

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Thursday, May 30, 2013

The Municipal Utilities Board convened in regular session at the Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Thursday May 30, 2013 at Noon with President Dustin Padgett presiding.

Board members present: Dustin Padgett, Mike Luken, Ernie Wight, Wayne Schultz. Absent Board Member Dave Strait and Board Liaison Member of City Council Bruce Buhler. Staff Members present: Steve Lehner, Todd Chambers, Jeff DeVille, Doug Enstad, Rich Schmidt, Mark Meier, Kevin Kruiter, Sheila Mennenga, Lisa Pahl, Stanton Fox. Press: Don Eggert, KXLG Radio.

ITEM 6367

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

ITEM 6368

Motion by Schultz with second by Wight to approve minutes of the regular Board meeting on April 29, 2013. Motion carried.

ITEM 6369

DeVillie, Water Superintendent, gave an overview of the 2012 Annual Water System Quality Report. He noted that there were no substances detected in our water that violated regulations set by the Federal Government or the State of South Dakota.

ITEM 6370

Lehner noted the bill stuffer, 2012 Annual Water System Quality Report would be mailed out with the June 1 bills. Lehner also gave an overview of the MRES Annual Meeting. There were several keynote speakers that discussed topics on all the different types of energy power, legislative laws and Cyber Security for public and private utilities. Also presented was a year in review and the Annual Report by MRES.

ITEM 6371

Old Business: Lehner told of the letter emailed by Chambers that updated the customers on the Consort Program. A handout of email responses from the customers were given to the Board to review.

ITEM 6372

New Business: Lehner passed out a sheet discussing an addition to the South Dakota Retirement System. As of July 1, 2013 members will have the ability to invest in a ROTH IRA. The Board was asked to review this and at the next board meeting they will be asked to give the General Manager the

approval to sign a letter stating that the Watertown Municipal Utilities would participate in the program.

ITEM 6373

Chambers presented report on Operations and Projects: Electric Department, Projects Completed this Month: Sub-Station maintenance on Uptown Sub Switch and Pelican Sub Breakers, Installed new primary and transformers for Koch Complex upgrade and Relocated transformers at Watertown Ford for new addition. Projects in Progress: Installing new underground primary and secondary wires in Diamond Vogel alley and removing existing overhead poles. Projects Starting Next Month: Switching out 115 KV line between East Sub and WAPA for WAPA to install new switches, Engelstad Electric installing primary to Airport industrial park wire per contract. Gas Department, Projects Completed this Month: Completed cathodic readings required every 4 months, Removed 2 dresser fittings on the gas main located in an uptown alley, Installed 3000' of 4" main and an above ground valve on 1st Ave NE. Projects in Progress: Installing new gas main on 15th Ave SE to service the new ABS building. Projects Starting Next Month: The second two day inspection this spring by the South Dakota Office of Pipeline Safety. Water Department, Projects Completed this Month: We repaired a main break that we had isolated over the winter main break at 13th St and 4th Ave SW, Repaired hydrant #1306 at 29th St. & 17th Ave SE. It was hit with a snow plow, Replaced hydrant #311 in front of the Ramkota. This hydrant was broke from a hit and run this winter, Made sixteen 6" x 1" taps in North Grove, April 22nd we closed the diversion gates on the inlet/outlet of Kampeska. Projects in Progress: Start excavation on the 3 million gallon tank. Engineering Tech Department: Projects Completed this Month: 637 One-Call locates May 1 - 27th, 2013. 144 One-Call locates total for April, 2013, 6 Emergency locates (3 private contractors & 3 Watertown Utilities). Projects Starting Next Month: Average 500 One-Call locates in June.

