

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Thursday, December 28, 2023

The Municipal Utilities Board convened in regular session at the Watertown Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Thursday, December 28th, 2023, at 12:00 p.m. with President Chris Carter presiding.

Board members present: Chris Carter, Mike Luken, Dan Brenden, Rich Thomas and Charlie Larkin. Absent Board Liaison, member of City Council, Mike Danforth. Staff members present: Steve Lehner, Adam Karst, Bert Magstadt, Wayne Lovelis, John Lunde, Brian Benson, Mark Meier, Kevin Krutter, Dan LeVasseur, Sheila Mennenga, Gina Brown, Lisa Pahl and Attorney Vince Foley. Guest Chris Clifton, Watertown Development Company.

ITEM 7959

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

ITEM 7960

Motion by Thomas with second by Larkin 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) Sodium Hypochlorite - Water Department
 - i) Lime Sludge Removal - Water Department
 - j) SCADA software and hardware - Water Department
 - k) Tractor Mower - Water Department
 - l) Water Main Fittings, Valves and Material - Water Department
 - m) Wheel Loader - Water Department
 - n) Control Systems Equipment - Water Department
 - o) CO2 Equipment - Water Department
 - p) Valve Maintenance Trailer - Water Department
 - q) Trace Wire - Gas and Water Department
 - r) Gas Pipe - Gas Department
 - s) Installation of Gas Mains and Services - Gas Department
 - t) Gas Regulators - Gas Department
 - u) Gas Meters - Gas Department
 - v) Anodes - Gas Department
 - w) Methane Purging Equipment - Gas Department
 - x) Trencher/Plow - Electric Department
 - y) Installation of URD Primary & Secondary - Electric Department
 - z) Installation of Electric Services - Electric Department
 - aa) Pad-Mounted Switchgear - Electric Department
 - bb) Capacitor Banks - Electric Department
 - cc) Transformers - Electric Department
 - dd) Wire - Electric Department
 - ee) Bucket Trucks - Electric Department

- ff) Street light Poles, Posts and Mounts - Electric Department
- gg) Trucks - All Departments
- hh) Bill Processing & Mailing Services - Offices
- ii) Janitorial

2. DECLARE AS SURPLUS

- a) Asset #1068 Disaster Recovery System Hardware (Electric)
- b) Asset #1069 Disaster Recovery System Hardware (Water)
- c) Asset #1070 Disaster Recovery System Hardware (Gas)
- d) Asset #1071 HP Modular Smart Array (Electric)
- e) Asset #1072 HP Modular Smart Array (Water)
- f) Asset #1073 HP Modular Smart Array (Gas)
- g) Asset #1131 Networking and Upgrade Server (Electric)
- h) Asset #1132 Networking and Upgrade Server (Water)
- i) Asset #1133 Networking and Upgrade Server (Gas)
- j) Asset #1061 Backup & Replication Software for Network
- k) HP Plotter (Water)
- l) Slaker #2 (Water)
- m) Chlorine Generator (Water)

ITEM 7961

Motion by Larkin with second by Luken to approve minutes of Regular Board Meeting on November 27th, 2023. Motion carried.

ITEM 7962

Public Comment - None

ITEM 7963

Motion by Larkin with second by Luken to remove the bankruptcy list as presented in the Board Packet totaling \$128.64 that was discharged in Bankruptcy Court in 2023, from Accounts Receivable. Motion carried.

ITEM 7964

Motion by Thomas with second by Luken to remove the delinquent accounts totaling \$45,743.46 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 7965

Motion by Larkin with second by Brenden to approve **Resolution 7965**, a resolution providing for salaries of Watertown Municipal Utilities employees for the period commencing January 1, 2024. Motion carried unanimously by roll call vote.

**A RESOLUTION PROVIDING FOR THE SALARIES OF
WATERTOWN MUNICIPAL UTILITIES EMPLOYEES
FOR THE PERIOD COMMENCING JANUARY 1, 2024**

WHEREAS Watertown Municipal Utilities employs public employees; and

WHEREAS Watertown Municipal Utilities, thru its Board, desires to formally establish 2024 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.

