

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday, March 25, 2013

The Municipal Utilities Board convened in regular session at the Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday March 25, 2013 at Noon with President Dustin Padgett presiding.

Board members present: Dustin Padgett, Dave Strait, Mike Luken, Ernie Wight and Wayne Schultz by teleconference. Board Liaison Member of City Council Bruce Buhler. Staff Members present: Steve Lehner, Adam Karst, Todd Chambers, Jeff DeVille, Doug Enstad, Rich Schmidt, Mark Meier, Mark Haider, Kevin Kruter, Stephanie Ries, Sheila Mennenga, Lisa Pahl, Stanton Fox.

ITEM 6345

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

ITEM 6346

Motion by Wight with second by Luken to approve minutes of the regular Board meeting on February 25, 2013. Motion carried.

ITEM 6347

This being the time and place set for consideration of bids, the following were presented. Bids for Gas Regulators for the Gas Department and Pebble Lime for Water Department were opened Thursday, March 25, 2013 at 1:30 PM by Municipal Utilities Department Staff as authorized by the Board.

Gas Regulators: Novaspect, Eden Prairie, MN \$19,896.56; No bid security was received. Lehner reports that we can waive the absence of a bond as an irregularity and accept bid because there was no other bids received. Upon review and recommendation by Lehner, motion by Strait with second by Wight to waive bond requirement as an irregularity and to award bid to Novaspect, Eden Prairie, MN. Motion carried.

Pebble Lime for Water Department: Graymont, Superior, WI \$141.00 per ton, Mississippi Lime Co, St. Louis, MO \$255.07 per ton, Pete Lien, Rapid City, SD \$139.50 per ton. All bidders submitted a 10% Bid Bond as bid security. Upon review and recommendation by Lehner, motion by Strait with second by Luken to award bid to low valid bidder Pete Lien, Rapid City, SD. Motion carried.

ITEM 6348

Motion by Strait second by Luken to authorize General Manger to sign change orders up to \$5,000 for the 3 million gallon water tank project. Motion carried.

Motion by Strait with second by Luken to authorize General Manger to sign printer/copier lease. Motion carried.

Motion by Strait with second by Luken to authorize General Manger to sign Salt Quote Contract. Motion carried.

ITEM 6349

Lehner presented information on the Natural Gas Public Awareness Flyers. He also gave an update on the APPA Rally that was held in Washington, DC that he attended with Board Member Mike Luken. They met with MRES to talk about issues to take to the legislators. The major items discussed was the elimination of tax exempt financing, Secretary Chu's memos on the PMAs, and Cyber Security. Lehner also sent out an invite to all the Board Members to attend the MRES 48th Annual Meeting May 8-9 being held in Sioux Falls, SD. Also, an invite to the Laramie River Power Plant Tour being held Sept. 18-19.

ITEM 6350

Old Business: Lehner handed out the Personnel Handbook changes. He asked the board to take a look at the various wording changes and revising of our Nepotism policy. Anticipate action to be taken at the next board meeting.

ITEM 6351

Chambers presented report on Operations and Projects: Electric Department, Projects Completed this Month: Energized Transformer at LATI phase 4 addition, Tested Solar Panels on Peterson Motors for back feed into our system during outage. Projects Starting Next Month: Infrared thermo scanning of overhead lines, substations and underground equipment by MRES. Englestad Electric will be installing primary and secondary wire per contract. Gas Department, Projects Completed this Month: Annual business leak survey is completed, The annual Call Before You Dig Banquet was held at Second Street Station. Projects Starting Next Month: Annual valve maintenance, Operator qualifications hands on training -Plastic fusion, Stopping and plugging of lines, Tapping equipment, Backhoe operations, Vac-trailer operations. Water Department, Projects Completed this Month: 3 main breaks, 6" main break on 5th Ave S between 10th St and 11th St, 6" main break at 1160 4th St NW, 4" main break at Highland Blvd and Mayfair Dr., Drained the 3 million gallon reservoir and set up the plant to operate without the tank. Projects in Progress: Updating some of our older meters at the lake. Projects to Start Next Month: Start excavation on the 3 million gallon tank. Engineering Tech Department, Projects Completed this Month: 8 One-Call locates Mar. 1 to 20st, 2013. 12 One-Call locates total for February, 2013, 3 Emergency locates (0 private contractors & 3 Watertown utilities). Projects Starting Next Month: Average 500 One-Call locates in April.

ITEM 6352

Karst presented report on Administration and Financial Statements: Building/Grounds and Purchasing, Projects in Progress: Agreed to extend the contract of E & M Lawn Care for 2013 mowing season. Office, Projects Completed This Month: 13,290 Payments collected with a total of \$5,188,959; Total of 50,730 services billed for a total of \$4,883,488; Major Projects in Progress: Working with the auditor on the 2012 financial statement audit, Preparing information requested by MRES for our 2013 Electric Rate Study. Human Resources/Risk Management: Posted Customer Service Representative II Position, which is being filled due to the promotion of Angie Mitchell to Accountant. Position offered to Gina Brown, CSR I. Official transition date will be May 21, 2013. Posted Customer Service Representative I position.

