

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday, December 30, 2013

The Municipal Utilities Board convened in regular session at the Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday December 30, 2013 at Noon with Vice-President Wayne Schultz presiding.

Board members present: Wayne Schultz via teleconference, Ernie Wight, Dustin Padgett and Board Liaison Member of City Council Don Roby. 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, Lisa Pahl and Stanton Fox. Press: Don Eggert, KXLG Radio.

ITEM 6444

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

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

ITEM 6445

Motion by Wight with a second by Schultz to approve consent agenda, which gave authorization to call for bids for the following items. 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) Installation of Water Main - Water Department
- g) Directional Drilling Water Main - Water Department
- h) Transformers - Electric Department
- i) Wire - Electric Department
- j) Install URD Primary & Secondary - Electric Department
- k) Install Overhead Primary & Secondary - Electric Department
- l) Boom Truck - Electric Department
- m) Small Trencher - Electric Department
- n) Electric Meter Test Bench - Electric Department
- o) Wood Poles - Electric Department

ITEM 6446

Motion by Wight with second by Schultz to approve minutes of the regular Board meeting on November 25, 2013. Motion carried.

ITEM 6447

Karst presented information about a billing software upgrade with NorthStar Utilities Solutions for 2014. Motion by Wight with second by Schultz to authorize General Manager to sign agreement with NorthStar Utilities Solution for software upgrade. Motion carried.

ITEM 6448

Motion by Wight with second by Schultz to approve Resolution #6448 Watertown Municipal Utilities Employees Salaries commencing Jan. 1, 2014. Motion carried.

RESOLUTION

**A RESOLUTION PROVIDING FOR THE SALARIES OF
WATERTOWN MUNICIPAL UTILITIES EMPLOYEES
FOR THE PERIOD COMMENCING JANUARY 1, 2014**

WHEREAS the Municipal Utilities Department employs public employees; and

WHEREAS the Municipal Utilities Department thru its Board, desires to formally establish 2014 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 2014 the Second; and

WHEREAS the Municipal Utilities Board has discussed and reviewed Staff salaries, Line Foreman and Electric Meter Foreman salaries at the previous executive session on November 25, 2013 and recommends an increase of 3.0% for eight Staff positions including Director of Operations, Director of Administration, Electric Superintendent, Water Superintendent, Purchasing/Facilities/Accounting Supervisor, Customer Service/Billing/Collections Supervisor, Information Systems Supervisor Human Resources/Risk Coordinator, Administrative Assistant/ Board Secretary; an increase of 4.0% for two Staff positions including Engineering Technician Superintendent and General Manager; an increase of 5.0% for one Staff position of Gas Superintendent; an increase of 2.0% for Line Foreman; and increase of 2.5% for Electric Meter Foreman; effective January 1, 2014; 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, 2014

Electric Department: B Benson 38.40; S Catlette 28.62; T Chambers 9777/mo; J Determan 35.95; D Enstad 7662/mo; S Foster 25.00; D Frost 19.90; D Gollnick 35.32; B Hansen 35.32; D Johnson 21.12; A Jonnes 35.32;

K Kruiter 5748/mo; A Karst 9068/mo; B Keiser 27.12; J Killoran 35.32; M Meier 6165/mo; D Meseberg 35.32; S Myers 14.91; L Pahl 22.81; M Pederson 35.32; D Peterson 19.90; R Renelt 33.11; B Robinson 35.32; S Ronke 28.03; K Roth 28.54; T Schafer 28.97; J Stanley 35.32; R Suttan 27.12; L Tolley 28.97; S Witte 17.96

Water Department: M Andrews 30.72, D Brage 25.57; G Brown 20.78; C Craig 28.29; J DeVille 6858/mo; C Forman 25.57; B Gubka 28.29; D Kraemer 26.94; J Kudrna 28.29; R Mack 26.94; M McLaughlin 25.57; M McNamara 30.72; S Mennenga 5441/mo; A Mitchell 24.65; S Ries 5699/mo; S Struss 28.54; J Summers 28.29; L Sutton 28.29

