

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday, January 29th, 2024

The Municipal Utilities Board convened in regular session at the Watertown Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Thursday, January 29, 2024, at 12:00 p.m. with Vice-President Mike Luken presiding.

Board members present: Chris Carter (via teams), Mike Luken, Dan Brenden (via teams), Rich Thomas and Charlie Larkin. Board Liaison, member of City Council, Mike Danforth. Staff members present: Steve Lehner, Adam Karst, Bert Magstadt, Wayne Lovelis, Brian Benson, Mark Meier, Kevin Krutter, Dan LeVasseur, Sheila Mennenga, Gina Brown, Lisa Pahl and Attorney Vince Foley. Guest Troy Hieb of William Neale and Co. PC.

ITEM 7971

Motion by Thomas with second by Larkin to approve the agenda. Motion carried.

ITEM 7972

Motion by Larkin with second by Thomas to approve the consent agenda, which gives the General Manager authorization to sign annual contracts. Motion carried.

CONTRACTS SIGNED ANNUALLY BY GENERAL MANAGER

- a) First District Association of Local Governments
- b) Lawn Care Services
- c) Monitor Contract for Fire Alarm System
- d) Fire Protection System Inspection
- e) Authorization for Staff to Open Bids
- f) SCADA Maintenance Agreement
- g) MMUA Safety Management Program
- h) Change Orders up to \$5,000 for Construction Projects and Equipment during 2024
- i) Water Main Installation Agreements by Developer
- j) Private Water Main Agreements
- k) Midcontinent Communications Agreement
- l) Northstar Cognos Reporting
- m) MARCO for M-files Document Management
- n) Wellfield and Water Plant Agreement for Generator Maintenance
- o) Water Tower Attachment Agreements
- p) Energy Worldnet Service Agreements

ITEM 7973

Motion by Carter with second by Larkin to approve minutes of Regular Board Meeting on December 28, 2023. Motion carried.

ITEM 7974

Public Comment - None

ITEM 7975

Presentation by Troy Hieb of William Neale & Co. P.C. for the 2022 audit. There were no audit findings related to Watertown Municipal Utilities to be included in the schedule of current audit findings and questioned costs. Motion by Thomas with second by Larkin to accept the 2022 audit. Motion carried.

ITEM 7976

Karst presented the 2023 Fixed Asset Report & Solid Waste Disposal Report according to Policy Section #49. This report included removal of 183 poles, removal of 6,800 feet of overhead wire, abandoned 400 feet of underground wire, retired 2,187 KVA of line transformers, retired 131 electric meters, removed 8 streetlights, removed/replaced 1 operations roof replacement, traded 1 2011 Ford Econoline Van, retired 298 water meters, abandoned 2,165 feet of water main, retired 10 service connections, removed/replaced 11 hydrants, abandoned 2,151 feet of gas services, retired 64 gas meters, abandoned 1,296 feet of gas mains, removed 1 refurbished EEI Sonic 6 prover, removed/replaced 1 operations roof replacement, removed 2 SCADA Systems and removed 990 ton lime sludge.

ITEM 7977

This being the time and place set for consideration of bids, the following were presented. Bids for Wire, Transformer, Commercial LED Light Fixtures and Residential LED Light Fixtures. These bids were opened Thursday, January 25, 2024, at 1:30 PM by the Watertown Municipal Utilities Staff as authorized by the Board.

Wire: Six bids were received and upon review and recommendation by Magstadt, motion by Thomas with second by Larkin to award bid to low valid bidders Items 1,2 and 3 to WESCO, Sioux City, IA for \$557,820 and Item 4 to Dakota Supply Group, Sioux Falls, SD for \$28,500. Motion carried.

Transformer: Two bids were received and upon review and recommendation by Magstadt, motion by Larkin with second by Thomas to award bid to low valid bidder with a contingency that the Watertown Municipal Utilities receives a check from Glacial Lakes Energy by Friday, February 2, 2024. Dakota Supply Group, Sioux Falls, SD for \$82,033.75. Motion carried.

Commercial LED Light Fixtures: Five bids were received and upon review and recommendation by Magstadt, motion by Thomas with second by Larkin to award bid to low valid bidder WESCO, Sioux City, IA for \$27,720. Motion carried.

Residential LED Light Fixtures: Five bids were received and upon review and recommendation by Magstadt, motion by Carter with second by Larkin to award bid to low valid bidder WESCO, Sioux City, IA for \$31,680.00. Motion carried.

Motion by Thomas with second by Larken to authorize General Manger to return checks to unsuccessful bidders. Motion carried.

ITEM 7978

Open: a) Lehner presented Bill Stuffers a)Kindergarten Roundup/Preschool Screening and b)Bright Energy Solutions - Rebates. Lehner gave an invite to the staff and Board to the Bisco luncheon on March 12 at Lake Area College. Lehner also invited the Board to the following conferences a) AWWA Conference June 11-14 in Anaheim, California b) APPA Conference June 7-12 in San Diego, California c) APGA Conference July 28-31, Traverse City, MI.

