

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Tuesday December 27th, 2016

The Municipal Utilities Board convened in regular session at the Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Tuesday, December 27th, 2016 at 12:00 p.m. with President Dave Strait presiding.

Board members present: Dave Strait, Dustin Padgett, John Holley, Mike Luken and Greg Solum. Board Liaison, member of City Council, Glen Vilhauer. Staff members present: Steve Lehner, Todd Chambers, Adam Karst, Jeff DeVille, Doug Enstad, Rich Schmidt, Mark Meier, Mark Haider, Kevin Kruiter, Sheila Mennenga, Stephanie Ries, Justin Goetz and Lisa Pahl. Press Dan Crisler, Public Opinion Newspaper.

ITEM 6868

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

ITEM 6869

Motion by Luken with second by Padgett to approve Consent Agenda, which gives authorization to call for bids for the following items. Motion carried.

AUTHORIZATION TO CALL FOR BIDS:

- a) Pebble Lime - Water Department
- b) Solar Salt - Water Department
- c) Water Meters - Water Department
- d) Lime Sludge Removal - Water Department
- e) Hydrants - Water Department
- f) PVC Pipe - Water Department
- g) Installation of Water Mains - Water Department
- h) Directional Drilling for Water Main Installation - Water Department
- i) Unit #2 - Water Department
- j) Vacuum Pump - Water Department
- k) Pump Replacements- Water Department
- l) Transformers - Electric Department
- m) Wire - Electric Department
- n) Install URD Primary & Secondary - Electric Department
- o) Electric Service Installation - Electric Department
- p) Substation Metering Project - Electric Department
- q) Distribution Breakers - Electric Department

ITEM 6870

Motion by Padgett with second by Luken to approve Minutes of regular meeting on November 28th, 2016. Motion carried.

ITEM 6871

Motion by Luken second by Solum for approval for the General Manager to sign Change Order #1 with Consulting Engineer Group for uptown and Pelican substations. Some changes were relating to the delivery process of substation transformers and for troubleshooting and support during installation. Motion carried.

ITEM 6872

Karst presented proposed changes to the General Policy which included revisions to section 4.5 and rewriting most of chapter 47 Financial Reserve Policy. Chambers suggested changes to the General Policy by adjusting hourly rates to chapter 49 attachment Equipment and Service Rate Schedule. Chambers also proposed changes to Gas Policy section 3.5 by adding a word and in section 9.1 adding some language regarding service installation. The Board was asked to review these proposed policy changes and they will be presented for approval at the January meeting.

ITEM 6873

Motion by Luken with second by Padgett to approve Joint Use Pole Agreement with East River Electric and authorize General Manager to sign. Motion carried.

ITEM 6874

Motion by Luken with second by Solum to approve Resolution #6874, a resolution providing for the salaries of Watertown Municipal Utilities employees for the period commencing January 1, 2017. Motion carried unanimously upon roll call vote.

RESOLUTION

**A RESOLUTION PROVIDING FOR THE SALARIES OF
WATERTOWN MUNICIPAL UTILITIES EMPLOYEES
FOR THE PERIOD COMMENCING JANUARY 1, 2017**

WHEREAS the Municipal Utilities Department employs public employees; and

WHEREAS the Municipal Utilities Department thru its Board, desires to formally establish 2017 compensation rates for all exempt employees and non-exempt employees; and

WHEREAS the Municipal Utilities Board with previous Board action at the December 28, 2015 Board Meeting thru Item #6722 authorized a three-year Contract with the IBEW Local 426 Union thus making the year 2017 the Second year; and

WHEREAS the Municipal Utilities Board has discussed and reviewed Staff salaries, and recommends an increase of 2.6% for Twelve Staff positions including General Manager, Director of Operations, Director of Administration, Electric Superintendent, Gas Superintendent, Water Superintendent, Engineering Technician Superintendent, Purchasing/Facilities/ Accounting Supervisor, Human Resources/Risk Coordinator, Customer Service/Billing/Collections Supervisor, Information Systems Supervisor, Administrative Assistant/ Board Secretary; 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, 2017

