

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday, January 27th, 2020

The Municipal Utilities Board convened in regular session at the Watertown Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday, January 27, 2020 at 12:00 p.m. with President John Holley presiding.

Board members present: John Holley, Greg Solum, Lisa Carrico, Chris Carter and Mike Luken. Board Liaison, member of City Council, Glen Vilhauer, Staff members present: Steve Lehner, Adam Karst, Bert Magstadt, John Lunde, Mark Meier, Mark Haider, Kevin Kruiter, Sheila Mennenga, Gina Brown, Lisa Pahl and Attorney Vince Foley. Guests Mayor Sara Caron, Media Troy VanDusen, KXLG Radio and Dan Crisler, Public Opinion Newspaper.

ITEM 7300

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

ITEM 7301

Motion by Carter with second by Solum to approve Consent Agenda, which gives authorization for the General Manager to sign annual contracts for the following items, Motion carried.

CONTRACTS SIGNED ANNUALLY BY GENERAL MANAGER

- a) First District Association of Local Governments
- b) HVAC Maintenance
- c) Lawn Care
- d) Monitor Contract for Fire Alarm System
- e) Fire Protection System Inspection
- f) Authorization for Staff to Open Bids
- g) SCADA Maintenance Agreements
- h) MMUA Safety Management Program
- i) Telvent, DTN
- j) Geotek Engineering & Testing Services Inc.
- k) Change Orders up to \$5,000 for Construction Projects and Equipment during 2019
- l) Midcontinent Communications
- m) State Health Lab Contract

ITEM 7302

Motion by Carter with second by Carrico to approve minutes of regular meeting on December 30, 2019 Board Meeting. Motion carried.

ITEM 7303

Motion by Luken with second by Carrico to approve Resolution for RECOMMENDING SALE BY THE CITY OF THE CITY'S WATER REVENUE REFUNDING BONDS TO REFUND A CERTAIN SOUTH DAKOTA CONSERVANCY DISTRICT DRINKING WATER REVOLVING FUND PROGRAM LOAN, AND ADOPTION OF BOND SALE. Motion carried unanimously upon roll call vote.

RESOLUTION NO. 7303

**RESOLUTION RECOMMENDING SALE BY THE CITY OF THE CITY'S WATER REVENUE REFUNDING BONDS TO REFUND A CERTAIN SOUTH DAKOTA CONSERVANCY DISTRICT DRINKING WATER REVOLVING FUND PROGRAM LOAN, AND ADOPTION OF BOND SALE
RESOLUTION**

WHEREAS Pursuant to South Dakota Codified Laws, Chapter 9-40 (the "Act"), the City of Watertown, South Dakota (the "City"), previously entered into a Loan Agreement, dated March 28, 2008, with the South Dakota Conservancy District (the "District") and issued its Borrower Bond in the authorized principal amount of \$23,760,000, dated as of March 28, 2008 (the "Refunded Obligation"), to evidence a loan from the District pursuant to the State of South Dakota's drinking water revolving fund program to finance improvements to the Utility (the "Improvements"); and

WHEREAS The City has determined that it is necessary and desirable to issue its revenue bonds in one or more taxable or tax-exempt series (the "Series 2020 Bonds), the proceeds of which will be used, together with such available funds as may be required, to refund in a current refunding the outstanding aggregate principal amount of the Refunded Obligations; and

WHEREAS The City has determined to sell the Series 2020 Bonds to Dougherty & Company LLC, of Minneapolis, Minnesota (the "Underwriter"), pursuant to the terms and conditions provided in the City's bond resolution (the "Bond Resolution").

WHEREAS There has been presented to this Board the Bond Resolution entitled "RESOLUTION RELATING TO WATER REVENUE REFUNDING BONDS; AUTHORIZING AND DIRECTING THE ISSUANCE AND SALE THEREOF AND DEFINING THE TERMS AND MANNER OF PAYMENT OF THE SERIES 2020 BONDS AND THE SECURITY THEREOF," proposed to be adopted by the City Council authorizing the sale of the Series 2020 Bonds to the Underwriter upon the terms set forth therein.