ITEM 7979

Magstadt presented the Report on Operations and Projects. Electric, Projects Completed this Month: Had 2 outages for January for a total of 2 unscheduled power outages in 2024, 99% of the SCADA master upgrade has been completed by ACS. Gas Department, Projects Completed this Month: Maintenance, OQ training, and turned up line heater at TBS-1 for Winter Storm Heather. Water Department, Projects Completed this Month:5 water main break for a total of 6 for the 2024 season, held a preconstruction meeting with Contractor doing all our upgrades at the Water Plant. Engineering Tech, Projects Completed this Month: Drawings finished for the cast iron main replacement projects, updating utility maps. Magstadt also gave an update from Winter Storm Heather and also gave 2023 annual stats for Electric, Gas, Water, and Engineering departments.

ITEM 7980

Karst presented the report on Administration and Financial Statements, Purchasing, Accounting and Facilities, Projects in Progress: Ordering, receiving and stocking material, researching the cost of 2 new boilers which we have had issues with. Upcoming Projects: Re-lamping the operations office lights with LED. Customer Service Projects Completed this Month: 14,759 Payments collected for a total of \$5,393,125 and 56,600 services billed for a total of \$5,337,560. Human Resources/Risk Management: Cole Brenden, Water Plant Operator, Class I moved to Apprentice Water Distribution & Maintenance, Step 2, Posted and hired for the Water Plant Operator position, pending a successful background check. 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 \$1,608,517 above budget for the twelve months ending December 31, 2023. Total Capital Additions are \$8,312,710 under budget for the twelve months ending December 31, 2023. Karst also went over 2023 sales review of all departments.

ITEM 7981

Motion made by Thomas with second by Larkin to approve the following verified salary claims and bills. Motion carried unanimously upon roll call vote. Total Watertown Municipal Utilities Net Payroll for January 2024 Plus ACH Payroll Payments \$680,781.37. Term: J. DeVille effective 11/22/2023, M. Waite effective 12/13/2023.

| <u>Name</u> | <u>Payable Description</u> | <u>Payment Amount</u> |
|--|---|-----------------------|
| FEBURARY 1, 2024 | | |
| A&B BUSINESS, INC. | SUPPLIES | \$254.14 |
| ABC EMBROIDERY | SERVICE | \$19.80 |
| ADV. ENGINEERING AND ENVIRONMENTAL SERVICES, LLC | CAST IRON WATERMAIN REPLACEMENT | \$28,529.30 |
| AFLAC | ACCIDENT | \$1,539.65 |
| ALPS INC | SUPPLIES | \$509.90 |
| AMARIL UNIFORM COMPANY | SAFETY CLOTHING | \$135.43 |