Electric Department: B Benson 41.59; S Catlette 35.86; T Chambers 10,592/mo; J Determan 38.95; D Enstad 8,407/mo; D Frost 21.56; D Gollnick 38.26; B Hansen 38.26; D Johnson 22.87; A Jonnes 38.26; A Karst 9,824/mo; B Keiser 29.37; K Kruiter 6,380/mo; M Meier 6,678/mo; D Meseberg 38.26; S Myers 21.56; L Pahl 24.71; M Pederson 38.26; D Peterson 21.56; R Renelt 35.86; S Ronke 30.36; K Roth 30.92; J Rudebusch 27.87; T Schafer 38.26; A Schultz 22.21; J Stanley 38.26; R Suttan 29.37; L Tolley 38.26; Steve Witte 31.39.

Water Department: G Brown 22.51; C Craig 30.65; J DeVille 7,429/mo; C Forman 29.18; B Gubka 30.65; D Kraemer 29.18; J Kudrna 30.65; B Lueders 31.68; R Mack 29.18; M McLaughlin 29.18; M McNamara 33.27; S Mennenga 6,010/mo; A Mitchell 26.70; T Peterson 27.70; S Ries 6,174/mo; T Starr \$27.70; S Struss 30.92; L Sutton 30.65.

Gas Department: M Andrews 31.87; D Brage 29.99; J Burns 39.13; M Enderson 22.51; A Erickson 36.04; M Haider 5,950/mo; C Kranz 36.04; D Kunkel 23.38; S Lehner 13,770/mo; J Lunde 36.04; T Pahl 27.11; T Remacle 30.92; D Riley 38.94; R Schmidt 8,300/mo; B Warborg 34.99.

ITEM 6875

Motion by Solum with second by Luken to remove the 2016 bankruptcy list as presented in the Board Packet totaling \$1,778.97 that was discharged in Bankruptcy Court in 2016, from Accounts Receivable. Motion carried.

ITEM 6876

Motion by Luken with second by Padgett to remove the delinquent accounts totaling \$64,047.56 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 6877

Board President Strait asked if any Board Member had questions on the Report on Operations as presented in the Board Packet. There were no questions.

ITEM 6878

Board President Strait asked if any Board Member had questions on the Report on Administration and Financials as presented in the Board Packet. There were no questions.

Statements of Revenue and Expenses and Capital Additions were presented to the Board for review. Year to date net income is \$832,888 over budget compared to the budget for the Eleven months ending November 30th, 2016. Total Capital Additions are \$1,311,044 under budget for the Eleven months ending November 30th, 2016.

ITEM 6879

Motion made by Luken with second by Padgett to approve the following verified salary claims and bills. Motion carried unanimously upon roll call vote. Total Municipal Utilities Dept. Net Payroll for December 2016 Plus ACH Payroll Payments \$471,476.52. Info: J. Rudebusch effective 12/13/2016 27.16/hr.

| Name | Payable Description | Payment Amount |
|-----------------------------------|-----------------------------------|----------------|
| January 3, 2017 | | |
| ACTIVE HEATING INC | ENERGY INCENTIVE REBATE | \$200.00 |
| ADVANCE AUTO PARTS PROFESSIONAL | SUPPLIES | \$35.74 |
| ADV. ENGINEERING & ENVIRON. SERV. | FIELD TESTING & MODEL CALIBRATION | \$5,039.00 |
| AFLAC | CANCER PT | \$2,134.88 |
| AMERICAN ENGINEERING TESTING INC | WATER TESTING | \$238.00 |
| A-OX WELDING SUPPLY INC | SUPPLIES | \$140.94 |
| AP & SONS CONSTRUCTION INC | WATER MAIN INSTALLATION | \$99,008.59 |
| APGA | 2017 MEMBERSHIP DUES | \$7,876.80 |
| APPLIED INDUSTRIAL TECH INC | SUPPLIES | \$257.16 |
| AQUA-PURE INC | SERVICE | \$18,704.61 |
| BENDIX IMAGING INC | SUPPLIES | \$966.96 |
| BENSON, BRIAN | REIMBURSEMENT EXPENSES | \$900.00 |
| BORDER STATES ELECTRIC SUPPLY | SUPPLIES | \$13,950.74 |
| BORNS GROUP | POSTAGE & MAILING | \$7,578.71 |
| BRAGE, DOUGLAS J | REIMBURSEMENT EXPENSES | \$2,000.00 |
| BURCHATZ CONSTRUCTION CO. INC | CONCRETE WORK | \$1,953.06 |
| BUREAU OF ADMINISTRATION | STATE TELEPHONE NETWORK USAGE | \$77.96 |
| BURNS, JERRY | REIMBURSEMENT EXPENSES | \$313.86 |
| CARRICO LAW PROF. LLC | PROFESSIONAL FEES | \$737.50 |
| CENTURY LINK | CELL PHONE SERVICE | \$297.31 |
| CHAMBERS, TODD | REIMBURSEMENT EXPENSES | \$62.10 |
| CHAPMAN METERING LLC | SERVICE | \$650.00 |
| CHASE CARDMEMBER SERVICE | CREDIT CARD | \$1,547.74 |
| CHILD SUPPORT PAYMENT CENTER | Child Support - Case # 322244010A | \$1,931.00 |
| CITY OF WATERTOWN | ENERGY INCENTIVE REBATE | \$250.00 |
| CODINGTON-CLARK ELECT. COOP. INC | WELLFIELD ELECTRIC SERVICE | \$4,300.24 |
| CONNECTING POINT | SUPPLIES | \$765.00 |

