

## **MINUTES OF MUNICIPAL UTILITIES BOARD MEETING**

**Monday, December 29<sup>th</sup>, 2014**

The Municipal Utilities Board convened in regular session at the Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday, December 29<sup>th</sup>, 2014 at 4 p.m. with President Wayne Schultz presiding.

Board members present: Wayne Schultz, via teleconference, Ernie Wight, Mike Luken and Dave Strait. Board Member Dustin Padgett absent. Board Liaison, member of City Council, Don Roby. Staff members present: Steve Lehner, Todd Chambers, Adam Karst, Jeff DeVille, Rich Schmidt, Doug Enstad, Mark Meier, Mark Haider, Kevin Kruiter, Stephanie Ries, Sheila Mennenga, Stanton Fox and Lisa Pahl. Press: Don Eggert, KXLG, Kayla Prasek, Public Opinion.

### **ITEM 6575**

Board President Schultz called meeting to order. Schultz was attending via teleconference so he asked Vice President Wight to take over as interim president and run the meeting, which Wight agreed.

Motion by Strait with second by Luken to approve the Agenda with a change to move item 5 to Executive Session. Motion carried unanimously upon roll call vote.

### **ITEM 6576**

Motion by Strait with second by Schultz to approve Consent agenda, which gave authorization to call for bids for the following items. Motion carried unanimously upon roll call vote.

#### **AUTHORIZE TO CALL FOR BIDS**

- a) Pebble Lime - Water Department
- b) Salt - Water Department
- c) Lime Sludge Removal - Water Department
- d) Hydrants - Water Department
- e) PVC Pipe - Water Department
- f) Installation of Water Mains - Water Department
- g) Replacement of Water Main on 3<sup>rd</sup> Ave NE - Water Department
- h) Transformers - Electric Department
- i) Wire -Electric Department
- j) Install URD Primary & Secondary - Electric Department
- k) Trencher-Electric Department
- l) Contractor for Wood Pole Replacement - Electric Department
- m) Two Sub-Station Transformers - Electric Department
- n) Electric Meters - Electric Department
- o) Bucket Truck - Electric Department
- p) Small Trencher - Gas Department
- q) Bill Processing and Mailing Service - Office

### **ITEM 6577**

Motion by Strait with second by Luken to approve minutes of the regular Board Meeting on November 26<sup>th</sup>, 2014. Motion carried unanimously upon roll call vote.

**ITEM 6578**

Karst presented the bankruptcy list for 2014. Motion by Schultz with second by Strait to remove discharged bankruptcies totaling \$5,245.53. Motion carried unanimously upon roll call vote.

**ITEM 6579**

Karst presented the list of uncollectable accounts receivables. Motion by Luken with second by Strait to remove delinquent accounts totaling \$53,095.62 from Accounts Receivable. Motion carried unanimously upon roll call vote. There has been no activity on these accounts for the past seven years. These names will remain on record in case of future payments made or application for future service.

**ITEM 6580**

Karst and Chambers presented proposed policy changes. Suggested changes in general policies were minor formatting along with a change in reconnect and disconnect charges. A change also was suggested deleting the authorization for Vice-President to sign checks, since stamp is used. Gas Policy change proposals are clarification in language and Rate and structure changes reflecting the new rate sheet. The Board will review these proposed policy changes and will be presented for approval at the January meeting.

**ITEM 6581**

Motion by Strait with second by Luken to give approval for General Manager to sign contract for Engineering Services for recoating water tanks with DGR. Motion carried unanimously upon roll call vote.

**ITEM 6582**

OPEN: Lehner presented the bill stuffer for Watertown Community Recreation Center's Health Fair.

**ITEM 6583**

Chambers presented the report on Operations and Projects: Electric Department, Projects Completed this Month: Energized transformers at Dakota Tube and Hardee's. Projects in Progress: Replacing rejected poles and tree trimming. Gas Department, Projects Completed this Month: Check and adjusted pressures on 16 regulator stations. Projects Starting Next Month: Completing the 2014 annual report as required by the federal regulations. Water Department, Projects Completed this Month: 3 main breaks, 1 new tap, 1 main shut down. Projects in Progress: Laying up the MIEX process for the winter. Engineering Tech Department: Projects Completed this Month: 39 One-Call

locates Dec. 1 - Dec. 24, 2014, 157 One-Call locates total November, 2014, 25 locates expected for January, updated utility base map.

