

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday, December 27, 2021

The Municipal Utilities Board convened in regular session at the Watertown Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday, December 27, 2021 at 12:00 p.m. with President Lisa Carrico presiding.

Board members present: Lisa Carrico, Chris Carter, Mike Luken, Dan Brenden and Rich Thomas. Board Liaison, member of City Council, Mike Danforth. Staff members present: Steve Lehner, Adam Karst, Bert Magstadt, Wayne Lovelis, John Lunde, Brian Benson, Mark Haider, Mark Meier, Kevin Kruter, Gina Brown, Lisa Pahl and Attorney Vince Foley. Media Juli Richter, KXLG Radio.

ITEM 7630

Motion by Carter with second by Brenden to approve the agenda. Motion carried.

ITEM 7631

Motion by Luken with second by Carter to approve the 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) Water Pipe - Water Department
- f) Installation of Water Mains - Water Department
- g) Chemicals - Water Department
- h) Lime Sludge Removal - Water Department
- i) Chlorine Generator - Water Department
- j) Water Main Fittings, Valves and Material - Water Department
- k) Trace Wire - Gas and Water Department
- l) Directional Drilling - Gas Department
- m) Gas Pipe - Gas Department
- n) Installation of Gas Mains and Services - Gas Department
- o) Gas Regulators - Gas Department
- p) Gas Meters - Gas Department
- q) Anodes - Gas Department
- r) Installation of URD Primary & Secondary - Electric Department
- s) Installation of Electric Services - Electric Department
- t) Pad-Mounted Switchgear - Electric Department
- u) Transformers - Electric Department
- v) Wire - Electric Department
- w) Installation of Fiber Optic line for Airport Maintenance Building - Electric Department
- x) Electric Cable Thumper - Electric Department
- y) Replace Unit #19 - Electric department

2. DECLARE AS SURPLUS

- a) 2011 Ford E150 Econoline Van Unit #19, asset 1077
- b) 1996 Chev Kodiak Digger Derrick Truck #27, asset 536
- c) 2011 Ford E150 Econoline Van Unit #20, asset 1078
- d) 2012 Ford E150 Econoline White Van #35, asset 1110
- e) 2008 Ford F150 ½ Ton truck #14 Asset #943
- f) 2005 Ford F150 ½ Ton Truck #16 Asset #911
- g) 2007 Ford F150 ½ Ton Truck #6 Asset #928

ITEM 7632

Motion by Thomas with second by Luken to approve minutes of regular Board Meeting on held November 29th, 2021. Motion carried.

ITEM 7633

Public Comment - None

ITEM 7634

Motion by Brenden with second by Luken to approve General Manager to sign a Facilities Plan Report Agreement with Advanced Engineering and Environmental Services, Inc. for plans for water grants. Motion carried.

ITEM 7635

Motion by Carter with second by Thomas to approve General Manager to sign Water Main Construction Agreement with J & J Earthworks for the Highway 212 project. Motion carried.

ITEM 7636

This being the time and place set for consideration of bids, the following were presented. Bids for Water Pipe. This bid was opened Thursday, December 27th, 2021, at 10:00 am by the Watertown Municipal Utilities Staff as authorized by the Board.

WATER PIPE: Two bids were received and upon review and recommendation by Magstadt, motion by Carter with second by Luken to award bid to low valid bidder, to Milbank Winwater Works, Milbank, SD, for a total of \$155,610.00. Motion carried.

ITEM 7637

Magstadt presented four vehicles bought off the state bid Contract No. 17619. The Ford F150 ½ ton 4 x 4 short box flex fuel trucks were purchased from Lamb Motor Co, Onida, SD. Unit #8 was \$32,230.00 and Unit 14, 16 and GIS truck total was \$90,090.00

ITEM 7638

Motion by Luken with second by Thomas to approve General Manager to sign agreement with Paymentus for credit card processing. Motion carried.