Gas Department: J Burns 36.13; M Enderson 20.78; A Erickson 33.27; C Kranz 33.27; D Kunkel 21.58; M Haider 5387/mo; S Lehner 12,711/mo; J Lunde 33.27; G Olson 35.07; T Remacle 28.54; D Riley 32.30; R Schmidt 7662/mo; D Voight 32.30; B Warborg 27.01

ITEM 6449

Karst presented the bankruptcy list for 2013. Motion by Schultz with second by Wight to remove discharged bankruptcies totaling \$4,639.31. Motion carried.

ITEM 6450

Karst presented the list of uncollectable accounts receivables. Motion by Schultz with second by Wight to remove delinquent accounts totaling \$46,571.33 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.

ITEM 6451

Karst and Chambers presented proposed policy changes. Suggested change in residential deposits, make a clarification in the financial reserve policy, make some clarifications regarding connecting of backup generators and introduction of fees to be charged to customers requesting new electric services in 2014. The Board will review these proposed policy changes and will be acted upon at the January meeting.

ITEM 6452

Open: Karst went over the bill stuffer, 2014 Rate Information. This is a quick summary with the new utility rates and the new seasonal electric rate for 2014.

ITEM 6453

Old Business: Lehner reminded the Board of the upcoming APPA Legislative Rally in March, 2014.

ITEM 6454

Chambers presented report on Operations and Projects: Electric Department, Projects Completed this Month: Terminated primary at Pheasant Ridge for Watertown Development spec. building, Terminated primary and installed 2 transformers at Titan, Terminated primary and installing 2 transformers at CHS Liquid Fertilizer Plant, Terminated primary and transformers at COOP Liquid Fertilizer Distribution Building, Energized Transformer at Dakota Tube. Projects Starting Next Month: Removing Christmas decorations and banners, working with CEG on Future Load study for Electric system. Gas Department, Projects Completed this Month: Reworked the piping at the Peak Shaving Plant to enable propane loading, Loaded 6 loads of propane. Projects in Progress: Rebuilding and testing of residential gas meters. Projects Starting Next Month: 2014 Regulator Maintenance required by the Code, 2014 Valve Maintenance required by the code, 2014 Business leak survey required by the code. Water Department, Projects Completed this Month: 2 Main breaks, 1 Main shut down, 2 Hydrant maintenance. Hydrant #745 at N Maple & 9th Ave got hit and broken. This one will have to be repaired in the spring. Finished checking all of the hydrants in the system. Projects to Start Next Month: Sand blast and repaint the entire cone in upflow basin on side #1. This was last done 20 years ago. Engineering Tech Department: Projects Completed this Month: 23 One-Call locates December 1 - 24th, 2013. 244 One-Call locates total for November, 2013, 5 Emergency locates (2 private contractors & 3 Watertown Utilities). Projects in Progress: Update water, gas and electric distribution system maps. Next Month: Average 18 one-call locates in January, Prepare plans for 2014 projects.

ITEM 6455

Karst presented report on Administration and Financial Statements: Building/Grounds and Purchasing, Projects Completed: Completed our 2013 physical inventory. Projects in Progress: Purchasing materials for gas meter builds, working on inventory issues. Ref: Safety stock, Tyler, charge outs, etc. Projects to start next month: Purchasing longer lead time items for the 2014 construction season. Office, Projects Completed This Month: 13,357 Payments collected with a total of \$3,818,988.72; Total of 51,341 services billed for a total of \$4,047,590.34. Major Projects in Progress: From last month's bill stuffer we received 120 new signups for automatic payment thru ACH. Human Resources/Risk Management: Completed annual health and life insurance open enrollment, Completed flex plan for 2014, Increased flex participation from 74.2% to 82.3%, Increased flex contributions from \$67,690 to \$76,244. Information Systems: Current Projects, Setup video feed for board meeting.

