

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday, December 30th, 2019

The Municipal Utilities Board convened in regular session at the Watertown Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday, December 30th, 2019 at 12:00 p.m. with President John Holley presiding.

Board members present: John Holley, Greg Solum, Lisa Carrico and Chris Carter. Board Member Mike Luken and Board Liaison, member of City Council, Glen Vilhauer absent. Staff members present: Steve Lehner, Adam Karst, Bert Magstadt, Jeff DeVille, Doug Enstad, John Lunde, Mark Meier, Mark Haider, Kevin Kruiter, Sheila Mennenga, Gina Brown and Lisa Pahl. Guests Kristen Bobzien, City of Watertown Finance Officer and Heath Voneye, City of Watertown Public Works Director/City Engineer.

ITEM 7285

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

ITEM 7286

Motion by Carter with second by Carrico to approve Consent Agenda, which gives authorization to Call for Bids for the following items and authorization to Declare as Surplus the following items. Motion carried.

1. AUTHORIZE TO CALL FOR BIDS

- a) Pebble Lime - Water Department
- b) Solar Salt - Water Department
- c) Water Meters - Water Department
- d) Hydrants - Water Department
- e) PVC Pipe - Water Department
- f) Installation of Water Mains - Water Department
- g) Directional Drilling for Water Main Installation- Water Department
- h) Replace Existing Main Distribution Areas - Water Department
- i) Steel Pipe - Gas Department
- j) Plastic Pipe - Gas Department
- k) Gas Values - Gas Department
- l) Gas Fittings - Gas Department
- m) Gas Regulators - Gas Department
- n) Line Heater - Gas Department
- o) Welding Truck 1-ton Unit#11- Gas Department
- p) Truck Box Unit #11 - Gas Department
- q) Truck $\frac{3}{4}$ ton #12 - Gas Department
- r) Truck $\frac{1}{2}$ ton #21 - Gas Department
- s) Gas Contractor for Main/Service Installs - Gas Department
- t) Gas Contractor for Interconnect Construction Site - Gas Department
- u) Transformers - Electric Department
- v) Wire -Electric Department

- w) Install URD Primary & Secondary - Electric Department
- x) Electric Service Installation - Electric Department
- y) Pad-Mounted Switchgear - Electric Department

2. DECLARE AS SURPLUS

- a) 2008 Ford F550 Truck Reg Cab 4 x 4 Diesel 1 Ton Truck
- b) 2008 Ford F-150 4 x 4 Super Cab ½ Ton Pickup
- c) 2005 Ford F150 4 x 4 ½ Ton Pickup
- d) 2008 Ford F150 ½ Ton Pickup
- e) 1999 Ford F250 4 x 4 ¾ Ton Pickup W/Snowplow
- f) 2010 Ford E150 Econoline Van
- g) 1995 Power Analyzer 7 channel
- h) 1972 Control Station Bldg I.C. Substation (County Fair Vault)

ITEM 7287

Motion by Solum with second by Carter to approve Minutes of regular meeting on November 26th, 2019. Motion carried.

ITEM 7288

Motion by Carter with second by Solum for authorization to purchase vehicles using state contract. Motion carried.

ITEM 7289

Motion by Solum with second by Carter to approve Resolution for Administrative Services with Missouri River Energy Services and Western Area Power Association. Motion carried unanimously on roll call vote.

RESOLUTION NO. 7289

RESOLUTION AUTHORIZING THE EXECUTION OF THE FOLLOWING DOCUMENTS WITH THE WESTERN AREA POWER ADMINISTRATION: ADMINISTRATIVE SERVICE ROLES AND DUTIES RELATED TO SCHEDULING AND PAYMENT - CONTRACT 19-UGPR-125

WHEREAS Watertown Municipal Utilities ("Watertown") recently executed a new S-1 Power Supply and Transmission Operator Procedure ("TOP") agreements with terms through Dec 31, 2050 with Western Area Power Administration ("WAPA"); and

