

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday, January 27th, 2025

The Municipal Utilities Board convened in regular session at the Watertown Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Thursday, January 27, 2025, at 12:00 p.m. with President Mike Luken presiding.

Board members present: Mike Luken, Dan Brenden, Rich Thomas, Charlie Larkin and Chris Carter. Board Liaison, member of City Council, Mike Danforth. Staff members present: Steve Lehner, Adam Karst, Bert Magstadt, Wayne Lovelis, Aaron Erickson, Brian Benson, Mark Meier, Rod Sutton, Dan LeVasseur, Cheryl Mack, Sheila Mennenga, Gina Brown, Lisa Pahl and Attorney Vince Foley. Guests: JT Fey, Watertown Current, Steve Jurrens KXLG Radio and Chris Clifton, Watertown Development Company.

ITEM 8139

Motion by Brenden with second by Thomas to approve the agenda with moving Item 10 after Executive Session. Motion carried.

ITEM 8140

Motion by Carter with second by Brenden 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 \$15,000 for Construction Projects and Equipment during 2025
- i) Water Main Installation Agreements by Developer
- j) Private Water Main Agreements
- k) Midcontinent Communications Agreement
- l) MARCO for M-files Document Management
- m) Generator Maintenance Agreements
- n) Water Tower Attachment Agreements
- o) Energy Worldnet Service Agreements

ITEM 8141

Motion by Carter with second by Brenden to approve minutes of Regular Board Meeting on December 27, 2024, with the correction on Resolution 8132 - Resolution of Salaries. The Executive Secretary wage listed incorrectly as \$34.46 and should have been \$34.81. Motion carried.

ITEM 8142

Public Comment - None

ITEM 8143

Karst presented the 2024 Fixed Asset Report & Solid Waste Disposal Report according to Policy Section #49. This report included - Electric: removal of 34 distribution poles, removal of 22,317 feet of overhead wire, abandoned 22,023 feet of underground wire, retired 4,013 KVA of line transformers, retired 84 electric meters, removed 62 streetlights, removed 4,224 feet of fiber optic cable, removed 1 disaster recovery system hardware, removed 1 HP modular smart array, removed 1 networking and upgrade server, removed 1 backup & replication software for network, transferred to the City of Watertown 1-2007 Ford F150 ½ ton pickup 2WD, transferred to the City of Watertown 1-2008 Ford F150 ½ ton pickup 2WD, removed 1 SCADA software update, removed 2 boilers from the WMU administration building, removed 1 ADIX telephone system from WMU building, removed 1 Accucall Web phone system upgrade w/Appserve, removed 1 ECS phone system at the water plant. Water: Removed 546 water meters, abandoned 659 feet of water main, retired 16 service connections, removed/replaced 12 hydrants, removed 1 disaster recovery system hardware, removed 1 HP modular smart array, removed 1 networking and upgrade server, transferred to the City of Watertown 1-2007 Ford F150 ½ ton pickup 2WD, removed 1-2022 Ford F150 Extended Cab Truck Unit #8, removed 2 boilers from the WMU administration building, removed 1 ADIX telephone system from WMU Building, removed 1 Accucall web phone system upgrade w/Appserve, removed 1 ECS phone system at the Water Plant, removed 2 chlorine tanks and piping on side 3, removed 2 CO2 injectors from side 1 & 2 at the water plant, removed 1 sodium hypochlorite generation equipment, removed 1 slaker. Gas: Abandoned 401 feet of gas services, retired 153 gas meters, abandoned 1,153 feet of gas mains, removed 1 disaster recovery system hardware, removed 1 HP modular smart array, removed 1 networking and upgrade server, transferred to the City of Watertown 1-2005 Ford F150 ½ ton pickup 2WD, removed 2 boilers from the WMU administration building, removed 1 ADIX telephone system from WMU building, removed 1 Accucall web phone system upgrade w/Appserve, removed 1 ECS phone system at the Water Plant, removed 7,181 tons of lime sludge.

ITEM 8144

Motion by Thomas with second by Brenden to declare as surplus CO2 injectors sides 1 & 2 for the Water Department. Motion carried.

ITEM 8145

Motion by Brenden with second by Thomas to approve the General Manager to sign Supplemental Agreement to Transmission Facilities Assignment Agreement with Missouri River Energy Services. This allows Missouri River Energy Services to act as our agents when dealing with SPP on WAPA upgrades. Motion carried.

ITEM 8146

Motion by Larkin with second by Brenden to approve General Manager to sign Task Order #4 Amendment to the DGR Engineering Master Agreement for professional services for 115 kV transmission and circuit breaker upgrade cost estimates. Motion carried.