ITEM 7639

Motion by Luken with second by Brenden to remove the bankruptcy list as presented in the Board Packet totaling \$771.79 that was discharged in Bankruptcy Court in 2021, from Accounts Receivable. Motion carried unanimously upon roll call vote.

ITEM 7640

Motion by Carter with second by Luken to remove the delinquent accounts totaling \$30,526.05 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 unanimously upon roll call vote.

ITEM 7641

Motion by Carrico with second by Thomas to approve **Resolution #7637**, a resolution providing for the salaries of Watertown Municipal Utilities employees for the period commencing January 1, 2022. Motion carried unanimously upon roll call vote.

**A RESOLUTION PROVIDING FOR THE SALARIES OF
WATERTOWN MUNICIPAL UTILITIES EMPLOYEES
FOR THE PERIOD COMMENCING JANUARY 1, 2022**

WHEREAS Watertown Municipal Utilities employs public employees; and

WHEREAS Watertown Municipal Utilities, thru its Board, desires to formally establish 2022 compensation rates for all exempt employees and non-exempt employees; and

WHEREAS the Municipal Utilities Board with previous Board action at the November 29, 2021 Board Meeting thru Item #7622 authorized a three-year Contract with the IBEW Local 426 Union thus making the year 2024 the third year of the contract; and

WHEREAS the Contract provides for general wage increases of 6% on January 1, 2022, 5.25% on January 1, 2023, and 4.5% on January 1, 2024 for all non-exempt personnel covered under the union contract. In addition, the Board recommends a change in the matching contribution on the South Dakota

Supplemental Retirement Plan from \$.50 on the \$1.00 up to 4% to \$.50 on the \$1.00 up to 6%.

WHEREAS the Municipal Utilities Board has discussed and reviewed Staff salaries and recommends an increase of 6% 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.

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

Hourly Rate (unless specified) as of January 1, 2022

Electric Department: B Benson 9,275/mo; C Brown 27.21; S Catlette 46.33; D Frost 25.63; D Gollnick 45.51; M Gollnick 25.63; A Jonnes 45.51; A Karst 11,923/mo; S Koehn 41.62; K Kruiter 7,592/mo; B Magstadt 12,054; M Meier 8,599/mo; M Meseberg 35.25; C Mohrmann 23.30; S Myers 27.86; A Niemann 45.51; L Pahl 29.99; B Ripley 36.77; S Ronke 36.11; J Rudebusch 45.51; M Rue 25.63; T Schafer 49.47; A Schultz 34.93; N Sime 45.51; C Stangl 42.65; D Sunne 45.51; R Suttten 34.93; L Tolley 45.51; T Wirtjes 45.51; Steve Witte 45.51.

Water Department: U Araiza; 26.04; C Brenden 26.04; G Brown 7,170/mo; C Forman 36.45; N Frost 28.65; D Kraemer 34.72; J Kudrna 39.59; W Lovelis; 8,393/mo; R Mack 36.45; M McLaughlin 36.45; S Mennenga 7,625/mo; A Mitchell 33.35; J Settje 32.96; T Starr \$36.45; S Struss 34.72; M Ward 39.59; M Wilson 28.65.

Gas Department: M Andrews 41.62; D Brage 41.62; A Erickson 46.56; B Gubka 42.87; M Haider 7,586/mo; J Jellis 42.87; C Kranz 42.87; S Lehner 17,044/mo; J Lunde 9,128/mo; T Pahl 38.89; T Remacle 36.77; M Rost 32.05; K Roth 42.87; A Seim 25.63; B Warborg 46.32.

Dated this 27th day of December 2021.

ITEM 7642

Old Business: Magstadt wanted to update the Board on the CPEP 5. In July of 2021 discussion was brought to the board about entering into our 3rd gas prepay. Magstadt thought the prepay could happen by July 2022. He alerted the Board that there may be a special Board Meeting to finalize this prepay.

ITEM 7643

New Business: Lehner wanted to tell of a request the Board had to move the March Board Meeting of Monday, March 28 to Thursday March 31 because of a conflict with another meeting Board members would be at. This change will be presented at the February Board Meeting.