WHEREAS Watertown utilizes Missouri River Energy Services ("MRES") to act as Watertown's agent for Administrative Services involving scheduling and payments with WAPA ; and

WHEREAS Watertown and WAPA desire to have all contracts between the two entities to have the same expiration date;

NOW THEREFORE BE IT RESOLVED by Watertown that contract 19-UGPR-125 for Administrative Services be signed and executed by the Board President in the form presented

Date at Watertown, South Dakota, this 30th day of December 2019

ITEM 7290

Motion by Carrico with second by Solum to approve General Manager to sign Amendment to Northern Border Pipeline Service Agreement Rate Schedule T-1B, Contract #FB0742. Motion carried.

ITEM 7291

Motion by Carter with second by Carrico to remove the bankruptcy list as presented in the Board Packet totaling \$14,460.89 that was discharged in Bankruptcy Court in 2019, from Accounts Receivable. Motion carried.

ITEM 7292

Motion by Carrico with second by Solum to remove the delinquent accounts totaling \$29,190.66 from Accounts Receivable. There has been no payment on these accounts for the past seven years. These names will remain on record in case of future payments made or applications for future service. Motion carried.

ITEM 7293

Karst brought discussion to the Board on refinancing the State Revolving Fund Loan. The SRF was established in 2008 when 23.8 million dollars was borrowed to expand the Water Treatment Plant, a new wellfield and the infrastructure that goes along with that. The Board agreed that Karst should proceed with the steps that are required with refinancing the loan.

ITEM 7294

Motion by Carter with second by Solum to approve Resolution #7294, a resolution providing for the salaries of Watertown Municipal Utilities employees for the period commencing January 1, 2020. Motion carried unanimously upon roll call vote.

RESOLUTION #7294

**A RESOLUTION PROVIDING FOR THE SALARIES OF
WATERTOWN MUNICIPAL UTILITIES EMPLOYEES
FOR THE PERIOD COMMENCING JANUARY 1, 2020**

WHEREAS Watertown Municipal Utilities employs public employees; and
WHEREAS Watertown Municipal Utilities, thru its Board, desires to formally establish 2020 compensation rates for all exempt employees and non-exempt employees; and
WHEREAS the Municipal Utilities Board with previous Board action at the November 30, 2018 Board Meeting thru Item #7140 authorized a three-year Contract with the IBEW Local 426 Union thus making the year 2020 the Second year of the contract; and
WHEREAS the Municipal Utilities Board has discussed and reviewed Staff salaries and recommends an increase of 3% for Twelve Staff positions including General Manager, Director of Operations, Director of Administration, Electric Superintendent, Gas Superintendent, Water Superintendent, Engineering Technician Superintendent, Customer Service/Billing/Collections Supervisor, Purchasing/Facilities/Accounting Supervisor,

Human Resources/ Risk Coordinator, Information Systems Supervisor, Administrative Assistant/Board Secretary. In addition, the Board also recommends a 2% craft adjustment for Two Staff positions including Director of Operations and Director of Administration; a 2.5% craft adjustment for One Staff position, Human Resources/Risk Coordinator; and a 3% craft adjustment for Three Staff positions including Engineering Tech Superintendent, Information Systems Supervisor and Gas Superintendent.

NOW THEREFORE BE IT RESOLVED by the Watertown Municipal Utilities to establish the following rates:

Hourly Rate (unless specified) as of January 1, 2020

Electric Department: B Benson 45.31; C Brown 23.45; S Catlette 39.07; J Determan 42.44; D Enstad 9,161/mo; D Frost 23.48; D Gollnick 41.68; M Gollnick 23.48; A Jonnes 41.68; A Karst 10,920/mo; K Kruiter 6,953/mo; B Magstadt 11,039/mo; M Meier 7,721/mo; D Meseberg 41.68; S Myers 25.51; A Niemann 34.20; K Nordsiden 19.41; L Pahl 26.92; R Renelt 39.07; B Ripley 33.68; S Ronke 33.08; J Rudebusch 41.68; M Rue 19.41; T Schafer 41.68; A Schultz 31.99; C Stangl 41.68; R Suttan 31.99; L Tolley 41.68; T Wirtjes 34.20; Steve Witte 41.68.

