

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING

Monday, October 26, 2026

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

Board Members present were Charlie Larkin, Chris Carter, and Mark Dunn. Michael Luken and Dan Brenden were absent. Board Liaison Kyle Peters was also in attendance. Staff present included Steve Lehner, Adam Karst, Bert Magstadt, Wayne Lovelis, Aaron Erickson, Brian Benson, Rod Suttan, Dan LeVasseur, Zeke Hilmo, Cheryl Mack, Gina Brown, Lisa Pahl, and Attorney Vince Foley. Guests in attendance were City Manager Alan Stager, Mayor Reid Holien, Chris Clifton of the Watertown Development Company, and Evan Leebens of MRES. Representing the media was Roger Whittle of Watertown Current.

ITEM 8409

Motion by Carter with second by Dunn to approve the agenda. Motion carried.

ITEM 8410

Motion by Carter with second by Dunn to approve minutes of Regular Board Meeting of September 28, 2026. Motion carried.

ITEM 8411

Public Comment - None

ITEM 8412

Evan Leebens of MRES gave an Electric Rate Study presentation. The key recommendations were a 5% overall revenue increase each year from 2027 through 2031. This would leave cash reserves strong and consistent with similar sized utilities and keep the Watertown Municipal Utilities rates very competitive for all customers.

ITEM 8413

Motion by Carter with second by Dunn to declare as surplus exterior recoating and repainting of 14th Ave tower. Motion carried.

ITEM 8414

This being the time and place set for consideration of bids, the following was presented. Bid for Installation of SCADA cabinets for the Water Department. The bids were opened Thursday, October 15, 2026, at 1:30 PM by the Watertown Municipal Utilities Staff as authorized by the Board.

Installation of SCADA Cabinets: Four bids were received and upon review and recommendation by Magstadt, motion by Dunn with second by Carter to accept low valid bidder Muth Electric, Watertown, SD for \$19,077.00. Motion carried.

ITEM 8415

Open: a)Lehner presented the bill stuffer - Living Safely with Natural Gas.

ITEM 8416

Old Business: Reminder Finance Committee Meeting will be held Thursday, November 19, 2026 at 7 a.m. in the Watertown Municipal Utilities Board Room.

ITEM 8417

Magstadt presented the Report on Operations and Projects. Electric Department, Projects Completed this Month: Had 4 outages for a total of 50 unscheduled power outages in 2026, completed underground conversion for Hy-Vee loop, wrecked out three-phase overhead line at Pizza Ranch and a line south of Perkins, WAPA installed new SF-6 breaker (1462) at WAPA sub replacing old OCBs. Gas Department, Projects Completed this Month: Purging and adding odorant in the new 6" pressure correction. Projects in Progress: Summer Leak Survey 99% completed, inspection of services being installed by the contractor. Water Department, Projects Completed this Month: 2 Main Breaks for a total of 10 through 2026, 612 taps for 2026, Will Pieper successfully passed his Class II water license. Projects in Progress: Contractors painting the 14th Ave water tower, finalized the Cast Iron Main Replacement project. Engineering Tech, Projects in Progress: 316 one-call locates October 1 to 16, 2026, 466 one-call locates September 2026, 248 compaction tests since beginning of the Cast iron water main replacement project, working on Blue Peak fiber project.

ITEM 8418

Karst presented the report on Administration and Financial Statements, Purchasing, Accounting and Facilities, Projects in Progress: Installing

underground fiber to connect server room, Morton building and outdoor security cameral locations. Upcoming Projects: Organizing for 2026 physical inventory. Customer Service, 15,599 payments collected for a total of \$6,754,341 and 58,962 services billed for a total of \$5,148,792. Human Resources/Risk Management: No application have been received yet for Utility Electrical Engineer, participated in the LATC Career Fair, continuing preparing the 2027 payroll budget, completed analysis and prepared recommendations for the 2027 staff employee health insurance renewal, preparing employee open enrollment materials, prepared a draft Leave Donation Policy for board review and consideration, attended MRES Human Resources Conference. Information Systems: Looking for a new website developer, attended Itron Inspire 2026 (Meter Reading Conference), normal monthly IT maintenance and troubleshooting along with website stats.