**ITEM 6584**

Karst presented the report on Administration and Financial Statements: Building/Grounds and Purchasing, Projects in Progress: Completed our 2014 Physical Inventory. Projects to Start Next Month: Dakota Riggers to inspect chains and slings, Purchasing long lead time material for 2015. Office, 13,263 payments collected for a total of \$3,696,380; Total of 51,968 services billed for a total of \$4,286,776. Human Resources/Risk Management: Completed Salary/Exempt position wage survey, Completed Flex plan enrollment for 2014. IT: 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 \$1,381,673 under budget for the Eleven months ending November 30<sup>th</sup>, 2014. Total Capital Additions are \$1,967,619 under budget for the Eleven months ending November 30<sup>th</sup>, 2014.

**ITEM 6585**

Motion made by Strait with second by Luken to approve the following verified salary claims and bills. Motion carried unanimously upon roll call vote. Total Municipal Utilities Dept Net Payroll for December, 2014 Plus ACH Payroll Payments 361,575.17. Info: L. Tolley 32.30 as of 11/29/2014; M. Andrews 24.42 as of 12/9/2014.

| Jan. 2, 2015                       |                                  |                |
|------------------------------------|----------------------------------|----------------|
| Name                               | Payable Description              | Payment Amount |
| ADVANCED CONCRETE LLC              | SERVICE                          | \$2,486.45     |
| AFLAC                              | CANCER PT                        | \$2,243.48     |
| A-OX WELDING SUPPLY INC            | SUPPLIES                         | \$205.58       |
| AP & SONS CONSTRUCTION INC         | WILLISTON WATER MAIN             | \$1,247.25     |
| AQUA-PURE INC                      | SUPPLIES                         | \$9,000.00     |
| BATTERIES UNLIMITED                | SUPPLIES                         | \$132.00       |
| BENSON, BRIAN                      | REIMBURSEMENT EXPENSE            | \$1,149.00     |
| BORDER STATES ELECTRIC SUPPLY      | SUPPLIES                         | \$3,027.25     |
| BORNS GROUP                        | POSTAGE & MAILING                | \$7,529.83     |
| BUREAU OF ADMINISTRATION           | STATE TELEPHONE NETWORK USAGE    | \$46.35        |
| BUTLER MACHINERY CO                | SERVICE                          | \$1,048.80     |
| CHAMBERS, TODD                     | REIMBURSEMENT EXPENSES           | \$162.96       |
| CHASE CARDMEMBER SERVICE           | CREDIT CARD                      | \$2,008.63     |
| CHILD SUPPORT PAYMENT CENTER       | CHILD SUPPORT - Case #247392027A | \$275.00       |
| CITY OF WATERTOWN                  | SERVICE                          | \$11,275.57    |
| CODINGTON-CLARK ELECTRIC COOP. INC | ELECTRIC SERVICE WELLFIELD       | \$4,367.82     |
| CREDIT BUREAU OF WATERTOWN INC     | COLLECTIONS                      | \$438.11       |
| CRESCENT ELECTRIC SUPPLY CO        | SUPPLIES                         | \$227.48       |
| DAKOTA DATA SHRED                  | SHREDDING SERVICE                | \$61.18        |
| DAKOTA DRILLERS                    | WILLISTON ADDITION               | \$9,971.52     |
| DAKOTA SECURITY SYSTEMS, INC       | ALARM SYSTEM TESTING             | \$360.00       |
| DE VILLE, JEFF                     | REIMBURSEMENT EXPENSES           | \$62.16        |
| DEPARTMENT OF REVENUE              | WATER SAMPLES                    | \$1,029.00     |
| DSG DAKOTA SUPPLY GROUP            | SUPPLIES                         | \$2,704.22     |
| DUECO INC                          | SUPPLIES                         | \$1,259.45     |
| ELECTRIC MOTORS & MOORE INC        | SUPPLIES                         | \$60.00        |
| ENGELSTAD ELECTRIC COMPANY         | SERVICES                         | \$68,927.08    |
| F J MC LAUGHLIN CO.                | ROCK GRAVEL                      | \$3,543.55     |
| FARNAMS GENUINE PARTS              | SUPPLIES                         | \$147.22       |

