

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday, January 26th, 2026

The Municipal Utilities Board convened in regular session at the Watertown Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday, January 26, 2026, at 12:00 p.m. with President Dan Brenden presiding.

Board members present: Dan Brenden, Rich Thomas, Chris Carter, and Mike Luken. Charlie Larkin absent. Board Liaison, member of City Council, Kyle Peters. Staff members present: Steve Lehner, Adam Karst, Bert Magstadt, Wayne Lovelis, Brian Benson, Mark Meier, Rod Sutton, Dan LeVasseur, Zeke Hilmoie, Cheryl Mack, Gina Brown, Lisa Pahl and Attorney Vince Foley. Guests: Roger Whittle, Watertown Current, Alan Stager City Manager, Kelli Fritz, PIO for the City of Watertown.

ITEM 8299

Motion by Luken with second by Carter to approve the agenda.

ITEM 8300

Motion by Luken with second by Carter to approve the consent agenda, Contracts signed annually by General Manager which gives the General Manager authorization to sign annual contracts. It also includes purchases made using state bids or Sourcewell contracts, this provides the Board with a record of items purchased. 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 \$25,000 for Construction Projects, Equipment, and Software
- 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 Agreement
- n) Water Tower Attachment Agreements
- o) Energy Worldnet Service Agreement

PURCHASES USING STATE BID OR SOURCEWELL CONTRACTS

- a) LANO Equipment, Shakopee, MN, Sourcewell Contract #010925-BAN for \$85,360.00. Woodchipper, Model 15XP Bandit Intimidator.
- b) DMI, Sioux Falls, SD, Sourcewell Contract #020923-CEC for \$48,966.00. Doosan PA185VPWDO-T4F-2026 Air Compressor.

ITEM 8301

Motion by Carter with second by Thomas to approve minutes of Regular Board Meeting on December 29, 2025. Motion carried.

ITEM 8302

Public Comment - None

ITEM 8303

Motion by Luken with second by Carter to authorize General Manager to sign Amendment No. 1 to task order No. 11 for engineering services for remote Water SCADA System site upgrades with AE2S. Motion carried.

ITEM 8304

Karst presented the 2025 Fixed Asset Report & Solid Waste Disposal Report according to Policy Section #49. This report included - Electric: removed 210 distribution poles, removed 12,283 feet of overhead wire, abandoned 758 feet of underground wire, retired 9,417 KVA of line transformers, retired 180 electric meters, removed 44 streetlights, removed 1,400 feet of fiber optic cable, removed 1 1996 Chevrolet Kodiak Digger Derrick truck, removed 1 2007 GMC Topkick Cab & Chassis (truck), removed 1 HP DesignJet T1300PS 44 in Eprinter. Water: Removed 298 water meters, abandoned 3,260 feet of water main, retired 19 service connections, removed/replaced 6 hydrants, removed 1 1995 Miller WD - Welder/Generator, removed 1 2014 Ford F150 Super Cab Pickup Truck, removed 1 Well #39, removed 1 Well #39 Pumping Equipment, removed 1 HP DesignJet T1300PS 44 in Eprinter, removed 8,448 ton lime sludge. Gas: Abandoned 1,785 feet of gas services, retired 133 gas meters, abandoned 442 feet of gas mains, removed 1 Natural Gas Detector - Southern Cross (46 Hawk), removed 1 HP DesignJet T1300PS 44 in Eprinter.

ITEM 8305

This being the time and place set for consideration of bids, the following were presented. Bids for Transformers, Wire, Installation of Wire,

Residential Street Light Posts, Residential LED Fixtures, and Residential Security Lights all for the Electric Department. These bids were opened Thursday, January 22, 2026, at 1:30 PM by the Watertown Municipal Utilities Staff as authorized by the Board.

Transformers: Six bids were received and upon review and recommendation by Magstadt, motion by Thomas with second by Luken to award bid to low valid bidder for Item 1 Irby Utilities, Rapid City, SD for a total of \$26,850.00, Item 2 RESCO, Moorhead, MN for a total of \$26,000.00, Item 3 Border States Electric, Sioux Falls, SD for a total of \$123,789.60, Item 4 RESCO, Moorehead, MN for a total of \$17,740.00, Item 5 WEG, Washington, MO for a total of \$32,115.00, Item 6 WEG, Washington, MO for a total of \$34,914.00, Item 7 RESCO, Moorhead, MN for a total of \$14,313.00 and Item 8 RESCO, Moorhead, MN for a total of \$27,693.00. Motion carried. All of Dutton Lainson's bids were rejected because they did not meet specs.

Wire: Six bids were received and upon review and recommendation by Magstadt, motion by Carter with second by Luken to award bid to low valid bidder for Item 1 Border States Electric, Sioux Falls, SD for a total of \$69,900.00 and Item 2 Border States Electric, Sioux Falls, SD for a total of \$55,050.00. Motion carried.