Statements of Revenue and Expenses and Capital Additions were presented to the Board for review. Year to date net income is \$1,567,011 above budget for the nine months ending September 30, 2026. Total Capital Additions are \$852,523 under budget for the nine months ending September 30,2026.

ITEM 8419

Motion made by Carter with second by Dunn to approve the following verified salary claims and bills. Motion carried unanimously upon roll call vote. Total Watertown Municipal Utilities Net Payroll for October 2026 Plus ACH Payroll Payments \$754,229.92.

Name	Payable Description	Payment Amount
NOVEMBER 2, 2026		
3D SERVICES LLC	LANDSCAPING, SERVICE - MELLETTE WATER TOW	\$10,692.00
ACTIVE HEATING INC	SERVICE	\$713.02
ADV. ENGINEERING AND ENVIR. SERVICES, LLC	WTP I&C SERVICES	\$14,129.69
AFLAC	ACCIDENT	\$2,059.27
AMARIL UNIFORM COMPANY	SAFETY CLOTHING	\$643.12
AMERICAN LEGION	SUPPLIES	\$660.00
A-OX WELDING SUPPLY INC	SUPPLIES	\$469.32
APGA	2027 MEMBERSHIP DUES	\$9,809.58
AQUA-PURE INC	SODIUM HYPOCHLORITE	\$16,386.22
AUTO VALUE WATERTOWN	SUPPLIES	\$86.29
BENCO EQUIPMENT	SUPPLIES	\$329.00
BLUMIRA, INC.	SECURITY SOFTWARE	\$10,623.60
BORDER STATES ELECTRIC SUPPLY	3 PHASE FAULT INDICATORS	\$32,618.22
BROWN, GINA L	REIMBURSEMENT EXPENSE	\$60.00
BUTLER MACHINERY CO	SERVICE	\$1,294.50
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$5,809.91
CITY OF SIOUX FALLS	SERVICE	\$210.96
CODINGTON-CLARK ELECTRIC COOPERATIVE INC	WELLFIELD ELECTRIC SERVICE	\$7,513.88
COMMERCIAL CLEANING SERVICES INC.	JANITORIAL SERVICE	\$3,975.00
CORE & MAIN LP	TAPPING SLEEVES	\$4,186.38
CREDIT COLLECTIONS BUREAU	COLLECTIONS	\$286.99
DAKOTA BODIES LLC	SUPPLIES	\$72.00
DAKOTA DATA SHRED	SHREDDING SERVICE	\$125.94