Statements of revenue and expenses and Capital Additions were presented to the Board for review. Year to date net income is \$1,686,672 over Budget

for the eleven months ending November 30, 2013. Total Capital Additions is \$982,067 under budget for the eleven months ending November 30, 2013.

ITEM 6456

Motion made by Schultz 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, 2013 Plus ACH Payroll Payments 355,053.99. Info: S. Myers 14.48/hr.; L. Tolley 28.13/hr.

Name	Payable Description	Pymt Amt.
January 2, 2014		
ADVANCED ENGINEER. & ENVIRONMENTAL SERVS	WATER TREATMENT PLANT I & C SERVS	\$198.00
Void		\$0.00
Void		\$0.00
Void		\$0.00
Void		\$0.00
Void		\$0.00
Void		\$0.00
Void		\$0.00
Void		\$0.00
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWORK USAGE	\$71.94
CARGILL INCORPORATED	SUPPLIES	\$3,421.60
CARQUEST #2197	SUPPLIES	\$114.62
CARTNEY BEARING & SUPPLY	SUPPLIES	\$230.16
CERTIFIED LABORATORIES	SUPPLIES	\$416.09
CHAMBERS, TODD	REIMBURSEMENT EXPENSES	\$549.11
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$2,115.34
CHEMCO SYSTEMS, LP	SUPPLIES	\$887.33
CHROMALOX	SUPPLIES	\$1,061.68
CODINGTON-CLARK ELECTRIC COOP. INC	ELECTRIC SERVICE-NEW WELLFIELD	\$4,619.68
CONNECTING POINT	NETWORKING	\$135.00
CREDIT BUREAU OF WATERTOWN INC	COLLECTIONS	\$386.63
CRESCENT ELECTRIC SUPPLY CO	SUPPLIES	\$364.01
DAKOTA DATA SHRED	SHREDDING SERVICE	\$59.90
DAKOTA RIGGERS & TOOL	SUPPLIES	\$1,317.64
DAKOTA SECURITY SYSTEMS, INC	ALARM MONITORING	\$360.00
DE VILLE, JEFF	REIMBURSEMENT EXPENSES	\$177.98
DELTA STAR, INC	SUPPLIES	\$206.00
DEPARTMENT OF REVENUE	WATER SAMPLES	\$481.00
DITCH WITCH OF SOUTH DAKOTA, INC	SUPPLIES	\$350.97
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$5,739.87
DUECO INC	SUPPLIES	\$538.18
ENERGY ECONOMICS INC	GAS METER REPAIR	\$767.97
ENERGY LABORATORIES INC	WATER TESTING	\$1,120.00
ENERSYS INC.	SUPPLIES	\$9,598.88
ENGELSTAD ELECTRIC COMPANY	UNDERGROUND BORING EXPENSES	\$109,276.73
ENSTAD, DOUG	REIMBURSEMENT EXPENSES	\$72.00
F J MC LAUGHLIN CO.	GRAVEL, DIRT, ROCK	\$5,114.00
FARNAMS GENUINE PARTS	SUPPLIES	\$312.61
FASTENAL COMPANY	SUPPLIES	\$1,256.32
FIRE UNDERWRITERS BOARD	2014 EMPLOYEE BOND PREMIUM	\$337.00
GEOTEK ENGINEERING & TESTING SERVI	GROUNDWATER MONITORING	\$2,654.50
GOLLNICK, DAREN	REIMBURSEMENT EXPENSES	\$61.00
GREAT WESTERN BANK	TASC MED	\$5,878.73
GROEBNER & ASSOCIATES INC	SUPPLIES	\$3,412.61
H & B TRUCK SHOP INC	TRUCK SERVICING	\$2,034.30

