

MINUTES OF MUNICIPAL UTILITIES BOARD MEETING**Monday, December 30th, 2024**

The Municipal Utilities Board convened in regular session at the Watertown Municipal Utilities Board Room 901 Fourth Avenue SW Watertown SD on Monday, December 30th, 2024, 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, John Lunde, Aaron Erickson, Brian Benson, Rod Suttan, Dan LeVasseur, Sheila Mennenga, Cheryl Mack, Gina Brown, Lisa Pahl and Attorney Vince Foley. Media Steve Jurrens, KXLG Radio and Roger Whittle of the Watertown Current.

ITEM 8122

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

ITEM 8123

Motion by Carter with second by Brenden to approve the consent agenda, which gives authorization to call for bids for the following items, authorization to declare as surplus the following items and a list of vehicles purchased using the State contract. Motion carried.

1. AUTHORIZE TO CALL FOR BIDS
 - a) Pebble Lime - Water Department
 - b) Water Meters - Water Department
 - c) Hydrants - Water Department
 - d) Water Pipe - Water Department
 - e) Installation of Water Mains - Water Department
 - f) Chemicals - Water Department
 - g) Sodium Hypochlorite - Water Department
 - h) SCADA software and hardware - Water Department
 - i) Water Main Fittings, Valves and Material - Water Department
 - j) Control and Treatment Systems Equipment - Water Department
 - k) Storage Building - Water Department
 - l) Vac Machine - Water Department
 - m) Security Gate and Equipment at WTP - Water Department
 - n) Trace Wire - Gas and Water Department
 - o) Gas Pipe - Gas Department
 - p) Installation of Gas Mains and Services - Gas Department
 - q) SCADA Software and Hardware - Gas Department
 - r) Gas Leak Detection Equipment - Gas Department
 - s) Gas Regulators - Gas Department
 - t) Gas Meters - Gas Department
 - u) Anodes - Gas Department
 - v) Elbow Cabinets - Electric Department
 - w) Basements - Electric Department

- x) Installation of URD Primary & Secondary - Electric Department
- y) Installation of Electric Services - Electric Department
- z) Pad-Mounted Switchgear - Electric Department
- aa) Capacitor Banks - Electric Department
- bb) Transformers - Electric Department
- cc) Wire - Electric Department
- dd) Streetlight Poles, Posts and Mounts - Electric Department
- ee) Security Lights - Electric Department
- ff) Trucks/Vehicles - All Departments
- gg) Janitorial - All Departments
- hh) Bill Processing & Mailing Services - Customer Service

2. DECLARE AS SURPLUS

- a) Asset #1156, 2015 Ford F-550 Reg. Cab 4 x 4 Diesel 1.5 Ton truck (Gas)
- b) Asset #1258, 2017 Dodge Ram 2500ST ¾ Ton Pickup (Water)
- c) Asset #933, 2008 Ford F-250 ¾ Ton Pickup (Gas)
- d) Asset #1172, 2015 Ford F-550 Super Cab 4 x 4 Diesel 1.5 Ton Truck (Water)
- e) Asset #1032, 2010 Chevrolet Impala (Gas)
- f) Asset #1153, 2014 Ford F-150 4 x 4 Ext. Cab ½ Ton Pickup (Water)

3. VEHICLES PURCHASED USING STATE CONTRACT

- a) Lamb Motors, State Contract #17619 for \$58,805, Ford Expedition, replacing Unit 37
- b) Lamb Motors, State Contract #17619 for \$48,916, Ford Crew Cab Pickup, replacing Unit 8
- c) Lamb Motors, State Contract #17619 for \$550,180, Ford F250 Regular Cab, replacing Unit 17
- d) Lamb Motors, State Contract #17618 for \$51,225, Chevrolet Crew Cab Pickup, replacing Unit 2
- e) Boyer Ford, State Contract #17616 for \$60,700, Ford F550 Extended Cab, replacing Unit 10
- f) Boyer Ford, State Contract #17616 for \$68,985, Ford 550 4 x 4, replacing Unit 1

ITEM 8124

Motion by Thomas with second by Brenden to approve minutes of Regular Board Meeting on November 25th, 2024. Motion carried.

ITEM 8125

Public Comment - None

ITEM 8126

Motion by Brenden with second by Carter to authorize an addendum to the Fiber Optic Lease with the City of Watertown by changing the fiber optic loop from the Police Department from the old City Hall to the new City Hall Building. Motion carried.

ITEM 8127

Motion by Carter with second by Larkin to remove the uncollectable accounts totaling \$87,254.08 from Accounts Receivable. There has been no payment on these accounts for the past seven years, with exception to J & J Earthworks for \$55,400. J & J Earthworks was disputing a Watertown Municipal Utilities Bill and Watertown Municipal Utilities was disputing a J & J Earthworks bill. An agreement was made to settle the dispute by

waiving the bills to each other. The other names will remain on record in case of future payments made or applications for future service. Motion carried.