NOW, THEREFORE, BE IT RESOLVED by the Municipal Utilities Board (the "Board") of the City that the Board hereby (i) ratifies and confirms the provisions of the Bond Resolution and (ii) agrees to cooperate with the City, and carry out on behalf of the City, the covenants made in the Bond Resolution relating to the operation of the Utility.

Dated at Watertown, South Dakota, this 27th day of January 2020.

ITEM 7304

Karst presented the 2019 Fixed Asset Report & Solid Waste Disposal Report according to Policy Section #49. This report included removal of 65 poles,

removal of 9,070 feet of overhead wire, abandoned 6,224 feet of underground wire, retired 4,355 KVA of line transformers, retired 145 electric meters, removed 33 Street lights, traded 1 1998 Toyota Forklift, retired 202 water meters, abandoned 5,907 feet of water main, retired 54 service connections, removed or replaced 10 hydrants, transferred to the city of Watertown 1-1999 Chevy C65 - 2-ton Dump truck, removed 1 interior recoat & repaint 14th Ave Tower, abandoned 3,549 feet of services, retired 123 gas meters, abandoned 1,730 feet of gas main, retired 1 pumping & regulation - meters & regs and gave 1 Radio Detection Current Mapper to New Ulm Utilities.

ITEM 7305

Lehner presented the vehicles bought off the state bid Contract No. 17339 and Contract No. 17341

Vehicles Purchased off State Bid

	State Contract Number	Total Price With Options and Delivery	Description
- Watertown Ford Watertown, SD	#17339	\$ 25,681.00	Unit 19 - Dodge 1500
- Watertown Ford Watertown, SD	#17339	\$ 25,681.00	Unit 21 - Dodge 1500
- Watertown Ford Watertown, SD	#17339	\$ 25,681.00	Unit 36 - Dodge 1500
- Watertown Ford Watertown, SD	#17339	\$ 29,515.00	Unit 22 - Dodge 3500
Watertown Ford Watertown, SD	#17341	\$ 49,116.00	Unit 11 - Dodge 5500

ITEM 7306

This being the time and place set for consideration of bids, the following were presented. Bids for Transformers, Wire, Install URD Primary and Secondary and Electric Service Installation. These bids were opened Thursday, January 23rd, 2020 at 1:30 PM by the Watertown Municipal Utilities Staff as authorized by the Board.

TRANSFORMERS: Seven bids were received and upon review and recommendation by Magstadt, motion by Carter with second by Luken to award bid to valid bidders, Items 1, 2 and Items 4-13 awarded to RESCO, Moorhead, MN for a total of \$299,856.00, Item 3 to Dakota Supply Group, Sioux Falls, SD for a total of \$81,250.00, Motion carried.

WIRE: Sevewn bids were received and upon review and recommendation by Magstadt, motion by Solum with second by Carrico to award bid to low valid bidders, Item

1 to WESCO, Sioux City, IA for total of \$95,250, Items 2 & 4 to RESCO, Moorhead, MN for \$64,076, Item 3 to Dakota Supply Group, Sioux Falls, SD for a total of \$20,533.86, Item 5, 6 & 8 to Border States Electric, Sioux Falls, SD for a total of \$28,830, Item 7 to Graybar, Sioux Falls, SD for a total of \$4,704.00. Motion carried.

INSTALL URD PRIMARY AND SECONDARY: Two bids were received and upon review and recommendation by Magstadt, motion by Carter with second by Luken to award bid to low valid bidder, Dakota Directional, Redfield, SD for \$474,000. Motion carried.

ELECTRIC SERVICE INSTALLATION: Three bids were received and upon review and recommendation by Magstadt, motion by Luken with second by Solum to award bid to low valid bidder, Dakota Underground, Lake Norden, SD for \$65,800. Motion carried.

ITEM 7307

Motion by Luken second by Carter to authorize to return checks to bidders. Motion carried.