WHEREAS the Municipal Utilities Board has discussed and reviewed Staff salaries and recommends an increase of 4.5% 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 3% craft adjustment for the Information Systems Supervisor position.

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

Hourly Rate (unless specified) as of January 1, 2024

Electric Department: B Benson 10,407/mo; C Brown 29.93; S Catlette 50.95; D Frost 28.19; D Gollnick 50.06; M Gollnick 28.19; A Jonnes 50.06; A Karst 13,114/mo; S Koehn 50.06; K Kruijer 8,351/mo; B Magstadt 13,258; M Meier 9,648/mo; M Meseberg 46.91; C Mohrmann 28.19; S Myers 30.64; A Niemann 50.06; L Pahl 32.98; B Ripley 40.44; S Ronke 39.72; J Rudebusch 50.06; M Rue 30.64; T Schafer 54.41; A Schultz 38.41; N Sime 50.06; C Stangl 46.91; D Sunne 50.06; R Suttan 38.41; L Tolley 50.06; T Wirtjes 50.06; Steve Witte 50.06.

Water Department: U Araiza 36.25; W Berner 36.25; C Brenden 31.51; G Brown 8,045/mo; S Erickson 41.47; N Frost 36.25; D Kraemer 38.18; J Kudrna 40.44; W Lovelis; 9,509/mo; R Mack 40.09; M McLaughlin 40.09; S Mennenga 8,640/mo; A Mitchell 36.68; L Redlin 36.25; J Settje 38.18; T Starr 40.09; S Struss 41.99; M Ward 43.55; M Wilson 36.25.

Gas Department: M Andrews 45.78; D Brage 45.78; A Erickson 51.21; B Gubka 47.15; J Jellis 47.15; C Kranz 47.15; S Lehner 18,747/mo; D LeVasseur 8,752; J Lunde 10,241/mo; T Pahl 42.77; T Remacle 40.44; M Rost 35.25; K Roth 47.15; A Seim 28.19; B Warborg 50.94.

ITEM 7966

Open: a) Lehner presented the Bill Stuffer a)ACH Form b)MRES \$1000 College/Undergrad Scholarship b)MRES \$2000 Lineworker/Powerline Scholarship

ITEM 7967

Magstadt presented the Report on Operations and Projects. Electric, Projects Completed this Month: We had 3 outages since the last report for a total of 64 unscheduled power outages in 2023, Projects in Progress: MRES is done with its upgrade, Key Contracting installing 115 kV GOAB Switch at Uptown Sub was postponed because of the weather, Key Contracting replacing 115 kV pole by Kimble Implement Dealership. Gas Department: Projects Completed this Month: 2023 Leak Survey completed, maintenance on trenchers and store for winter. Projects in Progress: OQ modules, hands on testing and welding tests. There was a hit and run on Skyline Drive the driver hit the guard around the gas valve. Water Department, Projects Completed this Month: 1 water main break for a total of 12 for the 2023 season, Well #13 in Sioux Conifer is back on, pit less adaptor is leaking however, will need to be repaired, built new feeder paddles for slaker #3. Projects in Progress: Repair lime transfer line on side #3. Engineering Tech: Projects Completed this Month: City design review team meetings for new development. Magstadt shared that WMU did another gas hedge on December 8, 2023, for approximately 15% of needs for Jan. 2024 through Sept. 2029 with Goldman Sachs.

ITEM 7968

Karst presented the report on Administration and Financial Statements, Purchasing, Accounting and Facilities, Projects in Progress: Completed our 2023 physical inventory - waiting for audit. Upcoming Projects: Purchasing long lead time items for 2024 construction projects, researching a new phone system. Customer Service, Projects Completed this Month: 14,986 Payments collected for a total of \$4,755,409 and 56,643 services billed for a total of \$4,904,065. Human Resources/Risk Management: Completed payroll changes for final payroll 2023, Completed mini payroll/end of year reports for 2023, Completed Workers Comp Estimate for 2024, 24% increase over 2023 estimate due to adding additional employee and large claims with the City affecting the experience modifier and renewal credit, completed loss control with Safety Benefits, posted internally for new Water Distribution position- plan to interview this week. Information Systems working on Cybersecurity, working on new Cyber Security Controls, reviewing and assessing DSU audit, 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 \$4,312,915 above budget for the eleven months ending November 30th, 2023. Total Capital Additions are \$8,632,231 under budget for the eleven months ending November 30th,2023.