ITEM 8128

Motion by Brenden with second by Thomas to approve General Manager to sign task order No. 1 - Amendment No. 1 with Advanced Engineering and Environmental Services, LLC for Additional Engineering Services for Water Treatment Plant in the amount of \$55,000. Motion carried.

ITEM 8129

Motion by Brenden with second by Thomas to approve General Manager to sign task order No. 2 - Amendment No. 1 with Advanced Engineering and Environmental Services, LLC for Additional Engineering Services for 3rd Ave NW (Mellette) water main replacement in the amount of \$18,000. Motion carried.

ITEM 8130

Motion by Brenden with second by Thomas to approve **Resolution 8130**, a Resolution recommending approval of the issuance by the City of Watertown, South Dakota of its drinking Water Surcharge Revenue Bond, series 2025. Motion carried unanimously by roll call vote.

RESOLUTION RECOMMENDING APPROVAL OF THE ISSUANCE BY THE CITY OF WATERTOWN, SOUTH DAKOTA OF ITS DRINKING WATER SURCHARGE REVENUE BOND, SERIES 2025 IN AN AMOUNT NOT EXCEEDING \$3,403,610, TO FINANCE CONSTRUCTION OF IMPROVEMENTS TO THE WATER SYSTEM OF THE CITY AND APPROVING THE EXECUTION OF A LOAN AGREEMENT BY THE UTILITIES BOARD

WHEREAS, the City of Watertown, South Dakota (the "City") is authorized pursuant to SDCL § 9-40-1, et seq., to construct, operate and improve drinking water systems; and

WHEREAS, pursuant to SDCL § 9-39-6 et seq., the City has placed the management and control of the City's drinking water system (the "Water System") in the hands of the City of Watertown Municipal Utilities Board (the "Utilities Board"); and

WHEREAS, the Utilities Board has determined that it is necessary and in the best interests of the City to make certain improvements to the Water System, such improvements being more fully described in Exhibit A attached hereto (the "Project"), and to finance up to \$3,403,610 of the costs thereof through the issuance by the City of its drinking water surcharge revenue bond (the "Series 2025 Bond") through a borrowing from the South Dakota Drinking Water State Revolving Fund Loan Program (the

"SRF Loan Program") administered by the South Dakota Conservancy District pursuant to SDCL 46A-1-49; and

WHEREAS, pursuant to SDCL 9-40-15, and Resolution No. 8131, the Utilities Board has adopted a surcharge to repay the principal of and interest on such revenue bond; and

WHEREAS, resolution authorizing the issuance of the Series 2025 Bond under the terms available under the SRF Loan Program (the "Proposed Resolution") has been prepared, and is attached hereto as Exhibit B; and

WHEREAS, as a condition of its purchase of the Series 2025 Bond, the South Dakota Conservancy District requires that the Utilities Board become a party to the loan agreement (the "Loan Agreement") to be executed in connection with the Series 2025 Bond;

NOW, THEREFORE, it is hereby

RESOLVED, that the Board hereby requests that the Watertown City Council adopt the Proposed Resolution authorizing the issuance of the Series 2025 Bond, and to take such other steps as deemed necessary to complete the issuance of the Series 2025 Bond; and

FURTHER RESOLVED, that the President and Vice President, or either of them, are hereby authorized and directed on behalf of the Utilities Board to execute the Loan Agreement, and to execute such other documents and take such other steps as are reasonably necessary or required in connection with the purchase of the Series 2025 Bond by the South Dakota Conservancy District.

EXHIBIT A

Series 2025 Project Description

Replacement of 4- and 8-inch cast-iron water mains installed between 1910 and the 1950s. Approximately 16,200 feet of 6-inch, 7,900 feet of 8-inch, and 4,000 feet of 16-inch PVC water main will be installed within existing city streets and rights-of-way. Valves will be replaced, and water mains will be looped to improve water quality and flows.

EXHIBIT B

Proposed Resolution to Authorize
Series 2025 Bond (\$3,403,610)

RESOLUTION GIVING APPROVAL TO THE ISSUANCE BY CITY OF WATERTOWN, SOUTH DAKOTA OF ITS DRINKING WATER SURCHARGE REVENUE BOND, SERIES 2025, IN AN AMOUNT NOT EXCEEDING \$3,403,610 TO FINANCE, DIRECTLY AND INDIRECTLY, CONSTRUCTION OF IMPROVEMENTS TO THE CITY'S DRINKING WATER SYSTEM; APPROVING THE FORM OF LOAN AGREEMENT AND REVENUE BOND; AUTHORIZING THE SALE OF SAID REVENUE BOND; PLEDGING DRINKING WATER SURCHARGE REVENUES FOR SERVICING DEBT ISSUED HEREUNDER; AND THE MANNER OF EXECUTION AND ISSUANCE OF SAID BOND.