ITEM 7644

Magstadt presented the Report on Operations and Projects. Several of the guys have been recognized for finishing courses and certifications, they are Brian Benson MRES Lead Course, Trent Shafer and Aaron Erickson MMUA's Leadership Academy courses, Wayne Lovelis class 4 Water Treatment Certification, Cole Brenden and Ureil Araiza Class 1 Water Treatment Certification, Scott Struss was promoted to GIS Technician effective Jan. 1, 2022 and Jay Kundra was promoted to Engineering Technician. Electric, Projects Completed this Month: We had 2 outages since the last report for a total of 60 unscheduled power outages in 2021, installed new guide wires and new Christmas decorations at intersections in uptown area. Gas Department, Lowered 4" main at Harmony Hill. Water Department, preparing to take plant one and three out of service for maintenance. Engineering Tech Department, 330 locates for November 2021, Updating Electric, Gas and Water maps.

ITEM 7645

Karst presented the report on Administration and Financial Statements, Purchasing, Accounting and Facilities, Projects in Progress: Getting year end material retirements and additions for 2021, working on 2021 physical inventory, purchasing of inventory items for 2022 construction season with long lead times. Customer Service, Projects Completed this Month: 13,963 Payments collected for a total of \$4,250,252 and 55,123 services billed for a total of \$4,393,455. Human Resources/Risk Management: Completed open enrollment materials for 2022, Completed 2022 work comp estimate - approximately 18% decrease in premium due to renewal credit change from 21% to 25%, Retirement of Mark Haider Information Systems Supervisor, effective 6/30/2022 started at WMU April 1980 (42 years), Retirement of Chris Foreman Water Plant Operator, effective 4/20/2022 started at WMU March 2012 (9 years plus 18 years at the City). IT: Retirement transition, Cybersecurity, working on items from the assessment. Normal monthly IT maintenance and troubleshooting along with Website Stats and top 10 webpages visited.

Statements of Revenue and Expenses and Capital Additions were presented to the Board for review. Year to date net income is \$1,184,278 below budget for the eleven months ending November 30th, 2021. Total Capital Additions are \$1,783,027 under budget for the eleven months ending November 30th, 2021.

ITEM 7646

Motion made by Carter with second by Luken to approve the following verified salary claims and bills. Motion carried unanimously upon roll

call vote. Total Watertown Municipal Utilities Net Payroll for December 2021 Plus ACH Payroll Payments \$540,107.06. Change: Uriel Araiza 27.03/hr. effective 12/16/2021, M. Ward 37.35/hr. effective 11/23/2021.

