CONSULTING, LLC | 2020 WATER RATE STUDY | \$3,465.00 |
| TWINCO INC. | NBPL SUPPLIES | \$6,379.50 |
| TYLER TECHNOLOGIES | SUPPLIES | \$138.00 |
| UPS | SHIPPING | \$112.23 |
| US BANK NATIONAL ASSOCIATION | BOND INTEREST PAYMENT | \$34,438.82 |
| USA BLUEBOOK | SUPPLIES | \$502.74 |
| WATERTOWN DEVELOPMENT COMPANY | INDUSTRIAL DEVELOPMENT EXPENSE | \$8,690.00 |
| WATERTOWN FORD CHRYSLER | TRUCK PER STATE BID (UNIT#36) | \$25,681.00 |
| WATERTOWN PUBLIC OPINION | PUBLISHINGS | \$396.38 |
| WATERTOWN UNITED WAY | United Way | \$424.00 |
| WATERTOWN WHOLESALE | SUPPLIES | \$149.30 |
| WEATHERGARD ROOFING | CRANE SERVICE | \$3,876.00 |
| WESCO DISTRIBUTION INC | SUPPLIES | \$7,041.60 |
| WILLIAM NEALE & CO., PC | 2019 FINACIAL STMNT AUDIT | \$10,440.00 |
| | TOTAL | \$659,370.02 |

Total August 2020 \$659,370.02; Transfer to City's General Fund \$116,433.33, Muni Utilities Electric Water Gas \$57,823.74; Missouri River Energy Services Power \$2,324,626.32; BP Canada Energy Marketing Natural Gas \$37,849.14; Dept. of Revenue Sales/Excise Tax \$202,488.29; CPEP #3 Natural Gas \$4,247.16, CPEP #4 Natural Gas \$6,930.36, Sequent Energy Mgmt. Natural Gas \$39,212.25, Northern Border Pipeline Natural Gas Tap \$95,695.45, City Finance Office Garbage/Sewer \$438,716.83. US Bank Series 2020A Water Bond Refinancing \$5,861,523.16.

ITEM 7403

Pursuant to SDCL 1-25-2(3) Carter moved with second by Carrico to move to Executive Session for discussion of contractual matters. The Board does expect to take any action when they reconvene to regular session. Motion carried unanimously upon roll call vote.

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

ITEM 7404

Motion by Luken with second by Carter to Approve Resolution 7385. Motion to amend Resolution 7385 by Luken, second by Carter, motion carried unanimously upon roll call vote. Motion by Luken with second by Carrico to approve amended Resolution 7385, motion carried unanimously upon roll call vote.

RESOLUTION NO.: 7385

RESOLUTION ESTABLISHING TRANSFER FROM MUNICIPAL UTILITIES DEPARTMENT TO THE GENERAL FUND OF THE CITY OF WATERTOWN FOR THE YEAR 2021.

WHEREAS the Watertown Municipal Utilities Board has adopted Policy Number 9.1, “The Watertown Municipal Utilities contributes an annual amount to the City of Watertown’s general fund. This amount is a flat amount and is negotiated annually between the City of Watertown and the Municipal Utilities Board”; and

WHEREAS the Watertown Municipal Utilities and the City of Watertown have historically given the City an amount mid-year before WMU’s budget meetings; and

WHEREAS the Watertown Municipal Utilities Board, has decided to exercise its discretion to deviate from Policy 9.1 and determine an amount to transfer to the City’s general fund; and

WHEREAS the Watertown Municipal Utilities Board recognizes the impact of the COVID pandemic on the City of Watertown’s revenues;

NOW, THEREFORE, BE IT RESOLVED by the Watertown Municipal Utilities Board, that effective January 1, 2021, the transfer to the City’s general fund shall be a 2% increase to the 2020 transfer amount before the 2020 One time additional \$100,000 payment; and

BE IT FURTHER RESOLVED by the Watertown Municipal Utilities Board, that there will be an additional one-time transfer of \$250,000 for 2021; and

BE IT FURTHER RESOLVED by the Watertown Municipal Utilities Board, that the total transfer to the City’s general fund will be \$1,573,144 for 2021.

Motion by Carter with second by Carrico to adjourn. Motion carried unanimously upon roll call vote.

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 31st, day of August, 2020.

ATTEST: _____

Lisa Pahl
Board Secretary
Municipal Utilities Board

Greg Solum
Board President
Municipal Utilities Department