ITEM 7308

Open: Lehner presented the two bills stuffers, a) Winter Hazards and b) Kindergarten Screening. He also extended an invite to the Board to three different conferences, the AWWA Conference in Orlando, Florida June 14-17, the APPA Conference in Long Beach, California June 5-10 and the APGA Conference in Chicago, IL July 19-22.

ITEM 7309

Magstadt presented the Report on Operations and Projects, Electric, Projects Completed this Month: 4 Electrical Outages, CT Metering installed at A-1 Welding, Eastside Equipment and Hesco. Gas, Projects Completed this Month: OQ Modules. Projects in Progress: Rebuilding Meters and weld tests. Water, Projects Completed this Month: 1 water main break and changed out 74 water meters 69 of them for the 40W meter replacement project. Engineering Tech, Projects Completed this Month: 3710 Total locates for 2019, 9% more locates than 2018 and 4% more than 5 yr. average. Projects in Progress: Plans for natural gas tap project, Updating emergency maps. 15th Ave Substation Project: Completed scheduling everyone to perform multiple tasks from Feb. 10 -21.

ITEM 7310

Karst presented the report on Administration and Financial Statements, Purchasing, Accounting and Facilities, Projects Completed This Month: Annual physical inventory and test count by our Auditor is complete, G & R completed their inspection of our HVAC system. (No problems identified) Projects in Progress: Ordering long lead time items for spring, Purchasing

Waders, gloves, plastic etc. for possible spring flooding. Customer Service, Projects Completed this Month: 14,120 payments collected for a total of \$4,747,807 total of 54,148 services billed for a total of \$4,968,919. Human Resources/Risk Management: Retirement Lee Sutton, Water Distribution & Maintenance, effective 6/20/2020. 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 \$2,502,382 above budget for the Twelve months ending December 31st, 2019. Total Capital Additions are \$358,016 under budget for the twelve months ending December 31, 2019.

ITEM 7311

Motion made by Luken with second by Carter to approve the following verified salary claims and bills. Motion carried unanimously upon roll call vote. Total Watertown Municipal Utilities Net Payroll for January 2020 Plus ACH Payroll Payments \$522,763.54. Change: N. Frost 23.85/hr. effective 1/15/2020, J. Jellis 31.50/hr. effective 12/21/2019. Add: J. Settje 23.85/hr. effective 1/14/2020.

Name	Payable Description	Payment Amount
February 3, 2020		
ABC EMBROIDERY	SERVICE	\$44.55
ADV. ENGINEERING & ENVIRONMENTAL SERV.	I&C SYSTEM SERVICES	\$3,649.00
AFLAC	CANCER PT	\$1,805.66
A-OX WELDING SUPPLY INC	SUPPLIES	\$1,255.74
BENDIX IMAGING INC	OFFICE SUPPLIES	\$159.99
BORDER STATES ELECTRIC SUPPLY	SUPPLIES	\$386.00
BORNS GROUP	POSTAGE & MAILING	\$8,521.33
BROWN, GINA L	REIMBURSEMENT EXPENSE	\$35.21
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWORK USAGE	\$64.79
BURNS, JERRY	REIMBURSEMENT EXPENSE	\$40.11
CENTURY LINK	PHONE SERVICE	\$299.02
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$4,272.53
CHEMCO SYSTEMS, LP	SUPPLIES	\$389.76
CHILD SUPPORT PAYMENT CENTER	EMPLOYEE DED.: CHILD SUPPORT	\$750.00
CODINGTON-CLARK ELECTRIC COOPERATIVE INC	WELLFIELD ELECTRIC SERVICE	\$4,514.88
CONNECTING POINT	SOFTWARE MAINTENANCE	\$1,816.00
CONSULTING ENGINEERS GROUP INC	15TH AVENUE SUBSTATION	\$10,134.47
CONVERGINT TECHNOLOGIES LLC	ALARM MONITORING	\$360.00
CORE & MAIN LP	SUPPLIES	\$445.71
CREDIT COLLECTIONS BUREAU	COLLECTIONS	\$260.96
CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$1,067.46
DAKOTA DATA SHRED	SHREDDING SERVICE	\$68.45
DENR	2020 ENVIRONMENTAL FEE	\$50.00
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$110.52
DUININCK INC	SERVICE	\$2,677.38
DYNAMIC ENGINEERING	WELD TUBES	\$476.01
ELEMENT MATERIALS TECHNOLOGY	WELDER QUALIFICATION	\$225.00
ENERGY ECONOMICS INC	SERVICE	\$1,849.75