| Name | Payable Description | Payment Amount |
|--|--------------------------------------|----------------|
| January 3, 2022 | | |
| 212 TRUCK & TRAILER | SERVICE UNIT 29 | \$4,712.69 |
| ABC EMBROIDERY | SERVICE | \$306.90 |
| ACTIVE HEATING INC | ENERGY INCENTIVE REBATE | \$300.00 |
| ADVANCED ENGINEERING AND ENVIRONMENTAL SERVICES, LLC | STUDY & REPORT | \$6,436.50 |
| AFLAC | CANCER PT | \$1,752.09 |
| ALLIED ELECTRONICS INC | SUPPLIES | \$166.60 |
| AMARIL UNIFORM COMPANY | SAFETY CLOTHING | \$441.52 |
| A-OX WELDING SUPPLY INC | CYLINDER RENTAL | \$40.51 |
| AUTO VALUE WATERTOWN | SUPPLIES | \$51.97 |
| BENDIX IMAGING INC | SUPPLIES | \$390.47 |
| BORDER STATES ELECTRIC SUPPLY | SUPPLIES | \$12,056.21 |
| BORNS GROUP | POSTAGE & MAILING | \$9,007.54 |
| BURCHATZ CONSTRUCTION COMPANY INC | 2021 PATCH WORK | \$28,530.56 |
| BUREAU OF ADMINISTRATION | STATE TELEPHONE NETWORK USAGE | \$92.08 |
| CARTNEY BEARING & SUPPLY | SUPPLIES | \$38.07 |
| CENTURY LINK | PHONE SERVICE | \$314.54 |
| CHASE CARDMEMBER SERVICE | CREDIT CARD | \$1,223.15 |
| CHEMCO SYSTEMS, LP | SUPPLIES | \$888.68 |
| CHILD SUPPORT PAYMENT CENTER | EMPLOYEE DEDUCTION: CHILD SUPPORT | \$750.00 |
| CHURCHILL, MANOLIS, FREEMAN, KLUDT & BURNS LLP | UNION NEGOTIATION | \$2,777.16 |
| CLAUSEN & SONS CONSTRUCTION LLC | SERVICE | \$800.00 |
| CODINGTON-CLARK ELECTRIC COOPERATIVE INC | WELLFIELD ELECTRIC SERVICE | \$5,100.16 |
| CONNECTING POINT | HARDWARE UPGRADE | \$25,862.00 |
| CONSULTING ENGINEERS GROUP INC | UPTOWN SUB SWITCHGEAR UPGRADE | \$1,970.00 |
| CONTROL EQUIPMENT SALES, INC | 2022 TDS SERVICE | \$5,250.00 |
| CONVERGINT TECHNOLOGIES LLC | ALARM MONITORING | \$360.00 |
| CREDIT COLLECTIONS BUREAU | COLLECTIONS | \$417.53 |
| CRESCENT ELECTRIC SUPPLY CO | SUPPLIES | \$220.10 |
| DAKOTA DATA SHRED | SHREDDING SERVICE | \$69.62 |
| DANR | 2022 ENVIRONMENTAL FEE | \$50.00 |
| DANR | WATER RIGHTS PROGRAM FEE | \$125.00 |
| DANR | APPLICATION FEE | \$60.00 |
| DEPARTMENT OF HEALTH | WATER SAMPLES | \$532.00 |
| DEPENDABLE SANITATION INC. | SERVICE | \$290.72 |