Statements of revenue and expenses were presented to the Board for review. Year to date net income is \$322,173 over budget.

ITEM 6353

Motion made by Luken with second by Strait to approve the following verified Salary claims and bills. Motion carried unanimously upon roll call vote. Total Municipal Utilities Dept Net Payroll for March, 2013 Plus ACH Payroll Payments \$323,060.01.

April 1, 2013

Name	Payable Description	Paymt Amount
ADVANCED ENGINEERING & ENVIRON.	WATER TREAT.PLANT SERVER REPLACE.	\$19,520.00
AFLAC	CANCER PT	\$2,085.19
ALLDATA	SUBSCRIPTION	\$1,500.00
ALPS INC	SUPPLIES	\$289.05
A-OX WELDING SUPPLY INC	SUPPLIES	\$27.68
APPLIED INDUSTRIAL TECH	TOOLS, SUPPLIES	\$641.29
AUTO BODY SPECIALTIES	SUPPLIES	\$33.58
AVANTI FEDERAL CREDIT UNION	CREDIT UNION	\$15,947.53
BENDIX IMAGING INC	PRINTER MAINTENANCE KITS	\$978.97
BEST BUSINESS PRODUCTS INC TX	COPIER LEASE	\$139.01
BISCO	MEMBERSHIP FEES	\$300.00
BORDER STATES ELECTRIC SUPPLY	SUPPLIES	\$36,745.51
BORNS GROUP	POSTAGE & MAILING	\$7,119.11
BRIGGS, MIKE D	UB REFUND #5639-2	\$2,963.53
BURCHATZ CONSTRUCTION CO. INC	WATERLINE BREAK REPAIR	\$1,494.16
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWORK USAGE	\$79.20
CARQUEST #2197	AUTO PARTS	\$229.63
CARTNEY BEARING & SUPPLY	SUPPLIES	\$60.93
CATLETTE,STEPHEN	REIMBURSEMENT EXPENSES	\$72.00
CHAMBERS, TODD	REIMBURSEMENT EXPENSES	\$40.68
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$3,407.90

CITY OF WATERTOWN	CERTIFIED LETTER MAILING	\$79.92
CODINGTON-CLARK ELECTRIC COOP. INC	ELECTRIC SERVICE NEW WELLFIELD	\$4,392.08
CONNECTING POINT	COMPUTER SUPPLIES	\$29.00
CONSULTING ENGINEERS GROUP INC	GENERAL SUPPORT-CAPACITOR WORK	\$1,008.00
CREDIT BUREAU OF WATERTOWN INC	COLLECTIONS	\$1,762.76
DAKOTA DATA SHRED	SHREDDING SERVICE	\$72.45
DE VILLE, JEFF	REIMBURSEMENT EXPENSES	\$24.86
DEPARTMENT OF REVENUE	WATER SAMPLES	\$512.00
DITCH WITCH OF SOUTH DAKOTA, INC	SUPPLIES	\$390.11
DIVERSIFIED PRODUCTS	SUPPLIES	\$319.00
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$4,086.30
DUECO INC	UNIT #24 SERVICE	\$2,246.16
EAST RIVER ELEC POWER COOP	2013 SERVICE CONTRACT/TRAINING	\$8,100.00
ENERGY LABORATORIES INC	WATER SAMPLES	\$1,120.00
ETHANOL PRODUCTS LLC	WATER TREATMENT CHEMICALS	\$2,197.86
F J MC LAUGHLIN CO.	GRAVEL, SUPPLIES	\$1,758.70
FARNAMS GENUINE PARTS	PARTS	\$306.10
FASTENAL COMPANY	SUPPLIES	\$802.34
FOCUS WATERTOWN	2013 PLEDGE	\$50,000.00
GLASS PRODUCTS INC	SUPPLIES	\$339.18
GRAINGER	VALVE KIT, SUPPLIES	\$520.00
GREAT WESTERN BANK	TASC MED	\$5,934.84
GROEBNER & ASSOCIATES INC	RISERS	\$20,119.38
GSI THRIFT INC	ENERGY INCENTIVE REBATE	\$650.00
H R GREEN	3 MG WATER RESERVOIR REPLACEMENT	\$6,014.50
HAWKINS, INC.	WATER TREATMENT CHEMICALS	\$3,244.03
HUMAN SERVICE AGENCY	EAP SERVICES	\$315.00
IBEW LOCAL 426	UNION DUES	\$3,017.00
INTERSTATE ALL BATTERY CENTER	SUPPLIES	\$97.95
J H LARSON COMPANY	SUPPLIES	\$3,349.57
KARST, ADAM	REIMBURSEMENT EXPENSES	\$60.00
LEHNER, STEVE	REIMBURSEMENT EXPENSES	\$401.79
LOCATORS & SUPPLIES INC	SUPPLIES	\$128.88
LUKEN, MIKE	REIMBURSEMENT EXPENSES	\$1,021.61
LUKONEN'S TOOL SERVICE INC	SUPPLIES	\$227.60
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$548.55
MAC'S INC	SUPPLIES	\$71.35
MARCO INC	MAINTENANCE AGREEMENT	\$111.75
MC KEEVER'S VENDING	SUPPLIES	\$162.00
MEL DAHLE TIRE CO	TIRE REPAIR	\$18.00
MENARDS INC	SUPPLIES	\$220.15
MET LIFE	LIFE INSURANCE	\$1,047.32
MIDCONTINENT COMMUNICATIONS	INTERNET SERVICE	\$105.00
MIDWEST ENERGY ASSOCIATION	SUBSCRIPTION/LICENSE	\$870.00
MINNESOTA RUBBER	ENERGY INCENTIVE REBATE	\$25,561.35
MONTGOMERY'S FURNITURE	ENERGY INCENTIVE REBATE	\$28,053.90
MUNICIPAL UTILITIES - PC	PETTY CASH, SUPPLIES	\$348.04
MUNICIPAL UTILITIES CREDIT CARD FU	REIMB. CR. CARD FUND FOR GATEWAY FEE	\$71.40

MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND	\$73.65
MUNICIPAL UTILITIES-REFUND ACCT	REFUND OVERPAYMENT OF FINAL BILLS	\$1,683.71
NEW YORK LIFE INS.	LIFE INSURANCE	\$196.00
NORTHERN TOOL & EQUIP CO	MAGNETIC LOCATOR	\$657.77
NORTHERN TRUCK EQUIP CORP	SUPPLIES	\$156.04
NORTHWEST LINEMAN COLLEGE	TRAINING	\$506.00
NOVASPECT, INC.	GAS REGULATORS	\$14,045.28
OFFICE PEEPS	OFFICE SUPPLIES	\$744.32
O'REILLY AUTOMOTIVE INC	AUTO PARTS	\$142.17
PETE LIEN & SONS	WATER TREATMENT PLANT SUPPLIES	\$11,739.66
PRAXAIR DISTRIBUTION INC	CYLINDER RENTAL	\$125.42
PRINT-EM-NOW INC	OFFICE SUPPLIES	\$202.55
REDLINGER BROS PLUMBING & HEATING	SUPPLIES	\$65.41
RENELT, RON	REIMBURSEMENT EXPENSES	\$72.00
RESCO	LOAD BREAK ELBOWS, SUPPLIES	\$13,403.55
RUNNING'S SUPPLY INC	SUPPLIES	\$83.95
SD ONE CALL	LOCATES	\$250.95
SERVICEMASTER	JANITORIAL SERVICE	\$3,120.00
SIOUX FALLS CRANE & HOIST INC	OVERHEAD CRANE INSPECTION	\$303.00
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$5,885.50
SOCIETY FOR HUMAN RESOURCE MGMT	MEMBERSHIP FEES	\$180.00
STAR LAUNDRY INC	RUG SERVICE	\$331.95
STUART C IRBY CO	PRESSURE TERMINALS	\$2,620.47
STURDEVANTS AUTO PARTS	AUTO PARTS, SUPPLIES	\$61.04
TITAN MACHINERY- WTN	SUPPLIES	\$180.93
TITAN MACHINERY-SF	SUPPLIES	\$1,588.32
U S WATER SERVICES	WATER ANALYSIS	\$550.00
UPS	SHIPPING	\$348.19
WALMART COMMUNITY	SUPPLIES	\$362.71
WATERTOWN AREA CHAMBER OF COMM.	ANNUAL MEMBERSHIP DUES	\$419.39
WATERTOWN FLOWERS INC	OCCASION PLANTS	\$92.00
WATERTOWN IND DEV FOCUS WTN	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN PUBLIC OPINION	PUBLISHINGS	\$555.13
WATERTOWN UNITED WAY	United Way	\$351.00
WATERTOWN WHOLESALE	SUPPLIES	\$352.94
WATERTOWN WINNELSON CO	SUPPLIES	\$26.89
WELLMARK BLUE CROSS/BLUE SHIELD	HEALTH INSURANCE	\$65,872.06
WESCO DISTRIBUTION INC	WIRE	\$26,665.64
WILSON BOHANNAN COMPANY	SUPPLIES	\$682.68
	TOTAL	\$438,901.00

Total March, 2013 438,901.00; Transfer to City General 95,700; Muni Utilities Electric Water Gas 41,606.81; Northern Natural Gas 6,061.20; Missouri River Energy Services Power 1,688,244.71; BP Canada Energy Marketing Natural gas 761,712.00; Dept of Revenue Sales/Excise Tax

217,265.26; CPEP Natural Gas 116,035.50, City Finance Office Garbage Sewer 373,862.65.

ITEM 6354

Pursuant to SDCL 1-25-2(3) Strait moved with second by Luken to move to Executive Session for discussion of contractual matters. The Board does not expect to take action when they reconvene to regular session. Motion carried.

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

Motion by Strait with second by Luken 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 25th day of March, 2013

ATTEST: _____

Lisa Pahl

Dustin J. Padgett

Executive Secretary

President

Municipal Utilities Board

Municipal Utilities Board