

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday, December 31, 2012

The Municipal Utilities Board convened in regular session at the Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday December 31, 2012 at Noon with President Dustin Padgett presiding.

Board members present: Dustin Padgett, Ernie Wight, Dave Strait. Absent Mike Luken, Wayne Schultz. Liaison Member of City Council Bruce Buhler Absent. Staff Members present: Steve Lehner, Adam Karst, Todd Chambers, Jeff DeVille, Rich Schmidt, Mark Meier, Mark Haider, Kevin Kruiter, Stephanie Ries, Sheila Mennenga, Lisa Pahl, Stanton Fox. Press: Don Egert, KXLG Radio.

ITEM 6308

Motion by Strait with second by Wight to approve the Agenda. Motion carried.

ITEM 6309

Motion by Strait with second by Wight to approve minutes of the regular Board meeting on November 29, 2012. Motion carried.

ITEM 6310

Lehner clarified a typo in the Board Packet for the approved salaries Resolution. Motion by Strait with second by Wight to approve Resolution 6310 Watertown Municipal Utilities Employees Salaries commencing Jan. 1, 2013 with the change outlined by Lehner. Motion carried.

A RESOLUTION PROVIDING FOR THE SALARIES OF WATERTOWN MUNICIPAL UTILITIES
EMPLOYEES FOR THE PERIOD COMMENCING JANUARY 1, 2013
WHEREAS the Municipal Utilities Department employs public employees; and

WHEREAS the Municipal Utilities Department thru its Board, desires to formally establish 2013 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 2013 the First year; and

WHEREAS the Municipal Utilities Board has discussed and reviewed Staff salaries at the previous executive sessions on November 20, 2012 and November 29, 2012 and recommends an increase of 3.0% effective January 1, 2013 for all Staff Salaries for a one-year period;

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

Hourly Rate (unless specified) as of January 1, 2013

Electric Department: B Benson 36.54; S Catlette 24.80; T Chambers 9492/mo; J Determan 34.05; E Dunn 20.17; D Enstad 7534/mo; S Foster 24.27; D Frost 14.48; D Gollnick 34.29; B Hansen 31.36; D Heaton 26.33; D Johnson 20.17; A Jonnes 31.36; K Kruiter 5580/mo; A Karst 8803/mo; B Keiser 26.33; J Killoran 34.29; M Meier 5927/mo; D Meseberg 34.29; L Pahl 22.15; M Pederson 34.29; D Peterson 19.32; R Renelt 32.15; B Robinson 34.29; S Ronke 27.21; K Roth 22.47; T Schafer 24.98; J Stanley 34.29; R Suttan 26.33; L Tolley 24.98

Water Department: M Andrews 29.83, D Brage 24.83; G Brown 19.32; C Craig 27.47; J DeVille 6658/mo; C Forman 18.78; B Gubka 27.47; D Kraemer 26.16; J Kudrna 27.47; R Mack 24.83; M McLaughlin 15.98; M McNamara 29.83; S Mennenga 5282.00/mo; A Mitchell 20.17; S Ries 5533/mo; S Struss 27.71; J Summers 27.47; L Sutton 27.47

Gas Department: J Burns 35.08; M Enderson 20.17; A Erickson 32.30; C Kranz 32.30; D Kunkel 20.95; M Haider 5230/mo; S Lehner 12,222/mo; J Lunde 32.30; G Olson 34.05; T Remacle 27.71; D Riley 31.36; R Schmidt 7297/mo; D Voight 31.36; B Warborg 26.23

ITEM 6311

Motion by Strait with second by Wight to authorize calling bids for the following. Motion carried.

- 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) Janitorial Service
- g) Gas Regulators - Gas Department
- h) Transformers - Electric Department
- i) Wire - Electric Department
- j) Install URD Primary & Secondary - Electric Department
- k) 15 KV Pad-Mounted Switchgear - Electric Department

ITEM 6312

Karst presented the bankruptcy list for 2012. Motion by Wight with second by Strait to remove discharged bankruptcies totaling \$4,593.51. Motion carried.