ITEM 7969

Motion made by Thomas 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 2023 Plus ACH Payroll Payments \$643,382.71.

Name	Payable Description	Payment Amount
JANUARY 2, 2024		
ABC EMBROIDERY	SERVICE	\$386.10
ACTIVE HEATING INC	SERVICE	\$441.42
ADVANCED ENGINEERING AND ENVIRONMENTAL SERVICES, LLC	WELL #39 REPLACEMENT	\$26,675.20
AFLAC	CANCER PT	\$1,449.67
AMARIL UNIFORM COMPANY	SAFETY CLOTHING	\$291.13
A-OX WELDING SUPPLY INC	SUPPLIES	\$229.86
AP & SONS CONSTRUCTION INC	SERVICE - HARMONY HILL	\$18,440.00
AQUA-PURE INC	SODIUM TRIPOLYPHOSPHATE	\$7,525.00
AUSTIN, STRAIT, BENSON, THOLE AND KOEHN, LLP	NOVEMBER LEGAL FEES	\$290.00
AUTO VALUE WATERTOWN	SUPPLIES	\$425.31
BENDIX IMAGING INC	SUPPLIES	\$66.99
BIG SIOUX WATER FESTIVAL	CONTRIBUTION	\$1,250.00
BORDER STATES ELECTRIC SUPPLY	1WAY PHASE OVER PHASE GOAB, SUPPLIES	\$27,700.18
BORDER STATES ELECTRIC SUPPLY	TRANSFORMERS AS PER BID	\$147,027.11
BORNS GROUP	POSTAGE & MAILING	\$10,719.94
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWORK USAGE	\$135.79
CARTNEY BEARING & SUPPLY	SUPPLIES	\$119.03
CENTURY LINK	PHONE SERVICE	\$315.87
CHASE CARDMEMBER SERVICE	CREDIT CARD`	\$4,575.52
CHILD SUPPORT PAYMENT CENTER	EMPLOYEE DEDUCTION: CHILD SUPPORT	\$750.00
CODINGTON-CLARK ELECTRIC COOPERATIVE INC	WELLFIELD ELECTRIC SERVICE	\$4,930.56
CONNECTING POINT	SUPPLIES	\$3,542.40
CONTROL EQUIPMENT SALES, INC	SUPPLIES	\$916.50
CONVERGINT TECHNOLOGIES LLC	SERVICE	\$360.00
CORE & MAIN LP	SUPPLIES	\$2,872.38
COUNTY FAIR FOOD STORE	SUPPLIES	\$23.88
CREDIT COLLECTIONS BUREAU	COLLECTIONS	\$433.78
CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$579.96
DAKOTA DATA SHRED	SHREDDING SERVICE	\$78.21
DAKOTA DIRECTIONAL LLC	INSTALLATION OF WATER DISTRIBUTION MAINS	\$332,258.00
DALSIN INC	ROOF PROJECT	\$41,838.90
DANR	2024 ENVIRONMENTAL FEE	\$50.00
DEPARTMENT OF HEALTH	WATER SAMPLES	\$783.00
DLT SOLUTIONS, LLC	2024 SUBSCRIPTION	\$13,300.34
DSG DAKOTA SUPPLY GROUP	SUBSTATION TRANSFORMER AS PER BID	\$33,983.46
DTN, LLC	SUBSCRIPTION	\$552.30
DUININCK INC	CRUSHED CONCRETE	\$9,957.28
ELITE DRAIN AND SEWER CLEANING	SERVICE	\$115.00