Installation of Wire: Three bids were received and upon review and recommendation by Magstadt, motion by Luken with second by Carter to award bid to low valid bidder, Dakota Directional, Redfield, SD in the amount of \$579,310.00.

Residential Street Light Posts: Four bids were received and upon review and recommendation by Magstadt, Motion by Thomas with second by Carter to award bid to low valid bidder, Irby Utilities, Rapid City, SD in the amount of \$27,496.00.

Residential LED Fixtures: Three bids were received and upon review and recommendation by Magstadt, Motion by Luken with second by Thomas to award bid to low valid bidder, WESCO, Sioux City, IA in the amount of \$33,192.00. Motion carried.

Residential Security Lights: Three bids were received and upon review and recommendation by Magstadt, Motion by Carter with second by Luken to award bid to low valid bidder, WESCO, Sioux City, IA in the amount of \$7,000.00.

ITEM 8306

Open: a) Lehner presented the Bill Stuffer - Library Spring Program Guide
b) Karst shared about the delay in the software conversion c) Lehner

updated the Board on the upcoming summer conferences. AWWA Conference, June 21-24, 2026, in Washington, DC, APPA Conference June 26-July 1, 2026, in Boston, MA, APGA Conference July 26-29, 2026, in Providence, RI.

ITEM 8307

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 2026, removed overhead distribution lines on 14th Ave NW for the 2026 bridge project. Gas Department Projects Completed this Month: Monitoring pressures through this cold snap we are having, 80 gas meters proved, cut out and abandoned all the piping in front of the propane tanks. Water Department, Projects Completed this Month: 1 water main break for a total of 2 for the season, working on plant #3, found several bolts sheared off from main drive unit. Engineering Tech, Projects Completed this Month: Doing pressure models for our gas system, working with Milsoft Electric program. Magstadt also presented 2025 annual stats for Electric, Gas, Water, and Engineering departments.

ITEM 8308

Karst presented the report on Administration and Financial Statements, Purchasing, Accounting and Facilities, Projects Completed: 2025 physical inventory. Upcoming Projects: Eide Bailly 2025 Financial Statement audit. Projects in Progress: Purchasing inventory for upcoming 2026 construction projects. Upcoming Projects: Preparing surplus items for spring auction with Purple Wave. Customer Service Projects Completed this Month: 15,812 Payments collected for a total of \$5,914,700 and 57,936 services billed for a total of \$6,278,467, Major Projects in Progress - Tyler has been extracting data from our NorthStar system and reviewing our processes. Human Resources/Risk Management: Completed employee pay rate and deduction changes for first payroll of 2026, completed Workers Comp Estimate for 2026, 19% increase over 2025 due to large claims affecting the experience modifier. This is in conjunction with the City of Watertown. Information Systems working with AE2S on new Water SCADA network, working with Tyler Technologies on new Utility Billing package, 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 \$1,539,179.00 above budget for the twelve months ending December 31, 2025. Total Capital Additions are \$734,341.00 under budget for the twelve months ending December 31, 2025. Karst also went over 2025 sales review of all departments.

ITEM 8309

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 2026 Plus ACH Payroll Payments \$752,644.27. Term: R. Mack effective 1/2/2026. Change: K. Rumpza \$34.42/hr. effective 1/6/2026, N. Frost \$49.27/hr. effective 12/21/2026.