DAKOTA DIRECTIONAL LLC	SERVICE - GAS PROJECTS	\$179,924.94
DAKOTA PUMP & CONTROL CO	SUPPLIES	\$2,941.61
DELTA DENTAL OF SD	DENTAL INSURANCE	\$1,568.80
DEPARTMENT OF HEALTH	WATER SAMPLES	\$772.00
DGR ENGINEERING	SERVICE	\$2,610.00
DISCOUNT SEEDS, INC.	SUPPLIES	\$750.00
DSG DAKOTA SUPPLY GROUP	SUPPLIES	\$1,873.21
DTN, LLC	SUBSCRIPTION	\$584.61
DUININCK INC	ROCK, GRAVEL, BLACK DIRT	\$8,523.47
EMBERLINE PRESS, INC.	POSTAGE & MAILING	\$513.08
ENGELSTAD ELECTRIC COMPANY	SERVICE	\$214.29
EQUITABLE	VISION INSURANCE	\$221.80
ETHANOL PRODUCTS LLC	BULK CO2	\$1,316.82
FEDERAL EXPRESS CORP	SUPPLIES	\$246.55
FLAGSHOOTER LLC	LOCATING PAINT	\$3,822.48
FLEETPRIDE, INC.	SUPPLIES	\$224.98
FOLEY AND FOLEY LAW OFFICE, PC	SEPTEMBER LEGAL FEES	\$2,912.50
FRANKLIN PRESS INC	FALL GAS FLYER	\$4,352.28
G & R CONTROLS INC.	MAINTENANCE SERVICE	\$3,187.76
GEOTEK ENGINEERING & TESTING SERVI	WAPA TO 15TH AVE SUB 115KV T-LINE REBUILD	\$6,700.00
GROSZ ESCAVATING	LEAD SERVICE LINE REPLACEMENT	\$10,897.98
HALME, INC.	CAST IRON WATERMAIN REPLACEMENT	\$554,082.60
HEATH CONSULTANTS' INC	SERVICE	\$568.41
HILMOE, ZEKE	REIMBURSEMENT EXPENSE	\$399.20
IBEW LOCAL 426	UNION DUES	\$4,784.00
INFOSEND, INC.	POSTAGE & MAILING	\$10,881.84
INTERSTATE ALL BATTERY CENTER	SUPPLIES	\$1,807.75
J H LARSON COMPANY	SUPPLIES	\$5,367.28
JOE MEDANICH ASPHALT SERVICES	ASPHALT SERVICES	\$4,591.85
JORGENSEN & OLSON ASPHALT MAINTENANCE	ASPHALT SERVICES	\$4,220.04
KARST, ADAM	REIMBURSEMENT EXPENSE	\$460.52
L & R AUTO ACCESSORIES LLC	SUPPLIES	\$65.00
LATC FOUNDATION	CAMPAIGN PLEDGE	\$20,000.00
LEHNER, STEVE	REIMBURSEMENT EXPENSE	\$555.00
LOCATORS & SUPPLIES INC	SUPPLIES	\$96.32
LOVELIS, WAYNE	REIMBURSEMENT EXPENSE	\$230.17
MACK, CHERYL	REIMBURSEMENT EXPENSE	\$180.28
MACKSTEEL WAREHOUSE INC	4' DRIVE POSTS WITH METER BRACKETS	\$4,937.24
MAC'S HARDWARE	SUPPLIES	\$445.48
MADISON NATIONAL LIFE INSURANCE CO. INC.	LIFE INSURANCE - STAFF	\$48.00
MAGSTADT, BERT	REIMBURSEMENT EXPENSE	\$1,092.64
MCKEEVER INC	SUPPLIES	\$279.00
MEIER, MARK	REIMBURSEMENT EXPENSE	\$644.81
MENARDS INC	SUPPLIES	\$933.31
MET LIFE	LIFE INSURANCE	\$1,394.41
MIDCONTINENT COMMUNICATIONS	INTERNET, CABLE & PHONE SERVICE	\$1,937.03
MILBANK WINWATER WORKS	SUPPLIES	\$3,823.57
MINNESOTA MUNICIPAL UTILITIES ASSN	SAFETY PROGRAM	\$10,252.50
MINSAIT ACS, INC.	SERVICE CONTRACT	\$12,843.00
MISSOURI RIVER ENERGY SERVICES	TRAINING EXPENSE	\$100.00
MUELLER CO	SUPPLIES	\$676.43
MUNICIPAL UTILITIES - PC	REPLENISH PETTY CASH	\$543.45
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCOUNTS	\$7,940.46
MUNICIPAL UTILITIES-TERM LIFE PAY	TERM LIFE	\$2,298.00
NAPA CENTRAL	SUPPLIES	\$461.37
NIPPON SANJO MATHESON INC	SUPPLIES	\$47.11