| A-OX WELDING SUPPLY INC | 5 YEAR CYLINDER LEASE | \$2,423.16 |
| APPLICANT PRO | SERVICE | \$236.00 |
| AUTO VALUE WATERTOWN | SUPPLIES | \$317.48 |
| AUTOMATED WASTE SYSTEMS - SD, LLC | SUPPLIES | \$84.93 |
| AUTOMATIC BUILDING CONTROLS | SUPPLIES | \$248.64 |
| BELL LUMBER & POLE CO | WOOD POLES | \$42,064.00 |
| BENDIX IMAGING INC | SUPPLIES | \$2,582.99 |
| BISCO | 2024 MEMBERSHIP | \$300.00 |
| BORDER STATES ELECTRIC SUPPLY | SERVICE - POWERFLEX 700 AC DRIVE | \$23,534.21 |
| BORNS GROUP | POSTAGE & MAILING | \$12,868.73 |
| BUREAU OF ADMINISTRATION | STATE TELEPHONE NETWORK USAGE | \$155.61 |
| CENTER FOR INTERNET SECURITY, INC. | SOFTWARE MAINTENANCE | \$4,500.00 |
| CENTURY LINK | PHONE SERVICE | \$315.87 |
| CHASE CARDMEMBER SERVICE | CREDIT CARD | \$3,450.29 |
| CHILD SUPPORT PAYMENT CENTER | EMPLOYEE DEDUCTION: CHILD SUPPORT | \$750.00 |
| CODINGTON-CLARK ELECTRIC COOPERATIVE INC | WELLFIELD ELECTRIC SERVICE | \$2,799.50 |
| CONNECTING POINT | NAS STORAGE REPLACEMENT | \$9,296.40 |
| CONSOLIDATED READY MIX | SUPPLIES | \$180.00 |
| CONSULTING ENGINEERS GROUP INC | WTN UPTOWN 115KV T-LINE ALTERNATE SOURCE | \$4,000.00 |
| CONTROL EQUIPMENT SALES, INC | 2024 TDS SERVICE | \$7,480.00 |
| CORE & MAIN LP | SUPPLIES | \$4,109.12 |
| CREDIT COLLECTIONS BUREAU | COLLECTIONS | \$129.84 |
| CRESCENT ELECTRIC SUPPLY CO | SUPPLIES | \$1,039.90 |
| DAKOTA DATA SHRED | SHREDDING SERVICE | \$78.21 |
| DEPARTMENT OF HEALTH | WATER SAMPLES | \$384.00 |
| DOLLAR TREE, INC. | ENERGY INCENTIVE REBATE | \$1,000.00 |
| DSG DAKOTA SUPPLY GROUP | SUPPLIES | \$37.28 |
| DTN, LLC | SUBSCRIPTION | \$552.30 |
| DUTTON-LAINSON COMPANY | WATER METERS & 500W ERTS AS PER BID | \$148,467.00 |
| ENERGY ECONOMICS INC | SERVICE | \$137.50 |
| ENERGY WORLDNET, INC | SERVICE & OP. QUALIFICATION LIBRARY 2024 -20247 | \$11,929.50 |
| ETHANOL PRODUCTS LLC | BULK CO2 | \$669.42 |
| FIDELITY SECURITY LIFE INSURANCE CO. (EYEMED) | VISION INSURANCE | \$157.50 |
| FOLEY AND FOLEY LAW OFFICE, PC | DECEMBER LEGAL FEES | \$862.50 |
| GANNETT MEDIA CORP | PUBLISHINGS | \$249.40 |
| GANNETT MEDIA CORP | 2024 SUBSCRIPTION | \$192.40 |
| GANNETT MEDIA CORP | 2024 SUBSCRIPTION | \$192.40 |
| GLASS PRODUCTS INC | SUPPLIES | \$566.75 |
| GRAF SIGN PRO OF WATERTOWN LLC | SUPPLIES | \$576.00 |
| GRAINGER | SUPPLIES | \$137.34 |
| HEATH CONSULTANTS INC | GAS LEAK SURVEY EQUIPMENT | \$16,188.20 |
| HOMETOWN BUILDING CENTER | SUPPLIES | \$77.51 |
| IBEW LOCAL 426 | UNION DUES | \$4,302.00 |
| INTER-LAKES COMMUNITY ACTION PARTNERSHIP | REFUND OF CREDIT ON ACCOUNT | \$7.48 |
| INTERSTATE ALL BATTERY CENTER | SUPPLIES | \$106.60 |