ITEM 6313

Karst presented the list of uncollectable accounts receivables. Motion by Wight with second by Strait to remove delinquent accounts totaling \$48,089.25 from Accounts Receivable. Motion carried. 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. Karst wanted to recognize Stephanie Ries and the Customer Service Reps for helping to keep these totals lower than previous years and below industry averages.

ITEM 6314

Lehner presented the bill stuffers, The Watertown 2020 Invite, Upper Big Sioux Watershed Project flyer on Water Quality and the Single Stream recycling flyer. Lehner also presented information on the Midwest Electric Consumers Association Annual Meeting he attended in Denver in early December. Items discussed at the meeting were Management of the Missouri River and flood issues, also discussed, Secretary Chu's memo on certain mandates which involved a lot of discussion on renewable energy. Lehner updated the Board on some issues still trying to get resolved with the WAPA Contract.

ITEM 6315

Chambers presented report on Operations and Projects: Electric Department, Projects Completed this Month: Energized transformers at Farm Credit Service and Fed Ex. Projects in Progress: Terminating underground wire installed by Dave's Construction, Arrow Ave, Terminating underground wire installed by Dave's Construction, Multi District Area, City Auditorium, and Summerwood. Energizing transformers installed at Qdoba, Year-Round-Brown and Willow Creek Plaza. Projects Starting Next Month: Removing/repairing street light poles on Hwy 20 and 212, Connect 40 KW of Solar Panels at Peterson Motors to Utility Grid System. Gas Department, Projects Completed this Month: Installed gas tubing for pressure sensors at the Wal-Mart TBS, Installed a gas temperature probe into the regulator run at the Wal-Mart TBS, Installed explosion proof lighting at both TBS locations, Fine tuning the regulator pressure settings on the Wal-Mart TBS. Projects Starting Next Month: Annual business leak survey as required by the office of Pipeline Safety, Annual district regulator station maintenance as required by the Office of Pipeline Safety, Inspection of the OQ plan by the South Dakota Office of Pipeline Safety. Water Department, Projects Completed this Month: 3 new taps, 2 replacement taps, 2 main breaks so far for the 2012/2013 season, Finished the annual inspection on all of the fire hydrants. We found 5 hydrants froze up and steamed them out. Projects to Start Next Month: Drain side two upflow to do winter maintenance. Engineering Tech Department, Projects Completed this Month: 43 One-Call locates Dec. 1 to 27th, 2012. 227 One-Call locates total November, 2012, 3 emergency locates 1 private and 2 Watertown Utilities. Projects in Progress: Updated natural gas distribution maps, Update water distribution maps. Projects Starting Next Month: Average 20 One-Call locates in January.

ITEM 6316

Karst presented report on Administration and Financial Statements: Building/Grounds and Purchasing, Projects in Progress: Completing the 2012

physical inventory including all disbursements and returns associated with inventory. Projects to Start Next Month: Bid the three year janitorial service contract which ends January 31, 2013. Office, Projects Completed This Month: 13,220 Payments collected with a total of \$3,691,919, Total of 50,937 services billed for a total of \$3,951,848; Human Resources/Risk Management: Signed copies of union contract have been sent to IBEW for final signatures by IBEW representative - will order new union contract booklets once final signatures are included. Completed annual open enrollment process for insurance and flex benefits.

Statements of revenue and expenses were presented to the Board for review. Year to date net income is \$483,719 under budget due mostly to the donation of the Kampeska Filtration Plant to the City of Watertown.

ITEM 6317

Motion made by Strait with second by Wight to approve the following verified Salary claims and bills. Motion carried unanimously upon roll call vote. Total Municipal Utilities Dept Net Payroll for December, 2012 Plus ACH Payroll Payments \$331,038.10.