Water Department: G Brown 6,438/mo; J DeVille 8,338/mo; C Forman 33.39; N Frost 21.68 ; D Kraemer 31.80; J Kudrna 36.26; B Lueders 36.26; R Mack 33.39; M McLaughlin 33.39; S Mennenga 6,983/mo; M Meseberg 26.24; A Mitchell 30.54; T Namken 30.18; T Starr 33.39; S Struss 33.68; L Sutton 33.39.

Gas Department: M Andrews 38.12; D Brage 38.12; J Burns 42.64; A Erickson 42.64; B Gubka 39.26; M Haider 6,947/mo; J Jellis 32.45; C Kranz 39.26; S Lehner 15,304/mo; J Lunde 8,196/mo; T Pahl 35.62; T Remacle 33.68; M Rost 24.26; K Roth 39.26; A Seim 19.41; B Warborg 42.43.

Date at Watertown, South Dakota, this 30th day of December 2019

ITEM 7295

Motion by Carrico with second by Solum to authorize the Board President to sign Memorandum of Understanding with Local Union #426 of the International Brotherhood of Electric Workers changing health insurance from 4 tier to 2 tier. Motion carried.

ITEM 7296

Magstadt presented the Report on Operations and Projects, Electric, Projects Completed this Month: Doug Enstad completed the MMUA Leadership Academy course, Completed installing poles and moving primary line for Northwestern Energy metering at Lake Kampeska, Contractor finished substation metering project but waiting for final test data, Projects Starting Next Month: Going out for proposals for Engineering Study for redistribution electrical loads with CEG. Gas, Projects Completed this Month: Received our grant request of \$385,961 from the GOED for 50% of WMU's portion of the new NBPL tap, Checked pipe on Hwy 212/Big Sioux River crossing for damage by sewer and de-watering contractor, Leak surveying 150 possibly nicked hit lines by cable TV contractor. Water, Projects Completed this Month: Three water main breaks, Finished checking all the hydrants in the system before winter freeze up we found 12 hydrants that were froze and we thawed out, Dug and isolated one hydrant that was hit by a truck and broke, it will be replaced this spring. Engineering Tech, Projects Completed this Month: Attended a GIS class in Britton SD, Projects in Progress: Process Kampeska and Lake Pelican flood

data and City flood meetings, updating maps. 15th Ave Substation Project: Off loaded transformer on Dec. 10.

ITEM 7297

Karst presented the report on Administration and Financial Statements, Purchasing, Accounting and Facilities, Projects Completed This Month: Completed our assessment with FEMA for the 2019 spring flood expenses, Ordering, receiving and stocking materials. Customer Service, Projects Completed this Month: 14,185 payments collected for a total of \$4,064,087 total of 54,216 services billed for a total of \$4,354,814. Human Resources/Risk Management: New hire Joe Jellis, Apprentice Welder/Fitter/Operator, effective 12/21/2019, Completed open enrollment for 2019 -Health Insurance - Dental Insurance - Life Insurance -AFLAC - Flex Plan. 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 \$1,479,505 above budget for the Eleven months ending November 30th, 2019. Total Capital Additions are \$1,252,133 under budget for the Eleven months ending November 30th, 2019.

ITEM 7298

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 December 2019 Plus ACH Payroll Payments \$517,614.94. Change: A. Erickson, 41.40/hr. effective 11/21/2019, J. Jellis 25.48/hr. effective 12/3/2019.