ENERGY WORLDNET, INC	OQ SUBSCRIPTION	\$389.00
ENGELSTAD ELECTRIC COMPANY	BORING SERVICE	\$1,795.92
ENSTAD, DOUG	REIMBURSEMENT EXPENSE	\$56.00
ERICKSON, AARON	REIMBURSEMENT EXPENSE	\$74.00
ETHANOL PRODUCTS LLC	BULK CO2	\$1,732.44
FARNAMS GENUINE PARTS	SUPPLIES	\$50.34
FARWEST LINE SPECIALTIES, LLC	SUPPLIES	\$5,774.50
FASTENAL COMPANY	SUPPLIES	\$89.30
FEDERAL EXPRESS CORP	SERVICE	\$239.97
FIRST DISTRICT ASSN OF LOCAL GOVTS	2020 GIS WEBSITE	\$1,500.00
GCR TIRE CENTER	SERVICE	\$153.00
GRAINGER	SUPPLIES	\$99.10
GRAYBAR ELECTRIC CO INC	SUPPLIES	\$47.60
GROEBNER	SUPPLIES	\$1,106.87
HAROLD K SCHOLZ CO	REVENUE METERING RELOCATION	\$128,730.43
HEATH CONSULTANTS INC	OD2 METHANE GAS	\$4,834.97
IBEW LOCAL 426	UNION DUES	\$2,774.00
INDELCO PLASTICS CORPORATION	SUPPLIES	\$186.39
J H LARSON COMPANY	SUPPLIES	\$3,122.94
JIM OWEN	ENERGY INCENTIVE REBATE	\$150.00
KARST, ADAM	REIMBURSEMENT EXPENSE	\$193.00
KEISER, BRIAN	REIMBURSEMENT EXPENSE	\$52.60
KOONS GAS MEASUREMENT	5.5M ULTRASONIC GAS METER	\$6,226.52
KRANZ, CHAD	REIMBURSEMENT EXPENSE	\$74.00
KRUITER, KEVIN	REIMBURSEMENT EXPENSE	\$119.22
LATI	CDL TEST	\$90.00
LEHNER, STEVE	REIMBURSEMENT EXPENSE	\$132.25
LOCATORS & SUPPLIES INC	RAIN GEAR	\$2,658.61
LUNDE, JOHN	REIMBURSEMENT EXPENSE	\$416.32
MACK, ROBIN	REIMBURSEMENT EXPENSE	\$52.00
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$70.55
MAC'S HARDWARE	SUPPLIES	\$1,049.94
MAGSTADT, BERT	REIMBURSEMENT EXPENSE	\$1,046.39
MARCO	COPIER LEASE	\$423.28
MATHESON TRI-GAS INC	NITROGEN	\$54.11
MCKEEVER INC	SUPPLIES	\$131.10
MENARDS INC	SUPPLIES	\$811.39
MENNENGA, SHEILA	REIMBURSEMENT EXPENSE	\$289.00
MET LIFE	LIFE INSURANCE	\$1,308.11
MIDCONTINENT COMMUNICATIONS	INTERNET & CABLE SERVICE	\$215.72
MINNESOTA MUNICIPAL UTILITIES ASSN	SAFETY PROGRAM	\$12,377.50
MUNICIPAL UTILITIES - PC	REPLENISH PETTY CASH	\$740.10
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCOUNTS	\$5,561.34
NESD SHRM	2020 MEMBERSHIP DUES	\$75.00
NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$1,533.55
NORTHWESTERN ENERGY	SERVICE RIGHTS PAYABLE	\$3,027.44
OFFICE PEEPS	SUPPLIES	\$1,201.62
PETE LIEN & SONS	BULK LIME	\$11,773.40
PETERSON, DELORES	REIMBURSEMENT EXPENSE	\$116.31
PHEASANTLAND INDUSTRIES	SAFETY CLOTHING	\$165.89
PIPEHORN LOCATING TECHNOLOGY	SUPPLIES	\$1,412.00
PRAXAIR DISTRIBUTION INC	CYLINDER RENTAL	\$165.35
PRINCIPAL FINANCIAL GROUP	DENTAL INSURANCE	\$1,143.17