WHEREAS, City of Watertown, South Dakota (the "City") is authorized pursuant to SDCL Chapters 9-40 and 9-47 to construct, operate and improve drinking water systems, and pursuant to SDCL 9-40-6 and Chapter 6-8B (the "Acts") is authorized to issue bonds to defray the cost of such extensions, additions, and improvements; and

WHEREAS, the City Council of the City has determined that it is necessary and in the best interests of the City to make certain improvements to the City's drinking water system (the "Drinking Water System"), such improvements being more fully described as follows:

Replacement of 4- and 8-inch cast-iron water mains installed between 1910 and the 1950s. Approximately 16,200 feet of 6-inch, 7,900 feet of 8-inch, and 4,000 feet of 16-inch PVC water main will be installed within existing city streets and rights-of-way. Valves will be replaced, and water mains will be looped to improve water quality and flows (the "Project"), and to finance \$3,403,610 of the costs thereof through the South Dakota Drinking Water State Revolving Fund Loan Program administered by the South Dakota Conservancy District ("SDCD") pursuant to SDCL 46A-1-49; and

WHEREAS, the City has determined that it is necessary and appropriate to issue its Drinking Water Surcharge Revenue Bond, Series 2025 in the amount of \$3,403,610, as more fully described herein (the "Bond") to the SDCD pursuant to the South Dakota Drinking Water State Revolving Fund Loan Program to finance a portion of the costs of the Project; and

WHEREAS, pursuant to the Acts, including specifically SDCL 9-40-15 and 9-39-6, the City's Municipal Utilities Board on December 30, 2024, adopted Resolution No. 8131 to impose a surcharge on users of the Drinking Water System (the "Surcharge") in order to repay the principal of and interest on the Bond; and

WHEREAS, the City Council has determined that the issuance of the Bond would be in the best interests of the City,

NOW, THEREFORE, BE IT RESOLVED by the City Council of City of Watertown, South Dakota, as follows:

ARTICLE I: THE BOND

Section 1.01 Findings. It is hereby found, determined and declared that:

- (a) The City is a political subdivision of the State of South Dakota and a body corporate and politic.
- (b) The City finds and determines that the improvements included in the Project are necessary for the health and welfare of the residents of the City, and the continuing ability of the City to provide safe drinking water to the users of the Drinking Water System.
- (c) As authorized by this Resolution and the Act, the City has determined that it is necessary and desirable to issue the Bond in a principal amount not to exceed \$3,403,610. The proceeds of the Bond are to be used (i) to pay a portion of the costs of the Project and (ii) to pay the costs of issuance of the Bond.
- (d) The Bond will be issued, sold and delivered by the City pursuant to the terms of the Revenue Obligation Loan Agreement between the City and SDCD (the "Loan Agreement").

Section 1.02 Authorization and Execution of Bond; Terms. The City will issue one fully registered Bond in the principal amount not to exceed the sum of \$3,403,610 (as defined in the Loan Agreement, the "Committed Amount"). The Bond will be designated "Drinking Water Surcharge Revenue Bond, Series 2025," will be numbered R-1 and will be dated as of the date of its issuance. The Bond will be payable in one hundred twenty (120) quarterly installments over a thirty-year period which will commence and be due in the manner provided in the Loan Agreement.

The Bond will bear interest at the rate of 1.625% per annum pursuant to the Loan Agreement. In addition, as required by the Loan Agreement, the City will pay the holder of the Bond an administrative expense surcharge on the outstanding principal amount of the Bond at a rate of .25% per annum. The Bond is issued under the authority of Chapters 9-40 and 6-8B of the South Dakota Codified Laws, as amended.

The Bond will be signed by the manual signatures of the Mayor and Finance Officer, and sealed with the corporate seal of the City, or a facsimile thereof. The approval hereby given to the Bond includes an approval of such additional details therein as may be necessary and appropriate and approved by the City's legal counsel prior to the execution thereof. The execution of the Bond by the Mayor and Finance Officer will be conclusive evidence of the approval of the Bond in accordance with the terms hereof.

Section 1.03 Authorization of Financing Documents. The documents required to accomplish the issuance of the Bond include the following:

- (a) the Revenue Obligation Loan Agreement between the SDCD and the City, and pursuant thereto to pledge the Surcharge revenues to secure the payment of the City's obligations thereunder;
- (b) the Bond; and
- (c) such other documents, agreements or instruments as may be necessary to make covenants and recite facts required to demonstrate the validity and enforceability of Bond under the laws of the State of South Dakota and to assure the exclusion of the interest thereon from the gross income of the owners of the Bond under the Code and to effectuate the terms and intent of this Resolution.