H R GREEN	BRINE DISPOSAL STUDY	\$2,880.01
HARRIS COMPUTER SYSTEMS	2014 SOFTWARE MAINTENANCE	\$43,527.56
HAWKINS, INC.	SUPPLIES	\$2,275.22
HEDAHLS AUTO PARTS	SUPPLIES	\$75.76
HENRY'S WATERWORKS INC	SUPPLIES	\$3,265.74
HOMETOWN BUILDING CENTER	ENERGY INCENTIVE REBATE	\$5,579.00
IBEW LOCAL 426	UNION DUES	\$3,000.00
INTERSTATE ALL BATTERY CENTER	SUPPLIES	\$82.89
J H LARSON COMPANY	SUPPLIES	\$14,235.70
JOINT UTILITY TRAINING SCHOOL	REGISTRATION	\$1,200.00
LEHNER, STEVE	REIMBURSEMENT EXPENSES	\$228.54
LUKONEN'S TOOL SERVICE INC	SUPPLIES	\$124.50
M & T FIRE & SAFETY INC	SUPPLIES	\$96.50
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$30.50
MAC'S INC	SUPPLIES	\$812.25
MAHOWALD'S HARDWARE & RENTAL	SUPPLIES	\$45.46
MARCO INC	MAINTENANCE AGREEMENT	\$37.37
MARCO INC	MAINTENANCE AGREEMENT	\$272.82
MATHISON COMPANY	SUPPLIES	\$109.69
MC KEEVER INC	SUPPLIES	\$156.56
MEL DAHLE TIRE CO	TIRES, SUPPLIES	\$569.77
MENARDS INC	SUPPLIES	\$580.56
MET LIFE	LIFE INSURANCE	\$1,089.43
MIDCONTINENT COMMUNICATIONS	INTERNET SERVICE	\$105.00
MILBANK WINWATER WORKS	SUPPLIES	\$291.90
MINNESOTA MUNICIPAL UTILITIES ASSN	TRANSFORMER SCHOOL REGISTRATION	\$995.00
MISSOURI RIVER ENERGY SERVICES	2013 ELECTRIC RATE STUDY	\$8,361.50
MUNICIPAL UTILITIES - PC	PETTY CASH	\$498.26
MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND	\$671.23
MUNICIPAL UTILITIES-REFUND ACCT	REFUND OVERPAYMENT OF FINAL BILLS	\$8,531.94
NARDINI FIRE EQUIPMENT CO INC	ALARM SYSTEM INSPECTION	\$320.00
NEW YORK LIFE INS.	LIFE INSURANCE	\$181.00
NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$601.10
OFFICE OF ENERGY ASSISTANCE	REIMBURSE ENERGY ASSISTANCE	\$38.90
OFFICE PEEPS	OFFICE SUPPLIES	\$67.39
O'REILLY AUTOMOTIVE INC	SUPPLIES	\$224.14
PEDERSON, MIKE	REIMBURSEMENT EXPENSES	\$61.00
PETE LIEN & SONS	SUPPLIES	\$16,223.81
PIPELINE ASSN FOR PUBLIC AWARENESS	EMERGENCY RESPONDER MEETINGS	\$100.00
PRAXAIR DISTRIBUTION INC	CYLINDER RENTAL	\$128.21
PRINT-EM-NOW INC	SUPPLIES	\$132.55
PROBUILD	SUPPLIES	\$228.76
REDLINGER BROS PLUMBING & HEATING	SUPPLIES	\$30.10
RESCO	SUPPLIES	\$2,139.58
RUNNING'S SUPPLY INC	SUPPLIES	\$864.45
SANFORD WATERTOWN OCCUPATIONAL MED	DRUG SCREENINGS	\$429.00
SCHAFER, TRENT	REIMBURSEMENT EXPENSES	\$61.00
SCHMIDT, RICHARD	REIMBURSEMENT EXPENSES	\$64.38
SD DENR	2014 ANNUAL FEES	\$50.00
SD DENR	OPERATOR CERTIFICATION RENEWALS	\$78.00
SD MUNICIPAL ELECTRIC ASSN	2014 ANNUAL MEMBERSHIP DUES	\$22,214.00
SD ONE CALL	LOCATES	\$256.20
SD PUBLIC ASSURANCE ALLIANCE	2/1/14 INSURANCE RENEWAL	\$68,183.07
SDML WORKERS COMP FUND	2014 WORKER'S COMP RENEWAL EST.	\$59,818.00
SERVICEMASTER	JANITORIAL SERVICE	\$3,120.00
SEVERN TRENT SERVICES	SUPPLIES	\$780.34
SHERMAN CANVAS	SUPPLIES	\$12.00
SIGN PRO	SUPPLIES	\$867.50
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$8,188.92
SOUTH DAKOTA RURAL WATER	CONFERENCE REGISTRATION	\$500.00
STAN HOUSTON EQUIP CO	SUPPLIES	\$298.00
STAR LAUNDRY INC	SUPPLIES	\$270.78
STUART C IRBY CO	SUPPLIES	\$3,969.33
STURDEVANTS AUTO PARTS	SUPPLIES	\$157.92