|                                       |                                 |             |
|---------------------------------------|---------------------------------|-------------|
| FARWEST LINE SPECIALTIES, LLC         | SUPPLIES                        | \$243.00    |
| FASTENAL COMPANY                      | SUPPLIES                        | \$1,944.62  |
| FIRE UNDERWRITERS BOARD               | 2015 EMPLOYEE BOND INS PREMIUM  | \$335.00    |
| FIRST DISTRICT ASSN OF LOCAL GOVTS    | GIS WEBSITE                     | \$1,500.00  |
| GAS PRODUCTS SALES                    | SUPPLIES                        | \$215.88    |
| GCR TIRE CENTER                       | SUPPLIES                        | \$192.00    |
| GRAINGER                              | SUPPLIES                        | \$240.80    |
| GREAT WESTERN BANK                    | TASC MED                        | \$6,219.31  |
| GROEBNER                              | SUPPLIES                        | \$9,702.39  |
| HARRIS COMPUTER SYSTEMS               | SOFTWARE UPGRADE                | \$2,555.00  |
| HUMAN SERVICE AGENCY                  | EAP SERVICES                    | \$337.50    |
| IBEW LOCAL 426                        | UNION DUES                      | \$3,084.00  |
| INTERSTATE ALL BATTERY CENTER         | SUPPLIES                        | \$283.15    |
| J H LARSON COMPANY                    | SUPPLIES                        | \$847.04    |
| JOINT UTILITY TRAINING SCHOOL         | REGISTRATION                    | \$800.00    |
| JURGENS PRINTING & COPY CENTER INC    | SUPPLIES                        | \$521.00    |
| KEY CONTRACTING INC                   | REJECTED POLE CHANGE OUTS       | \$7,532.50  |
| LAKE CITY FIRE EQUIPMENT LLC          | EXTINGUISHER MAINTENANCE        | \$46.27     |
| LEHNER, STEVE                         | REIMBURSEMENT EXPENSES          | \$458.96    |
| LOCATORS & SUPPLIES INC               | SUPPLIES                        | \$1,129.77  |
| MACKSTEEL WAREHOUSE INC               | SUPPLIES                        | \$1,038.34  |
| MAC'S INC                             | SUPPLIES                        | \$663.55    |
| MAHOWALD'S HARDWARE & RENTAL          | SUPPLIES                        | \$37.95     |
| MARCO INC                             | MAINTENANCE AGREEMENT           | \$56.81     |
| MARCO INC                             | MAINTENANCE AGREEMENT           | \$294.70    |
| MATHESON TRI-GAS INC                  | SUPPLIES                        | \$122.06    |
| MENARDS INC                           | SUPPLIES                        | \$678.45    |
| MESA PRODUCTS INC                     | SUPPLIES                        | \$3,477.00  |
| MET LIFE                              | LIFE INSURANCE                  | \$1,130.64  |
| MIDCONTINENT COMMUNICATIONS           | INTERNET SERVICE                | \$105.00    |
| MIDWEST ENERGY ASSOCIATION            | DUES                            | \$2,932.20  |
| MIDWEST UNDERGROUND SUPPLY            | SUPPLIES                        | \$1,806.37  |
| MILBANK COMMUNICATIONS INC            | SUPPLIES                        | \$559.98    |
| MILBANK WINWATER WORKS                | SUPPLIES                        | \$20,047.20 |
| MINNESOTA MUNICIPAL UTILITIES ASSN    | TRAINING                        | \$880.00    |
| MISSOURI RIVER ENERGY SERVICES        | RESOURCE ACTION PROGRAM         | \$5,157.93  |
| MUNICIPAL UTILITIES - PC              | PETTY CASH                      | \$670.35    |
| MUNICIPAL UTILITIES-NSF CHECK ACCO    | REIMBURSE NSF FUND #185180-3    | \$170.81    |
| MUNICIPAL UTILITIES-REFUND ACCT       | REFUND OF CREDITS ON ACCOUNTS   | \$6,856.67  |
| NEW YORK LIFE INS.                    | LIFE INSURANCE                  | \$106.00    |
| NORTHERN TOOL & EQUIP CO              | SUPPLIES                        | \$436.94    |
| NORTHERN TRUCK EQUIP CORP             | SUPPLIES                        | \$1,018.06  |
| NORTHWEST PIPE FITTINGS INC           | SUPPLIES                        | \$6,830.04  |
| OFFICE MAX CONTRACT INC               | SUPPLIES                        | \$401.98    |
| OFFICE PEEPS                          | SUPPLIES                        | \$813.31    |
| O'REILLY AUTOMOTIVE INC               | SUPPLIES                        | \$55.96     |
| PETE LIEN & SONS                      | SUPPLIES                        | \$12,416.41 |
| PIPEHORN LOCATING TECHNOLOGY          | REPAIRS                         | \$349.00    |
| PRAXAIR DISTRIBUTION INC              | CYLINDER RENTAL                 | \$132.00    |
| PRINT-EM-NOW INC                      | SUPPLIES                        | \$360.00    |
| QUALITY FIRST PLUMBING & HEATING I    | SERVICE                         | \$122.03    |
| REDLINGER BROS PLUMBING & HEATING     | SUPPLIES                        | \$99.04     |
| RESCO                                 | SUPPLIES                        | \$4,874.24  |
| RIES, STEPHANIE                       | REIMBURSEMENT EXPENSES          | \$1,215.65  |
| RON'S SAW SHOP                        | SUPPLIES                        | \$219.88    |
| RUNNING'S SUPPLY INC                  | SUPPLIES                        | \$385.82    |
| SANFORD WATERTOWN OCCUP. MEDICINE     | SCREENINGS                      | \$55.00     |
| SD ASSOCIATION OF RURAL WATER SYSTEMS | EQUIPMENT USAGE FEE             | \$150.00    |
| SD DENR                               | OPERATOR CERTIFICATION RENEWALS | \$60.00     |
| SD MUNICIPAL LEAGUE                   | REGISTRATION                    | \$20.00     |
| SD ONE CALL                           | LOCATES                         | \$174.30    |
| SD PUBLIC ASSURANCE ALLIANCE          | INSURANCE ENDORSEMENT           | \$921.00    |
| SDML WORKERS COMP FUND                | 2015 RENEWAL                    | \$67,271.00 |
| SERVICEMASTER                         | JANITORIAL SERVICE              | \$3,120.00  |