The execution and delivery of such documents is hereby authorized, approved and confirmed, and the Mayor and Finance Officer are hereby authorized and directed to execute and deliver the Loan Agreement in the form and content presented to the City Council on this date (the terms of which are incorporated herein by this reference), with such changes as the City Attorney deems appropriate and approves, for and on behalf of the City. The Mayor and Finance Officer are hereby further authorized and directed to implement and perform the covenants and obligations of the City as set forth in or required by the Loan Agreement.

Section 1.04 Form of Bond. The Bond will be in substantially the form set forth on Appendix B to the Loan Agreement.

Section 1.05 Sale of Bond. The sale of the Bond to the SDCD for the purchase price of \$3,403,610 plus interest accrued to the date of delivery of the Bond, is ratified and confirmed; and the officers of the City are authorized and directed to do any and all acts necessary to conclude delivery of the Bond to said purchaser, upon receipt of the purchase price, as soon after the effective date of this Resolution as is convenient.

Section 1.06 Application of Bond Proceeds. Proceeds of the Bond will be deposited in the manner provided in the Loan Agreement.

Section 1.07 Inspection of Documents. All documents referred to herein will be available for public inspection in the office of the Finance Officer during regular business hours.

ARTICLE II: SECURITY FOR THE BOND

Section 2.01 Pledge of Drinking Water Surcharge Revenues. Pursuant to SDCL 9-40-15, the City hereby irrevocably pledges to the SDCD all revenues received from the Surcharge (the "Pledged Revenues") in order to secure the City's obligation to

pay all amounts payable under the Loan Agreement and the Bond. The City will set aside and segregate in a separate account on a monthly basis such Pledged Revenues for payment of the principal and interest on the Bond.

Section 2.02 Deposit of Pledged Revenues. All moneys in the account provided for above will be deposited with such financial institution as designated from time to time by the City.

ARTICLE III: OTHER COVENANTS

Section 3.01 Compliance With Laws. The City hereby covenants and agrees with the holder or holders, from time to time of the Bond, that it will punctually perform all duties with reference to the Bond required by the Constitution and laws of the State of South Dakota and by this Resolution.

Section 3.02 Other Covenants. The City agrees and covenants that it will purchase the improvements included in the Project. The City will not sell, lease, mortgage or in any other manner dispose of the Project, or any substantial part thereof, until the Bond has been be paid in full. The City covenants and agrees with the owners of the Bond that it will prepare, keep and file records, statements and accounts as provided for in this Resolution and the Loan Agreement.

Section 3.03 Additional Bonds. Additional bonds payable from the Pledged Revenues may be issued on a parity with the Bond, but only as permitted in the Loan Agreement and no provision of this Resolution will have the effect of restricting the issuance of, or impairing the first lien of, such additional parity bonds. The City will have the right to issue additional bonds secured by a lien subordinate to the lien for the Bond but only as permitted by the Loan Agreement.

ARTICLE IV: MISCELLANEOUS

Section 4.01 Limited Obligations. The Bond, together with the interest thereon, will not constitute a charge against the City's general credit or taxing power, but will be a limited obligation of the City payable solely out of the Pledged Revenues, which payments, revenues and receipts are hereby and in the Loan Agreement pledged and assigned for the equal and ratable payments of the Bond and will be used for no other purpose than to pay the principal of and interest on the such Bond, except as may be otherwise expressly authorized in the Loan Agreement. The Bond will not constitute indebtedness within the meaning of any constitutional or statutory debt limitation.

Section 4.02 Severability. If any section, paragraph, clause or provision of this Resolution or the Loan Agreement is held invalid, the invalidity of such section, paragraph, clause or provision will not affect any of the other provisions of this Resolution or the Loan Agreement. The Mayor, Finance Officer, the City Attorney and City officials will be and they are hereby authorized to execute and deliver for and on behalf of the City the Bond any and all other certificates, documents or other papers and to perform such other acts as they may deem necessary or appropriate in order to implement and carry out the matters herein authorized.

Section 4.03 Retention of Bond Counsel. The City hereby retains the firm of Davenport, Evans, Hurwitz & Smith, L.L.P., Sioux Falls, South Dakota, to act as bond counsel with respect to the Bond.

Section 4.04 Effective Date. This Resolution, after its final passage, will be recorded in a book kept for that purpose, will be authenticated by the signature of the Mayor and Finance Officer, will be published in the City's officially designated newspaper, and will be effective on the 20th day following such publication. After becoming effective, this Resolution will be irrevocable until the Bond issued hereunder has been paid in full, except that prior to issuance of

the Bond, this Resolution may be amended at any time by adoption of an administrative resolution or ordinance.

ITEM 8131

Motion by Brenden with second by Larkin to approve **Resolution 8131**, a Resolution of the City of Watertown, South Dakota Municipal Utilities Board to adopt a surcharge applicable to users of the City's water system. Motion carried unanimously by roll call vote.