ITEM 6374

Lehner presented report on Administration and Financial Statements: Building/Grounds and Purchasing, Projects in Progress: Ordering, receiving and stocking materials, Cleaning up warehouse yard and Morton Building, Working with street department on repairing streets where there was water main breaks this winter. Projects to Start Next Month: Get quotes for shingling the Mellette booster station. Office, Projects Completed This Month: 13,299 Payments collected with a total of 4,672,420.95; Total of 51,106 services billed for a total of 4,482,143.97; Major Projects in Progress: Preparing information requested by MRES for our 2013 Electric Rate Study, Reviewing request for proposals regarding our banking services. Human Resources/Risk Management: Hosted and attended the 2013 State Human Resource Conference, Completed interviews for summer temp for CSR. Personnel changes, Retirement: Liz Dunn 5/20/2013, Promotions Angie Mitchell to Accountant 5/21/2013, Gina Brown to CSR II 5/21/2013, New Hire: Stephanie Myers CSR I 5-21-2013, 9 summer temps have started. Term: 1 summer temp.

ITEM 6375

Motion made by Schultz with second by Wight to approve the following verified Salary claims and bills. Motion carried unanimously upon roll call vote. Total Municipal Utilities Dept Net Payroll for May, 2013 Plus ACH Payroll Payments 342,360.50.

JUNE 3, 2013

| Name | Payable Description | Pymt Amount |
|-------------------------------------|-----------------------------------|-------------|
| ADVANCED ENGINEER. & ENVIR.SERVICES | WATER TREAT. PLANT I & C SERV | \$1,056.00 |
| AFLAC | CANCER PT | \$2,085.19 |
| APPLIED INDUSTRIAL TECH INC | SUPPLIES | \$156.69 |
| ARGUS LEADER MEDIA | SUBSCRIPTION | \$179.94 |
| AVANTI FEDERAL CREDIT UNION | CREDIT UNION | \$15,947.53 |
| BASCOM-TURNER INSTRUMENTS INC. | PERFORMANCE & CALIBRATION TEST | \$99.08 |
| BENSON, BRIAN | REIMBURSEMENT EXPENSES | \$1,062.72 |
| BORDER STATES ELECTRIC SUPPLY | WIRE AS BID | \$25,404.98 |
| BORNS GROUP | POSTAGE & MAILING | \$8,609.07 |
| BUREAU OF ADMINISTRATION | STATE TELEPHONE NETWORK USAGE | \$64.23 |
| CASHWAY LUMBER INC | SUPPLIES | \$69.43 |
| CHAMBERS, TODD | REIMBURSEMENT EXPENSES | \$36.73 |
| CHASE CARDMEMBER SERVICE | CREDIT CARD | \$1,266.73 |
| CLIMATE SYSTEMS INC | SUPPLIES | \$1,291.09 |
| CODINGTON COUNTY REGISTER OF DEEDS | EASEMENT | \$40.00 |
| CODINGTON-CLARK ELECTRIC COOP. INC | ELECTRIC SERVICE-NEW WELLFIELD | \$4,294.94 |
| CONNECTING POINT | 3 YR SVC RENEWAL, OFFICE SUPPLIES | \$9,329.06 |
| COTEAU SHOPPER | PUBLISHINGS | \$280.80 |
| COUNTY FAIR FOOD STORE | SUPPLIES | \$12.80 |
| CREDIT BUREAU OF WATERTOWN INC | COLLECTIONS | \$563.03 |
| CRESCENT ELECTRIC SUPPLY CO | SUPPLIES | \$535.44 |
| DAKOTA DATA SHRED | SHREDDING SERVICE | \$59.90 |
| DE VILLE, JEFF | REIMBURSEMENT EXPENSES | \$551.50 |
| DEROSSETT COMPANY | GAS METER OIL | \$134.38 |
| DISCOUNT SEEDS, INC. | SUPPLIES | \$1,487.50 |
| DITCH WITCH OF SOUTH DAKOTA, INC | SUPPLIES | \$1,136.26 |
| DRAFTINGSTEALS.COM | SUPPLIES | \$208.29 |
| DSG DAKOTA SUPPLY GROUP | TRANSFORMERS PER BID | \$56,897.25 |
| DUECO INC | SUPPLIES | \$336.50 |
| ELECTRIC MOTORS & MOORE INC | SUPPLIES | \$82.00 |
| ENSTAD, DOUG | REIMBURSEMENT EXPENSES | \$86.00 |
| ETHANOL PRODUCTS LLC | CO2 | \$1,319.11 |
| FARNAMS GENUINE PARTS | AUTO PARTS, SUPPLIES | \$783.04 |
| FASTENAL COMPANY | SUPPLIES | \$516.29 |
| FORRER SUPPLY CO INC | FREIGHT FOR GAS PIPE | \$3,520.00 |
| G & R CONTROLS INC. | BOILER REPAIR | \$3,189.80 |
| GAS PRODUCTS SALES | SUPPLIES | \$419.61 |
| GCR TIRE CENTER | SUPPLIES | \$362.18 |
| GRAINGER | SUPPLIES | \$90.50 |
| GREAT WESTERN BANK | TASC MED | \$6,284.84 |
| H R GREEN | 3 M GAL WATER RESERVOIR | \$3,116.10 |
| HANSEN, BRENT | REIMBURSEMENT EXPENSES | \$61.00 |
| HAWKINS, INC. | WATER TREATMENT SUPPLIES | \$1,895.60 |
| HD SUPPLY WATERWORKS | PVC PIPE | \$856.00 |
| HENRY'S WATERWORKS INC | SUPPLIES | \$1,770.37 |
| HURNEY PLUMBING | PLUMBING SERVICES | \$302.20 |
| HY-VEE FOODS | FOCUS WATERTOWN COMMITTEE MTG | \$51.99 |
| IBEW LOCAL 426 | UNION DUES | \$3,089.55 |
| IMMACULATE CONCEPTION SCHOOL | ENERGY INCENTIVE REBATE | \$2,395.00 |
| ITRON INC | HARDWARE/SOFTWARE MAINTEN | \$5,234.95 |
| J H LARSON COMPANY | SUPPLIES | \$5,429.99 |