T & R ELECTRIC CO	TRANSFORMER TEST	\$796.00
TITAN MACHINERY- WTN	MAINTENANCE	\$1,111.46
TITAN MACHINERY-SF	SUPPLIES	\$170.80
TRACTOR SUPPLY CO	SUPPLIES	\$24.99
TYLER BUSINESS FORMS	SUPPLIES	\$24.66
TYLER TECHNOLOGIES	2014 SOFTWARE MAINTENANCE	\$13,142.30
UPS	SHIPPING	\$199.57
USA BLUEBOOK	SUPPLIES	\$223.24
WALMART COMMUNITY	SUPPLIES	\$57.34
WATERTOWN CO-OP ELEVATOR ASSN	SUPPLIES	\$2,380.50
WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN FLOWERS INC	ARRANGEMENT	\$41.00
WATERTOWN PUBLIC OPINION	PUBLISHINGS	\$487.15
WATERTOWN UNITED WAY	United Way	\$351.00
WATERTOWN WHOLESALE	SUPPLIES	\$566.36
WELLMARK BLUE CROSS/BLUE SHIELD	HEALTH INSURANCE	\$66,407.32
WESCO DISTRIBUTION INC	SUPPLIES	\$1,922.95
AFLAC	CANCER PT	\$1,954.47
AP & SONS CONSTRUCTION INC	PRAIRIE'S EDGE WATER MAIN	\$25,571.83
AUTOMATIC TRANSMISSION & GEAR	TRUCK REPAIR	\$1,588.00
AVANTI FEDERAL CREDIT UNION	CREDIT UNION	\$15,882.53
BENDIX IMAGING INC	SUPPLIES	\$409.94
BENSON, BRIAN	REIMBURSEMENT EXPENSES	\$1,097.87
BORDER STATES ELECTRIC SUPPLY	SUPPLIES	\$13,975.92
BORNS GROUP	POSTAGE & MAILING	\$7,539.35
BURCHATZ CONSTRUCTION COMPANY INC	CONCRETE WORK	\$4,961.21
	TOTAL	\$625,667.23

Total December, 2013 625,667.23; Transfer to City's General Fund 95,700; Muni Utilities Electric Water Gas 37,279.89; Northern Natural Gas 6,061.20; Missouri River Energy Services Power 1,355,594.28; BP Canada Energy Marketing Natural gas 575,652.50; Dept of Revenue Sales/Excise Tax 176,035.87; CPEP Natural Gas 82,088.18, City Finance Office Garbage Sewer 394,707.72.

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

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 30th day of December, 2013

ATTEST: _____

Lisa Pahl

Dustin Padgett

Executive Secretary

Interim President

Municipal Utilities Board

Municipal Utilities Board