| DLT SOLUTIONS, LLC | 2022 SUBSCRIPTION | \$7,940.68 |
| DSG DAKOTA SUPPLY GROUP | METERS | \$2,932.84 |
| DTN, LLC | SUBSCRIPTION | \$541.00 |
| DUINICK INC | PATCHING - AIRPORT, GRAVEL/ROCK/SAND | \$41,137.19 |
| DYNAMIC ENGINEERING | ENERGY INCENTIVE REBATE | \$475.20 |
| ENERGY LABORATORIES INC | WATER TESTING | \$1,298.00 |
| ENGELSTAD ELECTRIC COMPANY | INSTALLATION OF UNDERGROUND | \$373,111.47 |
| ETHANOL PRODUCTS LLC | BULK CO2 | \$1,283.34 |
| EVOLUTION POWERSPORTS | SERVICE | \$817.48 |
| FARNAMS GENUINE PARTS | SUPPLIES | \$94.32 |
| FARWEST LINE SPECIALTIES, LLC | SUPPLIES | \$537.11 |
| FASTENAL COMPANY | SUPPLIES | \$1,541.49 |
| FEDERAL EXPRESS CORP | SERVICE | \$121.32 |
| FIDELITY SECURITY LIFE INSURANCE CO. (EYEMED) | VISION INSURANCE | \$405.77 |
| FOLEY AND FOLEY LAW OFFICE, PC | OCT/NOV LEGAL FEES | \$1,000.00 |
| GACKE ENTERPRISES | LIME REMOVAL | \$17,907.50 |
| GAS PRODUCTS SALES, INC | METERS | \$4,101.84 |
| GRAINGER | SUPPLIES | \$380.95 |
| HAWKINS, INC. | HYDROFLUOSILICIC ACID | \$3,605.65 |
| IBEW LOCAL 426 | UNION DUES | \$3,159.00 |
| INDELCO PLASTICS CORPORATION | SUPPLIES | \$450.76 |
| INNOVYZE | 2022 SUBSCRIPTION | \$2,960.00 |
| INTERSTATE ALL BATTERY CENTER | SUPPLIES | \$109.95 |
| I-STATE TRUCK CENTER | SUPPLIES | \$132.25 |
| J H LARSON COMPANY | METER SOCKETS | \$11,913.85 |
| KARST, ADAM | REIMBURSEMENT EXPENSE | \$130.00 |
| KOEHN, STEVEN | REIMBURSEMENT EXPENSE | \$843.15 |
| LAKE AREA DOOR | SERVICE | \$2,288.12 |
| LEHNER, STEVE | REIMBURSEMENT EXPENSE | \$136.08 |
| LINDE GAS & EQUIPMENT INC. | CYLINDER RENTAL | \$196.93 |
| LOCATORS & SUPPLIES INC | SUPPLIES | \$658.13 |
| LUNDE, JOHN | REIMBURSEMENT EXPENSE | \$416.30 |
| MACK, ROBIN | REIMBURSEMENT EXPENSE | \$329.81 |
| MAC'S HARDWARE | SUPPLIES | \$271.34 |
| MARCO | COPIER LEASE | \$665.84 |
| MATHESON TRI-GAS INC | SUPPLIES | \$189.20 |
| MENARDS INC | SUPPLIES | \$314.43 |
| MESEBERG, DAVID | REIMBURSEMENT EXPENSE | \$98.44 |
| MESEBERG, MASON | REIMBURSEMENT EXPENSE | \$112.00 |