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|------------------------------------|--------------------------------|-------------|
| JONNES, ALEX | REIMBURSEMENT EXPENSES | \$61.00 |
| KARST, ADAM | REIMBURSEMENT EXPENSES | \$89.00 |
| LAKE CITY FIRE EQUIPMENT LLC | FIRE EXTINGUISHER MAINTENANCE | \$613.05 |
| LEHNER, STEVE | REIMBURSEMENT EXPENSES | \$250.91 |
| LOCATORS & SUPPLIES INC | SUPPLIES | \$2,014.43 |
| LUKONEN'S TOOL SERVICE INC | TOOLS | \$137.60 |
| MAC'S INC | SUPPLIES | \$836.11 |
| MAHOWALD'S HARDWARE & RENTAL | SUPPLIES | \$30.65 |
| MARCO INC | MAINTENANCE AGREEMENT | \$33.90 |
| MC KEEVER'S VENDING | SUPPLIES | \$162.11 |
| MENARDS INC | SUPPLIES | \$417.62 |
| MESA PRODUCTS INC | SUPPLIES | \$805.97 |
| MET LIFE | LIFE INSURANCE | \$1,008.02 |
| MIDCONTINENT COMMUNICATIONS | INTERNET SERVICE | \$105.00 |
| MINNESOTA MUNICIPAL UTILITIES ASSN | UNDERGROUND SCHOOL REG. | \$1,375.00 |
| MUNICIPAL UTILITIES - PC | PETTY CASH | \$481.65 |
| MUNICIPAL UTILITIES-NSF CHECK ACCO | REIMBURSE NSF FUND | \$660.45 |
| MUNICIPAL UTILITIES-REFUND ACCT | REFUND OVERPYMT OF FINAL BILLS | \$2,366.00 |
| NEW YORK LIFE INS. | LIFE INSURANCE | \$196.00 |
| NORTHERN TOOL & EQUIP CO | MAGNETIC LOCATOR (REISSUED CK) | \$657.77 |
| NORTHWEST PIPE FITTINGS INC | SUPPLIES | \$4,260.67 |
| NOVASPECT, INC. | REGULATORS | \$7,875.19 |
| OFFICE PEEPS | OFFICE SUPPLIES | \$312.97 |
| PETE LIEN & SONS | LIME | \$10,618.74 |
| PRAXAIR DISTRIBUTION INC | CYLINDER RENTAL | \$125.42 |
| REDLINGER BROS PLUMBING & HEATING | SUPPLIES | \$37.40 |
| RESCO | SUPPLIES | \$1,471.20 |
| RON'S SAW SHOP | SUPPLIES | \$908.82 |
| SANFORD WTN OCCUPATIONAL MED | APRIL 2013 SCREENINGS | \$165.00 |
| SCHMIDT, RICHARD | REIMBURSEMENT EXPENSES | \$96.57 |
| SD ONE CALL | LOCATES | \$151.20 |
| SDRS SPECIAL PAY PLAN | 401a SICK & VACATION LIZ DUNN | \$20,539.37 |
| SECOND STREET STATION | CALL B4 U DIG BANQUET | \$1,935.57 |
| SERVICEMASTER | JANITOR SERVICE | \$3,120.00 |
| SHEEHAN CYCLE | SUPPLIES | \$7.98 |
| SIGN PRO | SUPPLIES | \$393.75 |
| SIOUX VALLEY CO-OP | FUEL, SUPPLIES | \$9,402.27 |
| STAR LAUNDRY INC | SUPPLIES | \$270.78 |
| STUART C IRBY CO | TRANSFORMERS PER BID | \$26,114.30 |