RESOLUTION OF THE CITY OF WATERTOWN, SOUTH DAKOTA MUNICIPAL UTILITIES BOARD TO ADOPT A SURCHARGE APPLICABLE TO USERS OF THE CITY'S WATER SYSTEM.

WHEREAS, the City of Watertown, South Dakota Municipal Utilities Board (the "Utilities Board") has determined that it is necessary to make certain modifications and improvements to the City's drinking water system (the "Water System") as described on Exhibit A; and

WHEREAS, in order to pay for a portion of the cost of such improvements, including engineering costs, legal and financing costs, and other related costs, the Utilities Board has recommended to the City Council to incur indebtedness and issue and sell the City's Drinking Water Surcharge Revenue Bond, Series 2025 (the "Bond") to the South Dakota Conservancy District; and

WHEREAS, the Utilities Board has proposed to adopt a surcharge pursuant to SDCL 9-40-15 (the "Surcharges") to repay the principal of and interest on the Bond,

NOW, THEREFORE, BE IT RESOLVED by the City of Watertown Municipal Utilities Board, as follows:

1. Surcharge. The Utilities Board does hereby establish, in addition to previously adopted surcharges, a surcharge in the amount of \$0.116 per CCF. The Surcharge will be imposed beginning January 1, 2025.

2. Surcharge Rate Adjustment. The Surcharge rate shall be subject to adjustment from time to time by resolution of the Utilities Board as necessary to repay the Bond over a period of thirty (30) years at an interest rate of one and seven-eighths percent (1.875%) in accordance with loan agreement to be entered into by the City of Watertown, the Utilities Board, and the South Dakota Conservancy District.

3. Segregated Revenues. The revenues collected from the Surcharge shall be segregated from all other funds of the City of Watertown and the Utilities Board, and shall be pledged to secure the Series 2025 Bond, , and until adequate provision has been made for the debt service on the Bonds, shall be used for no purpose other than for the repayment thereof. The Bonds shall be payable solely from such segregated revenues, and not from the general revenues of the Water System; provided that the Utilities Board may from time to time advance moneys from the general revenues of the Water System to make payments on the Bonds, but any moneys so advanced

shall be repaid from Surcharge collections within one year of the date of such advance.

EXHIBIT A

Project Description

Replacement of 4- and 8-inch cast-iron water mains installed between 1910 and the 1950s. Approximately 16,200 feet of 6-inch, 7,900 feet of 8-inch, and 4,000 feet of 16-inch PVC water main will be installed within existing city streets and rights-of-way. Valves will be replaced, and water mains will be looped to improve water quality and flows.

ITEM 8132

Motion by Larkin with second by Brenden to approve **Resolution 8132**, a resolution providing for salaries of Watertown Municipal Utilities employees for the period commencing January 1, 2025. Motion carried unanimously by roll call vote.

A RESOLUTION PROVIDING FOR THE SALARIES OF WATERTOWN MUNICIPAL UTILITIES EMPLOYEES FOR THE PERIOD COMMENCING JANUARY 1, 2025

WHEREAS Watertown Municipal Utilities employs public employees; and
WHEREAS Watertown Municipal Utilities, thru its Board, desires to formally establish 2025 compensation rates for all exempt employees and non-exempt employees; and

WHEREAS the Municipal Utilities Board with previous Board action at the November 25, 2024 Board Meeting thru Item #8113 authorized a three-year Contract with the IBEW Local 426 Union thus making the year 2025 the first year of the contract; and

WHEREAS the Contract provides for general wage increases of 4.5% on January 1, 2025, 4.5% on January 1, 2026, and 4.5% on January 1, 2027 for all non-exempt personnel covered under the union contract.

WHEREAS the Municipal Utilities Board has discussed and reviewed Staff salaries and recommends an increase of 4.5% for Twelve Staff positions including General Manager, Director of Operations, Director of Administration, Electric Superintendent, Gas Superintendent, Water Superintendent, Engineering Technician Superintendent, Customer Service/Billing/Collections Supervisor, Purchasing/Facilities/Accounting Supervisor, Human Resources/ Risk Coordinator, Information Systems Supervisor, Administrative Assistant/Board Secretary. In addition, the Board also recommends a 2% craft adjustment for the General Manager position, 2% craft adjustment for the Director of Operations position, 2% craft adjustment for the Director of Administration position, 3% craft adjustment for the Electric Superintendent position, 1% craft adjustment for the

Engineering Tech Superintendent position, 4% craft adjustment for the Information Systems Supervisor position, and 1% craft adjustment for the Executive Secretary position.