January 2, 2013

Name	Payable Description	Payment Amount
ABC EMBROIDERY	EMBROIDERY	\$72.55
ADVANCED ENGINEERING & ENVIRON.	WATER SYSTEM IMPROVEMENTS	\$352.00
AFLAC	CANCER PT	\$1,995.82
ALTHOFF LAWN SERVICE	REPAIR	\$177.00
APGA	2013 APGA MEMBERSHIP DUES INVOICE	\$6,280.56
APPLIED INDUSTRIAL TECH	PARTS, SUPPLIES	\$551.93
AQUA-PURE INC	SUPPLIES	\$9,450.00
AVANTI FEDERAL CREDIT UNION	CREDIT UNION	\$16,352.61
BENDIX IMAGING INC	OFFICE SUPPLIES	\$225.97
BENSON, BRIAN	REIMBURSEMENT EXPENSES	\$1,081.42
BEST BUSINESS PRODUCTS INC TX	COPIER LEASE	\$139.01
BLACK LINE CAPITAL	ENERGY INCENTIVE REBATE	\$3,400.00
BORDER STATES ELECTRIC SUPPLY	BSE BS PO 24785 10/1/12	\$14,439.41
BORNS GROUP	POSTAGE & MAILING	\$6,873.48
BURCHATZ CONSTRUCTION COMPANY INC	CONCRETE WORK	\$5,393.94
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWORK USAGE	\$110.26
BUSINESS TELEPHONE CO INC	PHONE MAINTENANCE	\$107.25
CHAMBERS, TODD	REIMBURSEMENT EXPENSES	\$774.73
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$1,197.40
CHURCHILL, MANOLIS, FREEMAN	UNION NEGOTIATION COUNSEL	\$3,616.36
CITY OF SIOUX FALLS	WATER TESTS	\$14.50
CODINGTON COUNTY REGISTER OF DEEDS	COPIES, EASEMENTS	\$62.00
CODINGTON COUNTY SHERIFF OFFICE	SMALL CLAIMS NOTICE	\$39.00
CODINGTON-CLARK ELECTRIC COOP.	ELECTRIC SERVICE-NEW WELLFIELD	\$4,717.04
CONSULTING ENGINEERS GROUP INC	POWER FACTOR WORK	\$504.00
CREDIT BUREAU OF WATERTOWN INC	COLLECTIONS	\$693.40

CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$1,440.86
DAKOTA DATA SHRED	SHREDDING SERVICE	\$57.05
DAKOTA SECURITY SYSTEMS, INC	ALARM MONITORING	\$360.00
DE VILLE, JEFF	REIMBURSEMENT EXPENSES	\$32.19
DEPARTMENT OF REVENUE	WATER SAMPLES	\$564.00
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$10,424.51
DUECO INC	SUPPLIES	\$416.06
EAST RIVER ELEC POWER COOP	SUPPLIES	\$1,050.39
ELECTRIC MOTORS & MOORE INC	SUPPLIES	\$809.00
ELECTRO-TEST & MAINT INC	TRANSFORMER TESTING & LTC MAINT.	\$24,306.07
ELEMENT MATERIALS TECHNOLOGY	PIPE WELD QUALIFICATION	\$210.00
ENERGY ECONOMICS INC	METER REPAIR	\$434.99
ENERGY LABORATORIES INC	WATER CHEMICALS	\$1,120.00
ENGELSTAD ELECTRIC COMPANY	PIPE INSTALLATION	\$1,921.81
ENSTAD, DOUG	REIMBURSEMENT EXPENSES	\$72.00
ETHANOL PRODUCTS LLC	WATER CHEMICALS	\$1,493.99
F J MC LAUGHLIN CO.	GRAVEL, SUPPLIES	\$2,459.22
FARNAMS GENUINE PARTS	SUPPLIES	\$251.19
FASTENAL COMPANY	SUPPLIES	\$828.16
FIRE UNDERWRITERS BOARD	2013 EMPLOYEE BOND INS.PREMIUM	\$341.00
GLACIAL LAKES ENERGY LLC	ENERGY INCENTIVE REBATE	\$1,498.05
GRAINGER	TRANSFORMER, SUPPLIES	\$621.34
GREAT WESTERN BANK	TASC MED	\$6,397.17
H R GREEN	3 MG WATER RESERVOIR REPLACEMENT	\$2,526.25
HAWKINS, INC.	WATER CHEMICALS	\$2,570.65
HD SUPPLY WATERWORKS	SUPPLIES	\$6,271.48
HUMAN SERVICE AGENCY	EAP SERVICES	\$90.00
HURNEY PLUMBING	PLUMBING	\$113.02
IBEW LOCAL 426	UNION DUES	\$2,826.00
INTERSTATE BATTERIES	BATTERIES	\$267.51
J H LARSON COMPANY	SUPPLIES	\$11,526.34
JONNES, ALEX	REIMBURSEMENT EXPENSES	\$61.00
K & L MECHANICAL	WATER LINE INSTALLATION	\$3,900.01
KILLORAN, JOHN	REIMBURSEMENT EXPENSES	\$61.00
LATI	CDL TEST	\$99.00
LEHNER, STEVE	REIMBURSEMENT EXPENSES	\$275.77
LOCATORS & SUPPLIES INC	SUPPLIES	\$2,175.22
LYLE SIGNS INC	SUPPLIES	\$189.79
M & T FIRE & SAFETY INC	SUPPLIES	\$107.00
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$17.47
MAC'S INC	SUPPLIES	\$109.02
MAHOWALD'S HARDWARE & RENTAL	SUPPLIES	\$96.79
MARCO INC	MAINTENANCE AGREEMENT	\$106.75
MC KEEVER'S VENDING	SUPPLIES	\$162.11
MEL DAHLE TIRE CO	SUPPLIES	\$374.00
MENARDS INC	SUPPLIES	\$417.83
MET LIFE	LIFE INSURANCE	\$1,047.32
MIDCONTINENT COMMUNICATIONS	INTERNET SERVICE	\$105.00