ENERGY LABORATORIES INC	WATER TESTING FEES	\$1,467.00
ENGELSTAD ELECTRIC COMPANY	SERVICE - AGWRX	\$39,860.79
ETHANOL PRODUCTS LLC	BULK CO2	\$2,274.84
FARWEST LINE SPECIALTIES, LLC	SUPPLIES	\$188.95
FEDERAL EXPRESS CORP	SERVICE	\$35.74
FIDELITY SECURITY LIFE INSURANCE CO. (EYEMED)	VISION INSURANCE	\$157.50
FOLEY AND FOLEY LAW OFFICE, PC	NOVEMBER LEGAL FEES	\$435.00
GRAINGER	SUPPLIES	\$1,147.67
GROEBNER	RISERS	\$5,330.00
H & R CONSTRUCTION	REFUND	\$182.35
HARRIS COMPUTER SYSTEMS	2024 SOFTWARE MAINTENANCE	\$67,256.47
HAWKINS, INC.	HYDROFLUOSILICIC ACID	\$4,744.36
IBEW LOCAL 426	UNION DUES	\$4,053.00
INDELCO PLASTICS CORPORATION	SUPPLIES	\$831.41
J H LARSON COMPANY	SUPPLIES	\$158.13
KOONS GAS MEASUREMENT	SUPPLIES	\$662.50
KRUITER, KEVIN	REIMBURSEMENT EXPENSE	\$70.56
LAKE AREA TECHNICAL COLLEGE	TRAINING EXPENSE	\$840.00
LEHNER, STEVE	REIMBURSEMENT EXPENSE	\$602.29
LINDE GAS & EQUIPMENT INC.	CYLINDER RENTAL	\$217.47
LOCATORS & SUPPLIES INC	SUPPLIES	\$228.35
LOVELIS, WAYNE	REIMBURSEMENT EXPENSE	\$111.77
LUKEN, MIKE	REIMBURSEMENT EXPENSE	\$243.84
LUNDE, JOHN	REIMBURSEMENT EXPENSE	\$1,856.74
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$1,500.45
MAC'S HARDWARE	SUPPLIES	\$107.91
MAGSTADT, BERT	REIMBURSEMENT EXPENSE	\$493.95
MATHESON TRI-GAS INC	SUPPLIES	\$324.75
MCKEEVER INC	SUPPLIES	\$105.00
MEIER, MARK	REIMBURSEMENT EXPENSE	\$46.31
MELISSA HOLTQUIST	ENERGY INCENTIVE REBATE	\$1,200.00
MENARDS INC	SUPPLIES	\$1,863.99
MENNENGA, SHEILA	REIMBURSEMENT EXPENSE	\$269.00
MET LIFE	LIFE INSURANCE	\$1,654.04
MIDCONTINENT COMMUNICATIONS	INTERNET & CABLE SERVICE	\$183.39
MIDWEST ENERGY ASSOCIATION	2024 MEMBERSHIP DUES	\$1,954.80
MILBANK WINWATER WORKS	SUPPLIES	\$3,523.00
MINSAIT ACS, INC.	SCADA UPGRADE	\$6,022.00
MUELLER CO	SUPPLIES	\$677.61
MUNICIPAL UTILITIES - PC	REPLENISH PETTY CASH	\$106.10
MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND	\$2,384.85
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCOUNTS	\$8,602.78
NAPA CENTRAL	SUPPLIES	\$45.99
NESD SHRM	2024 DUES	\$75.00
NOVASPECT, INC.	TRAINING EXPENSE	\$4,400.00
OFFICE PEEPS	SUPPLIES	\$1,156.27
O'REILLY AUTOMOTIVE INC	SUPPLIES	\$121.32
PAYMENTUS GROUP INC.	SERVICE	\$49.75
PETE LIEN & SONS	BULK LIME	\$12,779.53
POMP'S TIRE SERVICE, INC.	SUPPLIES	\$242.16
PRINCIPAL FINANCIAL GROUP	DENTAL INSURANCE	\$1,309.90
PRO LINE INC	SUPPLIES	\$510.95
REDLINGER BROS PLUMBING & HEATING	SUPPLIES	\$21.03