NOW THEREFORE BE IT RESOLVED by Watertown Municipal Utilities to establish the following rates:

Hourly Rate (unless specified) as of January 1, 2025

Electric Department: B Benson 11,203/mo; C Brown 31.28; S Catlette 53.24; T Ellingson 30.44; D Frost 29.46; D Gollnick 52.31; M Gollnick 29.46; A Jonnes 52.31; A Karst 13,979/mo; S Koehn 52.31; B Magstadt 14,133; M Meier 10,184/mo; M Meseberg 49.02; C Mohrmann 29.46; S Myers 32.02; A Niemann 52.31; L Pahl 34.46; B Ripley 42.26; S Ronke 41.51; J Rudebusch 52.31; M Rue 32.02; T Schafer 56.86; A Schultz 40.14; N Sime 52.31; C Stangl 49.02; D Sunne 52.31; R Suttan 8,013/mo; L Tolley 52.31; T Wirtjes 52.31; Steve Witte 52.31.

Water Department: U Araiza 37.88; W Berner 37.88; C Brenden 32.93; G Brown 8,408/mo; S Erickson 43.34; D Kraemer 39.90; J Kudrna 42.26; W Lovelis; 9,937/mo; C Mack 8,709/mo; R Mack 41.89; M McLaughlin 41.89; S Mennenga 9,029/mo; A Mitchell 38.33; L Redlin 37.88; J Settje 39.90; T Starr 41.89; S Struss 43.88; A Thorson 32.93; M Ward 45.51; M Wilson 37.88.

Gas Department: M Andrews 47.84; D Brage 47.84; A Erickson 9,846/mo; N Frost 40.72; B Gubka 49.27; J Jellis 49.27; C Kranz 53.51; S Lehner 19,983/mo; D LeVasseur 9,513; J Lunde 10,702/mo; T Pahl 44.80; T Remale 42.26; M Rost 40.14; K Roth 49.27; A Seim 29.46; B Warborg 53.23.

ITEM 8133

This being the time and place set for consideration of bids, the following was presented. Bid for Water Meters & Erts. These bids were opened Thursday, December 26th, 2024, at 1:30 PM by the Watertown Municipal Utilities Staff as authorized by the Board.

Water Meters & Erts: 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. All items are awarded to Dutton-Lanison Co., Hastings, NE. for \$335,950. Motion carried.

ITEM 8134

Open: a) Lehner presented the Bill Stuffer a)2025 Refuse and Recycling Manual/Trash Collection Calendar b)MRES \$1000 College/Undergrad Scholarship b)MRES \$2000 Lineworker/Powerline Scholarship

ITEM 8135

Magstadt presented the Report on Operations and Projects. Electric, Projects Completed this Month: We had 4 outages since the last report for a total of 73 unscheduled power outages in 2024, Projects in Progress: Installed 2000 KVA three-phase transformer at the Ethanol Plant, removed single-phase overhead line on 19th St. N. between 3rd Ave. & 10th Ave. Gas Department: Projects Completed this Month: Neil frost started as a welder on Dec. 23. Projects in Progress: OQ modules, hands on testing and welding tests. Water Department, Projects Completed this Month: 1 water main break for a total of 13 for the 2024 season, received 166 emails from Nov. 19 - Dec. 20 for a total of 349 unknown lead service line letters, inspected 75 by WMU and total of 424 identified as non-lead with 1,978 unknowns remaining. Engineering Tech: Projects Completed this Month: Updating maps, GIS data and misc. projects.

ITEM 8136

Karst presented the report on Administration and Financial Statements, Purchasing, Accounting and Facilities, Projects in Progress: Completed our 2024 physical inventory. Upcoming Projects: Purchasing inventory for 2025 construction projects. Customer Service, Projects Completed this Month: 14,944 Payments collected for a total of \$5,046,927 and 57,240 services billed for a total of \$4,707,944. Human Resources/Risk Management: Organized defensive driving course which is required every 3 years, promotion of Neil Frost, Water Distribution and Maintenance to Gas Welder-Fitter-Operator position, posted Water Distribution & Maintenance position, no inside applicants, received 12 outside applications and made an offer with a tentative start date of Jan. 6 pending pre-employment screenings. Information Systems working on Cybersecurity, Expanding wireless network, 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 \$2,597,491 above budget for the eleven months ending November 30th, 2024. Total Capital Additions are \$2,300,303 under budget for the eleven months ending November 30th,2024.

ITEM 8137

Motion made by Carter with second by Thomas to approve the following verified salary claims and bills. Motion carried unanimously upon roll call vote. Total Watertown Municipal Utilities Net Payroll for December 2024 Plus ACH Payroll Payments \$690,170.60. Change: T. Pahl, 42.87/hr. effective 11/21/2024.