| | | |
|------------------------------------|------------------------------------|--------------|
| CONSTRUCTION SIGNING CORP. | SIGNAGE | \$2,193.60 |
| CONSULTING ENGINEERS GROUP INC | TRANSFORMER CHANGE | \$6,929.00 |
| CONVERGINT TECHNOLOGIES LLC | ALARM MON. CONTR. 12/1/16-11/30/17 | \$480.00 |
| CREDIT COLLECTIONS BUREAU | CSF 25244/CSF 25245 | \$309.28 |
| CRESCENT ELECTRIC SUPPLY CO | SUPPLIES | \$113.88 |
| CUSTOM FABRICATORS INC | SUPPLIES | \$250.00 |
| DAKOTA DATA SHRED | SHREDDING SERVICE | \$63.25 |
| DAKOTA UNDERGROUND CONST. LLC | SERVICE | \$16,265.50 |
| DE VILLE, JEFF | REIMBURSEMENT EXPENSES | \$390.43 |
| DENR | WATER SYSTEM DISCHARGE FEE | \$50.00 |
| DENR | CERTIFICATION RENEWALS 2228/4971/ | \$78.00 |
| DEPARTMENT OF REVENUE | WATER SAMPLES | \$1,077.00 |
| DUININCK INC | PATCHES | \$23,828.39 |
| EFRAIMSON ELECTRIC INC | SERVICE | \$10,951.00 |
| ENDERSON, MARSHA | REIMBURSEMENT EXPENSES | \$101.48 |
| ENERGY LABORATORIES INC | WATER TESTING | \$1,680.00 |
| ETHANOL PRODUCTS LLC | SUPPLIES | \$2,090.44 |
| FARNAMS GENUINE PARTS | SUPPLIES | \$632.37 |
| FASTENAL COMPANY | SUPPLIES | \$565.52 |
| FIRST DISTRICT ASSN OF LOCAL GOVTS | 2017 GIS WEBSITE DEV. & HOSTING | \$1,500.00 |
| GACKE ENTERPRISES | LIME REMOVAL | \$25,525.40 |
| GAS PRODUCTS SALES, INC | SUPPLIES | \$17,639.00 |
| GCR TIRE CENTER | SUPPLIES | \$510.88 |
| GRAINGER | SUPPLIES | \$217.30 |
| GRAY CONSTRUCTION CO INC | WAREHOUSE ADDITION | \$192,749.40 |
| GREAT WESTERN BANK | TASC MED | \$6,613.14 |
| GROEBNER | SUPPLIES | \$872.07 |
| HANSEN, BRENT | REIMBURSEMENT EXPENSES | \$244.30 |
| HARRIS COMPUTER SYSTEMS | 2017 SOFTWARE MAINTENANCE | \$48,792.05 |
| HOBBY LOBBY | ENERGY INCENTIVE REBATE | \$6,623.00 |
| IBEW LOCAL 426 | UNION DUES | \$3,160.00 |
| IDEAL ENERGY, LLC | ENERGY INCENTIVE REBATE | \$8,278.00 |
| INTERSTATE ALL BATTERY CENTER | SUPPLIES | \$290.53 |
| J H LARSON COMPANY | SUPPLIES | \$190.12 |
| JOINT UTILITY TRAINING SCHOOL | TRAINING REGISTRATION | \$800.00 |
| KOONS GAS MEASUREMENT | SUPPLIES | \$4,550.84 |
| KUNKEL, DEANNA | REIMBURSEMENT EXPENSES | \$60.54 |
| LAKE AREA DOOR | SERVICE | \$540.81 |
| LEHNER, STEVE | REIMBURSEMENT EXPENSES | \$305.74 |
| LOCATORS & SUPPLIES INC | SUPPLIES | \$3,567.44 |
| LUKONEN'S TOOL SERVICE INC | SUPPLIES | \$218.80 |
| MACKSTEEL WAREHOUSE INC | SUPPLIES | \$46.11 |
| MAC'S INC | SUPPLIES | \$818.47 |
| MAHOWALD'S HARDWARE & RENTAL | SUPPLIES | \$62.57 |
| MARCO INC | COPIER PRINTS | \$405.29 |
| MATHESON TRI-GAS INC | SUPPLIES | \$167.12 |
| MC KEEVER INC | SUPPLIES | \$127.57 |
| MEL DAHLE TIRE CO | SUPPLIES | \$20.00 |
| MENARDS INC | SUPPLIES | \$1,043.64 |
| MET LIFE | LIFE INSURANCE | \$1,267.66 |
| MIDCONTINENT COMMUNICATIONS | INTERNET SERVICE | \$105.00 |
| MIDCONTINENT TESTING LABORA. INC | WATER TESTING | \$920.00 |
| MILBANK COMMUNICATIONS INC | SUPPLIES | \$929.00 |
| MILBANK WINWATER WORKS | SUPPLIES | \$72.96 |
| MINNESOTA MUNICIPAL UTILITIES ASSN | REGISTRATION | \$1,255.00 |
| MITCHELL, ANGIE | REIMBURSEMENT EXPENSES | \$150.00 |
| MITCH'S CARPET CLEANING SERVICE | SERVICE | \$273.46 |
| MUELLER CO | SUPPLIES | \$1,304.23 |
| MUNICIPAL UTILITIES - PC | PETTY CASH | \$299.47 |
| MUNICIPAL UTILITIES-NSF CHECK ACCO | REIMBURSE NSF FUND #17767-1 | \$895.08 |