Name	Payable Description	Payment Amount
February 2, 2026		
ABC EMBROIDERY	SERVICE	\$ 277.20
ADVANCED ENGINEERING AND ENVIRONMENTAL SERVICES, LLC	WMU REMOTE SITE SCADA UPGRADE	\$ 1,263.25
AFLAC	ACCIDENT	\$ 1,967.87
AMARIL UNIFORM COMPANY	SAFETY CLOTHING	\$ 1,039.67
A-OX WELDING SUPPLY INC	SUPPLIES	\$ 367.41
AQUA-PURE INC	SODIUM TRIPOLYPHOSPHATE, AF 4460 EHW POLYMER	\$ 9,150.00
ASSOC. FOR MATERIALS PROTECTION AND PERFORMANCE INC.	ANNUAL DUES	\$ 99.00
AUTO VALUE WATERTOWN	SUPPLIES	\$ 35.86
BIG SIOUX WATER FESTIVAL	BIG SIOUX WATER FESTIVAL	\$ 1,250.00
BORDER STATES ELECTRIC SUPPLY	DEAD FRONT PAD MOUNT SWITCHGEAR AS PER BID	\$ 130,643.39
BORNS GROUP	POSTAGE & MAILING	\$ 14,072.85
BRISTOL, INC.	SERVICE	\$ 1,296.00
BROWN, GINA L	REIMBURSEMENT EXPENSE	\$ 240.00
BUTLER MACHINERY CO	GENERATOR RENTAL	\$ 4,923.15
CANNON ELECTRIC, INC.	ENERGY INCENTIVE REBATE	\$ 200.00
CARTNEY BEARING & SUPPLY	SUPPLIES	\$ 90.00
CENTER FOR INTERNET SECURITY, INC.	SOFTWARE MAINTENANCE	\$ 5,814.00
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$ 5,331.95
CITY OF WATERTOWN	REIMBURSEMENT - 2026 WORK COMP INSURANCE	\$ 104,051.00
CODINGTON COUNTY REGISTER OF DEEDS	SUPPLIES	\$ 36.00
CODINGTON-CLARK ELECTRIC COOPERATIVE INC	WELLFIELD ELECTRIC SERVICE	\$ 6,439.12
COMMERCIAL CLEANING SERVICES INC.	JANITORIAL SERVICE	\$ 3,975.00
CONTROL EQUIPMENT SALES, INC	2026 TDS SERVICE	\$ 7,220.98
CORE & MAIN LP	TAPPING MACHINE & STORAGE BOX	\$ 16,738.82
CREDIT COLLECTIONS BUREAU	COLLECTIONS	\$ 478.99
DAKOTA DATA SHRED	SHREDDING SERVICE	\$ 94.51
DELTA DENTAL OF SD	DENTAL INSURANCE	\$ 1,568.80
DOCKTERS ELECTRIC INC	ENERGY INCENTIVE REBATE	\$ 200.00
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$ 1,945.49
DTN, LLC	SUBSCRIPTION	\$ 1,169.22
DUTCHBOY	ENERGY INCENTIVE REBATE	\$ 957.60
DUTTON-LAINSON COMPANY	SUPPLIES	\$ 96.00
EACHEN INC	SERVICE	\$ 1,384.52
ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE, INC	ANNUAL SUBSCRIPTION	\$ 8,425.00
EQUITABLE	VISION INSURANCE	\$ 221.80
ETHANOL PRODUCTS LLC	BULK CO2	\$ 2,292.54
EVOLUTION POWERSPORTS	SUPPLIES	\$ 117.94
FASTENAL COMPANY	SUPPLIES	\$ 358.67
FEDERAL EXPRESS CORP	SERVICE	\$ 238.35
FIRST DISTRICT ASSN OF LOCAL GOVTS	2026 GIS WEBSITE	\$ 1,500.00
FOLEY AND FOLEY LAW OFFICE, PC	DECEMBER LEGAL FEES	\$ 3,697.50
GANNETT MEDIA CORP	SUBSCRIPTION	\$ 209.65
GANNETT MEDIA CORP	SUBSCRIPTION	\$ 209.65
GANNETT MEDIA CORP	PUBLISHINGS	\$ 289.36
GRAF SIGN PRO OF WATERTOWN	SUPPLIES	\$ 125.00
GRAINGER	SUPPLIES	\$ 245.12
GROEBNER	SERVICE	\$ 1,187.05
HAWKINS, INC.	AZONE 15	\$ 11,450.12
HOME OASIS LLC	ENERGY INCENTIVE REBATE	\$ 3,632.00
HUMAN SERVICE AGENCY	SERVICE	\$ 90.00
IBEW LOCAL 426	UNION DUES	\$ 4,888.00
J H LARSON COMPANY	METER CANS, WIRE, SUPPLIES	\$ 17,356.37
KARST, ADAM	REIMBURSEMENT EXPENSE	\$ 662.39
LEHNER, STEVE	REIMBURSEMENT EXPENSE	\$ 286.62
LOCATORS & SUPPLIES INC	SUPPLIES	\$ 282.88