NORTHWEST PIPE FITTINGS INC	SUPPLIES	\$2,207.45
OFFICE OF FIRE MARSHALL	SERVICE	\$160.00
OFFICE PEEPS	SUPPLIES	\$376.50
O'REILLY AUTOMOTIVE INC	SUPPLIES	\$122.23
PETE LIEN & SONS	BULK LIME	\$28,634.14
PIPEHORN LOCATING TECHNOLOGY	SUPPLIES	\$1,605.00
POMP'S TIRE SERVICE, INC.	SUPPLIES	\$1,381.96
RELIABANK DAKOTA	FLEX DC	\$7,381.53
RESCO	SUPPLIES	\$2,699.10
RUNNING'S SUPPLY INC	SUPPLIES	\$270.96
SCHOOL BOARD OF ED	ENERGY INCENTIVE REBATE	\$6,342.06
SD ASSOCIATION OF RURAL WATER SYSTEMS	DUES	\$500.00
SD ONE CALL	LOCATES	\$506.10
SENSIT TECHNOLOGIES LLC	SERVICE	\$155.17
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$12,149.92
SNAP-ON INDUSTRIAL	SUPPLIES	\$81.06
STAKE CENTER LOCATING	LOCATES	\$29,110.64
STAN HOUSTON EQUIP CO	RENTAL	\$1,223.50
STAR LAUNDRY	SERVICE	\$553.36
STEFFL DRILLING & PUMP INC	SERVICE - WELLFIELD PROJECT	\$18,076.08
STUART C IRBY CO	COLD SHRINK, SHEAR BOLTS	\$7,716.64
SUBSURFACE SOLUTIONS	LOCATING EQUIPMENT	\$12,227.89
SUTTON LAWN & SNOW LLC	LAWN CARE	\$1,516.20
TECHNICAL TOOLBOXES	GASWORKS SOFTWARE	\$8,992.50
TEREX USA, LLC	SERVICE - UNIT 25	\$4,787.61
TITAN MACHINERY - ABERDEEN	SERVICE - CASE 621G LOADER - WTP	\$5,207.94
TITAN MACHINERY- WTN	SUPPLIES	\$473.07
TITAN MACHINERY-SF	SERVICE - UNIT 101	\$1,793.46
TOSHIBA FINANCIAL SERVICES	COPIER LEASE	\$569.69
TRAV'S OUTFITTER	SAFETY CLOTHING	\$1,113.14
TWOTREES TECHNOLOGIES	MONTHLY SOFTWARE MAINTENANCE	\$7,023.52
TYLER BUSINESS FORMS	SUPPLIES	\$162.14
US DEPT OF ENERGY WESTERN AREA POWER ADM	ANNUAL MAINTENANCE	\$3,000.00
VERMEER HIGH PLAINS	SERVICE - UNIT 312	\$1,249.23
WATERTOWN CURRENT LLC	PUBLISHINGS	\$197.74
WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN FORD CHRYSLER	SUPPLIES	\$286.55
WATERTOWN UNITED WAY	United Way	\$217.50
WEG TRANSFORMERS USA LLC	TRANSFORMERS AS PER BID	\$32,115.00
WESCO DISTRIBUTION INC	ELBOWS	\$22,763.55
WW TIRE SERVICE INC	SUPPLIES	\$2,107.00
	TOTAL	<u>\$1,251,649.25</u>

Total October 2026 \$1,251,649.25, Transfer to City's General Fund \$127,841.00, Muni Utilities Electric Water Gas \$65,558.21; Missouri River Energy Services Power \$1,962,923.37; BP Canada Energy Marketing Natural Gas \$13,170.75; Dept. of Revenue Sales/Excise Tax \$185,762.00; CPEP #3 Natural Gas \$10,327.50, CPEP #4 Natural Gas \$12,366.00, CPEP #5 Natural Gas \$45,832.50, CPEP #3 Hedge \$21,483.00, CPEP #4 Hedge \$11,383.20.

ITEM 8420

Pursuant to SDCL 1-25-2(4) Carter moved with second by Dunn to move to Executive Session. No action is expected coming out of executive session. Motion carried.

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

Motion by Carter with second by Dunn 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 October, 2026.

ATTEST: _____

Lisa Pahl
Board Secretary
Municipal Utilities Board

Charlie Larkin
Board Vice President
Municipal Utilities Board