Name	Payable Description	Payment Amount
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JANUARY 2, 2025		
ABC EMBROIDERY	SERVICE	\$158.40
ADV.ENGINEERING AND ENVIRONMENTAL SRVS, LLC	WTP SLAKER 1 & 3 CONTROL SYSTEM UPGRADES	\$23,661.55
AFLAC	ACCIDENT	\$1,702.31
AMARIL UNIFORM COMPANY	SAFETY CLOTHING	\$1,053.43
AMPP GLOBAL CENTER INC	TRAINING	\$520.00
A-OX WELDING SUPPLY INC	SUPPLIES	\$691.59
APPLICANT PRO	SERVICE	\$236.00
AQUA-PURE INC	SUPPLIES	\$1,237.50
AUTO BODY SPECIALTIES	SUPPLIES	\$54.06
BENDIX IMAGING INC	SUPPLIES	\$696.96
BORDER STATES ELECTRIC SUPPLY	VT PACKS	\$9,320.07
BORNS GROUP	POSTAGE & MAILING	\$13,360.32
BRIAN'S GLASS & DOOR INC	SUPPLIES #18	\$310.00
BUREAU OF ADMINISTRATION	STATE TELEPHONE NETWORK USAGE	\$65.94
BUTLER MACHINERY CO	SERVICE	\$1,297.62
CHASE CARDMEMBER SERVICE	CREDIT CARD	\$4,567.78
CHILD SUPPORT PAYMENT CENTER	EMPLOYEE DEDUCTION: CHILD SUPPORT	\$750.00
CHURCHILL, MANOLIS, FREEMAN, KLUDT & BURNS	LEGAL FEES	\$2,722.90
CODINGTON-CLARK ELECTRIC COOPERATIVE INC	WELLFIELD ELECTRIC SERVICE	\$5,436.00
CONSULTING ENGINEERS GROUP INC	SERVICE	\$530.00
CONTROL EQUIPMENT SALES, INC	2025 TDS SERVICE	\$7,840.80
CONVERGINT TECHNOLOGIES LLC	SERVICE	\$2,347.21
CORE & MAIN LP	SUPPLIES	\$752.09
CREATIVE VISIONS LANDSCAPE & DESIGN	SERVICE	\$300.00
CREDIT COLLECTIONS BUREAU	COLLECTIONS	\$212.30
DAKOTA DATA SHRED	SHREDDING SERVICE	\$82.91
DAKOTA DIRECTIONAL LLC	SERVICE	\$582.25
DAKOTA MAINSTEM	2025 DUES	\$8,540.50
DANR	2025 ENVIRONMENTAL FEE	\$50.00
DEPARTMENT OF HEALTH	WATER SAMPLES	\$639.00
DITCH WITCH OF SOUTH DAKOTA, INC	UTILITY LOCATOR	\$6,129.00
DLT SOLUTIONS, LLC	2025 SUBSCRIPTION	\$13,555.73
DSG DAKOTA SUPPLY GROUP	TRANSFORMER AS PER BID	\$86,470.85
DUININCK INC	CRUSHED CONCRETE	\$661.71
ETHANOL PRODUCTS LLC	BULK CO2	\$1,431.06
EVOLUTION POWERSPORTS	SUPPLIES	\$99.99
FIDELITY SECURITY LIFE INSURANCE CO. (EYEMED)	VISION INSURANCE	\$175.51
FOLEY AND FOLEY LAW OFFICE, PC	NOVEMBER LEGAL FEES	\$885.00
GANNETT MEDIA CORP	PUBLISHINGS	\$249.26
GRAINGER	SUPPLIES	\$989.23
HARRIS COMPUTER SYSTEMS	2025 SOFTWARE MAINTENANCE	\$72,637.00
HAWKINS, INC.	AZONE 15	\$10,647.90
IBEW LOCAL 426	UNION DUES	\$4,149.00
INTERSTATE ALL BATTERY CENTER	SUPPLIES	\$225.80
J H LARSON COMPANY	SUPPLIES	\$624.10
JURGENS PRINTING INC	SUPPLIES	\$1,393.00
LEHNER, STEVE	REIMBURSEMENT EXPENSE	\$238.10
LOVELIS, WAYNE	REIMBURSEMENT EXPENSE	\$134.81