ITEM 8147

This being the time and place set for consideration of bids, the following were presented. Bids for Installation of Wire, Tapping Saddles & Corporation Stops, and Janitorial Service. These bids were opened Thursday, January 23, 2025, at 1:30 PM by the Watertown Municipal Utilities Staff as authorized by the Board.

Installation of Wire: Three bids were received and upon review and recommendation by Magstadt, motion by Carter with second by Larkin to award bid to low valid bidder, Dakota Directional, Redfield, SD in the amount of \$688,010.00.

Tapping Saddles & Corporation Stops: Five bids were received and upon review and recommendation by Magstadt, motion by Thomas with second by Brenden to award bid to low valid bidders Item 1 for \$200.10 & Item 3 for \$11,210.82 to Northwest Pipe Fittings, Inc, Huron, SD. Item 2 for \$21,744.45 and Item 4 for \$7,529.72 to Core and Main, Sioux Falls, SD. Motion carried.

Janitorial: Three bids were received and upon review and recommendation by Karst, motion by Brenden with second by Carter to award bid to low valid bidder Commercial Cleaning Services, Watertown, SD for a three year contract in the amount of \$142,200.00. Motion carried.

ITEM 8148

Motion by Carter with second by Brenden to authorize General Manger to return checks to unsuccessful bidders. Motion carried.

ITEM 8149

Open: a) Lehner presented Bill Stuffers a)Kindergarten Roundup/Preschool Screening b) Lehner gave an invite to the staff and Board to the Bisco luncheon on March 18 at Lake Area College c) Lehner also invited the Board to the following conferences a) AWWA Conference June 8-11 in Denver, CO b) APPA Conference June 6-11 in New Orleans, LA c) APGA Conference July 20-23, Coeur d'Alene, ID.

ITEM 8150

New Business: Chris Clifton of the Watertown Development Company gave a presentation to the Board including topics on affordable housing, Child Care, Industrial Park and Labor Shed Committees, Master Infrastructure Planning, Industrial Expansions, Annual Outside Audits, Center City Development and Coordination of GOED RFP/RFI activities.

ITEM 8151

Magstadt presented the Report on Operations and Projects. Electric, Projects Completed this Month: Had 1 outage for January for a total of 1 unscheduled power outages in 2025, tree trimming, took down Christmas lights. Gas Department Projects Completed this Month: 15% complete with winter leak survey, troubleshooting GLE vibration on meter set. Water Department, Projects Completed this Month: 2 water main break for a total of 5 for the season, repaired well #32 at Rauville a corroded 6" threaded nipple, Kade Rumpza started in Distribution Department on Jan. 6, 2025. Projects in Progress: Working on 2nd Ave NE watermain replacement project with City Hall. Engineering Tech, Projects Completed this Month: 41 one-call locates for December 2024. Magstadt also gave an update from Winter Storm Enzo January 17-21. WMU had no issues as all our infrastructure handled the cold just fine, NBPL also had no issues, Bakken oil/natural gas field did experience some well freeze offs, but didn't significantly impact pricing or NBPL pressures. Magstadt presented 2024 annual stats for Electric, Gas, Water, and Engineering departments.

ITEM 8152

Karst presented the report on Administration and Financial Statements, Purchasing, Accounting and Facilities, Projects in Progress: Completed 2024 physical inventory. Upcoming Projects: Eide Bailly audit of 2024 inventory. Customer Service Projects Completed this Month: 15,162 Payments

collected for a total of \$5,271,190 and 57,261 services billed for a total of \$6,068,723, Major Projects in Progress - started our new billing software implementation project. It should be a 12-18 month process and involves 6 stages. Stage 1 will be completed this week. Human Resources/Risk Management: Completed Workers Comp. estimate for 2025, 23% increase over 2024 estimate due to adding additional employee (increase in total wages) and large claims with the City affecting the experience modifier and renewal credit, new employee Kade Rumpza Water Distribution & Maintenance, effective 1/6/2025. Information Systems working on deploying 2025 budget items, deploying additional security software, 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 \$84,383 above budget for the twelve months ending December 31, 2024. Total Capital Additions are \$4,024,898 under budget for the twelve months ending December 31,2024. Karst also went over 2024 sales review of all departments.

ITEM 8153

Motion made by Carter 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 2025 Plus ACH Payroll Payments \$697,346.68. Add: K. Rumpza \$27.21/hr. effective 1/6/2025. Term: J. Lunde effective 1/3/2025.