Name	Payable Description	Payment Amount
January 2, 2020		
ABC EMBROIDERY	SERVICE	\$ 39.15
ABC LOCK & KEY	SERVICE	\$ 1,527.76
ACTIVE HEATING INC	ENERGY INCENTIVE REBATE	\$ 189.00
ADVANCED ENGINEER. & ENVIRON. SERV.	I & C SYSTEM SERVICES	\$ 2,138.50
AFLAC	CANCER PT	\$ 1,626.96
A-OX WELDING SUPPLY INC	SUPPLIES	\$ 1,172.74
BENDIX IMAGING INC	OFFICE SUPPLIES	\$ 199.99
BERNIE'S TELEPHONE & TECH	PHONE SERVICE	\$ 420.00
BORDER STATES ELECTRIC SUPPLY	SUPPLIES	\$ 12,208.27
BORNS GROUP	POSTAGE & MAILING	\$ 8,382.20
BRIAN'S GLASS & DOOR INC	SERVICE	\$ 1,251.01
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWORK USAGE	\$ 111.57
CE POWER ENGINEERED SERVICES, LLC	15TH AVE SUBSTATION	\$ 1,800.44
CENTURY LINK	PHONE SERVICE	\$ 299.02
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$ 5,274.98
CHILD SUPPORT PAYMENT CENTER	EMPLOYEE DED.: CHILD SUPPORT	\$ 750.00
CITY OF WATERTOWN	CHIP SEAL PARKING LOT	\$ 26,778.33
CLARK ENGINEERING CORP	HWY212 WATER MAIN REPLACEMENT	\$ 797.50
CODINGTON-CLARK ELECTRIC COOP. INC	WELLFIELD ELECTRIC SERVICE	\$ 3,895.20
CONNECTING POINT	IT SERVICES	\$ 2,249.15
CONSULTING ENGINEERS GROUP INC	15TH AVE SUBSTATION	\$ 15,814.60
CORE & MAIN LP	SUPPLIES	\$ 1,358.34
CRAIG DEVELOPEMENT LLC	REFUND	\$ 2,210.67