|                                    |                                |              |
|------------------------------------|--------------------------------|--------------|
| SIGN PRO                           | SUPPLIES                       | \$66.20      |
| STAR LAUNDRY INC                   | SUPPLIES                       | \$377.08     |
| STUART C IRBY CO                   | TEST RUBBER GLOVES             | \$1,129.14   |
| STURDEVANTS AUTO PARTS             | SUPPLIES                       | \$838.67     |
| T & M AUTOBODY INC                 | PURCHASE UNIT 10               | \$15,933.00  |
| T & R ELECTRIC SUPPLY COMPANY INC  | FIELD SERVICE                  | \$104.00     |
| TITAN MACHINERY- WTN               | SUPPLIES                       | \$48.46      |
| TRAV'S OUTFITTER                   | SUPPLIES                       | \$310.00     |
| TSCHAKERT, MERLE                   | CARQUEST BUILDING LEASE        | \$100.00     |
| UPS                                | SHIPPING                       | \$226.98     |
| USA BLUEBOOK                       | SUPPLIES                       | \$95.51      |
| UTILITIES PLUS ENERGY SERVICES INC | SUPPLIES                       | \$16,895.00  |
| VISION SERVICE PLAN (VSP) (CA)     | VISION INSURANCE               | \$497.10     |
| WATERTOWN DEVELOPMENT COMPANY      | INDUSTRIAL DEVELOPMENT EXPENSE | \$8,690.00   |
| WATERTOWN PUBLIC OPINION           | PUBLISHINGS                    | \$446.39     |
| WATERTOWN UNITED WAY               | United Way                     | \$359.50     |
| WATERTOWN WHOLESALE                | SUPPLIES                       | \$396.93     |
| WELLMARK BLUE CROSS/BLUE SHIELD    | HEALTH INSURANCE               | \$68,421.76  |
| WESCO DISTRIBUTION INC             | SUPPLIES                       | \$917.72     |
| WILSON BOHANNAN COMPANY            | SUPPLIES                       | \$1,025.79   |
| WITTE, STEVE                       | REIMBURSEMENT EXPENSES         | \$506.00     |
| WW TIRE SERVICE INC                | SUPPLIES                       | \$2,622.00   |
|                                    | TOTAL                          | \$441,486.03 |

Total November, 2014 441,486.03; Transfer to City's General Fund 95,700; Muni Utilities Electric Water Gas 42,750.41; Northern Natural Gas 6,061.20; Missouri River Energy Services Power 1,496,877.04; BP Canada Energy Marketing Natural Gas 777,655.42; Dept of Revenue Sales/Excise Tax 186,050.81; CPEP Natural Gas 81,282.83, City Finance Office Garbage Sewer 374,267.02.