RELIABANK DAKOTA	FLEX MED	\$7,092.00
RESCO	CUTOOTS	\$7,749.61
RODENBURG LAW FIRM	EMPLOYEE DEDUCTION	\$150.00
RON'S SAW SALES	SUPPLIES	\$872.39
RUNNING'S SUPPLY INC	SUPPLIES	\$1,871.77
SCHAEFFER MFG CO	SUPPLIES	\$1,361.80
SD MUNICIPAL ELECTRIC ASSN	2024 MEMBERSHIP DUES	\$26,232.00
SD ONE CALL	LOCATES	\$289.80
SDML WORKERS COMP FUND	2024 WORK COMP INS.	\$70,576.00
SERVICEMASTER OF WATERTOWN	JANITORIAL SERVICE	\$4,120.00
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$8,772.03
SIOUX VALLEY GREENHOUSES	SERVICE	\$290.00
STAN HOUSTON EQUIP CO	RENTAL	\$799.00
STAR LAUNDRY	SERVICE	\$558.25
STUART C IRBY CO	TRANSFORMERS AS PER BID	\$36,438.69
SUTTON LAWN & SNOW LLC	LAWN CARE	\$423.00
THEIN WELL	WELL REPAIR/MAINTENANCE	\$68,038.99
TITAN MACHINERY- WTN	SERVICE	\$269.00
TOSHIBA FINANCIAL SERVICES	COPIER LEASE	\$408.19
TRAV'S OUTFITTER	SAFETY CLOTHING	\$14,593.00
TSP, INC.	SERVICE	\$980.00
TYLER BUSINESS FORMS	SUPPLIES	\$211.78
TYLER TECHNOLOGIES	2024 SOFTWARE MAINTENANCE	\$20,341.28
TYNDALE COMPANY INC	SAFETY CLOTHING	\$851.90
UPS	SERVICE	\$830.71
USA BLUEBOOK	SUPPLIES	\$2,340.21
WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN FORD CHRYSLER	SUPPLIES	\$132.78
WATERTOWN PUBLIC OPINION	PUBLISHINGS	\$570.42
WATERTOWN UNITED WAY	United Way	\$263.00
WATERTOWN WHOLESALE INC	SUPPLIES	\$1,022.85
WEATHERGARD ROOFING	SERVICE	\$795.00
WESCO DISTRIBUTION INC	SUPPLIES	\$3,819.05
WHEELCO	SUPPLIES	\$215.15
WW TIRE SERVICE INC	SUPPLIES	\$212.00
	TOTAL	\$ 1,172,260.28

Total December 2023 \$1,172,260.28; Transfer to City's General Fund \$118,125.00, Muni Utilities Electric Water Gas \$51,381.63; Missouri River Energy Services Power \$1,549,612.44; BP Canada Energy Marketing Natural Gas \$280,043.40; Dept. of Revenue Sales/Excise Tax \$207,556.19; CPEP #3 Natural Gas \$69,921.00, CPEP #4 Natural Gas \$51,306.00, CPEP #5 Natural Gas \$96,295.95, CPEP # Hedge 97,371.00, Sequent Energy Mgmt. Natural Gas \$37,167.00. City Finance Office Garbage/Sewer \$612,056.53.

ITEM 7970

Pursuant to SDCL 1-25-2(3) Brenden moved with second by Luken to move to Executive Session. The Board does expect to take-action when they reconvene to the regular session. Motion carried.

President Carter declared Executive Session done and they reconvened to regular session. Motion by Luken with second by Thomas to approve the Board President to sign the Natural Gas Delivery Agreement with Glacial Lakes Energy. Motion carried.

Motion by Larkin with second by Thomas 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 28th, day of December, 2023.

ATTEST: _____

Lisa Pahl
Board Secretary
Municipal Utilities Board

Christine Carter
Board President
Municipal Utilities Department