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|--|---------------------------------------|---------------------|
| J H LARSON COMPANY | SUPPLIES | \$3,607.09 |
| JOHNSON CONTROLS INC | SERVICE - BOILER SYSTEM | \$5,403.33 |
| KEROTEST MANUFACTURING CORP | KEROTEST 4" WELD END GATE VALVE | \$6,602.02 |
| KRUITER, KEVIN | REIMBURSEMENT EXPENSE | \$123.72 |
| LAKE AREA TECHNICAL COLLEGE | TRAINING EXPENSE | \$2,450.00 |
| LEHNER, STEVE | REIMBURSEMENT EXPENSE | \$179.46 |
| LINDE GAS & EQUIPMENT INC. | CYLINDER RENTAL | \$222.90 |
| LOCATORS & SUPPLIES INC | SUPPLIES | \$690.98 |
| LOVELIS, WAYNE | REIMBURSEMENT EXPENSE | \$211.74 |
| LUKEN, MIKE | REIMBURSEMENT EXPENSE | \$38.18 |
| LUNDE, JOHN | REIMBURSEMENT EXPENSE | \$131.15 |
| MACKSTEEL WAREHOUSE INC | SUPPLIES | \$707.13 |
| MAC'S HARDWARE | SUPPLIES | \$772.34 |
| MAGSTADT, BERT | RIMBURSEMENT EXPENSE | \$104.15 |
| MATHESON TRI-GAS INC | SUPPLIES | \$224.48 |
| MCKEEVER INC | SUPPLIES | \$280.00 |
| MENARDS INC | SUPPLIES | \$1,776.50 |
| MENNENGA, SHEILA | REIMBURSEMENT EXPENSE | \$1,744.00 |
| MESA PRODUCTS INC | SUPPLIES | \$2,374.72 |
| MET LIFE | LIFE INSURANCE | \$1,691.24 |
| MIDCONTINENT COMMUNICATIONS | INTERNET & CABLE SERVICE | \$183.39 |
| MIDWEST AUTOMOTIVE INC | SUPPLIES | \$888.00 |
| MINNESOTA MUNICIPAL UTILITIES ASSN | SAFETY PROGRAM | \$9,192.50 |
| MISSOURI RIVER ENERGY SERVICES | SERVICE | \$831.88 |
| MUNICIPAL UTILITIES - PC | REPLENISH PETTY CASH | \$1,032.26 |
| MUNICIPAL UTILITIES-NSF CHECK ACCO | REIMBURSE NSF FUND | \$2,539.46 |
| MUNICIPAL UTILITIES-REFUND ACCT | REFUNDS OF CREDITS ON ACCOUNTS | \$5,329.87 |
| NAPA CENTRAL | SUPPLIES | \$819.21 |
| OFFICE PEEPS | SUPPLIES | \$5,198.31 |
| PARA UX LLC | SERVICE | \$100.00 |
| PAYMENTUS GROUP INC. | SERVICE | \$19.90 |
| PETE LIEN & SONS | BULK LIME | \$19,939.50 |
| PRINCIPAL FINANCIAL GROUP | DENTAL INSURANCE | \$1,309.90 |
| RELIABANK DAKOTA | FLEX MED | \$6,540.22 |
| RESCO | SUPPLIES | \$1,040.22 |
| REVOLT ELECTRICAL SERVICES INC. | SERVICE - UPTOWN AND WEST SUBSTATIONS | \$4,506.00 |
| REYNOLDS CONSTRUCTION, LLC | REFUND OF CREDIT ON ACCOUNT | \$86.00 |
| RODENBURG LAW FIRM | EMPLOYEE DEDUCTION | \$150.00 |
| RON'S SAW SALES | SERVICE | \$599.57 |
| RUNNING'S SUPPLY INC | SUPPLIES | \$1,233.01 |
| SCHWEITZER ENGINEERING LABORATORIES, INC. | REAL TIME AUTOMATION CONTROLLER | \$10,850.07 |
| SD GOVERNMENTAL HUMAN RESOURCE ASSOCIATION | 2024 MEMBERSHIP DUES | \$25.00 |
| SD ONE CALL | LOCATES | \$61.95 |
| SENSIT TECHNOLOGIES LLC | SERVICE | \$213.58 |
| SERVICEMASTER OF WATERTOWN | JANITORIAL SERVICE | \$4,270.00 |
| SIOUX VALLEY CO-OP | FUEL, SUPPLIES | \$6,751.13 |
| STAR LAUNDRY | SERVICE | \$560.72 |
| STATE UNIVERSITY OF IOWA | SERVICE | \$1,480.00 |
| STUART C IRBY CO | SUPPLIES | \$1,154.54 |
| T & M AUTOBODY INC | SUPPLIES | \$268.30 |
| TECHNOLOGY FOR ENERGY CORPORATION | HIGH VOLTAGE AMP LITEWIRE PROBE | \$7,949.66 |
| TEREX GLOBAL GMBH | SUPPLIES | \$216.40 |
| TEREX USA, LLC | SERVICE - UNIT 27 | \$5,572.06 |
| TOSHIBA FINANCIAL SERVICES | COPIER LEASE | \$389.87 |
| TRAV'S OUTFITTER | SAFETY CLOTHING | \$1,139.99 |
| TWO WAY SOLUTIONS, INC. | SUPPLIES | \$47.97 |
| USA BLUEBOOK | SUPPLIES | \$3,270.09 |
| VERMEER HIGH PLAINS | SUPPLIES | \$4,475.34 |
| WATERTOWN DEVELOPMENT COMPANY | INDUSTRIAL DEVELOPMENT EXPENSE | \$8,690.00 |
| WATERTOWN FORD CHRYSLER | SUPPLIES | \$85.00 |
| WATERTOWN UNITED WAY | United Way | \$225.00 |
| WESCO DISTRIBUTION INC | SUPPLIES | \$3,405.94 |
| WHEELCO | SUPPLIES | \$669.13 |
| WILTECH INC | SERVICE | \$2,250.00 |
| WW TIRE SERVICE INC | SUPPLIES | \$1,572.00 |
| | TOTAL | \$497,194.25 |

Total January 2024 \$497,194.25; Transfer to City's General Fund \$120,500.00, Muni Utilities Electric Water Gas \$53,273.19; Missouri River Energy Services Power \$1,866,942.55; BP Canada Energy Marketing Natural Gas \$204,473.40; Dept. of Revenue Sales/Excise Tax \$242,940.06; CPEP #3 Natural Gas \$119,737.50, CPEP #4 Natural Gas \$76,682.84, CPEP #5 Natural Gas \$202,363.66,

CPEP #3 Hedge 113,248.43, CPEP #4 32,014.88, Sequent Energy Mgmt. Natural Gas \$46,515.75. City Finance Office Garbage/Sewer \$602,066.36.

ITEM 7982

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 29th, day of January, 2024.

ATTEST: _____

Lisa Pahl
Board Secretary
Municipal Utilities Board

Christine Carter
Board President
Municipal Utilities Department