#### **ITEM 6586**

Pursuant to SDCL 1-25-2(3)(4) Motion by Strait with second by Luken to move to Executive Session to discuss contract negotiations. The Board does expect to take action when they reconvene to regular session. Motion carried unanimously upon roll call vote.

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

#### **ITEM 6587**

Motion by Schultz second by Luken to approve agenda Item #5, Resolution #6587, a Resolution providing for the salaries of Watertown Municipal Utilities Employees for the period commencing January 1, 2015. Motion carried unanimously upon roll call vote.

A RESOLUTION PROVIDING FOR THE SALARIES OF  
WATERTOWN MUNICIPAL UTILITIES EMPLOYEES  
FOR THE PERIOD COMMENCING JANUARY 1, 2015

WHEREAS the Municipal Utilities Department employs public employees; and

WHEREAS the Municipal Utilities Department thru its Board, desires to formally establish 2015 compensation rates for all exempt employees and non-exempt employees; and

WHEREAS the Municipal Utilities Board with previous Board action at the November 29, 2012 Board Meeting thru Item #6298 authorized a three-year Contract with the IBEW Local 426 Union thus making the year 2015 the Third; and

WHEREAS the Municipal Utilities Board has discussed and reviewed Staff salaries, and recommends an increase of 3.0% for Ten Staff positions including General Manager, Director of Operations, Director of Administration, Electric Superintendent, Gas Superintendent, Water Superintendent, Engineering Technician Superintendent, Purchasing/Facilities/Accounting Supervisor, Customer Service/Billing/Collections Supervisor, Administrative Assistant/Board Secretary; an increase of 5.0% for positions including Human Resources/Risk Coordinator and Information Systems Supervisor; effective January 1, 2015; and

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

Hourly Rate (unless specified) as of January 1, 2015

Electric Department: B Benson 39.55; D Brage 19.56; S Catlette 34.10; T Chambers 10,071/mo; J Determan 37.03; D Enstad 7994/mo; S Foster 25.75; D Frost 20.50; D Gollnick 36.38; B Hansen 36.38; D Johnson 21.75; A Jonnes 36.38; K Kruiter 5,921/mo; A Karst 9,341/mo; B Keiser 27.93; J Killoran 36.38; M Meier 6,350/mo; D Meseberg 36.38; S Myers 20.50; L Pahl 23.49; M Pederson 36.38; D Peterson 20.50; R Renelt 34.10; S Ronke 28.87; K Roth 29.40; T Schafer 33.27; A Schultz 26.50; J Stanley 36.38; R Suttan 27.93; L Tolley 33.27.

Water Department: G Brown 21.40; C Craig 29.14; J DeVille 7,064/mo; C Forman 26.34; B Gubka 29.14; D Kraemer 27.75; J Kudrna 29.14; R Mack 27.75; M McLaughlin 26.34; M McNamara 31.64; S Mennenga 5,714/mo; A Mitchell 25.39; T Pahl 16.95; T Peterson 16.95; S Ries 5,870/mo; S Struss 29.40; L Sutton 29.14.

Gas Department: M Andrews 25.15; J Burns 37.21; M Enderson 21.40; A Erickson 34.27; M Haider 5,657/mo; C Kranz 34.27; D Kunkel 22.23; S Lehner 13,093/mo; J Lunde 34.27; T Remale 29.40; D Riley 36.12; R Schmidt 7,892/mo; D Voight 33.27; B Warborg 30.30; S Witte 23.80

#### **ITEM 6588**

Motion by Strait with second by Luken to adjourn. Motion carried unanimously upon roll call vote.

The Watertown Municipal Utilities Department does not discriminate in employment opportunities or provision of services basis of race, color, religion, sex, national origin, age, disability, or any other characteristic protected by law.

Dated at Watertown, South Dakota this 29<sup>th</sup> day of December, 2014

ATTEST: \_\_\_\_\_

Lisa Pahl  
Executive Secretary  
Municipal Utilities Board

\_\_\_\_\_  
Ernie Wight  
Vice President acting as  
Interim President  
Municipal Utilities Board