| | | |
|--|--|--------------|
| MET LIFE | LIFE INSURANCE | \$1,373.77 |
| MIDCONTINENT COMMUNICATIONS | INTERNET & CABLE SERVICE | \$224.54 |
| MIDWEST ENERGY ASSOCIATION | 2022 MEMBER DUES | \$1,954.80 |
| MINNESOTA MUNICIPAL UTILITIES ASSN | 2022 DUES | \$395.00 |
| MISSOURI RIVER ENERGY SERVICES | ELECTRIC RATE STUDY | \$10,000.00 |
| MUELLER CO | SUPPLIES | \$111.68 |
| MUNICIPAL UTILITIES - PC | REPLENISH PETTY CASH | \$410.85 |
| MUNICIPAL UTILITIES-NSF CHECK ACCO | REIMBURSE NSF FUND | \$375.00 |
| MUNICIPAL UTILITIES-REFUND ACCT | REFUNDS OF CREDITS ON ACCOUNTS | \$6,724.32 |
| NARDINI FIRE EQUIPMENT CO | FIRE SUPPRESSION SYSTEM | \$12,820.38 |
| NESD SHRM | 2022 DUES | \$75.00 |
| NIEMANN, ANDY | REIMBURSEMENT EXPENSE | \$112.00 |
| NORTHWEST LINEMAN COLLEGE | TRAINING | \$616.00 |
| NORTHWEST PIPE FITTINGS INC | SUPPLIES | \$151.48 |
| NOVASPECT, INC. | REGULATORS | \$8,137.01 |
| OFFICE PEEPS | SUPPLIES | \$715.89 |
| OLSON, CINDY | REIMBURSEMENT EXPENSE | \$285.90 |
| O'REILLY AUTOMOTIVE INC | SUPPLIES | \$89.99 |
| PETE LIEN & SONS | BULK LIME | \$7,491.47 |
| PETERSON, DELORES | REIMBURSEMENT EXPENSE | \$344.77 |
| PRINCIPAL FINANCIAL GROUP | DENTAL INSURANCE | \$1,174.39 |
| RC FIRST AID | SUPPLIES | \$102.00 |
| REDLINGER BROS PLUMBING & HEATING | SUPPLIES | \$110.60 |
| RELIABANK DAKOTA | FLEX MED | \$7,816.10 |
| RESCO | SUPPLIES | \$2,543.91 |
| RODENBURG LAW FIRM | EMPLOYEE DEDUCTION | \$150.00 |
| ROTH, KEENAN M | REIMBURSEMENT EXPENSE | \$22.37 |
| RUNNING'S SUPPLY INC | SUPPLIES | \$126.47 |
| SCHULTZ, ANDY | REIMBURSEMENT EXPENSE | \$2,409.25 |
| SD GOVERNMENTAL HUMAN RESOURCE ASSOCIATION | 2022 DUES | \$25.00 |
| SD MUNICIPAL ELECTRIC ASSN | 2022 MEMBERSHIP DUES | \$22,531.00 |
| SD ONE CALL | LOCATES | \$361.20 |
| SDML WORKERS COMP FUND | 2022 WORK COMP INS | \$48,489.00 |
| SEIM, ANGELA | REIMBURSEMENT EXPENSE | \$974.35 |
| SENSIT TECHNOLOGIES LLC | SERVICE | \$141.19 |
| SERVICEMASTER OF WATERTOWN | JANITORIAL SERVICE | \$4,120.00 |
| SIOUX VALLEY CO-OP | FUEL, SUPPLIES | \$7,585.64 |
| STANGL, CHRIS | REIMBURSEMENT EXPENSE | \$50.49 |
| STAR LAUNDRY INC | SERVICE | \$459.84 |
| STARR, TANNER E | REIMBURSEMENT EXPENSE | \$35.00 |
| STUART C IRBY CO | TRANSFORMERS AS PER BID | \$30,089.76 |
| THEIN WELL | WELL REPAIR/MAINTENANCE #36 | \$66,516.78 |
| TITAN MACHINERY- WTN | SUPPLIES | \$46.07 |
| TITAN MACHINERY-SF | SUPPLIES | \$503.40 |
| TRAV'S OUTFITTER | SAFETY CLOTHING | \$6,897.00 |
| TRI-STATE BOBCAT | SUPPLIES | \$347.96 |
| TYLER BUSINESS FORMS | SUPPLIES | \$222.27 |
| TYLER TECHNOLOGIES | 2022 SOFTWARE MAINTENANCE | \$18,105.24 |
| TYNDALE COMPANY INC | SAFETY CLOTHING | \$2,674.95 |
| USA BLUEBOOK | SUPPLIES | \$1,140.69 |
| UTILITY FINANCIAL SOLUTIONS LLC | ADDITIONAL TRANSFER STUDY PRESENTATION | \$550.00 |
| WATERTOWN DEVELOPMENT COMPANY | INDUSTRIAL DEVELOPMENT EXPENSE | \$8,690.00 |
| WATERTOWN PUBLIC OPINION | PUBLISHINGS | \$493.68 |
| WATERTOWN UNITED WAY | United Way | \$370.00 |
| WESCO DISTRIBUTION INC | SUPPLIES | \$3,957.90 |
| WW TIRE SERVICE INC | SERVICE | \$40.00 |
| | TOTAL | \$888,276.45 |

Total December 2021 \$888,276.45; Transfer to City's General Fund \$131,095.33, Muni Utilities Electric Water Gas \$43,151.82; Missouri River Energy Services Power \$1,588,119.01; BP Canada Energy Marketing Natural Gas \$280,043.40; Dept. of Revenue Sales/Excise Tax \$193,744.98; CPEP #3 Natural Gas \$132,882.75, CPEP #4 Natural Gas \$159,473.03, Sequent Energy Mgmt. Natural Gas \$107,015.27, City Finance Office Garbage/Sewer \$503,008.80.

ITEM 7647

Pursuant to SDCL 1-25-2(3) Thomas moved with second by Luken to move to Executive Session for discussion of contractual matters. The Board does

expect to take-action when they reconvene to regular session. Motion carried.

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

Motion by Carter with second by Thomas to approve Board President to sign a National Gas Delivery Agreement with Glacial Lakes Energy. Motion carried.

Motion by Luken with second by Carter 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 27th, day of December, 2021.

ATTEST: _____

Lisa Pahl
Board Secretary
Municipal Utilities Board

Lisa Carrico
Board President
Municipal Utilities Department