LOVELIS, WAYNE	REIMBURSEMENT EXPENSE	\$ 275.00
MACKSTEEL WAREHOUSE INC	SUPPLIES	\$ 323.97
MAC'S HARDWARE	SUPPLIES	\$ 521.08
MAGSTADT, BERT	REIMBURSEMENT EXPENSE	\$ 41.30
MCKEEVER INC	SUPPLIES	\$ 501.17
MENARDS INC	SUPPLIES	\$ 2,764.81
MET LIFE	LIFE INSURANCE	\$ 1,343.79
MICROBAC LABORATORIES, INC.	WATER TESTING FEES	\$ 5,650.00
MIDCONTINENT COMMUNICATIONS	INTERNET, CABLE & PHONE SERVICE	\$ 1,905.17
MIDWEST ENERGY ASSOCIATION	2026 DUES	\$ 2,053.72
MINNESOTA MUNICIPAL UTILITIES ASSN	SAFETY PROGRAM	\$ 10,557.50
MUELLER CO	SUPPLIES	\$ 1,158.28
MUNICIPAL UTILITIES - PC	REPLENISH PETTY CASH	\$ 216.96
MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND	\$ 3,103.37
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCOUNTS	\$ 8,062.55
NAPA CENTRAL	SUPPLIES	\$ 1,199.35
NELSON TECHNOLOGIES INC	SERVICE - WATERBATH HEATER	\$ 3,634.70
NORTHERN PLAINS SEAMLESS	SERVICE	\$ 408.16
OFFICE PEEPS	SUPPLIES	\$ 782.29
PARA UX LLC	SERVICE	\$ 125.00
PAYMENTUS GROUP INC.	SERVICE	\$ 49.75
PETE LIEN & SONS	BULK LIME	\$ 9,000.70
PIPEHORN LOCATING TECHNOLOGY	SERVICE	\$ 336.00
POMP'S TIRE SERVICE, INC.	SUPPLIES	\$ 694.12
PRINT 'EM NOW INC	SUPPLIES	\$ 78.00
RELIABANK DAKOTA	FLEX DC	\$ 7,381.53
RON'S SAW SALES	SUPPLIES	\$ 1,629.93
RUNNING'S SUPPLY INC	SUPPLIES	\$ 1,172.48
SCHOOL BOARD OF ED	ENERGY INCENTIVE REBATE	\$ 6,321.50
SD MUNICIPAL ELECTRIC ASSN	2026 MEMBERSHIP	\$ 28,867.00
SD ONE CALL	LOCATES	\$ 32.55
SD PUBLIC ASSURANCE ALLIANCE	INSURANCE - 2026 INTERNATIONAL HV607 SFA 4X2 TRUCK	\$ 2,940.74
SDRS SPECIAL PAY PLAN	401a SICK	\$ 35,700.31
SENSIT TECHNOLOGIES LLC	GAS LEAK DETECTION EQUIPMENT CALIBRATION STATION	\$ 8,385.50
SGS MFG.	MISC SUPPLIES - GAS	\$ 4,873.66
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$ 4,530.00
SPEE-DEE DELIVERY SERVICE INC	SERVICE	\$ 45.42
STAN HOUSTON EQUIP CO	SUPPLIES	\$ 128.95
STAR LAUNDRY	SERVICE	\$ 553.36
STUART C IRBY CO	SUPPLIES	\$ 1,232.00
TITAN MACHINERY- WTN	SUPPLIES	\$ 380.42
TOSHIBA FINANCIAL SERVICES	COPIER LEASE	\$ 442.03
TRAV'S OUTFITTER	SAFETY CLOTHING	\$ 2,389.84
TWOTREES TECHNOLOGIES	SOFTWARE MAINTENANCE	\$ 1,218.75
TYLER TECHNOLOGIES	BILLING SOFTWARE	\$ 1,305.00
UPS	SERVICE	\$ 77.26
US DEPT OF ENERGY WESTERN AREA POWER ADMINISTRATION	UPGRADE 115KV BREAKER #1462 AT WAPA SUBSTATION	\$ 300,000.00
VIA ACTUARIAL SOLUTIONS	2025 OPEB VALUATION	\$ 1,100.00
WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVELOPMENT EXPENSE	\$ 8,690.00
WATERTOWN FORD CHRYSLER	SUPPLIES	\$ 1,037.84
WATERTOWN UNITED WAY	United Way	\$ 267.50
WAYTEK INC	SUPPLIES	\$ 223.54
WESCO DISTRIBUTION INC	WIRE AS PER BID	\$ 215,179.56
WINSUPPLY OF WATERTOWN	SUPPLIES	\$ 55.87
WW TIRE SERVICE INC	SUPPLIES	\$ 2,566.00
	TOTAL	\$ 1,075,698.94

Total January 2026 \$1,075,698.94; Transfer to City's General Fund \$127,849.00, US Bank Nat'l Assoc.DW-2 \$10,517.71, US Bank Nat'l Assoc.DW-5 \$10,261.76, Muni Utilities Electric Water Gas \$48,259.69; Missouri River Energy Services Power \$2,280,087.01; BP Canada Energy Marketing Natural Gas \$426,814.43; Dept. of Revenue Sales/Excise Tax \$269,960.44; CPEP #3 Natural Gas \$206,925.00, CPEP #4 Natural Gas \$127,309.72, CPEP #5 Natural Gas \$480,488.53, City Finance Office Garbage/Sewer \$841,736.48.

ITEM 8310

The Board set date of Friday, February 27, 2026, at noon for February Board Meeting.

Motion by Luken 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 26th, day of January, 2026.

ATTEST: _____

Lisa Pahl
Board Secretary
Municipal Utilities Board

Dan Brenden
Board President
Municipal Utilities Department