February 3, 2025		
ABC EMBROIDERY	SERVICE	\$410.85
ACTIVE HEATING INC	HANGING HEATER - S GARAGE, NW CORNER	\$6,270.42
ADV. ENGINEERING AND ENV. SERVICES, LLC	WTP EQUIPMENT REPLACEMENT	\$51,490.54
AFLAC	ACCIDENT	\$1,702.31
AGWRX	SUPPLIES	\$400.00
AMARIL UNIFORM COMPANY	SAFETY CLOTHING	\$390.96
A-OX WELDING SUPPLY INC	SUPPLIES	\$1,132.78
AQUA-PURE INC	SODIUM TRIPOLYPHOSPHATE	\$3,762.50
AUTO VALUE WATERTOWN	SUPPLIES	\$745.90
BENDIX IMAGING INC	SUPPLIES	\$326.99
BORDER STATES ELECTRIC SUPPLY	PHOTOCELLS, SUPPLIES	\$28,227.93
BORNS GROUP	POSTAGE & MAILING	\$12,015.43
CANNON ELECTRIC, INC.	ENERGY INCENTIVE REBATE	\$50.00
CARTNEY BEARING & SUPPLY	SUPPLIES	\$47.70
CENTER FOR INTERNET SECURITY, INC.	SOFTWARE MAINTENANCE	\$4,275.00
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$3,067.98
CHILD SUPPORT PAYMENT CENTER	EMPLOYEE DEDUCTION: CHILD SUPPORT	\$750.00
CODINGTON COUNTY REGISTER OF DEEDS	SUPPLIES	\$41.00
CODINGTON-CLARK ELECTRIC COOP. INC	WELLFIELD ELECTRIC SERVICE	\$6,067.04
CONNECTING POINT	SOFTWARE MAINTENANCE	\$6,914.93
CORE & MAIN LP	SUPPLIES	\$4,251.88
CREDIT COLLECTIONS BUREAU	COLLECTIONS	\$56.99
DAKOTA DATA SHRED	SHREDDING SERVICE	\$82.91
DAKOTA DIRECTIONAL LLC	SERVICES - SECONDARY, STREET LIGHTS	\$5,436.00
DEPARTMENT OF HEALTH	WATER SAMPLES	\$262.00
DTN, LLC	SUBSCRIPTION - JAN & FEB	\$1,159.84
DUTTON-LAINSON COMPANY	ERTS FOR GAS METERS	\$142,910.97
ELECTRIC MOTORS & MOORE INC	SUPPLIES	\$540.00
ENERGY ECONOMICS INC	SERVICE	\$2,400.00
ETHANOL PRODUCTS LLC	BULK CO2	\$1,619.58