CREDIT COLLECTIONS BUREAU	COLLECTIONS	\$ 162.01
CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$ 121.00
DAKOTA AUTOMATION	ENERGY INCENTIVE REBATE	\$ 8,968.86
DAKOTA DATA SHRED	SHREDDING SERVICE	\$ 68.45
DAKOTA UNDERGROUND CONST. LLC	INSTALLATION OF UNDERGROUND	\$ 5,258.50
DENR	2020 RENEWAL CERTIFICATION	\$ 66.00
DEPARTMENT OF HEALTH	WATER SAMPLES	\$ 1,017.00
DGR ENGINEERING	REVENUE METERING RELOCATION	\$ 128,730.43
DLT SOLUTIONS, LLC	2020 SUBSCRIPTION	\$ 4,127.80
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$ 450.00
DUININCK INC	GRAVEL, ROCK & DIRT	\$ 9,093.19
ENERGY ECONOMICS INC	REPAIR & CALIBRATE - 2 METERS	\$ 1,046.64
ENERGY LABORATORIES INC	WATER TESTING	\$ 1,290.00
ENERSYS INC.	BATTERY SPILL CONTAINMENT	\$ 1,210.31
ENGELSTAD ELECTRIC COMPANY	INSTALLATION OF UNDERGROUND	\$ 34,321.39
ETHANOL PRODUCTS LLC	BULK CO2	\$ 2,195.10
FARNAMS GENUINE PARTS	SUPPLIES	\$ 760.99
FASTENAL COMPANY	SUPPLIES	\$ 115.09
FEDERAL EXPRESS CORP	SHIPPING	\$ 55.08
FRANZ REPROGRAPHICS, INC.	SUPPLIES	\$ 708.40
G & R CONTROLS INC.	HVAC COMPUTER & SOFTWARE	\$ 4,050.00
GACKE ENTERPRISES	LIME DISPOSAL	\$ 19,188.00
GCR TIRE CENTER	SERVICE	\$ 83.35
HARRIS COMPUTER SYSTEMS	2020 SOFTWARE MAINTENANCE	\$ 53,311.36
HAWKINS, INC.	HYDROFLUOSILICIC ACID	\$ 2,421.37
HUMAN SERVICE AGENCY	EAP SERVICES	\$ 90.00
IBEW LOCAL 426	UNION DUES	\$ 2,615.00
INDELCO PLASTICS CORPORATION	POLYMER FEED TANK	\$ 1,309.84
INFRASTRUCTURE DESIGN GROUP, INC.	SERVICE	\$ 3,847.90
INNOVYZE	2020 SUBSCRIPTION	\$ 1,948.89
INTERSTATE ALL BATTERY CENTER	SUPPLIES	\$ 71.20
J & J EARTHWORKS	NEW MAIN CALVIN ADDITION	\$ 11,509.55
J H LARSON COMPANY	SUPPLIES	\$ 3,768.08
JOHNSON CONTROLS INC	SERVICE	\$ 1,563.49
JURGENS PRINTING INC	SUPPLIES	\$ 59.00
KARST, ADAM	REIMBURSEMENT EXPENSE	\$ 43.00
KEY CONTRACTING INC	15TH AVENUE SUBSTATION	\$ 177,952.03
KOONS GAS MEASUREMENT	GAS METER	\$ 11,072.03
KRUITER, KEVIN	REIMBURSEMENT EXPENSE	\$ 134.30
KUNDEL INDUSTRIES, INC.	SHORING BOX	\$ 23,643.10
LARRY BACHMAN	SERVICE	\$ 2,645.00
LATI	CDL TEST	\$ 90.00
LEHNER, STEVE	REIMBURSEMENT EXPENSE	\$ 229.40
LOCATORS & SUPPLIES INC	TRAFFIC CONES	\$ 2,197.15
LUNDE, JOHN	REIMBURSEMENT EXPENSE	\$ 431.99
LYLE SIGNS INC	SUPPLIES	\$ 488.92
MACK, ROBIN	REIMBURSEMENT EXPENSE	\$ 111.10
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$ 648.02
MAC'S HARDWARE	SUPPLIES	\$ 216.16
MAGSTADT, BERT	REIMBURSEMENT EXPENSE	\$ 648.86
MARCO	COPIER LEASE	\$ 348.82
MATHESON TRI-GAS INC	NITROGEN	\$ 52.75
MCKEEVER INC	SUPPLIES	\$ 96.56
MEIER, MARK	REIMBURSEMENT EXPENSE	\$ 107.30
MENARDS INC	SUPPLIES	\$ 1,019.91
MENNENGA, SHEILA	EXPENSE REIMBURSEMENT	\$ 124.00
MET LIFE	LIFE INSURANCE	\$ 1,299.09
MIDCONTINENT COMMUNICATIONS	INTERNET & CABLE SERVICE	\$ 215.72
MIDWEST MOTOR EXPRESS INC.	FREIGHT	\$ 154.00
MINNESOTA MUNICIPAL UTILITIES ASSN	2020 MEMBER DUES	\$ 375.00