| STURDEVANTS AUTO PARTS | SUPPLIES | \$327.12 |
| T & R ELECTRIC CO | TRANSFORMERS | \$16,629.00 |
| TELESCADA | SUPPLIES | \$74.62 |
| TOLLEY, LANCE | REIMBURSEMENT EXPENSES | \$61.00 |
| TOOL TIME | BOBCAT RENTAL | \$45.00 |
| TRAV'S OUTFITTER | SUPPLIES | \$289.99 |
| UPS | SHIPPING | \$227.39 |
| USA BLUEBOOK | SUPPLIES | \$71.20 |
| UTILITIES PLUS ENERGY SERVICES INC | SWITCH TESTING & MODIFICATION | \$7,607.16 |
| VERIFICATIONS INC | APPLICANT VERIFICATIONS | \$105.20 |
| WALMART COMMUNITY | SUPPLIES | \$94.45 |
| WATERTOWN CONVEN. & VISITORS BU | SEMINAR | \$40.00 |
| WATERTOWN CO-OP ELEVATOR ASSN | SUPPLIES | \$3,750.00 |
| WATERTOWN DEVELOPMENT COMPANY | INDUSTRIAL DEVELOP EXPENSE | \$8,690.00 |
| WATERTOWN PUBLIC OPINION | PUBLISHINGS | \$1,149.13 |
| WATERTOWN SCHOOL DISTRICT | ENERGY INCENTIVE REBATE | \$5,684.00 |
| WATERTOWN UNITED WAY | United Way | \$351.00 |
| WATERTOWN WHOLESALE | SUPPLIES | \$604.90 |
| WELLMARK BLUE CROSS/BLUE SHIELD | HEALTH INSURANCE | \$65,326.23 |
| WESCO DISTRIBUTION INC | SUPPLIES | \$1,061.15 |
| WHEELCO | SUPPLIES | \$23.06 |
| WOODS EDGE | ENERGY INCENTIVE REBATE | \$1,638.00 |

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|--------------|---------------------|
| Total | \$388,012.22 |
|--------------|---------------------|

Total May, 2013 388,012.22; Transfer to City's General Fund 95,700, Muni Utilities Electric Water Gas 42,745.95; Northern Natural Gas 2,273.20; Missouri River Energy Services Power 1,288,890.26; BP Canada Energy Marketing Natural gas 497,335.00; Dept of Revenue Sales/Excise Tax 195,445.50; CPEP Natural Gas 42,333.45, City Finance Office Garbage Sewer 369,662.20.

ITEM 6376

Board set date of Thursday June 27, 2013 at Noon for June Board Meeting.

ITEM 6377

Motion by Luken with second by Schultz to adjourn. Motion carried.

The Watertown Municipal Utilities Department does not discriminate against the handicapped in employment or admission or access to its programs and activities or the provision of services.

Dated at Watertown, South Dakota this 30th day of May, 2013

ATTEST: _____

Lisa Pahl

Dustin J. Padgett

Executive Secretary

President

Municipal Utilities Board

Municipal Utilities Board