FEDERAL EXPRESS CORP	SERVICE	\$230.08
FIDELITY SEC. LIFE INSURANCE CO. (EYEMED)	VISION INSURANCE	\$175.75
FIRST DISTRICT ASSN OF LOCAL GOVTS	2025 GIS WEBSITE	\$1,500.00
FOLEY AND FOLEY LAW OFFICE, PC	DECEMBER LEGAL FEES	\$547.50
GANNETT MEDIA CORP	PUBLISHINGS	\$306.66
GLOBAL SAFETY NETWORK	SERVICE	\$154.86
HAWKINS, INC.	AZONE 15, HYDROFLUOSILICIC ACID	\$11,978.37
HEATH CONSULTANTS INC	SERVICE	\$806.90
IBEW LOCAL 426	UNION DUES	\$4,305.00
J H LARSON COMPANY	SUPPLIES	\$2,271.88
KARST, ADAM	REIMBURSEMENT EXPENSE	\$57.40
LAMB CHEVROLET	2025 CHEVROLET SILVERADO 3500 HD	\$51,225.00
LEHNER, STEVE	REIMBURSEMENT EXPENSE	\$304.20
LOCATORS & SUPPLIES INC	SUPPLIES	\$691.03
LUNDE, JOHN	REIMBURSEMENT EXPENSE	\$433.12
M E BARBER CO INC	SUPPLIES	\$378.92
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$143.52
MAC'S HARDWARE	SUPPLIES	\$19.61
MAGSTADT, BERT	REIMBURSEMENT EXPENSE	\$1,988.60
MATHESON TRI-GAS INC	SUPPLIES	\$166.80
MCKEEVER INC	SUPPLIES	\$210.00
MENARDS INC	SUPPLIES	\$908.95
MET LIFE	LIFE INSURANCE	\$1,596.61
MIDCONTINENT COMMUNICATIONS	INTERNET, CABLE & PHONE SERVICE	\$1,893.92
MILBANK WINWATER WORKS	SUPPLIES	\$3,742.71
MINNESOTA MUNICIPAL UTILITIES ASSN	SAFETY PROGRAM	\$9,514.00
MUELLER CO	SUPPLIES	\$1,567.22
MUNICIPAL UTILITIES - PC	REIMBURSE PETTY CASH	\$1,971.11
MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND	\$1,950.69
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCOUNTS	\$14,405.10
NAPA CENTRAL	SUPPLIES	\$329.66
NAPA CENTRAL	SUPPLIES	\$438.95
NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$225.24
NOVASPECT, INC.	GAS REGULATOR	\$8,543.70
OFFICE PEEPS	SUPPLIES	\$924.59
O'REILLY AUTOMOTIVE INC	SUPPLIES	\$95.27
PARA UX LLC	SERVICE	\$100.00
PAYMENTUS GROUP INC.	SERVICE	\$49.75
PETE LIEN & SONS	BULK LIME	\$23,699.31
POMP'S TIRE SERVICE, INC.	SUPPLIES	\$37.10
PRINCIPAL FINANCIAL GROUP	DENTAL INSURANCE	\$1,398.89
PRINT 'EM NOW INC	SUPPLIES	\$665.00
PRO LINE INC	SUPPLIES	\$70.00
RELIABANK DAKOTA	FLEX DC	\$6,133.89
RESCO	1/O LOADBREAK ELBOWS	\$3,906.00
RODENBURG LAW FIRM	EMPLOYEE DEDUCTION	\$150.00
RON'S SAW SALES	SUPPLIES	\$1,157.04
RUNNING'S SUPPLY INC	SUPPLIES	\$411.79
SCOTT ENGINEERING CO	SERVICE	\$1,125.00
SD MUNICIPAL ELECTRIC ASSN	2025 DUES	\$28,236.00
SD MUNICIPAL LEAGUE	TRAINING	\$60.00
SD MUNICIPAL LEAGUE	MEMBERSHIP	\$25.00
SD ONE CALL	LOCATES	\$43.05
SD PUBLIC UTILITIES COMMISSION	TRAINING	\$80.00
SDML WORKERS COMP FUND	2025 WORK COMP INS.	\$86,695.00
SDRS SPECIAL PAY PLAN	401a VAC	\$60,560.00
SERVICEMASTER OF WATERTOWN	JANITORIAL SERVICE	\$4,120.00
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$5,547.09
STAN HOUSTON EQUIP CO	SUPPLIES	\$268.93
STAR LAUNDRY	SERVICE	\$585.36
STUART C IRBY CO	SERVICE	\$845.15
T & R ELECTRIC SUPPLY COMPANY INC	SERVICE	\$1,776.80
TECH PRODUCTS INC	SUPPLIES	\$75.73
TERRY-DURIN CO.	SUPPLIES	\$2,240.00
TG TECHNICAL SERVICES, LLC	SUPPLIES	\$388.90
TITAN MACHINERY- WTN	SUPPLIES	\$606.08
TOSHIBA FINANCIAL SERVICES	COPIER LEASE	\$457.58
TRAV'S OUTFITTER	SAFETY CLOTHING	\$1,389.93
TRI-STATE BOBCAT	SUPPLIES	\$609.08
ULINE INC	SUPPLIES	\$1,865.62
UPS	SERVICE	\$814.39
USA BLUEBOOK	MAGNETIC LOCATORS	\$2,534.21
VERMEER HIGH PLAINS	SUPPLIES	\$71.22
VIA ACTUARIAL SOLUTIONS	2024 OPEB VALUATION	\$3,950.00
WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN FORD CHRYSLER	SERVICE	\$1,178.17

WATERTOWN UNITED WAY WESCO DISTRIBUTION INC	United Way SINGLE PHASE BASE., 4 POS MODULE ELASTIMOLDS	\$440.00 \$69,410.56
	TOTAL	\$735,280.97

Total January 2025 \$735,280.97; Transfer to City's General Fund \$124,116.63, Muni Utilities Electric Water Gas \$49,560.13; Missouri River Energy Services Power \$2,089,959.45; BP Canada Energy Marketing Natural Gas \$373,340.92; Dept. of Revenue Sales/Excise Tax \$268,714.91; CPEP #3 Natural Gas \$181,001.25, CPEP #4 Natural Gas \$112,256.66, CPEP #5 Natural Gas \$422,350.20, CPEP #3 Hedge \$66,775.55, CPEP #4 \$5,990.07, City Finance Office Garbage/Sewer \$651,105.29.

ITEM 8154

The Board set date of Wednesday, February 26, 2025, at noon for February Board Meeting.

ITEM 8155

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

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

Motion by Larkin with second by Thomas to approve General Manager to sign Facilities Reimbursement Agreement with Northern Natural Gas. Motion carried.

Motion by Larkin 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 January, 2025.

ATTEST: _____

Lisa Pahl
Board Secretary
Municipal Utilities Board

Michael Luken
Board President
Municipal Utilities Department