| | | |
|----------------------------------|--------------------------------|--------------|
| MUNICIPAL UTILITIES-REFUND ACCT | REFUNDS OF CREDITS ON ACCOUNTS | \$8,460.38 |
| NACE INTERNATIONAL | REGISTRATIONS | \$420.00 |
| NESD SHRM | 2017 MEMBERSHIP RENEWAL | \$60.00 |
| NORTHWEST PIPE FITTINGS INC | SUPPLIES | \$1,277.62 |
| OFFICE PEEPS | SUPPLIES | \$448.90 |
| PARADIGM ENTERPRISES INC | SERVICE | \$5,000.00 |
| PEDERSON, MIKE | REIMBURSEMENT EXPENSES | \$269.01 |
| PETE LIEN & SONS | BULK LIME | \$6,056.65 |
| PETERSON, DELORES | REIMBURSEMENT EXPENSES | \$281.99 |
| PIPELINE ASSN FOR PUBLIC AWAR. | 2016 ANNUAL DUES | \$790.00 |
| PRAXAIR DISTRIBUTION INC | CYLINDER RENTAL | \$142.37 |
| PRINCIPAL FINANCIAL GROUP | DENTAL INSURANCE | \$877.05 |
| PRINT 'EM NOW INC | SUPPLIES | \$598.75 |
| PROTECTIVE SERVICES INC | SAFETY | \$1,773.40 |
| PSILAB INC | ANALYSIS | \$4,019.40 |
| REEDE CONSTRUCTION INC. | MAIN REPLACEMENT | \$44,801.45 |
| RESCO | SUPPLIES | \$21,269.50 |
| RONKE, SHANE | REIMBURSEMENT EXPENSES | \$449.78 |
| RON'S SAW SALES | SUPPLIES | \$424.95 |
| ROTH, KEENAN M | REIMBURSEMENT EXPENSES | \$639.27 |
| RUDEBUSCH, JAMES | REIMBURSEMENT EXPENSES | \$72.00 |
| RUNNING'S SUPPLY INC | SUPPLIES | \$159.14 |
| SCHMIDT, RICHARD | REIMBURSEMENT EXPENSES | \$117.72 |
| SCOTT ENGINEERING CO | WATERMAIN PROJECT | \$2,760.00 |
| SD ASSOC. OF RURAL WATER SYSTEMS | SERVICE | \$150.00 |
| SD MUNICIPAL ELECTRIC ASSN | 2017 MEMBERSHIP DUES | \$22,668.00 |
| SD ONE CALL | LOCATES | \$315.00 |
| SDML WORKERS COMP FUND | 2017 WORKERS COMP | \$73,481.00 |
| SERVICEMASTER | JANITORIAL SERVICE | \$3,600.00 |
| SHERMAN CANVAS | SUPPLIES | \$60.00 |
| SIOUX VALLEY CO-OP | FUEL, SUPPLIES | \$8,713.94 |
| SOLUS LED | ENERGY INCENTIVE REBATE | \$474.00 |
| STAN HOUSTON EQUIP CO | RENTAL | \$1,614.49 |
| STANDARD PUMP INC | SUPPLIES | \$783.63 |
| STANLEY, JUSTIN | REIMBURSEMENT EXPENSES | \$72.00 |