MIDWEST ENERGY ASSOCIATION	DISTRIBUTION DUES	\$3,258.00
MILBANK COMMUNICATIONS INC	SUPPLIES	\$18.50
MILBANK WINWATER WORKS	SUPPLIES	\$4,139.76
MINNESOTA MUNICIPAL UTILITIES ASSN	2013 SAFETY PROGRAM 1ST QTR	\$8,834.20
MUNICIPAL UTILITIES - PC	PETTY CASH, SUPPLIES	\$449.01
MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND #15176-25	\$424.22
MUNICIPAL UTILITIES-REFUND ACCT	REFUND OVERPAYMENT OF FINAL BILLS	\$6,326.44
NESD SHRM	MEMBERSHIP RENEWAL	\$125.00
NEW YORK LIFE INS.	LIFE INSURANCE	\$196.00
NORTHERN TRUCK EQUIP CORP	SUPPLIES	\$32.43
NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$5,150.83
OFFICE PEEPS	OFFICE SUPPLIES	\$1,385.07
OMAHA VALVE & FITTING CO	SUPPLIES	\$208.15
O'REILLY AUTOMOTIVE INC	AUTO PARTS, SUPPLIES	\$81.29
PETE LIEN & SONS	WATER CHEMICALS	\$11,897.58
PIPEHORN LOCATING TECHNOLOGY	REPAIR PARTS	\$307.00
PRAXAIR DISTRIBUTION INC	CYLINDER RENTAL	\$118.84
PRINT-EM-NOW INC	OFFICE SUPPLIES	\$142.50
PROLINE INC	SUPPLIES	\$90.13
PRUNTY CONSTRUCTION INC	WATER DISTRIBUTIONS MAINS-LAKE	\$57,808.41
REDLINGER BROS PLUMBING & HEATING	SUPPLIES	\$224.57
RESCO	SUPPLIES	\$4,437.45
RON'S SAW SHOP	SAW SUPPLIES	\$55.99
RUNNING'S SUPPLY INC	SUPPLIES	\$163.27
SANFORD WATERTOWN OCCUPATIONAL MED	NOV 2012 SCREENINGS	\$264.00
SCHMIDT, RICHARD	REIMBURSEMENT EXPENSES	\$20.00
SD DENR	OPERATOR CERTIFICATION RENEWALS	\$72.00
SD DENR	2013 ANNUAL FEES	\$50.00
SDML WORKERS COMP FUND	2013 WORKERS COMP INSURANCE RENEWAL	\$54,648.00
SERVICEMASTER	JANITORIAL SERVICE	\$3,320.00
SIGN PRO	SUPPLIES	\$75.00
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$9,075.72
SIOUX VALLEY GREENHOUSES	DIRT WORK	\$2,082.84
SOUTHERN CROSS CORP	REPAIR	\$752.24
STAR LAUNDRY INC	RUG SERVICE	\$279.81
STEVE'S WORLD	SUPPLIES	\$32.50
STROMSETH CONSTRUCTION	SUPPLIES	\$223.38
STUART C IRBY CO	SUPPLISE	\$2,374.58
STURDEVANTS AUTO PARTS	SUPPLIES	\$26.29
T & R ELECTRIC CO	KVA SUBSTATION TESTING	\$500.00
TITAN MACHINERY- WTN	SUPPLIES	\$632.13
TITAN MACHINERY-SF	SUPPLIES	\$659.55
TOOL TIME	RENTAL	\$200.00
TRAV'S OUTFITTER	SUPPLIES	\$726.00
TYLER TECHNOLOGIES	SUPPLIES	\$718.21
TYLER TECHNOLOGIES INC	MAINTENANCE	\$12,420.75
UPS	SHIPPING	\$48.37

VEACH, MARK	ENERGY INCENTIVE REBATE	\$1,250.00
VERMEER HIGH PLAINS	SUPPLIES	\$326.90
WATERTOWN FLOWERS INC	FUNERAL PLANT	\$46.00
WATERTOWN FORD CHRYSLER	SUPPLIES	\$718.70
WATERTOWN IND DEV FOCUS WTN	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN PUBLIC OPINION	PUBLISHINGS	\$434.85
WATERTOWN UNITED WAY	United Way	\$359.00
WATERTOWN WHOLESALE	SUPPLIES	\$275.30
WEATHERGARD ROOFING	ROOF MAINTENANCE	\$9,888.90
WELLMARK BLUE CROSS/BLUE SHIELD	HEALTH INSURANCE	\$65,872.06
WESCO DISTRIBUTION INC	SPLICE KITS	\$3,452.36
	TOTAL	<u>\$457,617.10</u>

Total December, 2012 457,617.10; Transfer to City General Fund 101,533.00; Muni Utilities Electric Water Gas 40,373.98; Northern Natural Gas 6,061.20; Missouri River Energy Services Power 1,311,359.55; BP Canada Energy Marketing Natural gas 559,325.00; Dept of Revenue Sales/Excise Tax 168,428.12; CPEP Natural Gas 77,658.75, City Finance Office Garbage Sewer 377,744.31.

ITEM 6318

Pursuant to SDCL 1-25-2(3) Strait moved with second by Wight to move to Executive Session for discussion of contractual matters and pending litigation. Motion carried.

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

Motion by Strait with second by Wight to adjourn. Motion carried.

The Watertown Municipal Utilities Department does not discriminate against the handicapped in employment or admission or access to its programs and activities or the provision of services.

Dated at Watertown, South Dakota this 31st day of December, 2012

ATTEST: _____

Lisa Pahl

Dustin J. Padgett

Executive Secretary

President

Municipal Utilities Board

Municipal Utilities Board