QUALITY FIRST PLUMBING & HEATING I	SERVICES	\$2,193.88
REDLINGER BROS PLUMBING & HEATING	SERVICE	\$173.47
RELIABANK DAKOTA	TASC MED	\$6,000.20
RESCO	SUPPLIES	\$9,852.59
RON'S SAW SALES	SUPPLIES	\$1,433.60
RUNNING'S SUPPLY INC	SUPPLIES	\$563.70
SANFORD HEALTH OCCUPATIONAL MEDICINE	SCREENS	\$301.00
SD GOVERN. HUMAN RESOURCE ASSOC.	2020 MEMBERSHIP DUES	\$25.00
SD ONE CALL	LOCATES	\$68.25
SDRS SPECIAL PAY PLAN	401a SICK	\$31,786.64
SDWWA	REGISTRATION EXPENSE	\$60.00
SERVICEMASTER	JANITORIAL SERVICE	\$4,120.00
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$5,878.45
SPEE-DEE DELIVERY SERVICE INC	SHIPPING	\$169.85
STAN HOUSTON EQUIP CO	SUPPLIES	\$174.99
STAR LAUNDRY INC	RUG SERVICE	\$302.84
STUART C IRBY CO	SUPPLIES	\$176.92
STURDEVANTS AUTO PARTS	SUPPLIES	\$396.57
T & R ELECTRIC SUPPLY COMPANY INC	SERVICE	\$624.00
TITAN MACHINERY- WTN	SUPPLIES	\$587.36
TRAV'S OUTFITTER	SAFETY CLOTHING	\$2,872.95
TYLER BUSINESS FORMS	OFFICE SUPPLIES	\$36.66
TYNDALE COMPANY INC	SAFETY CLOTHING	\$1,042.95
USA BLUEBOOK	SUPPLIES	\$285.44
WALMART COMMUNITY	SUPPLIES	\$24.44
WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN HOTEL	ENERGY INCENTIVE REBATE	\$8,281.02
WATERTOWN PUBLIC OPINION	PUBLISHING & ADVERTISEMENT	\$1,576.13
WATERTOWN UNITED WAY	United Way	\$624.00
WATERTOWN WHOLESALE	SUPPLIES	\$403.55
WEG TRANSFORMERS USA LLC	15TH AVE SUBSTATION	\$118,257.90
WESCO DISTRIBUTION INC	SUPPLIES	\$6,685.40
	Total	\$467,013.58

Total January 2020 467,013.58; Transfer to City's General Fund 116,433.37, Qtrly US Bank - 413,660.20, Muni Utilities Electric Water Gas 44,703.42; Missouri River Energy Services Power 1,971,565.75; BP Canada Energy Marketing Natural Gas 312,189.22; Dept. of Revenue Sales/Excise Tax 234,090.43; CPEP #3 Natural Gas 92,654.35, CPEP #4 Natural Gas 99,062.83, Sequent Energy Mgmt. Natural Gas 282,575.66, Northern Border Pipeline Natural Gas Tap 541,804.98, City Finance Office Garbage/Sewer 403,422.27.

ITEM 7312

The Board set date of Wednesday, February 26, 2020 at noon for February Board Meeting.

Motion by Carter with second by Solum 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 27th, day of January, 2020.

ATTEST: _____

Lisa Pahl
Board Secretary
Municipal Utilities Board

John Holley
Board President
Municipal Utilities Department