MAC'S HARDWARE	SUPPLIES	\$141.88
MAGSTADT, BERT	REIMBURSEMENT EXPENSE	\$1,289.33
MATHESON TRI-GAS INC	SUPPLIES	\$269.34
MCKEEVER INC	SUPPLIES	\$595.00
MENARDS INC	SUPPLIES	\$3,748.90
MET LIFE	LIFE INSURANCE	\$1,664.49
MIDCONTINENT COMMUNICATIONS	INTERNET, CABLE & PHONE SERVICE	\$1,887.90
MIDWEST ENERGY ASSOCIATION	2025 MEMBERSHIP DUES	\$1,993.90
MILBANK WINWATER WORKS	SUPPLIES	\$5,825.32
MILLERBERND MFG CO	LIGHT POLES	\$15,555.00
MINNESOTA MUNICIPAL UTILITIES ASSN	2025 MEMBERSHIP DUES	\$540.00
MISSOURI RIVER ENERGY SERVICES	SERVICE	\$947.50
MUNICIPAL UTILITIES - PC	REPLENISH PETTY CASH	\$152.29
MUNICIPAL UTILITIES-NSF CHECK ACCO	REIMBURSE NSF FUND	\$1,617.25
MUNICIPAL UTILITIES-REFUND ACCT	REFUNDS OF CREDITS ON ACCOUNTS	\$6,104.56
MUTH ELECTRIC INC	SERVICE	\$534.00
NORTHERN NATURALGAS CO.	PURCHASED GAS	\$1,520.09
NORTHERN TRUCK EQUIP CORP	SUPPLIES	\$359.30
OFFICE PEEPS	SUPPLIES	\$1,120.82
PAYMENTUS GROUP INC.	SERVICE	\$59.70
PETE LIEN & SONS	BULK LIME	\$28,304.42
PRINCIPAL FINANCIAL GROUP	DENTAL INSURANCE	\$1,490.64
RELIABANK DAKOTA	FLEX DC	\$6,435.22
REVOLT ELECTRICAL SERVICES INC.	SERVICE - PELICAN SUBSTATION	\$3,450.00
RODENBURG LAW FIRM	EMPLOYEE DEDUCTION	\$150.00
RON'S SAW SALES	SUPPLIES	\$98.44
RUNNING'S SUPPLY INC	SUPPLIES	\$1,898.86
S & P GLOBAL INC	2025 SUBSCRIPTION	\$7,615.00
SANFORD WATERTOWN OCCUPATIONAL MEDICINE	SERVICE	\$236.00
SCHOOL BOARD OF ED	ENERGY INCENTIVE REBATE	\$13,769.00
SCOTT SCHROEDER	ENERGY INCENTIVE REBATE	\$500.00
SD FEDERAL PROPERTY AGENCY	SUPPLIES	\$121.69
SD ONE CALL	LOCATES	\$219.45
SERVICEMASTER OF WATERTOWN	JANITORIAL SERVICE	\$4,120.00
SIOUX VALLEY CO-OP	FUEL, SUPPLIES	\$5,557.65
SIOUX VALLEY GREENHOUSES	SERVICE	\$1,290.00
SKILLPATH SEMINAR	TRAINING EXPENSE	\$447.00
STAR LAUNDRY	SERVICE	\$556.21
STUART C IRBY CO	16' ST LIGHT POLES AS PER BID	\$10,175.00
SUBSURFACE SOLUTIONS	RADIODETECTION EQUIPMENT	\$9,819.14
TECHNICOLOR SCREEN PRINTING INC.	SUPPLIES	\$203.98
TEREX USA, LLC	SERVICE - UNIT 28	\$23,801.74
TOSHIBA FINANCIAL SERVICES	COPIER LEASE	\$489.39
TRAV'S OUTFITTER	SAFETY CLOTHING	\$18,626.70
TRUGREEN	SUPPLIES	\$576.00
TYLER BUSINESS FORMS	SUPPLIES	\$132.23
TYLER TECHNOLOGIES	2025 SOFTWARE MAINTENANCE	\$21,358.33
TYNDALE COMPANY INC	SAFETY CLOTHING	\$2,982.80
USA BLUEBOOK	SUPPLIES	\$362.87

WATERTOWN DEVELOPMENT COMPANY	INDUSTRIAL DEVELOPMENT EXPENSE	\$8,690.00
WATERTOWN UNITED WAY	United Way	\$225.00
WESCO DISTRIBUTION INC	4 POSITION MODULE ELASTIMOLDS	\$25,516.62
WILSON BOHANNAN COMPANY	PADLOCKS	\$2,589.39
	TOTAL	<u>\$538,151.88</u>

Total December 2024 \$538,151.88; Transfer to City's General Fund \$120,500.00, Muni Utilities Electric Water Gas \$45,120.72; Missouri River Energy Services Power \$1,578,717.12; BP Canada Energy Marketing Natural Gas \$93,552.90; Dept. of Revenue Sales/Excise Tax \$191,265.96; CPEP #3 Natural Gas \$53,014.50, CPEP #4 Natural Gas \$40,749.00, CPEP #5 Natural Gas \$141,750.00, CPEP #3 Hedge \$63,658.50, CPEP #4 Hedge \$7,803.29. City Finance Office Garbage/Sewer \$661,219.49.

ITEM 8138

Pursuant to SDCL 1-25-2(3) Larkin moved with second by Carter to move to Executive Session. The Board does not 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 Brenden 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 30th, day of December,2024.

ATTEST: _____

Lisa Pahl
Board Secretary
Municipal Utilities Board

Micheal Luken
Board President
Municipal Utilities Department