| STAR LAUNDRY INC | RUG SERVICE | \$410.68 |
| STUART C IRBY CO | SUPPLIES | \$1,095.00 |
| STURDEVANTS AUTO PARTS | SUPPLIES | \$101.12 |
| T & M AUTOBODY INC | SERVICE | \$1,242.00 |
| TAC SERVICES LLC | LAWN SERVICE | \$250.00 |
| TITAN MACHINERY- WTN | SUPPLIES | \$295.02 |
| TRI-STATE BOBCAT | SUPPLIES | \$449.04 |
| TYLER TECHNOLOGIES | 2017 SOFTWARE MAINT. SERVICES | \$14,185.92 |
| ULINE INC | SUPPLIES | \$733.38 |
| UPS | SHIPPING | \$100.65 |
| USA BLUE BOOK | SUPPLIES | \$722.83 |
| VISION SERVICE PLAN (VSP) (CA) | VISION INSURANCE | \$376.03 |
| WALMART COMMUNITY | SUPPLIES | \$686.00 |
| WARNE PLUMBING & HEATING | SERVICE | \$428.27 |
| WATERTOWN DEVELOPMENT CO. | INDUSTRIAL DEVELOPMENT EXPENSE | \$8,690.00 |
| WATERTOWN PUBLIC OPINION | PUBLISHINGS | \$368.17 |
| WATERTOWN SCHOOL DISTRICT | ENERGY INCENTIVE REBATE | \$15,522.60 |
| WATERTOWN UNITED WAY | United Way | \$383.50 |
| WATERTOWN WHOLESALE | SUPPLIES | \$632.48 |
| WESCO DISTRIBUTION INC | SUPPLIES | \$15,094.00 |
| WIGHT, ERNIE | REIMBURSEMENT EXPENSES | \$129.79 |
| WW TIRE SERVICE INC | SUPPLIES | \$2,275.14 |
| | TOTAL | \$850,652.04 |

Total December 2016 850,652.04; Transfer to City's General Fund 99,865, Muni Utilities Electric Water Gas 38,844.40; Northern Natural Gas 6,061.20; Missouri River Energy Services Power 1,568,980.04; BP Canada Energy Marketing Natural Gas 503,479.60; Dept. of Revenue Sales/Excise Tax 159,229.39; CPEP Natural Gas 58,560.45, City Finance Office Garbage Sewer 394,196.82.

ITEM 6880

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

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

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

The Watertown Municipal Utilities Department 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 December, 2016

ATTEST: _____

Lisa Pahl
Executive Secretary
Municipal Utilities Board

Dave Strait
Board President
Municipal Utilities Department