MUNICIPAL UTILITIES - PC	REPLENISH PETTY CASH	\$ 261.45
MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND	\$ 1,275.56
MUNICIPAL UTILITIES-REFUND ACCT	REFUND OF CREDITS ON ACCOUNTS	\$ 9,263.71
NIEMANN, ANDY	REIMBURSEMENT EXPENSE	\$ 1,216.07
OFFICE OF ENERGY ASSISTANCE	REIMBURSE ENERGY ASSISTANCE	\$ 34.76
OFFICE PEEPS	SUPPLIES	\$ 1,195.52
O'REILLY AUTOMOTIVE INC	SUPPLIES	\$ 337.74
PETE LIEN & SONS	BULK LIME	\$ 11,690.52
PRAXAIR DISTRIBUTION INC	CYLINDER RENTAL	\$ 169.98
PRINCIPAL FINANCIAL GROUP	DENTAL INSURANCE	\$ 1,092.59
PRO LINE INC	SUPPLIES	\$ 117.49
RC FIRST AID	SUPPLIES	\$ 84.50
REDLINGER BROS PLUMBING & HEATING	SUPPLIES	\$ 206.49
REEDE CONSTRUCTION INC.	HWY 212 WATER MAIN REPLACEMENT	\$ 58,869.30
RELIABANK DAKOTA	TASC MED	\$ 6,709.77
RESCO	SUPPLIES	\$ 2,329.02
RON'S SAW SALES	SUPPLIES	\$ 150.99
RUNNING'S SUPPLY INC	SUPPLIES	\$ 740.58
SANFORD HEALTH OCCUPATIONAL MEDICINE	SCREENS	\$ 199.00
SCHAEFFER MFG CO	OIL	\$ 1,098.35
SD MUNICIPAL ELECTRIC ASSN	2020 MEMBERSHIP DUES	\$ 23,142.00
SD ONE CALL	LOCATES	\$ 218.40
SDML WORKERS COMP FUND	2020 WORK COMP INSURANCE	\$ 64,543.00
SENSIT TECHNOLOGIES	SERVICE	\$ 271.57
SERVICEMASTER	JANITORIAL SERVICE	\$ 4,120.00
SIOUX VALLEY CO-OP	FUEL/SUPPLIES	\$ 5,905.38
SIOUX VALLEY GREENHOUSES	SERVICE	\$ 225.00
SPEE-DEE DELIVERY SERVICE INC	SHIPPING	\$ 21.36
STAR LAUNDRY INC	RUG SERVICE	\$ 657.35
STUART C IRBY CO	WIRE	\$ 2,746.16
STURDEVANTS AUTO PARTS	SUPPLIES	\$ 317.29
TEREX SERVICES	SERVICE	\$ 291.95
TITAN MACHINERY-SF	SUPPLIES	\$ 1,233.98
TRAV'S OUTFITTER	SAFETY CLOTHING	\$ 85.00
TRUGREEN	SUPPLIES	\$ 339.20
TYLER BUSINESS FORMS	OFFICE SUPPLIES	\$ 191.44
TYLER TECHNOLOGIES	2020 SOFTWARE MAINTENANCE	\$ 16,422.00
TYNDALE COMPANY INC	SAFETY CLOTHING	\$ 413.90
USA BLUEBOOK	SUPPLIES	\$ 978.51
WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVELOPMENT EXPENSE	\$ 8,690.00
WATERTOWN FORD CHRYSLER	SERVICE	\$ 1,372.46
WATERTOWN PUBLIC OPINION	PUBLISHINGS	\$ 384.93
WATERTOWN UNITED WAY	United Way	\$ 402.50
WATERTOWN WHOLESALE	SUPPLIES	\$ 887.20
WEG TRANSFORMERS USA LLC	15TH AVE SUBSTATION	\$ 128,257.90
WESCO DISTRIBUTION INC	SUPPLIES	\$ 2,507.75
WHEELCO	SUPPLIES	\$ 34.34
WINSUPPLY OF WATERTOWN	SUPPLIES	\$ 44.63
TOTAL		<u>\$ 982,191.45</u>

Total December 2019 982,191.45; Transfer to City's General Fund 105,979, Muni Utilities Electric Water Gas 42,124.99; Missouri River Energy Services Power 1,635,315.69; BP Canada Energy Marketing Natural Gas 280,043.40; Dept. of Revenue Sales/Excise Tax 201,007.93; CPEP #3 Natural Gas 55,569.15, CPEP #4 Natural Gas 65,636.55, Sequent Energy Mgmt. Natural Gas 318,678.21, Northern

Border Pipeline Natural Gas Tap 615,425.40, City Finance Office Garbage/Sewer 402,432.05.

ITEM 7299

Pursuant to SDCL 1-25-2(4) Carrico moved with second by Carter 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.

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

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 30th, day of December, 2019.

ATTEST: _____

Lisa Pahl
Board Secretary
Municipal Utilities Board

John Holley
Board President
Municipal Utilities Department